EXHIBIT F

Annual Statutory Financial Statements of the Applicant for the Periods Ending December 31 of each of 2014, 2015, 2016, 2017 and 2018

Please see attached.

54631201320100100

ANNUAL STATEMENT

For the Year Ended December 31, 2013

of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code.....000, 000 (Current Period) (Prior Period) | NAIC Company Code..... 54631 | Employer's ID Number..... 56-0894904

Organized under the Laws of North Carolina | State of Domicile or Port of Entry North Carolina | Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY | Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 | Commenced Business..... January 1, 1968

Statutory Home Office	5901 Chapel Hill Blvd….. Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	5901 Chapel Hill Blvd….. Durham ..... NC .....27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291….. Durham ..... NC ..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	5901 Chapel Hill Blvd….. Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)*
	tom.krebs@bcbsnc.com *(E-Mail Address)*	919-765-7107 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. James Bradley Wilson	President & Chief Executive Officer	2. Maureen Kelley O'Connor #	EVP, Chief Strategy Officer & Innovation Officer
3. Alan Hughes	EVP, Chief Operating Officer	4. Gerald Allan Petkau	SVP, Chief Financial Officer

OTHER

Don Wayne Bradley	SVP, Chief Medical Officer	John Thomas Roos	SVP, Chief Sales, Marketing & Communications Officer
Fara Marie Palumbo	SVP, Chief Human Resources Officer	Nathan King Prather	SVP, General Counsel & Corporate Secretary
Jogenia Harrell Abernathy	Chief Information Officer	Daniel Fulton Atherton	VP, State Operations
Bradley Thomas Adcock	VP, Government Affairs	Gary Paul Bolt	VP, Individual & Small Group Markets
Andrew Benjamin Brynes #	VP, Strategy & Business Development	Barbara Morales-Burke	VP, Health Policy & Chief Compliance Officer
Lisa Lindoe Cade	VP, Network Management	Brian James Caveney	VP, Sales Consultation & Support
Steven Gary Cherrier	Chief Investment Officer & Assistant Treasurer	Robert Gayle Cimo, Jr #	VP & Deputy General Counsel & Assistant Corporate Secretary
Kenneth Steven Crist	VP, Sales, Group Markets	Diane Grace DeGroff #	VP, Enterprise Sourcing Governance
James Patrick Emmons	VP, Expense Analysis and Workplace Resources	John Hock-Kong Fong #	VP, Medical & Pharmacy Integration & Support
Katrina Ilene Gesh #	VP, Government Operations	Patrick Kim Getzen	VP, Actuarial & Underwriting & Chief Actuary

DIRECTORS OR TRUSTEES

Lars Steven Nelson, Chairman	James Bradley Wilson	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Frank Brown Holding, Jr.	William Hardy Bryan	Harold Lee Martin, Sr., Ph.D.
Cecil Daryl Hollis	John Onslow McNairy	Jimmy Walker Phillips	Lisa Anne Carey, MD

State of..... North Carolina
County of.....Orange

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

(Signature)	(Signature)	(Signature)
James Bradley Wilson	Nathan King Prather	Gerald Allan Petkau
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	SVP, General Counsel & Corporate Secretary	SVP, Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

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 _____

OTHER (continued)

Laura Haymes Gorry #	VP, Claims Administration & Membership
Kathryn Mary Higgins	VP, Corporate Affairs
James Jackson Kenley, Sr. #	VP,Sales & Marketing, State Health Plan Executive
Debra Schell MacClennan #	VP, Medical Expense & Quality
Lynn Sessler McNeal	VP, BCBSNC Topaz Program Executive
Robin Carole Miller	VP, People Strategies
John Michael Parkerson	VP, Marketing
Tarsha Vanessa Rowland	VP, Service Operations
Pariyast Joeseph Sinsangkeo #	VP, IS Business Applications
Susan Tucker Weaver #	VP, Health Delivery Redesign
Patricia M. Hatfield	VP & Deputy General Counsel
Samantha Jane Bureau-Johnson #	VP, Business Process Excellence & Project Management
Sean Michael Kerns #	VP, Specialty Markets & Sales Operations
Adrienna Yvette Maisonet-Morales	VP, Blue University
Debbie Livengood Miller	VP, Care Management & Operations
Susan Cleland Helm-Murtaugh	VP, Information Management & Analytic Services
Mitchell Wade Perry	VP, Financial Services & Treasurer
Maticia Cotton Sims	VP, Audit & Chief Risk Officer
Kara Anne Taff #	VP, Medicare Operations
Latisha Hamilton-Williams #	VP, Total Rewards & People Services

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,703,926,378	26,298,793	1,677,627,585	1,638,925,487
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	1,297,252,952	257,168	1,296,995,784	1,067,227,928
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	71,347,784		71,347,784	62,259,398
4.2 Properties held for the production of income (less $.....0 encumbrances)	2,996,346		2,996,346	5,554,252
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(8,776,682), Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....25,884,597, Schedule DA)	22,651,452	5,543,537	17,107,915	189,690,627
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	185,961,347		185,961,347	88,684,545
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	1,114,931	1,114,931	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,285,251,190	33,214,429	3,252,036,761	3,052,342,237
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	21,416,943		21,416,943	20,165,959
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	184,553,373	1,756,300	182,797,073	118,906,136
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	40,552
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	155,723,004	10,532,520	145,190,484	86,475,481
18.1 Current federal and foreign income tax recoverable and interest thereon	9,922,216		9,922,216	
18.2 Net deferred tax asset	116,894,056	2,025,138	114,868,918	139,165,238
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	40,994,390	39,470,954	1,523,436	2,471,228
21. Furniture and equipment, including health care delivery assets ($.....0)	15,793,809	15,793,809	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	4,050,889		4,050,889	6,762,254
24. Health care ($.....25,027,436) and other amounts receivable	56,112,218	31,084,782	25,027,436	17,983,785
25. Aggregate write-ins for other than invested assets	272,077,681	242,123,807	29,953,874	54,239,387
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,162,789,769	376,001,739	3,786,788,030	3,498,552,257
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	4,162,789,769	376,001,739	3,786,788,030	3,498,552,257
DETAILS OF WRITE-INS				
1101. Goodwill	1,114,931	1,114,931	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	1,114,931	1,114,931	0	0
2501. Prepaid Retirement	89,599,319	89,599,319	0	
2502. AR- VEBA	2,475,610		2,475,610	1,925,850
2503. Automobiles	46,045	46,045	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	179,956,707	152,478,443	27,478,264	52,313,537
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	272,077,681	242,123,807	29,953,874	54,239,387

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....1,653,299 reinsurance ceded)	464,309,407	4,689,994	468,999,401	436,372,122
2.	Accrued medical incentive pool and bonus amounts	520,116		520,116	
3.	Unpaid claims adjustment expenses	11,097,570	112,097	11,209,667	8,441,815
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	376,158,001		376,158,001	394,299,560
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	149,524,510		149,524,510	141,008,030
9.	General expenses due or accrued	251,433,696		251,433,696	229,003,913
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))			0	7,535,366
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	247,199		247,199	306,817
13.	Remittances and items not allocated	6,470,517		6,470,517	2,815,136
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	2,717,006		2,717,006	3,001,897
16.	Derivatives			0	
17.	Payable for securities	456,528		456,528	27,153,680
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	58,178,893		58,178,893	100,393,554
23.	Aggregate write-ins for other liabilities (including $.....0 current)	72,339,676	0	72,339,676	67,216,018
24.	Total liabilities (Lines 1 to 23)	1,393,453,119	4,802,091	1,398,255,210	1,417,547,908
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	716,071,701	658,380,110
31.	Unassigned funds (surplus)	XXX	XXX	1,672,461,119	1,422,624,239
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,388,532,820	2,081,004,349
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,786,788,030	3,498,552,257

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	67,998,657		67,998,657	57,858,418
2302.	Accounts Payable	4,041,048		4,041,048	3,475,199
2303.	Unearned Rent	297,499		297,499	327,500
2398.	Summary of remaining write-ins for Line 23 from overflow page	2,472	0	2,472	5,554,901
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	72,339,676	0	72,339,676	67,216,018
2501.		XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	Contingency Reserve	XXX	XXX	716,071,701	658,380,110
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	716,071,701	658,380,110

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	20,162,345	18,395,481
2.	Net premium income (including $.....0 non-health premium income)	XXX	5,819,892,346	5,242,403,167
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(841,947)	5,794,666
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	299,339	0
7.	Aggregate write-ins for other non-health revenues	XXX	(3,269,970)	4,101,253
8.	Total revenues (Lines 2 to 7)	XXX	5,816,079,768	5,252,299,086
Hospital and Medical:				
9.	Hospital/medical benefits		3,627,871,100	3,222,285,148
10.	Other professional services	6,410,195	248,810,130	197,032,557
11.	Outside referrals			
12.	Emergency room and out-of-area	378,870	290,306,096	271,565,487
13.	Prescription drugs		875,306,896	841,033,015
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		520,116	
16.	Subtotal (Lines 9 to 15)	6,789,065	5,042,814,338	4,531,916,207
Less:				
17.	Net reinsurance recoveries		6,898,767	7,918,589
18.	Total hospital and medical (Lines 16 minus 17)	6,789,065	5,035,915,571	4,523,997,618
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....161,383,469 cost containment expenses	2,136,674	455,081,921	342,003,353
21.	General administrative expenses		406,297,483	434,256,292
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(46,704,497)	(35,122,317)
23.	Total underwriting deductions (Lines 18 through 22)	8,925,739	5,850,590,478	5,265,134,946
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(34,510,710)	(12,835,860)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		129,929,010	105,187,309
26.	Net realized capital gains or (losses) less capital gains tax of $.....15,183,442		28,197,822	(3,160,802)
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	158,126,832	102,026,507
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	25,721,943	27,548,534
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	149,338,065	116,739,181
31.	Federal and foreign income taxes incurred	XXX	(30,722,523)	27,616,393
32.	Net income (loss) (Lines 30 minus 31)	XXX	180,060,588	89,122,788

DETAILS OF WRITE-INS

0601.	Reinsurance Experienced Refund	XXX	299,339	
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	299,339	0
0701.	Loss on Fixed Assets	XXX	(3,556,158)	(1,095,651)
0702.	North Carolina Transferable State Tax Credits	XXX	286,188	5,196,904
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	(3,269,970)	4,101,253
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		25,721,943	27,548,534
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	25,721,943	27,548,534

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,081,004,349	1,816,172,763
34. Net income or (loss) from Line 32	180,060,588	89,122,788
35. Change in valuation basis of aggregate policy and claim reserves	(27,769,220)	1,198,235
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....52,874,291	79,106,119	77,365,943
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(58,838,323)	11,523,626
39. Change in nonadmitted assets	177,785,425	24,879,679
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		65,240,114
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(42,816,118)	(4,498,799)
48. Net change in capital and surplus (Lines 34 to 47)	307,528,471	264,831,586
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,388,532,820	2,081,004,349

DETAILS OF WRITE-INS

4701. Additional Minimum Pension	12,568,139	9,146,425
4702. Additional Liability for Pension Benefits	(55,384,257)	
4703. Prior Year Correction of Deferred Tax Assets		(13,645,224)
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(42,816,118)	(4,498,799)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	5,765,984,241	5,242,193,843
2.	Net investment income	139,507,656	116,923,930
3.	Miscellaneous income	(2,970,631)	4,101,253
4.	Total (Lines 1 through 3)	5,902,521,266	5,363,219,026
5.	Benefit and loss related payments	4,999,488,932	4,464,979,779
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	772,943,791	714,510,448
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(7,712,271)	11,352,690
10.	Total (Lines 5 through 9)	5,764,720,452	5,190,842,917
11.	Net cash from operations (Line 4 minus Line 10)	137,800,814	172,376,109
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	303,960,214	500,983,541
	12.2 Stocks	100,888,860	5,916,521
	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		1,412
	12.7 Miscellaneous proceeds	1,827,631	16,150,878
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	406,676,705	523,052,352
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	346,232,229	352,609,123
	13.2 Stocks	115,479,635	250,558,140
	13.3 Mortgage loans		
	13.4 Real estate	12,393,146	3,471,667
	13.5 Other invested assets	96,494,280	83,933,588
	13.6 Miscellaneous applications	26,697,153	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	597,296,443	690,572,518
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(190,619,738)	(167,520,166)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(116,467,524)	70,262,257
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(116,467,524)	70,262,257
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(169,286,448)	75,118,200
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	191,937,900	116,819,700
	19.2 End of year (Line 18 plus Line 19.1)	22,651,452	191,937,900

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

20.0001	Charitable foundation contributions	10,000,000	

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	5,819,892,346	3,308,813,972	314,647,186	87,970,793	4,827,775	896,882,639	1,065,687,311		141,062,670	
2. Change in unearned premium reserves and reserve for rate credit	(841,947)					(841,947)				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	299,339	0	0	0	0	0	0	0	299,339	XXX
6. Aggregate write-ins for other non-health care related revenues	(3,269,970)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,269,970)
7. Total revenues (Lines 1 to 6)	5,816,079,768	3,308,813,972	314,647,186	87,970,793	4,827,775	896,040,692	1,065,687,311	0	141,362,009	(3,269,970)
8. Hospital/medical benefits	3,627,871,100	2,006,728,169	162,955,785			590,975,953	826,123,240		41,087,953	XXX
9. Other professional services	248,810,130	125,335,023	10,177,795	69,481,646	3,434,764	36,910,821			3,470,081	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	290,306,096	187,366,380	15,215,033			55,178,886	28,709,452		3,836,345	XXX
12. Prescription drugs	875,306,896	514,483,383	41,778,475			151,513,948	101,628,936		65,902,154	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	520,116						520,116			XXX
15. Subtotal (Lines 8 to 14)	5,042,814,338	2,833,912,955	230,127,088	69,481,646	3,434,764	834,579,608	956,981,744	0	114,296,533	XXX
16. Net reinsurance recoveries	6,898,767								6,898,767	XXX
17. Total hospital and medical (Lines 15 minus 16)	5,035,915,571	2,833,912,955	230,127,088	69,481,646	3,434,764	834,579,608	956,981,744	0	107,397,766	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....161,383,469 cost containment expenses	455,081,921	327,040,767	20,801,135	2,017,865	114,009	27,963,444	71,792,761		5,351,940	
20. General administrative expenses	406,297,483	223,716,410	41,644,634	12,326,511	696,445	28,016,757	74,482,012		25,414,714	
21. Increase in reserves for accident and health contracts	(46,704,497)	(45,894,965)	(809,532)							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	5,850,590,478	3,338,775,167	291,763,325	83,826,022	4,245,218	890,559,809	1,103,256,517	0	138,164,420	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(34,510,710)	(29,961,195)	22,883,861	4,144,771	582,557	5,480,883	(37,569,206)	0	3,197,589	(3,269,970)
DETAILS OF WRITE-INS										
0501. Reinsurance Experienced Refund	299,339								299,339	XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	299,339	0	0	0	0	0	0	0	299,339	XXX
0601. Loss on Fixed Assets	(3,556,158)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,556,158)
0602. North Carolina Transferable State Tax Credits	286,188	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	286,188
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	(3,269,970)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,269,970)
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	3,308,813,972			3,308,813,972
2. Medicare supplement	314,647,186			314,647,186
3. Dental only	87,970,793			87,970,793
4. Vision only	4,827,775			4,827,775
5. Federal employees health benefits plan	896,882,639			896,882,639
6. Title XVIII - Medicare	1,065,687,311			1,065,687,311
7. Title XIX - Medicaid				0
8. Other health	151,946,377		10,883,707	141,062,670
9. Health subtotal (Lines 1 through 8)	5,830,776,053	0	10,883,707	5,819,892,346
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	5,830,776,053	0	10,883,707	5,819,892,346

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	5,006,268,846	2,819,159,756	228,957,569	68,451,804	3,370,453	836,194,979	936,765,168		113,369,117	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	6,779,914								6,779,914	
1.4 Net	4,999,488,932	2,819,159,756	228,957,569	68,451,804	3,370,453	836,194,979	936,765,168	0	106,589,203	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	470,652,700	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974		3,092,079	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	1,653,299								1,653,299	
3.4 Net	468,999,401	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974	0	1,438,780	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	520,116						520,116			
6. Net healthcare receivables (a)	(3,279,244)	(1,625,441)	(15,850)						(1,637,953)	
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	437,906,568	232,638,233	26,244,436	2,626,784	128,798	88,951,187	83,514,514		3,802,616	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	1,534,446								1,534,446	
8.4 Net	436,372,122	232,638,233	26,244,436	2,626,784	128,798	88,951,187	83,514,514	0	2,268,170	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	5,042,294,222	2,833,912,955	230,127,088	69,481,646	3,434,764	834,579,608	956,461,628	0	114,296,533	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	6,898,767	0	0	0	0	0	0	0	6,898,767	0
12.4 Net	5,035,395,455	2,833,912,955	230,127,088	69,481,646	3,434,764	834,579,608	956,461,628	0	107,397,766	0
13. Incurred medical incentive pools and bonuses	520,116	0	0	0	0	0	520,116	0	0	0

(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 (Medical and Hospital)	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	160,904,648	80,611,245	10,466,076			28,646,148	41,181,179			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	160,904,648	80,611,245	10,466,076	0	0	28,646,148	41,181,179	0	0	0
2. Incurred but unreported:										
2.1 Direct	309,748,052	165,154,746	16,932,029	3,656,626	193,109	58,689,668	62,029,795		3,092,079	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	1,653,299								1,653,299	
2.4 Net	308,094,753	165,154,746	16,932,029	3,656,626	193,109	58,689,668	62,029,795	0	1,438,780	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	470,652,700	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974	0	3,092,079	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,653,299	0	0	0	0	0	0	0	1,653,299	0
4.4 Net	468,999,401	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974	0	1,438,780	0

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)	210,184,479	2,608,975,276	26,344,388	219,421,602	236,528,867	232,638,232
2. Medicare supplement	27,228,437	201,729,133	130,184	27,267,922	27,358,621	26,244,436
3. Dental only	4,465,096	63,986,708	28,458	3,628,168	4,493,554	2,626,784
4. Vision only	307,472	3,062,981		193,109	307,472	128,798
5. Federal employees health benefits plan	82,160,560	754,034,418		87,335,816	82,160,560	88,951,187
6. Title XVIII - Medicare	76,184,790	860,580,378	653,637	102,557,337	76,838,427	83,514,515
7. Title XIX - Medicaid					0	
8. Other health	1,169,812	105,419,392		1,438,780	1,169,812	2,268,170
9. Health subtotal (Lines 1 to 8)	401,700,646	4,597,788,286	27,156,667	441,842,734	428,857,313	436,372,122
10. Healthcare receivables (a)	53,900,002				53,900,002	57,179,246
11. Other non-health					0	
12. Medical incentive pools and bonus amounts				520,116	0	
13. Totals (Lines 9 - 10 + 11 + 12)	347,800,644	4,597,788,286	27,156,667	442,362,850	374,957,311	379,192,876

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	306,006	302,373	302,374	302,374	302,374
2. 2009	3,636,282	3,950,655	3,950,744	3,950,744	3,950,744
3. 2010	XXX	3,756,633	4,070,380	4,071,283	4,071,283
4. 2011	XXX	XXX	3,814,650	4,171,950	4,173,891
5. 2012	XXX	XXX	XXX	4,106,780	4,506,542
6. 2013	XXX	XXX	XXX	XXX	4,597,788

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	329,017	302,374	302,374	302,374	302,374
2. 2009	3,968,510	3,968,238	3,950,744	3,950,744	3,950,744
3. 2010	XXX	4,073,705	4,083,289	4,071,283	4,071,283
4. 2011	XXX	XXX	4,188,907	4,186,141	4,173,891
5. 2012	XXX	XXX	XXX	4,528,963	4,533,700
6. 2013	XXX	XXX	XXX	XXX	5,040,150

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	4,716,354	3,950,744	254,227	6.4	4,204,971	89.2			4,204,971	89.2
2. 2010	4,683,359	4,071,283	224,526	5.5	4,295,809	91.7			4,295,809	91.7
3. 2011	4,969,985	4,173,891	240,942	5.8	4,414,833	88.8			4,414,833	88.8
4. 2012	5,242,403	4,506,541	332,171	7.4	4,838,712	92.3	27,158	634	4,866,504	92.8
5. 2013	5,819,893	4,597,786	423,159	9.2	5,020,945	86.3	442,361	10,576	5,473,882	94.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	190,243	189,909	189,909	189,909	189,909
2. 2009	2,373,427	2,558,610	2,559,190	2,559,190	2,559,190
3. 2010	XXX	2,379,499	2,553,627	2,554,221	2,554,221
4. 2011	XXX	XXX	2,334,962	2,520,941	2,522,177
5. 2012	XXX	XXX	XXX	2,384,117	2,593,065
6. 2013	XXX	XXX	XXX	XXX	2,608,975

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	212,458	189,909	189,909	189,909	189,909
2. 2009	2,570,369	2,572,011	2,559,190	2,559,190	2,559,190
3. 2010	XXX	2,563,556	2,564,795	2,554,221	2,554,221
4. 2011	XXX	XXX	2,530,897	2,523,310	2,522,177
5. 2012	XXX	XXX	XXX	2,614,385	2,619,409
6. 2013	XXX	XXX	XXX	XXX	2,828,398

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	3,090,509	2,559,190	189,623	7.4	2,748,813	88.9			2,748,813	88.9
2. 2010	2,951,716	2,554,221	165,156	6.5	2,719,377	92.1			2,719,377	92.1
3. 2011	3,048,596	2,522,177	173,999	6.9	2,696,176	88.4			2,696,176	88.4
4. 2012	3,087,463	2,593,065	247,679	9.6	2,840,744	92.0	26,344	630	2,867,718	92.9
5. 2013	3,308,814	2,608,975	217,077	8.3	2,826,052	85.4	219,423	5,244	3,050,719	92.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	24,142	24,436	24,436	24,436	24,436
2. 2009	181,109	201,366	201,659	201,659	201,659
3. 2010	XXX	189,607	218,705	218,998	218,998
4. 2011	XXX	XXX	180,996	209,613	209,906
5. 2012	XXX	XXX	XXX	191,072	218,007
6. 2013	XXX	XXX	XXX	XXX	201,730

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	24,298	24,436	24,436	24,436	24,436
2. 2009	205,866	201,742	201,659	201,659	201,659
3. 2010	XXX	213,894	218,931	218,998	218,998
4. 2011	XXX	XXX	205,017	210,086	209,906
5. 2012	XXX	XXX	XXX	216,845	218,139
6. 2013	XXX	XXX	XXX	XXX	228,998

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	277,309	201,659	19,043	9.4	220,702	79.6			220,702	79.6
2. 2010	290,121	218,998	16,381	7.5	235,379	81.1			235,379	81.1
3. 2011	297,310	209,906	15,218	7.2	225,124	75.7			225,124	75.7
4. 2012	295,458	218,007	4,090	1.9	222,097	75.2	132	3	222,232	75.2
5. 2013	314,647	201,730	23,706	11.8	225,436	71.6	27,266	652	253,354	80.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	1,818	1,833	1,833	1,833	1,833
2. 2009	33,603	35,777	35,791	35,791	35,791
3. 2010	XXX	39,766	42,703	42,718	42,718
4. 2011	XXX	XXX	46,670	50,093	50,109
5. 2012	XXX	XXX	XXX	54,161	58,610
6. 2013	XXX	XXX	XXX	XXX	63,987

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	1,806	1,833	1,833	1,833	1,833
2. 2009	35,338	35,793	35,791	35,791	35,791
3. 2010	XXX	41,839	43,066	42,718	42,718
4. 2011	XXX	XXX	48,148	50,145	50,109
5. 2012	XXX	XXX	XXX	56,735	58,638
6. 2013	XXX	XXX	XXX	XXX	67,615

12.DO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	46,876	35,791	1,761	4.9	37,552	80.1			37,552	80.1
2. 2010	57,683	42,718	2,037	4.8	44,755	77.6			44,755	77.6
3. 2011	67,542	50,109	92	0.2	50,201	74.3			50,201	74.3
4. 2012	77,653	58,610	468	0.8	59,078	76.1	28	1	59,107	76.1
5. 2013	87,971	63,987	3,244	5.1	67,231	76.4	3,628	87	70,946	80.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	164	164	164	164	164
2. 2009	1,097	1,277	1,277	1,277	1,277
3. 2010	XXX	1,201	1,406	1,406	1,406
4. 2011	XXX	XXX	1,366	1,623	1,623
5. 2012	XXX	XXX	XXX	2,036	2,344
6. 2013	XXX	XXX	XXX	XXX	3,063

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	164	164	164	164	164
2. 2009	1,166	1,277	1,277	1,277	1,277
3. 2010	XXX	1,260	1,406	1,406	1,406
4. 2011	XXX	XXX	1,436	1,623	1,623
5. 2012	XXX	XXX	XXX	2,167	2,344
6. 2013	XXX	XXX	XXX	XXX	3,253

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	1,777	1,277	74	5.8	1,351	76.0			1,351	76.0
2. 2010	1,335	1,406	63	4.5	1,469	110.0			1,469	110.0
3. 2011	2,289	1,623	6	0.4	1,629	71.2			1,629	71.2
4. 2012	2,561	2,344	34	1.5	2,378	92.9			2,378	92.9
5. 2013	4,828	3,063	169	5.5	3,232	66.9	192	5	3,429	71.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	58,471	54,863	54,864	54,864	54,864
2. 2009	614,890	675,797	674,999	674,999	674,999
3. 2010	XXX	651,041	711,824	711,825	711,825
4. 2011	XXX	XXX	666,122	759,097	759,493
5. 2012	XXX	XXX	XXX	727,035	808,801
6. 2013	XXX	XXX	XXX	XXX	754,034

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	59,118	54,864	54,864	54,864	54,864
2. 2009	682,561	679,418	674,999	674,999	674,999
3. 2010	XXX	716,780	712,442	711,825	711,825
4. 2011	XXX	XXX	752,500	766,950	759,493
5. 2012	XXX	XXX	XXX	808,133	808,801
6. 2013	XXX	XXX	XXX	XXX	841,370

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	723,109	674,999	15,161	2.2	690,160	95.4			690,160	95.4
2. 2010	755,483	711,825	19,887	2.8	731,712	96.9			731,712	96.9
3. 2011	790,118	759,493	17,114	2.3	776,607	98.3			776,607	98.3
4. 2012	872,820	808,800	33,224	4.1	842,024	96.5			842,024	96.5
5. 2013	896,883	754,032	76,300	10.1	830,332	92.6	87,336	2,087	919,755	102.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	26,558	26,558	26,558	26,558	26,558
2. 2009	354,391	395,770	395,770	395,770	395,770
3. 2010	XXX	379,458	424,571	424,571	424,571
4. 2011	XXX	XXX	473,037	518,309	518,309
5. 2012	XXX	XXX	XXX	639,565	715,751
6. 2013	XXX	XXX	XXX	XXX	860,580

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	26,562	26,558	26,558	26,558	26,558
2. 2009	392,047	395,939	395,770	395,770	395,770
3. 2010	XXX	418,740	425,105	424,571	424,571
4. 2011	XXX	XXX	537,734	521,753	518,309
5. 2012	XXX	XXX	XXX	719,636	716,405
6. 2013	XXX	XXX	XXX	XXX	963,658

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	460,596	395,770	21,540	5.4	417,310	90.6			417,310	90.6
2. 2010	494,619	424,571	15,661	3.7	440,232	89.0			440,232	89.0
3. 2011	616,103	518,309	29,383	5.7	547,692	88.9			547,692	88.9
4. 2012	760,776	715,751	40,147	5.6	755,898	99.4	654		756,552	99.4
5. 2013	1,065,687	860,580	101,355	11.8	961,935	90.3	103,077	2,467	1,067,479	100.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009					
3. 2010	XXX				
4. 2011	XXX	XXX			
5. 2012	XXX	XXX	XXX		
6. 2013	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior					
2. 2009					
3. 2010	XXX				
4. 2011	XXX	XXX			
5. 2012	XXX	XXX	XXX		
6. 2013	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009				0	0	0.0			0	0.0
2. 2010				0.0	0	0.0			0	0.0
3. 2011				0.0	0	0.0			0	0.0
4. 2012				0.0	0	0.0			0	0.0
5. 2013				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	4,610	4,610	4,610	4,610	4,610
2. 2009	77,765	82,058	82,058	82,058	82,058
3. 2010	XXX	116,061	117,544	117,544	117,544
4. 2011	XXX	XXX	111,497	112,274	112,274
5. 2012	XXX	XXX	XXX	108,794	109,964
6. 2013	XXX	XXX	XXX	XXX	105,419

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	4,611	4,610	4,610	4,610	4,610
2. 2009	81,163	82,058	82,058	82,058	82,058
3. 2010	XXX	117,636	117,544	117,544	117,544
4. 2011	XXX	XXX	113,175	112,274	112,274
5. 2012	XXX	XXX	XXX	111,062	109,964
6. 2013	XXX	XXX	XXX	XXX	106,858

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009	116,178	82,058	7,025	8.6	89,083	76.7			89,083	76.7
2. 2010	132,402	117,544	5,341	4.5	122,885	92.8			122,885	92.8
3. 2011	148,027	112,274	5,130	4.6	117,404	79.3			117,404	79.3
4. 2012	145,672	109,964	6,529	5.9	116,493	80.0			116,493	80.0
5. 2013	141,063	105,419	1,308	1.2	106,727	75.7	1,439	34	108,200	76.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	267,647								267,647
2. Additional policy reserves (a)	378,911,115	234,890,708	133,641,389						10,379,018
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	7,625,904					7,625,904			
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	386,804,666	234,890,708	133,641,389	0	0	7,625,904	0	0	10,646,665
7. Reinsurance ceded	10,646,665								10,646,665
8. Totals (net) (Page 3, Line 4)	376,158,001	234,890,708	133,641,389	0	0	7,625,904	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(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 ($.....15,727,780 for occupancy of own building)	4,026,354	7,136,414	4,963,028	874,794	17,000,590
2. Salaries, wages and other benefits	91,590,308	193,973,602	165,841,469		451,405,379
3. Commissions (less $.....0 ceded plus $.....0 assumed)			172,052,342		172,052,342
4. Legal fees and expenses	60,698	121,415	2,670,693		2,852,806
5. Certifications and accreditation fees	875,367	1,376,336	913,360		3,165,063
6. Auditing, actuarial and other consulting services	41,577,873	83,696,765	44,436,780		169,711,418
7. Traveling expenses	973,580	2,304,879	4,901,162		8,179,621
8. Marketing and advertising			30,925,036		30,925,036
9. Postage, express and telephone	2,262,483	10,720,086	9,741,627		22,724,196
10. Printing and office supplies	1,074,016	4,488,216	8,205,526		13,767,758
11. Occupancy, depreciation and amortization	4,118,673	10,768,939	7,158,073		22,045,685
12. Equipment	121,462	203,228	291,257		615,947
13. Cost or depreciation of EDP equipment and software	2,103,377	4,420,744	1,373,562		7,897,683
14. Outsourced services including EDP, claims, and other services	63,043,524	45,389,974	45,914,732	1,078,713	155,426,943
15. Boards, bureaus and association fees	611,246	1,104,171	4,097,249		5,812,666
16. Insurance, except on real estate	13,615	29,211	1,320,020		1,362,846
17. Collection and bank service charges	5,926	(67,722)	1,282,487		1,220,691
18. Group service and administration fees	25,443,214	53,542,953	9,547,309		88,533,476
19. Reimbursements by uninsured plans	(58,289,350)	(89,682,778)	(90,331,599)		(238,303,727)
20. Reimbursements from fiscal intermediaries	(26,878,613)	(61,902,941)	(108,274,316)		(197,055,870)
21. Real estate expenses	3,048,640	9,937,350	(3,273,253)		9,712,737
22. Real estate taxes	729,713	1,418,871	607,215		2,755,799
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			76,222,896		76,222,896
23.3 Regulatory authority licenses and fees	397	897	2,091,706		2,093,000
23.4 Payroll taxes	4,870,966	11,199,902	8,619,122		24,689,990
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	3,517,940	5,000,000	0	8,517,940
26. Total expenses incurred (Lines 1 to 25)	161,383,469	293,698,452	406,297,483	1,953,507	(a) 863,332,911
27. Less expenses unpaid December 31, current year	1,020,921	10,188,746	251,433,696		262,643,363
28. Add expenses unpaid December 31, prior year	768,839	7,672,976	229,003,913		237,445,728
29. Amounts receivable relating to uninsured plans, prior year	12,989,858	23,275,233	57,849,569		94,114,660
30. Amounts receivable relating to uninsured plans, current year	21,493,142	38,511,420	95,718,442		155,723,004
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	169,634,671	306,418,869	421,736,573	1,953,507	899,743,620

DETAILS OF WRITE-INS

2501. Interest Expense		3,517,940			3,517,940
2502. Charitable foundation contributions			5,000,000		5,000,000
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	3,517,940	5,000,000	0	8,517,940

(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) 2,612,083	2,632,710
1.1	Bonds exempt from U.S. tax	(a) 47,122,277	48,479,528
1.2	Other bonds (unaffiliated)	(a) 17,457,313	16,786,294
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	31,971,137	32,262,677
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 15,739,085	15,739,085
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 151,819	148,089
7.	Derivative instruments	(f)	
8.	Other invested assets	4,616,987	4,616,987
9.	Aggregate write-ins for investment income	15,512,323	15,512,323
10.	Total gross investment income	135,183,024	136,177,693
11.	Investment expenses		(g) 1,953,507
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) 3,907,605
15.	Aggregate write-ins for deductions from investment income		387,571
16.	Total deductions (Lines 11 through 15)		6,248,683
17.	Net investment income (Line 10 minus Line 16)		129,929,010
	DETAILS OF WRITE-INS		
0901.	Securities delivered in from wholly owned subsidiary	14,386,579	14,386,579
0902.	Other Revenue	639,935	639,935
0903.	FEP Interest Income	120,927	120,927
0998.	Summary of remaining write-ins for Line 9 from overflow page	364,882	364,882
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	15,512,323	15,512,323
1501.	Rental Property Expense		387,571
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		387,571

(a) Includes $.....858,883 accrual of discount less $.....7,780,918 amortization of premium and less $.....1,815,804 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 $.....3,907,605 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	(750,353)		(750,353)	200,606	
1.1	Bonds exempt from U.S. tax	65,982		65,982		
1.2	Other bonds (unaffiliated)	3,675,184		3,675,184		
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	40,655,044	(504,633)	40,150,411	148,744,247	
2.21	Common stocks of affiliates			0	(19,337,328)	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	2,772		2,772		
7.	Derivative instruments			0		
8.	Other invested assets	803,539	(566,271)	237,268	2,372,885	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	44,452,168	(1,070,904)	43,381,264	131,980,410	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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)	26,298,793	26,459,489	160,696
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	257,168	45,876,599	45,619,431
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	5,543,537	2,247,273	(3,296,264)
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	1,114,931	0	(1,114,931)
12. Subtotals, cash and invested assets (Lines 1 to 11)	33,214,429	74,583,361	41,368,932
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,756,300	3,230,329	1,474,029
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	10,532,520	7,639,179	(2,893,341)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	2,025,138	66,386,598	64,361,460
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	39,470,954	14,251,892	(25,219,062)
21. Furniture and equipment, including health care delivery assets	15,793,809	13,651,348	(2,142,461)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	31,084,782	43,824,155	12,739,373
25. Aggregate write-ins for other than invested assets	242,123,807	330,220,302	88,096,495
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	376,001,739	553,787,164	177,785,425
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	376,001,739	553,787,164	177,785,425

DETAILS OF WRITE-INS

1101. Goodwill	1,114,931		(1,114,931)
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	1,114,931	0	(1,114,931)
2501. Prepaid Retirement	89,599,319	191,598,557	101,999,238
2502. Investment in Topaz R & D	62,842,461		(62,842,461)
2503. Renewable Energy Credits	56,541,265		(56,541,265)
2598. Summary of remaining write-ins for Line 25 from overflow page	33,140,762	138,621,745	105,480,983
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	242,123,807	330,220,302	88,096,495

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	79,964	100,881	103,138	105,675	108,324	1,244,649
2. Provider service organizations						
3. Preferred provider organizations	1,057,058	1,071,508	1,078,624	1,104,577	1,119,088	13,100,456
4. Point of service		395	808	1,213	1,677	10,718
5. Indemnity only	186,932	192,998	195,324	197,690	199,496	2,349,271
6. Aggregate write-ins for other lines of business	260,112	280,821	289,291	294,902	294,841	3,457,251
7. Total	1,584,066	1,646,603	1,667,185	1,704,057	1,723,426	20,162,345

DETAILS OF WRITE-INS

0601. Dental	214,719	223,593	228,398	231,445	230,687	2,736,325
0602. Vision	45,393	57,228	60,893	63,457	64,154	720,926
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	260,112	280,821	289,291	294,902	294,841	3,457,251

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	107,427,904					107,427,904
0299997. Group subscribers subtotal	107,427,904	0	0	0	0	107,427,904
0299998. Premiums due and unpaid not individually listed	66,246,375	5,514,914	684,131	896,538	896,538	72,445,420
0299999. Total group	173,674,279	5,514,914	684,131	896,538	896,538	179,873,324
0399999. Premiums due and unpaid from Medicare entities	2,543,731	257,064	122,954	859,762	859,762	2,923,749
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	176,218,010	5,771,978	807,085	1,756,300	1,756,300	182,797,073

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeutics	8,636,122	8,357,538	8,033,776	28,872,566	28,872,566	25,027,436
0199999. Total Pharmaceutical Rebate Receivables	8,636,122	8,357,538	8,033,776	28,872,566	28,872,566	25,027,436
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				385,383	385,383	0
0299999. Total Claim Overpayment Receivables	0	0	0	385,383	385,383	0
Other Receivables						
A/R Topaz				1,164,117	1,164,117	0
0699998. Other Receivables Not Listed Individually				662,716	662,716	0
0699999. Total Other Receivables	0	0	0	1,826,833	1,826,833	0
0799999. Gross Health Care Receivables	8,636,122	8,357,538	8,033,776	31,084,782	31,084,782	25,027,436

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	57,179,246	36,185,002		53,900,002	57,179,246	57,179,246
2. Claim overpayment receivables	94,377			385,383	94,377	94,377
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	4,402,399			1,826,833	4,402,399	4,534,317
7. Totals (Lines 1 through 6)	61,676,022	36,185,002	0	56,112,218	61,676,022	61,807,940

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	2,355,329	290,354	155,195	67,922	220,082	3,088,882
0399999. Aggregate accounts not individually listed - covered	136,193,460	16,789,281	8,973,918	3,927,483	12,725,919	178,610,061
0499999. Subtotals	138,548,789	17,079,635	9,129,113	3,995,405	12,946,001	181,698,943
0599999. Unreported claim and other claim reserves						288,953,757
0799999. Total claims unpaid						470,652,700
0899999. Accrued medical incentive pool and bonus amounts						520,116

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Mosaic Group Services, LLC	2,025,744					2,025,744	
ACS Benefit Services, Inc.	2,025,145					2,025,145	
0199999. Individually listed receivables	4,050,889	0	0	0	0	4,050,889	0
0399999. Total gross amounts receivable	4,050,889	0	0	0	0	4,050,889	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	2,717,006	2,717,006	
0199999. Individually listed payables		2,717,006	2,717,006	0
0399999. Total gross payables		2,717,006	2,717,006	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	11,692,666	0.2	1,723,426	100.0		11,692,666
4. Total capitation payments	11,692,666	0.2	1,723,426	100.0	0	11,692,666
Other Payments:						
5. Fee-for-service	1,420,634,200	28.4	XXX	XXX		1,420,634,200
6. Contractual fee payments	3,573,941,979	71.4	XXX	XXX		3,573,941,979
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	4,994,576,179	99.8	XXX	XXX	0	4,994,576,179
13. Total (Line 4 plus Line 12)	5,006,268,845	100.0	XXX	XXX	0	5,006,268,845

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	29,090,389		15,053,795	14,100,139	14,100,139	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	6,044,210		4,350,539	1,693,670	1,693,670	0
6. Total	35,134,599	0	19,404,334	15,793,809	15,793,809	0

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (BCBSNC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the State of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

C. Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

BCBSNC maintains a general depository account into which certain subsidiaries and BCBSNC receipts are deposited and upon which disbursements are drawn. The net activity is netted with amounts receivable from subsidiaries in the Statements of Assets, Liabilities, Capital and Surplus.

Short-Term Investments

Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

Investments

Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Common stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments. Prepayment assumptions are determined by using broker data. Common stocks of subsidiaries are stated in accordance with SSAP 97. The Company has no preferred stocks. The Company has no derivative instruments. The Company does not have any mortgage loans.

Realized gains and losses are included in income, net of tax and net unrealized gains and losses on securities are reflected in capital and surplus, net of tax. Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required

to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

If any investment security experiences an other-than-temporary decline in fair value, a realized loss is recorded in the Statement of Revenue and Expenses. Fair value is determined by quoted market prices where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

BCBSNC's investments in its wholly-owned unconsolidated subsidiaries are recorded at BCBSNC's equity, adjusted to statutory basis if applicable, plus the remaining unamortized goodwill balance in the underlying net assets, with the net income or losses of the subsidiaries recorded directly to unassigned surplus.

Real Estate and Electronic Data Processing Equipment

Real estate and electronic data processing (EDP) equipment and software are stated at cost less accumulated depreciation and encumbrances. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets: 5 to 40 years for buildings and leasehold improvements and 3 years for data processing equipment.

Market values for real estate reported in Schedule A are based on recent appraisals. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

Revenue Recognition (Premium Income, Uncollected Premiums and Unearned Premiums)

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other Blue Cross Blue Shield plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and Blue Cross Blue Shield Association (BCBSA), which acts as an agent for the participating Blue Cross Blue Shield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating Blue Cross Blue Shield plans to provide insurance to Federal employees that enroll with the Blue Cross Blue Shield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating Blue Cross Blue Shield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. Amounts incurred in excess of the total

reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,960,422,756 and $5,951,828,207 as of September 30, 2013 and December 31, 2012, respectively. The unaudited amounts being held in the contingency reserve are $9,270,691,177 and $8,110,074,831 as of December 31, 2013 and 2012, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $7,625,904 and $6,783,957 as of December 31, 2013 and 2012, respectively, and are included in assets and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $24,063,001 and $15,198,962 as of December 31, 2013 and 2012, respectively, and are included in cash and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus.

FEP represented approximately 58.2% and 90.3% of accounts receivable as of December 31, 2013 and 2012, respectively. FEP represented approximately 15.4%.and 16.6% of net revenue for the years ended December 31, 2013 and 2012, respectively.

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with the Centers for Medicare & Medicaid Services (CMS). Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Statement of Revenue and Expenses as they are reviewed and agreed to by the Company. As of December 31, 2013, years 2007 through 2013 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period for providing insurance coverage. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

Funds received as “Reinsurance Payments” and “Low Income Subsidy (cost-sharing portion)” are accounted for as reimbursements (or advance payments) for uninsured claims under a partially uninsured plan in accordance with SSAP No. 47, and hence are not recognized as premiums. These funds are amounts paid by the Government for a portion of claims above the out-of-pocket threshold or relate to the prescription drug plan (PDP) payments for all or a portion of the deductible, the coinsurance and the co-payment amounts for low-income beneficiaries.

The Company’s CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company’s annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS’s portion of prescription drug costs which exceed the member’s out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursement from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company’s annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2012, the net estimated risk sharing payable was ($48,229). The Company did not have a risk sharing payable at December 31, 2013. The net estimated subsidies receivable from CMS was $6,443,840 and $7,844,466 at December 31, 2013 and 2012, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in amounts receivable related to uninsured plans. Any estimated payables related to the CMS risk sharing or subsidies are included in liability for amounts held under uninsured plans.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. In previous years, we did not believe we had the ability to estimate the value of this payment with sufficient accuracy to

support an accrual. In working with our vendor, we concluded that this amount is reasonably estimable and probable such that it would be appropriate to record an accrual. The Company estimates risk adjustment revenues based upon the data submitted and expected to be submitted to CMS. The amount of the receivable is $58,950,000 and $0, at December 31, 2013 and 2012, respectively.

Claims Payable

Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

Income Taxes

Effective January 1, 2012, the Company adopted SSAP No. 101, Income Taxes, as a replacement of SSAP No. 10R and SSAP No. 10. The cumulative effect of this change in accounting principle is $65,240,114 and is recorded as an adjustment to surplus.

The amount reported in the Statement of Revenue and Expenses as income tax expense represents an estimate of taxes due or refundable after computing the current year's tax return filing. This amount may also reflect impacts from prior years, which are properly reported through the Statement of Revenue and Expenses. Also, deferred income taxes are recorded for temporary differences between the admitted basis of assets and liabilities and the respective tax basis. The change in gross deferred income tax, excluding deferred taxes related to unrealized gains (losses) and additional minimum pension is reported as a separate component of surplus. Gross deferred income tax assets are reduced by a valuation allowance if the Company determines it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, as discussed in more detail below, the gross deferred tax asset is subject to an admissibility standard, which requires an annual computation of the admitted gross deferred tax asset. All computations are made on a separate company basis.

Adjusted deferred income tax assets are limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with IRS tax loss carryback provisions, not to exceed three years, plus (2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus (subject to certain limitations), excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus (3) the amount of remaining gross deferred income tax assets that can be offset against existing deferred income tax liabilities. The remaining deferred income tax assets in excess of the above are non-admitted. Deferred income taxes do not include amounts for state taxes.

Retirement Plans

During 2012, the NAIC issued SSAP No. 102 Accounting for Pensions, A Replacement of SSAP No. 89 and SSAP No. 92 Accounting for Postretirement Benefits Other Than Pensions, a Replacement of SSAP No. 14. Under these SSAPs, the statutory accounting standards will be similar to U.S. GAAP accounting standards. These SSAPs will require the pension and other postretirement benefit liabilities to include the unfunded projected benefit obligation and unfunded accumulated postretirement benefit obligation, respectively, including non-vested participants. These new requirements are effective January 1, 2013.

Certain events, such as changes in employee base and changes in actuarial assumptions, result in a change in the benefit obligation which results in a corresponding change in the gains and losses. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed thresholds which are based upon the benefit obligation or the value of plan assets. Plan amendments impact prior service cost and are amortized over the average remaining lifetime of all plan participants.

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded as general administrative expense.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise the vast majority of the fair value of our investments as of December 31, 2013.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. Topaz is intended to provide enrollment and claims-processing services, initially for the individual and small-group markets. A key goal of Topaz is increasing speed to market for new products and product enhancements. Completion of this project could favorably position the company to capture exchange-related business and other business from some of its national competition. However, execution risk is present and the cost of this initiative is substantial and may increase, while the business and operating cost-reduction benefits are unproven.

In addition, federal and state regulatory agencies may further restrict our ability to implement changes in premium rates or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

In addition, during a prolonged unfavorable economic environment, state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state Medicaid reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows.

During 2010, the U.S. Congress passed and the President signed into law the health care reform. The health care reform legislation is far-reaching and is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees or they will be required to pay a financial penalty [note this employer requirement to offer and report coverage was delayed until January 1, 2015]. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry which may not be deductible for income tax purposes.

The legislation also imposes new regulations on the health insurance sector, including, but not limited to, guaranteed coverage requirements, prohibitions on some annual and all lifetime limits on amounts paid on behalf of or to our members, increased restrictions on rescinding coverage, establishment of minimum medical loss ratio requirements, a requirement to cover preventive services on a first dollar basis, the establishment of insurance exchanges and essential health benefit packages and greater limitations on how we price certain of our products. Some provisions of the health care reform legislation became effective in 2010, including those that bar health insurance companies from placing lifetime limits on insurance coverage, those related to the increased restrictions on rescinding coverage and those that extend coverage of dependents to the age of 26. Provisions related to the establishment of minimum medical loss ratios were effective for certain of our businesses in 2011. In 2012, requirements to include specific women's preventive care services at no cost share and the implementation of uniform summaries of benefits and coverage went into effect. Lastly, other significant changes, including the annual fees on health insurance companies, the excise tax on high premium insurance policies, the health insurance Exchanges (aka Marketplaces), the guaranteed coverage requirements and the requirement that individuals obtain coverage, become effective in 2014.

During the beginning of the initial annual enrollment period for Individual and Family Coverage that met the requirements of the health care reform, the Federally Facilitated Exchange had significant technical challenges that delayed or prevented some consumers from enrolling in coverage. As a result, the Centers for Medicaid and Medicare Services made several last minute changes to the requirements and related timelines including changing monthly enrollment deadlines and payment dates for January 1, 2014 effective dates. Perhaps most significantly, the Administration announced a new transitional policy option for Individuals and Small Groups (who had coverage in effect as of October 1, 2013) that enabled them to keep their prior plan. As a result many members and groups were able to stay on their 2013 plan by renewing the coverage into 2014. The changes presented many operational challenges and forced Issuers to identify new solutions in order to offer these options to consumers. The announcement of the transition policy option was made after healthcare reform rates were filed and approved. Since these transition policies will retain a large portion of the healthier, medically underwritten pool, premiums in the health care reform pool are more likely to be inadequate. If the program is extended beyond 2014, rate increases in future years will be higher to cover higher expected costs in the health care reform pool. Moving forward, it is certainly possible that Issuers will see additional changes from CMS as we approach the end of open enrollment in March 2014.

Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, the health care reform has created new reimbursement timelines for insurers as government subsidies (which are comprising over 70% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the April following the coverage year.

The Company continues to face uncertainty impacting the health insurance industry with the ultimate implementation of key provisions of the Affordable Care Act, including the timing of when certain provisions become effective and legislative challenges proposed concerning targeted provisions or the law in totality. There is also uncertainty related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which could impact our financial performance in future periods. The Company will continue to monitor any changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

Contract Reserves

Contract reserves are established for policies where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include assumptions such as interest rates, claim trends, persistency, and other assumptions based upon experience modified as necessary to reflect anticipated trends. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products.

These estimates may change as actuarial methods and/or as underlying facts upon which these estimates are based, change. The net level premium methodology is used. There were no significant changes to our actuarial methods in the last two fiscal years. Included in aggregate policy reserves are the contract reserves and unearned premiums on these policies. Aggregate policy reserves also include the liability for Federal Employee Program (FEP) rate stabilization reserve.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. . Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses. During 2013 and 2012, the Company adjusted contract reserves through capital and surplus by 27,769,220 and ($1,198,235), respectively, as a result of updated experience and a refinement of assumptions.

Pharmaceutical Rebate Receivables

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on the use of the manufacturers products by the PBM for the Company's insured and self-

funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed primarily quarterly. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts. Of these receivables, $28,872,566 and $39,195,461 at December 31, 2013 and 2012, respectively, were nonadmitted because they were outstanding in excess of 90 days.

2. Accounting Changes and Corrections of Errors

A. Material changes in accounting principles and/or corrections of errors:

Effective January 1, 2012, the Company adopted SSAP No. 101, Income Taxes, as a replacement of SSAP No. 10R and SSAP No. 10. The cumulative effect of this change in accounting principle is $65,240,114 and is recorded as an adjustment to surplus.

Effective January 1, 2013, the Company adopted SSAP No. 102 Accounting for Pensions, a replacement of SSAP No. 89 and SSAP No. 92 Accounting for Postretirement Benefits Other than Pensions, a replacement of SSAP No. 14. The cumulative effect of this change in accounting principle was $19,947,064 and was recorded in the first quarter of 2013 as an adjustment to surplus.

3. Business Combinations and Goodwill

The Company did not have any material changes in Business Combinations and Goodwill at December 31, 2013 and 2012.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2013 and 2012.

5. Investments

A. Mortgage Loans, including Mezzaine Real Estate Loans

The Company did not have any mortgage loans as of December 31, 2013 and 2012.

B. Debt Restructuring

The Company did not have any debt restructuring as of December 31, 2013 and 2012.

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2013 and 2012.

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities as of December 31, 2013 and 2012.

(3) The Company did not have any other than impaired loan-backed securities as of December 31, 2013 and 2012.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

A. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$169,450
2.	12 Months or Longer	$153,535

B. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	$8,558,945
2.	12 Months or Longer	$2,139,276

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2013 and 2012.

F. Real Estate

(1) During 2012, the Company sold its Eastowne property and its primary data center property and certain furniture, equipment, software and computer equipment (Weck).

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. The Company anticipates leaving the Headquarters building in 2015. Plans are being developed for the disposition of the building, but no decisions have been made. The original cost of the Headquarters property was $9,625,649 and accumulated depreciation at December 31, 2013 was $7,475,362.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

G. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2013 and 2012.

H. Restricted Assets

(1) On deposit with government authorities as required by law:

	1	2	3	4	5	6
Restricted Asset category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. On deposit with states	33,359,234	31,687,332				

(2) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2013.

(3) The Company does not have any other restricted assets as of December 31, 2013.

I. Other

ACS Benefit Services, Inc, is a wholly owned subsidiary of BCBSNC. The ACS investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88). Accordingly, adjustment has been made to report this investment on an adjusted equity method as defined in SSAP No. 97 paragraph 9. The admitted balance of ACS was $12,641,274 and $10,937,285 at December 31, 2013 and 2012, respectively.

NobleHealth, Inc. is a wholly-owned subsidiary of the Company, and was created for BCBSNC to participate in strategic investments. The NobleHealth investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies. The investment which is Common Stock is carried at cost. At December 31, 2012, the balance of NobleHealth was nonadmitted at $45,776,599 since it is not audited. At December 31, 2013, NobleHealth will be audited and will be admitted.

During 2013, BCBSNC purchased assets from Triangle Administrators to service student business.

In 2013 and 2012, certain securities became other-than-temporarily impaired and were written down to their fair value, resulting in a realized loss of $1,070,904 and $23,201,454, respectively.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

All investment income due and accrued at December 31, 2013 and 2012 was included in the financial statements, and had not been outstanding greater than 90 days.

8. Derivative Instruments

The Company does not hold any derivative instruments at December 31, 2013 and 2012.

9. Income Taxes

A. The components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31 are as follows:

1.

	12/31/13			12/31/12			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	249,314,706	11,542,402	260,857,108	267,004,098	10,604,000	277,608,098	(17,689,392)	938,402	(16,750,990)
(b) Statutory valuation allowance adjustments	(1,789,849)	-	(1,789,849)	(1,789,849)	-	(1,789,849)	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	247,524,857	11,542,402	259,067,259	265,214,249	10,604,000	275,818,249	(17,689,392)	938,402	(16,750,990)
(d) Deferred tax assets nonadmitted	(2,025,138)	-	(2,025,138)	(66,386,598)	-	(66,386,598)	64,361,460	-	64,361,460
(e) Subtotal net admitted deferred tax asset (1c - 1d)	245,499,719	11,542,402	257,042,121	198,827,650	10,604,000	209,431,650	46,672,069	938,402	47,610,470
(f) Deferred tax liabilities	30,867,552	111,305,651	142,173,203	7,501,960	62,764,453	70,266,413	23,365,592	48,541,198	71,906,790
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	214,632,167	(99,763,249)	114,868,918	191,325,690	(52,160,453)	139,165,238	23,306,477	(47,602,796)	(24,296,320)

2.

	12/31/13			12/31/12			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
(a) Federal income taxes paid in prior years recoverable though loss carrybacks	$93,339,844	$0	$93,339,844	$82,420,270	$0	$82,420,270	$10,919,574	$0	$10,919,574
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below.)	21,529,074	-	21,529,074	56,744,968	-	56,744,968	N/A	N/A	N/A
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	N/A	N/A	21,529,074	N/A	N/A	56,744,968	N/A	N/A	N/A
2. Adjusted gross deferred tax assets allowed per limitation threshold	N/A	N/A	322,161,933	N/A	N/A	280,744,418	N/A	N/A	N/A
(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)	130,630,801	11,542,402	142,173,203	59,662,413	10,604,000	70,266,413	N/A	N/A	N/A
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$245,499,719	$11,542,402	$257,042,121	$198,827,650	$10,604,000	$209,431,650	$46,672,069	$938,402	$47,610,470

a. The ratio percentage used to determine recovery period and threshold limitation amount was 930% and 941% in 2013 and 2012, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $231,193,669 and $199,193,259 in 2013 and 2012, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

	(1) 12/31/2013	(2) 12/31/2012	(3) (Col 1-2) Change
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Medical and Other Benefits Payable	131,001,689	136,723,446	(5,721,757)
(2) Accrued Postretirement Benefits	12,225,574	10,231,238	1,994,336
(3) Fixed Assets	24,029,744	13,628,735	10,401,010
(4) Other Nonadmitted Assets	19,950,797	54,986,411	(35,035,614)
(5) Accrued Liabilities	8,732,936	10,552,501	(1,819,565)
(6) Additional Minimum Pension Liability (impact on other compr. Income)	-	6,767,460	(6,767,460)
(7) Additional Pension Liability (impact on OCI)	3,708,246	-	3,708,246
(8) State ASO Loss Accrual	6,650,000	23,450,000	(16,800,000)
(9) Investment in Topaz R&D	21,994,861	-	21,994,861
(10) Other - Ordinary	17,814,509	11,584,446	6,230,063
(99) Subtotal	246,108,357	267,924,237	(21,815,880)
(b) Statutory Valuation Allowance Adjustment	(1,789,849)	(1,789,849)	-
(c) Nonadmitted	(2,025,138)	(66,386,598)	64,361,460
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	242,293,370	199,747,790	42,545,580
(e) Capital:			-
(1) Investment in State Credit Funds	3,206,349	-	3,206,349
(2) Other - Capital	11,542,402	10,549,536	992,866
(99) Subtotal	14,748,751	10,549,536	4,199,216
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	14,748,751	10,549,536	4,199,216
(i) Admitted deferred tax assets (2d + 2h)	257,042,121	210,297,325	46,744,796
			-
3. Deferred tax liabilities:			-
(a) Ordinary			-
(1) Federal NOL & Due to Subs (Tax Sharing)	20,944,454	7,501,960	13,442,494
(2) Capitalized Software	9,923,098	-	9,923,098
(99) Subtotal	30,867,552	7,501,960	23,365,592
(b) Capital:			-
(1) Stocks	109,207,433	54,560,758	54,646,675
(2) Investments in State Credit Funds	-	7,861,795	(7,861,795)
(3) Other	2,098,218	1,207,574	890,644
(99) Subtotal	111,305,651	63,630,127	47,675,524
(c) Deferred Tax Liabilities (3a99 + 3b99)	142,173,203	71,132,087	71,041,116
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	114,868,918	139,165,238	(24,296,320)

a. The change in net deferred income taxes is comprised of the following:

	12/31/2013	12/31/2012	Change
Total deferred tax assets	$260,857,108	$278,473,772	($17,616,665)
Total deferred tax liabilities	142,173,203	71,132,087	71,041,116
Net deferred tax asset (liability)	$118,683,905	$207,341,685	(88,657,780)
Tax effect of unrealized gains (losses)			52,874,289
Pension Adjustments to Surplus			(26,114,046)
Tax effect of additional minimum pension			6,767,460
Tax effect of additional pension liability			(3,708,246)
Change in net deferred income tax			($58,838,323)

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

	12/31/2013	Effective Tax Rate
Provision computed at statutory rate	$42,399,085	35.0%
Change in Nonadmitted Assets	23,676,578	19.5%
Tax Exempt Income	(16,607,463)	-13.7%
Treasury Grant in Lieu of Credit	(6,681,218)	-5.5%
Change in Valuation Basis of Aggregate Policy and Claim Reserves	(9,719,227)	-8.0%
Donation of Appreciated Securities	(1,941,467)	-1.6%
ACA Compensation Limitation	6,844,799	5.7%
Distribution from Subsidiary	(5,035,303)	-4.2%
Release of Other Liabilities	(5,552,670)	-4.6%
Other	732,683	0.6%
Total	$28,115,797	23.2%
Federal income taxes incurred	(30,722,526)	-25.4%
Change in net deferred income taxes	58,838,323	48.6%
Total statutory income taxes	$28,115,797	23.2%

E. The Company had no net capital loss or net operating loss carryforwards. The following are income taxes incurred in the current and prior years that may be recouped in the event of future net losses:

	Ordinary	Capital	Total
Year-to-date 2013	(30,722,526)	15,183,442	(15,539,084)
Year ended 2012	$ 27,616,394	-	27,616,394

F. The Company's federal income tax return is consolidated with the following entities:

ACS Benefit Services, Inc. (ACS)
Corium, LLC (Corium)
NobleHealth, Inc. (Noble)
Mosaic Group Services, LLC (Mosaic)

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

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

A., B. &
C. The Company earned management fees of $6,726,296 and $6,336,204 during 2013 and 2012, respectively, from its wholly-owned subsidiaries. The Company has agreed to provide its wholly-owned subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. The Company also paid management fees of $5,147,939 and $5,057,845 during 2013 and 2012, respectively, to its wholly-owned subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2013 and 2012, the Company reported $4,050,889 and $6,762,253 as amounts due from its wholly-owned subsidiaries, respectively. At December 31, 2013 and 2012, the Company reported $2,717,006 and $3,001,897 as amounts due to its wholly-owned subsidiaries, respectively. These inter-company transactions are settled monthly.

E. The Company had no guarantees or undertakings, written or otherwise.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the years ended December 31, 2013 and 2012, respectively. In addition, ACS paid BCBSNC $14,210 and $13,944 as additional amounts due under an administrative services agreement and BCBSNC paid ACS $831,559 and $110,829 for electronic data interchange services during 2013 and 2012, respectively. Also, BCBSNC paid ACS $1,634,806 and $1,741,354 for Health Reimbursement Account (HRA) and $309,537 and $222,097 for Flexible Spending Account (FSA) fund administration for BCBSNC's Blue branded HRA/FSA services to BCBSNC for the periods ended December 31, 2013 and 2012, respectively.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2013 and 2012.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in ACS, Corium, Mosaic and Noble, whose carrying values are less than 10% of the Company's admitted assets. The Company carries ACS at the subsidiaries' statutory equity and Mosaic and Noble are carried at GAAP audited equity. Corium is recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2013 and 2012.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

In November 2000, BCBSNC established the Blue Cross Blue Shield of North Carolina Foundation, formerly The North Carolina Health Foundation, (Foundation), a separate, independent, private, non-consolidated not-for-profit organization in North Carolina. The purpose of the Foundation is to provide financial support to improve the health and well being of North Carolinians. The Company received $550,754 and $449,898 from the Foundation for salaries and benefits related to certain BCBSNC employees that provide services to the Foundation for the years ended 2013 and 2012, respectively. In 2013, BCBSNC contributed $10,000,000 in appreciated securities and donated services of $557,997, which were included in operating expenses. In 2012, BCBSNC contributed $0 in appreciated securities and donated services of $557,997, which were included in operating expenses. The Foundation is not a subsidiary of BCBSNC and the financial results of the Foundation are not consolidated with the Company's financial statements. We have no current legal obligations for future commitments to the Foundation, nor are we responsible for losses that may emerge in the Foundation.

In December 2011, BCBSNC established Topaz Shared Services, LLC ("Topaz") as a partnership. Its purpose is to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz will be the delivery of a shared technology solution based on The TriZetto Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz is owned by Noble and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of Noble was $5,000,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC are funding Topaz and its development of a software infrastructure. Once operational, the Company and BCBSKC will additionally become customers of Topaz.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, Noble owns 100% of Topaz after closing. The Company intends to continue funding the development of Topaz.

Topaz is a variable interest entity because its capital contributions are not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions are required to accomplish this endeavor. Additional funding is in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. The Company has concluded that it is not the primary beneficiary of Topaz, because it does not hold the power to direct the activities that most significantly impact Topaz, since it shares a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz is accounted for as an equity method investment. Effective January 23, 2014, with the execution of the Settlement Letter Agreement, prospectively, Noble will consolidate the operations of Topaz based on its 100% ownership. The Company has evaluated this and it does not have a material effect on the operations of the Company.

As of December 31, 2013, the Company's total funding is $92,429,100 comprised of $11,789,260 of investments in equity, $68,186,945 of investments in research and development and $12,452,895 paid in 2011 for certain license agreements classified as expense. During 2013, an equity loss and research and development expense of $5,630,172 and $2,053,085 respectively, were recognized.

11. Debt

In November 2013, BCBSNC established a line of credit totaling $100,000,000 which will expire in December 2015 with an interest rate of LIBOR plus fifty basis points and an unused fee of ten basis points quarterly on the amount undrawn. During 2013, no amounts were drawn under this line of credit and at December 31, 2013 there were no amounts outstanding.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, liens, and dispositions. As of December 31, 2013 the Company was in compliance with the covenants and requirements outlined in these agreements.

The Company does not have any reverse repurchase agreements.

A. FHLB (Federal Home Loan Bank) Agreements

The Company did not have any FHLB Agreements at December 31, 2013 and 2012.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has a non-contributory qualified defined benefit retirement plan covering a significant number of employees. No new participants are allowed into the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

The Company also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain healthcare and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for healthcare insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of healthcare insurance costs and life insurance benefits. BCBSNC funds retiree healthcare benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution in 2012 and 2011 to fund the liability for eligible retire employees.

Effective December 31, 2013, the Company has elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date resulting in an increase in the funded status of the plan of $58,595,458. Additionally, the curtailment impact reduced the projected benefit obligation by $86,836,489. Also as a result of freezing the qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 are age 52 or older with ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined phases in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intend to retire, in 2013 prior to the window announcement. The ERW enhancements were considered special termination benefits and they will increase the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by an estimated $25,004,314 and $3,200,000, respectively.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2013 and 2012:

(1) Change in Benefit Obligation	Over Funded		Underfunded	
	2013	2012	2013	2012
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$629,048,054	$600,678,302	$ -	$ -
2 Service Cost	15,752,008	15,380,883	-	-
3 Interest Cost	25,136,209	25,183,642	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	(76,229,234)	3,212,538	-	-
6 Benefits Paid	(15,871,235)	(15,407,311)	-	-
7 Plan Amendements	240,653	0	-	-
8 Special Termination Benefits	25,004,314	0	-	-
9 Curtailment (Gain)/Loss	(77,588,038)	-	-	-
10 Benefit Obligation, End of Year	$525,492,731	$629,048,054	$ -	$ -

	Over Funded		Underfunded	
	2013	2012	2013	2012
b. Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$39,929,982	$40,656,475	$73,736,756	$66,429,871
2 Service Cost	2,473,720	2,712,210	3,585,300	2,518,437
3 Interest Cost	1,591,610	1,678,893	2,577,388	2,783,424
4 Contribution by plan participants	1,568,331	1,501,438	-	-
5 Actuarial (Gain)/Loss	(12,005,306)	(3,200,086)	(5,548,606)	3,835,869
6 Benefits Paid	(4,043,939)	(3,418,948)	(1,556,108)	(1,830,845)
7 Plan Amendements	22,428,367	-	6,702,347	-
8 Special Termination Benefits	2,193,000	-	1,007,000	-
9 Curtailment (Gain)/Loss	-	-	(9,248,451)	-
10 Benefit Obligation, End of Year	$54,135,765	$39,929,982	$71,255,626	$73,736,756

(2) Change in Plan Assets	Pension Benefits 2013	Pension Benefits 2012	Postretirement Benefits 2013	Postretirement Benefits 2012
a Plan Assets as Fair Value, Beginning of Year	$543,488,826	$497,316,070	$ 57,434,218	$ 53,755,668
b Actual Return on Plan Assets	87,474,454	61,580,067	5,187,374	5,927,829
c Company Contributions	-	-	1,286,502	1,499,076
d Plan participants' contributions	-	-	1,568,331	1,501,438
e Benefits Paid	(15,871,235)	(15,407,311)	(5,600,047)	(5,249,793)
f Plan Assets as Fair Value, End of Year	$615,092,045	$543,488,826	$59,876,378	$57,434,218
(3) Funded Status				
Overfunded:				
a Assets (nonadmitted)				
1. Prepaid benefits costs	$153,246,373	$277,157,785	$16,705,116	$4,660,937
2. Overfunded plan assets	63,647,059	(85,559,228)	10,964,503	17,504,236
3. Total assets (nonadmitted)	$89,599,314	$191,598,557	$5,740,613	$22,165,173
Underfunded:				
b Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	($57,403,666)	($48,621,435)
2. Liability for pension benefits			(10,325,382)	
3. Total liabilities recognized	$ -	$ -	($67,729,048)	($48,621,435)
c Unrecognized liabilities	$ -	$ -	($3,874,234)	$ -

(4) Components of net periodic benefit cost	Pension Benefits 2013	Pension Benefits 2012	Postretirement Benefits 2013	Postretirement Benefits 2012
a Service cost	$15,752,008	$15,380,883	$6,059,020	$5,230,647
b Interest cost	25,136,209	25,183,642	4,168,998	4,462,317
c Expected return on plan assets	(41,278,337)	(36,694,277)	(3,092,846)	(2,893,332)
d Expense Load	-	325,000	-	-
e Amortization of actuarial (gain)/loss	10,988,389	23,587,164	1,450,785	2,478,228
f Amortization of prior service cost/(credit)	564,367	333,514	3,241,077	(511,305)
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit.	27,189,548	-	3,701,756	-
h Total net periodic benefit cost	$38,352,184	$28,115,926	$15,528,790	$8,766,555

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	($2,749,601)	($333,514)	($3,742,883)	$511,305
b Net gain and (loss) recognized	(35,992,704)	(23,587,164)	(4,650,785)	(2,478,228)
(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	($67,447)	$ -	($178,313)	$ -
b Net gain and (loss) recognized	$ -	$ -	($2,968,669)	$ -
(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost				
a Net unrecognized loss included in unassigned funds	$ -	$ -	$8,136,122	$ -
b Net unrecognized prior service cost included in unassigned funds	$ -	$ -	$5,715,838	$ -

In 2013 and 2012, BCBSNC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) to the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data), prior to recognizing any plan provision changes. The loss is amortized over the average remaining service period of active plan participants for retirement benefits and the average remaining life-time for all participants for other postemployment benefits.

(6) BCBSNC has a minimum pension liability recorded as of December 31, 2012 in the amount of $19,335,599; with the adoption of SSAP 102, the concept of an additional minimum liability has been eliminated at transition, and replaced with additional pension liability. As of December 31, 2013, BCBSNC recorded additional liability for pension benefits income in the amount of $85,206,550 as well as a reversal of the minimum pension liability of $19,335,599. As of December 31, 2012, the minimum pension liability is measured as the amount of the plan's unfunded accumulated benefit obligation that is in excess of the plan's accrued pension. The qualified liability decreased at December 31, 2012 as a result of strong asset performance during 2012. The nonqualified liability increase at December 31, 2012 resulted from dropping discount rates. These rates are used to set the assumed interest rate for valuing liabilities. These events resulted in charges being recorded to accumulated capital net of income tax as a component of surplus in the amount of ($55,384,257) and $12,568,139 during 2013, and $9,146,425 during 2012.

(7) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified		Non Qualified		Other Postretirement	
	2013	2012	2013	2012	2013	2012
Discount Rate	4.85%	4.24%	See detail below	See detail below	4.71%	4.11%
Rate of Compensation Increase	n/a	4.00%	n/a	4.00%	4.00%	4.00%
Expected long-term rate of return on plan assets	7.00%	7.50%	n/a	n/a	5.50%	5.50%

Discount Rate for Non Qualified

Nonqualified:	**2013**	**2012**
Senior SERP	*3.32%*	*2.52%*
Partners SERP	*4.43%*	*3.61%*
Restoration SERP	*4.70%*	*3.94%*

As a result of the change in Actuarial Consultants, the Company has elected to move to the Mercer Yield Curve in place of the Aon Hewitt AA Only Universe Yield Curve. The Company will use separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2013 and 2012, the combined duration of all plans was 14 years and 18 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

(8) A measurement date of December 31, 2013 and 2012, respectively, was used for the benefit plans.

(9) The medical trend rate used in determining the accumulated postretirement benefit obligation at December 31:

	2013	**2012**
Health care cost trend rate assumed for next year:		
Under age 65	8.0%	9.5%
Age 65 and older	8.0%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	5.0%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2027	2020
Age 65 and older	2027	2019

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(10) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	**1-Percentage Point Decrease**
Effect on total of service and interest cost components	$409,240	$(315,970)
Effect on postretirement benefit obligation	$3,837,707	$(3,138,828)

(11) BCBSNC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			**Other Postretirement Benefits**		
	Target	**2013**	**2012**	**Target**	**2013**	**2012**
Asset Category:						
Equity securities:						
Mutual funds		48%	59%			
Common stock		3	4		51%	51%
Total	45.5%	51	63	50% - 60%	51	51
Fixed income securities:						
State and U.S. government obligations		8	9		48	48
Domestic corporate fixed income securities		10	14		-	-
International corporate fixed income securities		2	-		-	-
Total	50	20	23	40 - 50	48	48

Cash and cash equivalents	2.5	16	1	0 - 3	1	1
Collective trust fund - real estate	0	11	11	-	-	-
Other	2.0	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The BCBSNC Retirement Plan (Plan) was frozen effective December 31, 2013. The Plan investment strategy has switched from total return to liability matching. The Plans funding ratio exceeded 100% at year end and approximately 50% of the portfolio will be transitioned to a liability driven investment strategy (LDI) in 2014. As the Plans funding ratio grows more investments will be allocated to the LDI strategy.

The Plans investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

(12) Future expected benefit payments and 2013 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
a. 2014	$67,078,671	$1,445,216	$3,576,391
b. 2015	$28,420,211	$1,524,415	$3,648,330
c. 2016	$29,187,005	$17,321,982	$3,751,820
d. 2017	$28,708,593	$1,806,259	$3,828,301
e. 2018	$29,854,087	$1,876,758	$3,926,194
f. Thereafter Total	$150,564,387	$10,797,371	$21,650,632
2014 Contributions	$ -	$1,445,216	$794,148

(13) Effective June 30, 2013, the company amortizes unrecognized losses for the frozen qualified plan and two frozen nonqualified plans over the average future lifetime of all participants. The Company does not use any alternative amortization method to amortize prior service amounts.

(14) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(15) No significant special or contractual termination benefits were recognized during the period.

(16) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total Fair Value
December 31, 2013				
Equity securities:				
Common stocks	$20,497,125	$ -	$ -	$20,497,125
Mutual funds	295,474,617	-	-	295,474,617
Total equity securities	315,971,742	-	-	315,971,742
Fixed income securities:				
US Treasury and Agency securities	22,920,842	-	-	22,920,842
Domestic corporate fixed income securities	-	57,202,556	18,910,766	76,113,321
Residential mortgage-backed securities	-	21,452,870	-	21,452,870
Other	-	9,942,780	-	9,942,780
Total fixed income securities.....	22,920,842	88,598,206	18,910,766	130,429,813

Cash and cash equivalents	98,723,577	258,000	1,917,680	100,899,257
Collective trust fund - real estate	-	-	66,470,454	66,470,454
Other	-	-	11,550,000	11,550,000
Total investments	437,616,161	88,856,206	98,848,899	625,321,265
Plan receivables	1,215,212	-	-	1,215,212
Total assets	438,831,373	88,856,206	98,848,899	626,536,477
Plan liabilities	(11,444,432)	-	-	(11,444,432)
Total net assets	$427,386,941	$88,856,206	$98,848,899	$615,092,045

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2013 is as follows:

	Cash & Cash Equivalents	Fixed Income Securities	Collective Trust Fund – Real Estate	Other	Total
Beginning balance at January 1, 2012	$ -	$16,530,314	$36,510,807	$12,000,000	$65,041,121
Total gains (losses)					
Realized	(1,409,342)	393,061	-	-	(1,016,281)
Unrealized	-	(495,825)	4,068,106	-	3,571,826
Purchases	82,246,525	-	17,459	-	99,706,366
Sales	(73,700,583)	(16,427,550)	-	(180,000)	(90,308,133)
Ending balance at December 31, 2012	7, 136,600	-	58,038,300	11,820,000	76,994,899
Total gains (losses)					
Realized	334,449	-	-	-	334,449
Unrealized	1,061,709	-	6,669,128	-	7,730,837
Purchases	117,513,255	19,316,949	1,763,026	-	138,593,230
Sales	(124,128,333)	(406,183)	-	(270,000)	(124,804,516)
Ending balance at December 31, 2013	$1,917,679	$18,910,765	$66,470,454	$11,550,000	$98,848,898

B. Defined Contribution Plans

BCBSNC has two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees hired after December 31, 2005 may only participate in the 401(k) Plan. Eligible BCBSNC employees hired prior to December 31, 2005 and participating in the Retirement Savings plan were given the option to remain in that plan or enroll in the 401(k) Plan. Each plan is nondiscriminatory. Participant pretax and Roth contributions are matched at the rate of 50% of the first 6% of compensation or 100% of the first 6% of compensation, depending upon the plan, subject to certain limitations. Under the 401(k) Plan, a profit sharing contribution is made by the Company in an amount equal to 3% of eligible compensation. The Company's contributions to the plans totaled $19,063,127 and $16,724,993 for the years ended December 31, 2013 and 2012, respectively.

In connection with the redesign of the Company's retirement plans, the Retirement Savings Plan will be merged with the redesigned BCBSNC 401(k) Plan effective December 31, 2013. The newly designed 401(k) will be amended to include a new safe harbor matching contribution formula of 100% of the first 4% and 50% of the next 2% of compensation contributed, subject to certain limitations. A profit sharing contribution will be made by the Company in an amount equaling 2% to 5% of eligible compensation, based on the employee's years of service with the Company. Additionally, eligible employees who were participating in the defined benefit pension plan as of December 31, 2013 are also eligible to receive a non-elective contribution ranging from 1% to 8% of eligible compensation for up to 10 years, based on the employee's total years of service with the Company and based on their defined contribution plan participation choice.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $560,400 and $514,151 for the years ended December 31, 2013 and 2012, respectively.

The Company maintains a rabbi trust to account for assets and liabilities under certain of the Company's deferred compensation plan. Certain BCBSNC employees are allowed to defer a portion of their compensation until a future date. The Plan was amended in 2011 to exclude all deferrals through 2012. The deferrals are included in investments with an equal offsetting liability included in accrued other retirement benefits. The value of assets accounted for in the rabbi trust are $2,242,535 and $3,452,689 at December 31, 2013 and 2012, respectively. In addition, the Company has an arrangement for the Board of Trustees which provide for the deferral of a portion of their compensation until a future date. This deferred compensation arrangement is not included in the assets and liabilities of the rabbi trust. The Company's deferred compensation liability related to this arrangement at December 31, 2013 and 2012 was approximately $532,003 and $343,492, respectively.

C. Multiemployer Plans

BCBSNC does not participate in any multiemployer plans.

D. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

E. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable.

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2013 and 2012.

(2) The Company has no preferred stock outstanding.

(3), (4) and (5) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2013 and 2012.

(7) The Company had no unpaid advances of surplus as of December 31, 2013 and 2012.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2013 and 2012.

(9) The Company does not have any special surplus funds as of December 31, 2013 and 2012.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses, including accumulated amortized goodwill of $3,759,778 and $3,759,778, were ($327,486,099) and ($197,878,574) in 2013 and 2012, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2013 and 2012.

(12) and (13) The Company does not have any quasi-reorganizations as of December 31, 2012 nor has it had any in the past 10 years.

14. Contingencies

A. Contingent Commitments

The Company has a commitment to Topaz to develop a claims processing system. Related funding for 2013 and 2012 were $37,151,289 and $37,824,916, respectively.

At December 31, 2013, expected future costs to BCBSNC related to developing Topaz's claims processing system are estimated as follows: 2014, $50,114,943; 2015, $41,133,329; 2016, $45,310,450; 2017, $60,582,028 and 2018, $67,263,079.

At December 31, 2013, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2014, $75,847,247; 2015, $75,847,247; 2016, $75,847,247; 2017, $75,847,247; and 2018, $18,961,812.

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the

availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

B. Assessments

As of December 31, 2013 and 2012, the Company is not aware of any assessments against the Company.

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2013 and 2012.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Product Warranties

Not Applicable

F. All Other Contingencies

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) regarding a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in seven of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The Defendants have filed a Motion to Dismiss which is pending. The Company intends to vigorously defend this litigation.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating lease agreements that expire through December 2014. Rental expense was $1,560,085 and $1,779,783 for 2013 and 2012, respectively.

c. Certain rental commitments have renewal options extending through the year 2014 and are subject to adjustments in future periods.

(2) At December 31, 2012, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2014	$818,286
2.	2015	$130,741
3.	Total	$949,024

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2012 and 2011.

B.

(1) Lessor Leases

Properties that BCBSNC owns and leases to others do not represent a significant portion of BCBSNC's revenues, net income or assets.

(2) Leveraged Leases

The Company did not have any leveraged leases as of December 31, 2013 and 2012.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2013 and 2012.

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2013 and 2012.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2013 and 2012.

C. Wash Sales

The Company had no wash sales during 2013 and 2012.

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2013:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$17,052,277	$ -	$17,052,277
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	17,052,277	-	17,052,277
Total claim payment volume	$1,976,796,566	$ -	$1,976,796,566

Administrative fees incurred under this plan were $99,499,476 during 2012.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration. As of December 31, 2013 and 2012, the Company has recorded a provision for anticipated losses for this business of $19,000,000 and $66,422,818, respectively. The change in the accrual was the result of expected amortization of $11,900,000 and a reevaluation of the liability of $35,500,000.

B. ASC Plans

The loss from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2013:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including other BlueCard claims)	$6,130,559,495	$ -	$6,130,559,495
Gross administrative fees accrued	311,138,588	-	311,138,588
Other income or expenses (including interest paid to or received from plans)	-	-	-
	$6,441,698,083		6,441,698,083
Gross expenses incurred (claims and administrative)	6,448,344,962	-	6,448,344,962
Total loss from operations	($6,646,878)	$ -	($6,646,878)

C. **Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

a. Reinsurance subsidy cash receipts deposit from CMS net of claims incurred for the period ended December 31, 2013 is a receivable of $16,160,681. These cash receipts are subject to quarterly true up for actual claims incurred.

Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2013 is a payable of ($9,716,841). These cash receipts are subject to quarterly true up for actual claims incurred.

b. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2013.

c. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$1,207,817

C – Claims Payment
CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value

A.

(1) Assets Measured at Fair Value on a Recurring Basis

December 31, 2013	Level I	Level II	Level III	Total
Cash Equivalents, and Short Term Investments	$27,384,853	$499,743	$-	$27,884,596
Fixed Income Securities				
US government and agency obligations	97,141,278	20,865,429	-	118,006,707
State and political subdivisions	-	1,346,523,427	-	1,346,523,427
Corporate fixed income securities	-	276,656,191	-	276,656,191
Commercial mortgage-backed securities	-	12,449,761	-	12,449,761
Residential mortgage-backed securities	-	13,586,087	-	13,586,087
Other residential RMBS/CMO	-	730,478	-	730,478
Other fixed income securities	-	4,882,993	-	4,882,993
Total fixed income securities	97,141,278	1,675,694,366	-	1,772,835,644
Investments available-for-sale:				
Equity index mutual funds	1,061,683,267	-	-	1,061,683,267
Unaffiliated common stock	165,252,014	-	-	165,252,014
Parents, Subsidiaries, and Affiliates	-	-	65,993,403	65,993,403
Private equity securities	-	-	4,324,268	4,324,268
Private equity funds and other alternatives			30,520,884	30,520,884
Venture capital invesments	-	-	8,240,556	8,240,556
Total equity securities	1,226,935,281	-	109,079,111	1,336,014,392
Real estate trust:				
Real Estate Trust	-	-	147,199,906	147,199,906
Total assets	$1,351,461,412	$1,676,194,109	256,279,017	$3,283,934,538

December 31, 2012	Level I	Level II	Level III	Total
Cash Equivalents, and Short Term Investments	$109,090,390	$56,502,144	$-	$165,592,534
Fixed Income Securities				
US government and agency obligations	97,765,026	26,862,061	-	124,627,087
State and political subdivisions	-	1,331,168,107	-	1,331,168,107
Corporate fixed income securities	-	336,233,193	-	336,233,193
Commercial mortgage-backed securities	-	10,720,064	-	10,720,064
Residential mortgage-backed securities	-	27,268,110	-	27,268,110
Other residential RMBS/CMO	-	862,494	-	862,494
Other fixed income securities	-	6,486,764	-	6,486,764
Total fixed income securities	97,765,026	1,739,600,793	-	1,837,365,819
Investments available-for-sale:				
Equity index mutual funds	948,243,499	-	-	948,243,499
Unaffiliated common stock	82,260,416	-	-	82,260,416
Parents, Subsidiaries, and Affiliates	-	-	78,534,954	78,534,954
Private equity securities	-	-	4,065,659	4,065,659
Venture capital invesments	-	-	14,945,299	14,945,299
Total equity securities	1,030,503,915	-	97,545,912	1,128,049,827
Real estate trust:				
Real Estate Trust	-	-	73,739,247	73,739,247
Total assets	$1,237,359,331	$1,796,102,937	171,285,159	$3,204,747,427

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 01/01/2013	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2013
Parents, Subsidiaries, and Affiliates	78,534,954	-	-	-	(19,337,328)	6,795,777	-	-	-	65,993,403
Private equtiy securities	4,065,659	-	-		258,609	-	-	-	-	4,324,268
Private equity funds and other alternatives	9,316,250	-	-	102,953	-	21,845,198	-	(743,517)	-	30,520,884
Venture capital investments	5,629,049	-	-	134,314	-	3,561,307	-	(1,084,114)	-	8,240,556
Real estate trust	73,739,247	-	-	-	2,372,885	71,087,774	-	-	-	147,199,906
Total investments	$171,285,159	$-	$-	$237,267	($16,705,834)	$103,290,056	$-	($1,827,631)	$-	$256,279,017

Description	Beginning Balance at 01/01/2012	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2012
Parents, Subsidiaries, and Affiliates	69,859,543	-	-	-	(11,814,748)	20,490,159	-	-	-	78,534,954
Private equtiy securities	3,923,236	-	-	51,623	142,424	-	-	(51,624)	-	4,065,659
Private equity funds and other alternatives	-	-	-	-	-	9,316,250	-	-	-	9,316,250
Venture capital investments	4,873,082	-	-	(720,242)	-	1,506,309	-	(30,100)	-	5,629,049
Real estate trust	-	-	-	497,564	628,218	72,613,465	-	-	-	73,739,247
Total investments	$78,655,861	$-	$-	($171,055)	($11,044,106)	$103,926,183	$-	($81,724)	$-	$171,285,159

There were no material transfers between Levels I, II or III during the years ended December 31, 2013 and 2012.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2013 Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash equivalents and short term investments	27,884,596	25,884,596	27,384,853	499,743	-	-
Bond securities	1,772,835,644	1,677,627,593	97,141,278	1,675,694,366	-	-
Equity index mutual funds	1,061,683,267	1,061,683,267	1,061,683,267	-	-	-
Unaffiliated common stock	165,252,014	165,252,014	165,252,014	-	-	-
Parents, Subsidiaries, and Affiliates	65,993,403	65,993,403	-	-	65,993,403	-
Private equtiy securities	4,324,268	4,067,100	-	-	4,324,268	-
Private equity funds & other alternatives	30,520,884	30,520,884			30,520,884	-
Real estate trust funds	147,199,906	147,199,906			147,199,906	-
Venture capital investments	8,240,556	8,240,556	-	-	8,240,556	-
	3,283,934,538	**3,186,469,319**	**1,351,461,412**	**1,676,194,109**	**256,279,017**	

As of December 31, 2012 Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash equivalents and short term investments	165,592,534	163,267,534	109,090,390	56,502,144	-	-
Bond securities	1,837,365,819	1,638,925,487	97,765,026	1,739,600,793	-	-
Equity index mutual funds	948,243,499	948,243,499	948,243,499	-	-	-
Unaffiliated common stock	82,260,416	82,260,416	82,260,416	-	-	-
Parents, Subsidiaries, and Affiliates	78,534,954	32,758,355	-	-	78,534,954	-
Private equtiy securities	4,065,659	3,965,659	-	-	4,065,659	-
Private equity funds & other alternatives	9,316,250	9,316,250	-	-	9,316,250	-
Real estate trust funds	73,739,247	73,739,247	-	-	73,739,247	-
Venture capital investments	5,629,049	5,629,049	-	-	5,629,049	-
	3,204,747,427	**2,958,105,496**	**1,237,359,331**	**1,796,102,937**	**171,285,159**	

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

21. Other Items

A. Extraordinary Items

The Company had no extraordinary events or transactions during 2013 and 2012.

B. Troubled Debt Restructuring

The Company had no troubled debt restructurings during 2013 and 2012.

C. Other Disclosures and Unusual Items

Assets in the amount of $33,359,234 and $31,687,332 at December 31, 2013 and 2012, respectively, were on deposit with government authorities or trustees as required by law.

D. At December 31, 2013 and 2012, the Company had admitted assets of $145,190,484 and $86,475,481, respectively in accounts receivable for uninsured plans. The Company routinely assesses the collectability of these receivables.

E. The Company had no business interruption recoveries recognized in 2013 and 2012.

F. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable tax credits	NC	$72,168,456	$144,053,625
Total		$72,168,456	$144,053,625

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$15,627,191	$56,541,265_

G. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk at December 31, 2013 and 2012.

H. Retained Assets

The Company did not have any retained assets at December 31, 2013 or 2012.

22. Events Subsequent

The Company has evaluated subsequent events through February 27, 2014, which is the date that the financial statements were available to be issued and no events, other than those related to Topaz as described in Note 10, and the ACA assessment mentioned below, have occurred that require disclosure.

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2014 to be $75,000,000. This assessment is expected to impact risk based capital by a 2.17% reduction (or a decrease in RBC by 22 percentage points).

A.	ACA fee assessment payable	$75,000,000
B.	Assessment expected to impact RBC	(2.17%)

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
   (X) No

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
   (X) No

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
   (X) No

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
   (X) No

Section 3 – Ceded Reinsurance Report – Part B

1. What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
   NONE

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
   (X) No

B. Uncollectible Reinsurance

The Company does not have any uncollectible reinsurance balances due as of December 31, 2013 and 2012.

C. Commutation of Ceded Reinsurance

The Company had no commutation of reinsurance agreements during 2013 and 2012.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A, B, and C. The Company did not have any written premiums subject to retrospective rating features at December 31, 2013 and 2012. No other premiums written by the Company are subject to retrospective rating features.

D. The Company does not anticipate having to pay a rebate for 2013, and as a result, there have been no rebates accrued for the Company's Individual, Small or Large Group business as of December 31, 2013.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2012 were $436,372,122. As of December 31, 2013, $401,700,646 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $27,156,667 are not as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of insurance. Therefore, there has been a $7,514,809 favorable prior-year development since December 31, 2012 to December 31, 2013, primarily a result of favorable claims development.

26. Intercompany Pooling Arrangements

The Company did not participate in any inter-company pooling arrangement during 2013 and 2012.

27. Structured Settlements

This note is not applicable for the Health Entities.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $53,900,002 and $57,179,246 as pharmaceutical rebate receivables and admitted $25,027,436 and $17,983,785 in 2013 and 2012, respectively. The Company received a pharmaceutical rebate of $17,289,940 in December of 2013 for receivables as of December 2012, March 2013, and June 2013.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2013	$25,248,299	$25,248,299	$-	$-	$-
9/30/2013	$23,669,045	$26,011,266	$-	$-	$-
6/30/2013	$20,771,502	$23,711,052	$-	$21,292,332	$-
3/31/13	$17,034,707	$15,111,708	$-	$14,164,605	$728,065
12/31/2012	$17,185,056	$20,539,433	$-	$11,651,215	$8,888,218
9/30/2012	$16,718,113	$20,243,783	$-	$-	$20,242,357
6/30/2012	$17,372,450	$19,095,263	$-	$9,356,123	$9,847,140
3/31/12	$15,346,446	$19,979,309	$-	$-	$19,871,345
12/31/11	$16,674,195	$20,421,286	$-	$-	$20,419,997
9/30/11	$15,989,762	$19,736,853	$-	$-	$19,736,853
6/30/11	$16,254,202	$20,001,293	$-	$-	$20,001,293
3/31/11	$18,075,431	$21,822,522	$-	$-	$21,822,523

B. Risk Share Receivables

The Company did not have any risk share receivables as of December 31, 2013 and 2012.

29. Participating Policies

The Company did not write any participating policies as of December 31, 2013 and 2012.

30. Premium Deficiency Reserves

Premium deficiencies are recognized when it is probable that expected claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with consideration of investment income. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2013 and 2012.

31. Anticipated Salvage and Subrogation

The Company does not have salvage and subrogation that reduce loss reserves as of December 31, 2013 and 2012.

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$5,830,776,053
Add: Uncollected premiums PY	184,553,373
Less: Uncollected premiums CY	(122,136,466)
Premiums collected, excluding reinsurance	**$5,768,359,145**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000
Remaining amount @ 1%	57,679,591
Total	57,691,591
BCBSNC Contingency Reserve @ 12/31/2012	658,380,110
BCBSNC Contingency Reserve @ 12/31/2013	**$716,071,701**

33. Premium and Premium Equivalent Reporting

The information below presents BCBSNC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	91.3%
Operating expense ratio (with premium equivalents)	8.9%
Net income ratio (with premium equivalents)	1.2%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2013 are as follows:

Premiums	
Net premium income	$5,819,892,346
Change in unearned premium reserves	($841,947)
Total premium income	5,819,050,399
Claims processed for self funded business	
ASO Plan	1,976,796,566
ASC Plan	6,130,559,495
Total claims processed for self funded business	8,107,356,061
Administrative fees	
ASO Plan	99,499,476
ASC Plan	311,138,588
Total administrative fees	410,638,064
Premium equivalents	8,517,994,125
Total premiums and premium equivalents	$14,337,044,524
Other revenues (including BlueCard Access Fees)	$22,751,312
Net investment gains or (losses)	$158,126,832
Total revenues	$14,517,922,668
Claims	
Total hospital and medical	$5,035,915,571
Increase in reserves for life and accident and health contracts	($46,704,497)
Total claims	4,989,211,074
Claims processed for self funded business	
ASO Plan	1,976,796,566
ASC Plan	6,130,559,495
Total claims processed for self funded business	8,107,356,061
Total claims (insured and self funded)	$13,096,567,135
Operating Expenses	
Claims adjustment expenses	$455,081,921
General administrative expenses	$406,297,483
Total operating expenses	861,379,404
Operating expenses reimbursed through administrative fees	
ASO Plan	99,499,476
ASC Plan	311,138,588
Total operating expenses reimbursed through administrative fees	410,638,064
Total operating expenses (insured and self funded)	$1,272,017,468
Net Income	$180,060,588

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? North Carolina

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 [X] No [ ]

2.2 If yes, date of change: 07/01/2013

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2013

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [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 Co. 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 .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
McGladrey LLP , 1201 Edwards Mill Rd., Suite 300, Raleigh NC 27607-3625

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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 answer 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?
Patrick K. Getzen, FSA, MAAA, Vice President & Chief Actuary (Employee), Blue Cross and Blue Shield of North Carolina, 5901 Chapel Hill Blvd, Durham, NC 27707-3346

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value .....

12.2 If yes, provide explanation.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $.....0

20.12 To stockholders not officers $.....0

20.13 Trustees, supreme or grand (Fraternal only) $.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $.....0

20.22 To stockholders not officers $.....0

20.23 Trustees, supreme or grand (Fraternal only) $.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

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

21.21 Rented from others .....

21.22 Borrowed from others .....

21.23 Leased from others .....

21.24 Other .....

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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 .....

22.22 Amount paid as expenses .....

22.23 Other amounts paid .....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $.....0

PART 1 - COMMON INTERROGATORIES - 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. .....

24.06 If answer to 24.04 is no, report amount of collateral for other programs. .....

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] 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]

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. .....

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

24.103 Total payable for securities lending reported on the liability page. .....

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

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

25.21 Subject to repurchase agreements $.....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 Pledged as collateral $.....0

25.26 Placed under option agreements $.....0

25.27 Letter stock or securities restricted as to sale $.....0

25.28 On deposit with state or other regulatory body $.....28,298,793

25.29 Other $.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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
Bank of America, N.A.	200 N. College St., Charlotte, NC

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)
Mellon Bank, N.A.	One Mellon Center	Written to comply with provisions contained in the
	Pittsburgh, PA	Model Custodian and Fiscal Agency Agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved
		by NCDOI.

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1 Central Registration Depository Number(s)	2 Name	3 Address
104559	Pacific Investment Management Company	840 Newport Ctr Dr., Newport Beach, CA 92660
7452	The Vanguard Group	P.O. Box 2900 Mailstop M37, Valley Forge, PA 19482
111168	Columbia Management	227 West Monroe, Chicago, IL 60606
106482	Dimensional Fund Advisors	6300 Bee Cave Rd Building One, Austin, TX 78746
14857	Thornburg Securities Corp	2300 North Ridgetop Rd, Santa Fe NM 87506
138960	Stone Harbor Investment Partners	31 West 52nd Street, 16th Floor, New York, NY 10019

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
197199 81 3	Columbia Acorn International - Z	90,590,840
233203 58 7	DFA Emerging Markets Value Fund	76,360,956
72201F 51 6	Pimco Emerging Market Local Bond Fund	60,837,406
861647 10 5	Stone Harbor EMG MKT Debt Fund	30,467,326
861647 50 1	Stone Harbor Local Market - I	30,057,861
885215 56 6	Thornburg International Value Fund	61,557,070
922040 20 9	Vanguard Large Cap Institutional Index	321,253,082
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus	63,879,981
922908 39 7	Vanguard Small- Cap Index Fd - Plus	323,904,203
003021 71 4	Aberdeen Emerg Mkts Inst	15,286
315910 28 1	Fidelity Diversified International K	142,316
315911 72 7	Spartan International Index FAI	6,056
316200 85 6	Fidelity Growth Company K	28,651
316345 80 0	Fidelity Low Priced Stock Fund K	77,030
617440 59 9	MSIF MID Cap Growth Fund P	6,267
693390 70 0	PIMCO Total Return Fund Inst	308,484
885215 36 8	Thornburg International Value Fd R5	22,114
921937 10 8	Vanguard Total Bond Market Sig	431,756
922908 10 8	Vanguard 500 Index Fund Sig	7,054
02368A 55 4	American Beacon Large Cap Val Inst	7,498
04314H 30 3	Artisan Mid Cap Inv	7,281
19765J 50 9	Columbia Acorn Mid Cap Idx Z	7,060
19765J 82 2	Columbia Acorn Small Cap Idx Z	7,647
38141W 61 2	Goldman Sachs Small Cap Value A	19,708
413838 40 0	Oakmark Equity & Income Fund	87,539
351792 28 3	Fidelity Freedom K Income	5,797
351792 26 7	Fidelity Freedom K 2005	52,587
351792 25 9	Fidelity Freedom K 2010	98,832
351792 24 2	Fidelity Freedom K 2015	448,718
351792 23 4	Fidelity Freedom K 2020	265,013
351792 21 8	Fidelity Freedom K 2030	58,718
316191 60 0	Fidelity Retire MMKT	663,130
29.2999. TOTAL		1,061,683,267

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
Vanguard Institutional Index Fund	Apple Inc	9,798,219	12/31/2013
	ExxonMobil Corp	8,577,457	12/31/2013
	Google Inc	6,103,809	12/31/2013
	Microsoft Corp	5,525,553	12/31/2013
	General Electric Co	5,493,428	12/31/2013
Vanguard Mid-Cap Index Fund	Macy's Inc	421,608	12/31/2013
	Westrn Digital Corp	402,444	12/31/2013
	Delphi Automotive Plc	396,056	12/31/2013
	Seagate Technology plc	370,504	12/31/2013
	Vertex Pharmaceuticals	370,504	12/31/2013
Vanguard Small-Cap Index Fund	Fortune Brands Home & Security	906,932	12/31/2013
	United Rentals Inc	874,541	12/31/2013
	Hanesbrands Inc	842,151	12/31/2013
	Wabtec Corp	809,761	12/31/2013
	Gannett Co	809,761	12/31/2013
PIMCO Emerging Market Bond Fund	PIMCO Short Term Floating NAV Portfolio	4,976,500	12/31/2013
	PIMCO Short Term Floating NAV Portfolio III	3,011,452	12/31/2013
	Brazil Notas do Tesouro Nacional 10% 1/1/17	2,190,147	12/31/2013
	South Africa Gov't International Bond 7.25% 1/15/20	2,013,718	12/31/2013
	Poland Gov't International Bond 5.5% 10/25/19	1,928,546	12/31/2013
Stone Harbor Emerging Market Debt	Russian Federation: 7.5% 3/31/30	1,736,638	12/31/2013
	Brazil Notas do Tesouro Nacional 10% 1/1/23	789,104	12/31/2013
	Republic of South Africa 5.88% 9/16/25	639,814	12/31/2013
	Petroleos de Venezuela SA 8.5% 11/2/17	615,440	12/31/2013
	Petroleos de Venezuela SA 8.5% 10/28/15	563,646	12/31/2013
Stone Harbor Local Market Debt	Brazil Notas do Tesouro Nacional 10% 1/1/23	1,785,437	12/31/2013
	Brazil Notas do Tesouro Nacional 10% 1/1/21	1,361,621	12/31/2013
	Mexican Bonos 8.0% 12/7/23	1,253,413	12/31/2013
	Republic of South Africa 10.5% 12/21/26	1,160,233	12/31/2013
	Republic of South Africa 8.25% 9/15/17	841,620	12/31/2013
Thornburg International Value Fund	Mitsubishi UFJ Financial Group	1,382,416	12/31/2013
	Toyota Motor Corp	1,361,148	12/31/2013
	Novo Nordisk A/S	1,323,929	12/31/2013
	LVMH Moet Hennessy Louis Vuitton	1,323,929	12/31/2013
	Roche Holding AG	1,238,857	12/31/2013
Columbia Acorn International	Far EasTone Telecommunications Co	2,443,765	12/31/2013
	Melco Crown Entertainment	2,147,551	12/31/2013
	Coronation Fund Managers	2,073,497	12/31/2013
	CCL Industries	1,999,444	12/31/2013
	Hexagon Series B	1,925,390	12/31/2013
DFA Emerging Markets Value Fund	Gazprom OAO	3,199,029	12/31/2013
	Petroleo Brasileiro SA	1,944,819	12/31/2013
	Bank of China Ltd	1,357,404	12/31/2013
	POSCO	1,325,652	12/31/2013
	Shinhan Financial Group Inc	1,317,714	12/31/2013
Vanguard 500 Index Sig	Apple Inc	17,228	12/31/2013
	ExxonMobil Corp	13,536	12/31/2013
	Google Inc	7,559	12/31/2013
	Microsoft Corp	7,251	12/31/2013
	General Electric Co	6,988	12/31/2013
Fidelity Diversified Internationonal Fund K	Sanofi SA	5,140	12/31/2013
	ORIX Corp	4,379	12/31/2013
	Bayer AG	4,379	12/31/2013
	Softbank Corp	4,379	12/31/2013
	Anheuser-Busch InBev SA NV	4,188	12/31/2013
Fidelity Growth Company Fund K	Google Inc. Class A	1,880	12/31/2013
	Apple Inc	1,053	12/31/2013
	salesforce.com Inc	953	12/31/2013
	Facebook Inc	802	12/31/2013
	Regeneron Pharmaceruticals	552	12/31/2013
Fidelity Low Priced Stock Fund K	United Health Group	2,692	12/31/2013
	Seagate Technology	1,983	12/31/2013
	NEXT PLC	1,983	12/31/2013
	Microsoft Corp	1,700	12/31/2013
	Bset Buy Co	1,346	12/31/2013
Fidelity Freedom 2010 Fund K	Fidelity Investment Grade Bond Fund	26,072	12/31/2013
	Fidelity High Income Fund Cl F	5,475	12/31/2013
	Fidelity International Growth Fund Cl F	5,011	12/31/2013
	Fidelity International Vallue Fund Cl F	4,961	12/31/2013
	Fidelity Equity Income Fund Cl F	4,823	12/31/2013
PIMCO Total Return Institutional	Fin Fut Euro$ Cme 6/15/15	3,423	09/30/2013

	Irs USD 1.50 3/18/15 - yr	1,770	09/30/2013
	Fin Fut Euro$ Cme 12/14/15	1,487	09/30/2013
	Fin Fut Euro$ Cme 9/14/15	1,219	09/30/2013
	Fin Fut US 10 yr CBT 12/19/13	1,211	09/30/2013
Spartan International Index FAI	Nestle SA	109	12/31/2013
	HSBC Holdings PLC	91	12/31/2013
	Roche Holding AG	91	12/31/2013
	Vodaphone Group	85	12/31/2013
	Novartis AG	85	12/31/2013
Goldman Sachs Small Cap Value A	iShares Russell 2000 Value ETF	499	09/30/2013
	Southwest Gas Corp	274	09/30/2013
	Rex Energy Corp	256	09/30/2013
	PolyOne Corp	233	09/30/2013
	Laredo Petroleum Holdings	229	09/30/2013
Fidelity Freedom 2015 Fund K	Fidelity Investment Grade Bond Fund	105,763	12/31/2013
	Fidelity International Value Fund Cl F	26,564	12/31/2013
	Fidelity International Growth Fund Cl F	26,205	12/31/2013
	Fidelity Equity Income Fund Cl F	26,160	12/31/2013
	Fidelity Iinst'l Money Market Portfolio Cl F	24,904	12/31/2013
Fidelity Freedom 2020 Fund K	Fidelity Investment Grade Bond Fund	56,448	12/31/2013
	Fidelity International Growth Fund Cl F	17,358	12/31/2013
	Fidelity Equity Income Fund Cl F	17,279	12/31/2013
	Fidelity International Value Fund Cl F	17,014	12/31/2013
	Fidelity High Income Fund Cl F	15,424	12/31/2013
Fidelity Freedom 2030 Fund K	Fidelity International Growth Fund Cl F	5,408	12/31/2013
	Fidelity International Value Fund Cl F	5,332	12/31/2013
	Fidelity Equity Income Fund Cl F	5,261	12/31/2013
	Fidelity Growth Co Fund Cl F	4,228	12/31/2013
	Fidelity All-Sector Equity Fund Cl F	3,987	12/31/2013
Fidelity Freedom 2005 Fund K	Fidelity Investment Grade Bond Fund	15,613	12/31/2013
	Fidelity Iinst'l Money Market Portfolio Cl F	5,869	12/31/2013
	Fidelity Short Term Bond Fund Cl F	4,791	12/31/2013
	Fidelity High Income Fund Cl F	2,803	12/31/2013
	Fidelity International Growth Fund Cl F	2,167	12/31/2013
Fidelity Freedom Income Fund K	Fidelity Investment Grade Bond Fund	2,053	12/31/2013
	Fidelity Iinst'l Money Market Portfolio Cl F	954	12/31/2013
	Fidelity Short Term Bond Fund Cl F	781	12/31/2013
	Fidelity High Income Fund Cl F	288	12/31/2013
	Fidelity Inflation-Protected Bond Index Fd Cl F	166	12/31/2013
MSIF Mid Cap Growth	Illumina Inc	243	12/31/2013
	Edenred SA	192	12/31/2013
	Motorola Solutions Inc	190	12/31/2013
	Tesla Motors INC	184	12/31/2013
	Akamai Technologies Inc	183	12/31/2013
Thornburg International Value Fund R5	Mitsubishi UFJ Financial Group	668	12/31/2013
	Toyota Motor Corp	575	12/31/2013
	Novo Nordisk A/S	573	12/31/2013
	LVMH Moet Hennessy Louis Vuitton	573	12/31/2013
	Roche Holding AG	520	12/31/2013
Columbia Small Cap Index	Align Technology Inc	44	12/31/2013
	Fifth & Pacific Cos Inc	43	12/31/2013
	FEI Company	41	12/31/2013
	Toro Company	39	12/31/2013
	Financial Engines Inc	37	12/31/2013
Columbia Mid Cap Index	Affiliated Managers Group Inc	52	12/31/2013
	Tractor Supply	49	12/31/2013
	Green Mountain Coffee Roasters Inc	44	12/31/2013
	LKQ Corp	44	12/31/2013
	HollyFrontier Corp	44	12/31/2013
ABDN Emerging Markets Inst	Samsung Electronic Pfd	847	12/31/2013
	Taiwan Semiconductor Mfg	530	12/31/2013
	China Mobile	514	12/31/2013
	Vale SA	451	12/31/2013
	Fomento Economico Mexicano SAB de CV	442	12/31/2013
Oakmark Equity and Income Fund	Generals Motors Co	2,976	12/31/2013
	Oracle Corp	2,906	12/31/2013
	Dover Corp	2,845	12/31/2013
	Bank of America Corp	2,556	12/31/2013
	US Treasury Note 1.375%	2,504	12/31/2013
Vanguard Total Bond Market Sig	US Treasury Note 0.375% 11/15/15	3,022	12/31/2013
	US Treasury Note 1.75%	2,634	12/31/2013
	US Treasury Note 0.375% 6/15/15	2,547	12/31/2013
	US Treasury Bond 6.25%	2,504	12/31/2013
	US Treasury Note 0.25% 5/15/16	2,461	12/31/2013
Artisan Mid Cap Value Fund	Cimarex Energy Co	213	12/31/2013
	Cigna Corp	206	12/31/2013
	Avnet Inc	202	12/31/2013

PART 1 - COMMON INTERROGATORIES - INVESTMENT

	Kroger Co	193	12/31/2013
	NYSE Euronext Inc	180	12/31/2013
ABF Large Cap Value Institutional	JPMorgan Chase & Co	288	12/31/2013
	S&P 500 Emini Fut Dec 13	234	12/31/2013
	Wells Fargo & Co	188	12/31/2013
	Bank of America Corp	178	12/31/2013
	Microsoft Corp	156	12/31/2013
Fidelity Retirement MM Fund	various US Dollar denominated MMkt Securities	663,130	12/31/2013

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	1,705,512,189	1,745,519,948	40,007,759
30.2 Preferred stocks			0
30.3 Totals	1,705,512,189	1,745,519,948	40,007,759

30.4 Describe the sources or methods utilized in determining the fair values:
Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $4,530,956

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

1 Name	2 Amount Paid
Blue Cross & Blue Shield Association	4,530,956

34.1 Amount of payments for legal expenses, if any? $2,349,561

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

1 Name	2 Amount Paid
Kilpatrick Stockton LLP	908,694

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $426,655

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only	$.....314,647,186
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.	$.....230,127,088
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	$.....96,109,106
	1.62 Total incurred claims	$.....54,773,750
	1.63 Number of covered lives	40,146
	All years prior to most current three years:	
	1.64 Total premium earned	$.....218,538,080
	1.65 Total incurred claims	$.....175,353,338
	1.66 Number of covered lives	104,890
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	5,819,892,346	5,242,403,167
2.2 Premium Denominator	5,819,892,346	5,242,403,167
2.3 Premium Ratio (2.1/2.2)	100.0	100.0
2.4 Reserve Numerator	845,677,518	830,671,682
2.5 Reserve Denominator	845,677,518	830,671,682
2.6 Reserve Ratio (2.4/2.5)	100.0	100.0

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, 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 [ ]
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	$.....1,000,000
	5.32 Medical only	$.....0
	5.33 Medicare supplement	$.....0
	5.34 Dental and 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:	
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	42,253
	8.2 Number of providers at end of reporting year	44,476
9.1	Does the reporting entity have business subject to premium rate guarantees?	Yes [X] No [ ]
9.2	If yes, direct premium earned:	
	9.21 Business with rate guarantees between 15-36 months	$.....5,851,488
	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 [X] No [ ]
10.2	If yes:	
	10.21 Maximum amount payable bonuses	$.....520,116
	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

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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 Minimum Net Worth Requirements? Yes [X] No [ ]

11.3. If yes, show the name of the state requiring such net worth. North Carolina

11.4. If yes, show the amount required. $.....716,071,701

11.5. Is this amount included as part of a contingency reserve in stockholder's equity? Yes [X] No [ ]

11.6. If the amount is calculated, show the calculation:
See Footnote #32

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

13.1. Do you act as a custodian for health savings account? Yes [ ] No [X]

13.2. If yes, please provide the amount of custodial funds held as of the reporting date. .....

13.3. Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4. If yes, please provide the balance of the funds administered as of the reporting date. .....

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	3,786,788,030	3,498,552,257	3,110,002,085	2,977,997,852	2,818,657,328
2. Total liabilities (Page 3, Line 24)	1,398,255,210	1,417,547,908	1,293,829,322	1,226,407,536	1,396,830,217
3. Statutory surplus	716,071,701	658,380,110	605,914,156	556,946,504	508,803,122
4. Total capital and surplus (Page 3, Line 33)	2,388,532,820	2,081,004,349	1,816,172,763	1,751,590,316	1,421,827,111
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	5,816,079,768	5,252,299,086	4,967,295,904	4,682,768,098	4,716,130,343
6. Total medical and hospital expenses (Line 18)	5,035,915,571	4,523,997,618	4,160,054,451	4,036,342,986	3,978,141,805
7. Claims adjustment expenses (Line 20)	455,081,921	342,003,353	277,272,827	247,454,543	319,440,659
8. Total administrative expenses (Line 21)	406,297,483	434,256,292	429,093,564	394,736,042	341,289,871
9. Net underwriting gain (loss) (Line 24)	(34,510,710)	(12,835,860)	112,493,508	(27,793,039)	8,149,287
10. Net investment gain (loss) (Line 27)	158,126,832	102,026,507	113,024,892	111,791,856	72,232,204
11. Total other income (Lines 28 plus 29)	25,721,943	27,548,534	29,195,263	33,828,439	42,031,421
12. Net income or (loss) (Line 32)	180,060,588	89,122,788	200,966,354	94,162,527	67,522,617
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	137,800,814	172,376,109	239,986,112	14,316,708	214,440,936
Risk-Based Capital Analysis					
14. Total adjusted capital	2,388,532,820	2,081,004,349	1,816,172,763	1,751,590,316	1,423,751,493
15. Authorized control level risk-based capital	231,193,669	199,180,619	170,574,434	159,511,914	156,216,365
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,723,426	1,584,066	1,464,695	1,429,332	1,442,010
17. Total member months (Column 6, Line 7)	20,162,345	18,395,481	17,384,915	17,305,121	17,195,002
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 (Line 18 plus Line 19)	86.5	86.2	83.7	86.2	84.3
20. Cost containment expenses	2.8	2.9	2.1	1.9	2.6
21. Other claims adjustment expenses	5.0	3.7	3.5	3.4	4.2
22. Total underwriting deductions (Line 23)	100.5	100.3	97.7	100.6	99.8
23. Total underwriting gain (loss) (Line 24)	(0.6)	(0.2)	2.3	(0.6)	0.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	374,957,311	315,209,835	259,749,671	282,271,895	294,013,390
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	379,192,876	320,175,037	288,605,417	319,634,740	284,359,428
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	65,993,403	78,534,954	69,859,543	33,926,093	243,997,958
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	65,993,403	78,534,954	69,859,543	33,926,093	243,997,958
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 [ ]

If no, please explain:

N/A

* 5 4 6 3 1 2 0 1 3 4 3 0 5 9 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,584,066	373,668	505,982	133,074	45,393	214,719	158,813	90,497		61,920
2. First quarter	1,646,603	373,609	517,614	139,536	57,228	223,593	159,846	114,200		60,977
3. Second quarter	1,667,185	376,371	529,656	141,677	60,893	228,398	159,733	116,810		53,647
4. Third quarter	1,704,057	379,059	552,723	143,531	63,457	231,445	159,804	119,879		54,159
5. Current year	1,723,426	363,058	582,959	145,036	64,154	230,687	160,005	123,067		54,460
6. Current year member months	20,162,345	4,493,254	6,535,017	1,703,248	720,926	2,736,325	1,917,024	1,410,528		646,023
Total Member Ambulatory Encounters for Year:										
7. Physician	8,779,390	1,389,531	2,068,251	3,255,048		186,700	75,972	1,803,888		
8. Non-physician	0									
9. Totals	8,779,390	1,389,531	2,068,251	3,255,048	0	186,700	75,972	1,803,888	0	0
10. Hospital patient days incurred	796,540	50,952	115,752	334,785				295,051		
11. Number of inpatient admissions	109,019	10,544	23,921	41,112				33,442		
12. Health premiums written (b)	5,830,776,053	1,064,946,879	2,243,867,093	314,647,186	4,827,775	87,970,793	896,882,639	1,065,687,311		151,946,377
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	5,829,934,106	1,064,946,879	2,243,867,093	314,647,186	4,827,775	87,970,793	896,040,692	1,065,687,311		151,946,377
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	5,006,268,845	952,810,640	1,866,349,115	228,957,569	3,370,453	68,451,804	836,194,979	936,765,168		113,369,117
18. Amount incurred for provision of health care services	5,042,814,338	952,978,551	1,880,934,404	230,127,088	3,434,764	69,481,646	834,579,608	956,981,744		114,296,533

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,119,088 and number of persons insured under indemnity only products.....199,496.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,139,959,319

* 5 4 6 3 1 2 0 1 3 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,584,066	373,668	505,982	133,074	45,393	214,719	158,813	90,497		61,920
2. First quarter	1,646,603	373,609	517,614	139,536	57,228	223,593	159,846	114,200		60,977
3. Second quarter	1,667,185	376,371	529,656	141,677	60,893	228,398	159,733	116,810		53,647
4. Third quarter	1,704,057	379,059	552,723	143,531	63,457	231,445	159,804	119,879		54,159
5. Current year	1,723,426	363,058	582,959	145,036	64,154	230,687	160,005	123,067		54,460
6. Current year member months	20,162,345	4,493,254	6,535,017	1,703,248	720,926	2,736,325	1,917,024	1,410,528		646,023
Total Member Ambulatory Encounters for Year:										
7. Physician	8,779,390	1,389,531	2,068,251	3,255,048		186,700	75,972	1,803,888		
8. Non-physician	0									
9. Totals	8,779,390	1,389,531	2,068,251	3,255,048	0	186,700	75,972	1,803,888	0	0
10. Hospital patient days incurred	796,540	50,952	115,752	334,785				295,051		
11. Number of inpatient admissions	109,019	10,544	23,921	41,112				33,442		
12. Health premiums written (b)	5,830,776,053	1,064,946,879	2,243,867,093	314,647,186	4,827,775	87,970,793	896,882,639	1,065,687,311		151,946,377
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	5,829,934,106	1,064,946,879	2,243,867,093	314,647,186	4,827,775	87,970,793	896,040,692	1,065,687,311		151,946,377
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	5,006,268,845	952,810,640	1,866,349,115	228,957,569	3,370,453	68,451,804	836,194,979	936,765,168		113,369,117
18. Amount incurred for provision of health care services	5,042,814,338	952,978,551	1,880,934,404	230,127,088	3,434,764	69,481,646	834,579,608	956,981,744		114,296,533

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,119,088 and number of persons insured under indemnity only products.....199,496.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,139,959,319

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses

NONE

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates												
26921	22-2005057	12/01/2002	Everest Reinsurance Company	DE	OTH/L/G	9,675,890						
69515	34-0977231	12/01/2002	MedAmerica Insurance Co	PA	LTC/A/G	1,207,817	267,647	10,379,018				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates					10,883,707	267,647	10,379,018	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates					10,883,707	267,647	10,379,018	0	0	0	0
1199999.	Total - General Account - Authorized					10,883,707	267,647	10,379,018	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified					10,883,707	267,647	10,379,018	0	0	0	0
6999999.	Total - U.S.					10,883,707	267,647	10,379,018	0	0	0	0
9999999.	Total					10,883,707	267,647	10,379,018	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Provision for Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2013	2 2012	3 2011	4 2010	5 2009
A.	**OPERATIONS ITEMS**					
1.	Premiums	10,884	11,055	16,648	16,087	14,936
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	2,067	2,213	1,892	2,660	2,608
5.	Total hospital and medical expenses	6,899	7,919	8,009	9,698	10,462
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses					
9.	Experience rating refunds due or unpaid	299			721	555
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers			XXX	XXX	XXX
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust			XXX	XXX	XXX
18.	Funds deposited by and withheld from (F)			XXX	XXX	XXX
19.	Letters of credit (L)			XXX	XXX	XXX
20.	Trust agreements (T)			XXX	XXX	XXX
21.	Other (O)			XXX	XXX	XXX

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	3,252,036,761		3,252,036,761
2.	Accident and health premiums due and unpaid (Line 15)	182,797,073		182,797,073
3.	Amounts recoverable from reinsurers (Line 16.1)			0
4.	Net credit for ceded reinsurance	XXX	12,299,964	12,299,964
5.	All other admitted assets (balance)	351,954,196		351,954,196
6.	Totals assets (Line 28)	3,786,788,030	12,299,964	3,799,087,994
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	468,999,401	1,653,299	470,652,700
8.	Accrued medical incentive pool and bonus payments (Line 2)	520,116		520,116
9.	Premiums received in advance (Line 8)	149,524,510		149,524,510
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	779,211,183	10,646,665	789,857,848
15.	Total liabilities (Line 24)	1,398,255,210	12,299,964	1,410,555,174
16.	Total capital and surplus (Line 33)	2,388,532,820	XXX	2,388,532,820
17.	Total liabilities, capital and surplus (Line 34)	3,786,788,030	12,299,964	3,799,087,994
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	1,653,299		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	1,653,299		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	(10,646,665)		
30.	Total ceded reinsurance payables/offsets	(10,646,665)		
31.	Total net credit for ceded reinsurance	12,299,964		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	3,868,206,103	1,065,687,311		896,882,639			5,830,776,053	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	3,868,206,103	1,065,687,311	0	896,882,639	0	0	5,830,776,053	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	3,868,206,103	1,065,687,311	0	896,882,639	0	0	5,830,776,053	0

DETAILS OF WRITE-INS

58001.							0	
58002.							0	
58003.							0	
58998. Summary of remaining write-ins for line 58	0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 + 58998)	0	0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc.

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

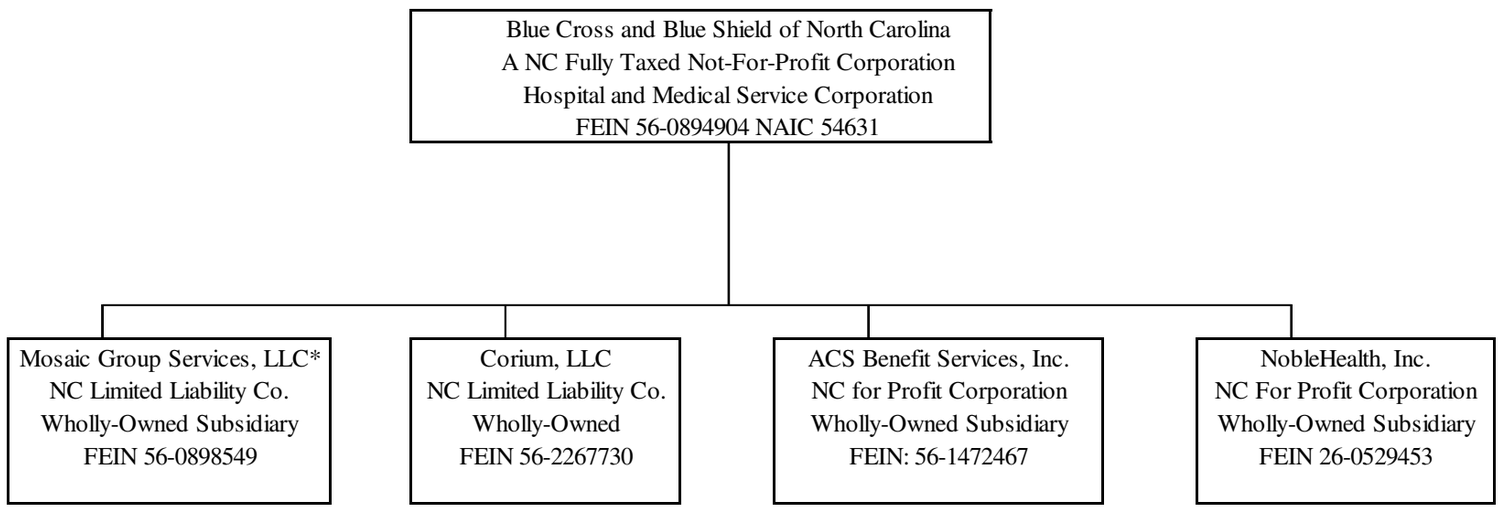
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				1,207,817		1,207,817
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	1,207,817	0	1,207,817

CORPORATE STRUCTURE
BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
.....	.....	54631.....	56-0894904	.....	.....	.....	Blue Cross and Blue Shield of North Carolina.....	NC.....	UDP.....	BCBSNC.....	Owership.....	...100.000	Board of Directors.....	.....
.....	.....	.....	56-0898549	.....	.....	.....	Mosaic Group Services, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	*.....
.....	.....	.....	56-1472467	.....	.....	.....	ACS Benefit Services, Inc.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	*.....
.....	.....	.....	26-0529453	.....	.....	.....	NobleHealth, Inc.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....
.....	.....	.....	56-2267730	.....	.....	.....	Corium, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....

Asterisk	Explanation
	BCBSNC has agreed to provide its wholly-owned subsidiaries, ACS and Mosaic Group, administrative services which include but are not limited to management duties, production of business and servicing of the subsidiaries business.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
.....	56-0898549	Mosaic Group Services, LLC	.....	.....	(6,726,296)	.....	.....	.....	.....	.....	(6,726,296)	.....
.....	56-1472467	ACS Benefit Services, Inc.	.....	.....	5,804,512	.....	.....	.....	.....	.....	5,804,512	.....
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina	.....	.....	921,784	.....	.....	.....	.....	.....	921,784	.....
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	Responses
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
18.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
21.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
22.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
23.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

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Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Prepaid Expenses	27,354,104	27,354,104	0	
2505. Prepaid Post Retirement Benefits Other Than Pension	5,740,613	5,740,613	0	
2506. Cash Surrender Value of Life Insurance	11,851,072		11,851,072	11,462,562
2507. Renewable Energy Credits	72,168,457	56,541,265	15,627,192	40,850,975
2508. Investment In Topaz R & D	62,842,461	62,842,461	0	
2597. Summary of remaining write-ins for Line 25	179,956,707	152,478,443	27,478,264	52,313,537

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Reserve for Unclaimed Property	2,472		2,472	2,231
2305. Other Liabilities			0	5,552,670
2397. Summary of remaining write-ins for Line 23	2,472	0	2,472	5,554,901

Additional Write-ins for Exhibit of Net Investment Income:

	1 Collected During Year	2 Earned During Year
0904. Miscellaneous Investment Income	364,882	364,882
0997. Summary of remaining write-ins for Line 9	364,882	364,882

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid Expenses	27,354,104	80,228,700	52,874,596
2505. Prepaid Post Retirement Benefits Other Than Pension	5,740,613	12,066,557	6,325,944
2506. Automobiles	46,045	76,705	30,660
2507. BlueCard Receivable		46,249,783	46,249,783
2597. Summary of remaining write-ins for Line 25	33,140,762	138,621,745	105,480,983

Overflow Page for Write-Ins

NONE

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	97,020,826	3.4	98,533,340		98,533,340	3.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	32,485,366	1.1	32,485,366		32,485,366	1.0
1.22 Issued by U.S. government sponsored agencies	68,239,441	2.4	68,239,441		68,239,441	2.1
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	3,395,020	0.1	3,395,020		3,395,020	0.1
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	248,294,957	8.6	248,294,957		248,294,957	7.6
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	195,732,144	6.8	195,732,144		195,732,144	6.0
1.43 Revenue and assessment obligations	751,902,108	26.0	725,603,306		725,603,306	22.3
1.44 Industrial development and similar obligations		0.0			0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	132,397	0.0	132,397		132,397	0.0
1.512 Issued or guaranteed by FNMA and FHLMC	11,022,663	0.4	11,022,663		11,022,663	0.3
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	1,853,780	0.1	1,853,780		1,853,780	0.1
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521	10,621,091	0.4	10,621,091		10,621,091	0.3
1.523 All other	1,369,679	0.0	1,369,679		1,369,679	0.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	271,805,916	9.4	271,805,916		271,805,916	8.4
2.2 Unaffiliated non-U.S. securities (including Canada)	8,538,485	0.3	8,538,485		8,538,485	0.3
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	674,520,524	23.3	1,061,683,267		1,061,683,267	32.6
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated		0.0			0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated	161,640,483	5.6	165,241,207		165,241,207	5.1
3.4 Other equity securities:						
3.41 Affiliated	72,241,331	2.5	65,993,402		65,993,402	2.0
3.42 Unaffiliated	961,028	0.0	4,077,908		4,077,908	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company	71,347,784	2.5	71,347,784		71,347,784	2.2
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	2,996,346	0.1	2,996,346		2,996,346	0.1
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	17,107,914	0.6	17,107,915		17,107,915	0.5
11. Other invested assets	185,961,345	6.4	185,961,347		185,961,347	5.7
12. Total invested assets	2,889,190,628	100.0	3,252,036,761	0	3,252,036,761	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		67,813,650
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)	6,993,061	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	5,400,084	12,393,145
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13		
	3.2 Totals, Part 3, Column 11		0
4.	Total gain (loss) on disposals, Part 3, Column 18		(1,955,061)
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	3,907,604	
	8.2 Totals, Part 3, Column 9		3,907,604
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		74,344,130
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		74,344,130

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		88,684,545
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	43,283,947	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	53,210,333	96,494,280
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	2,372,885	
	5.2 Totals, Part 3, Column 9		2,372,885
6.	Total gain (loss) on disposals, Part 3, Column 19		803,539
7.	Deduct amounts received on disposals, Part 3, Column 16		1,827,631
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15	566,271	
	10.2 Totals, Part 3, Column 11		566,271
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		185,961,347
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		185,961,347

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		2,778,489,503
2.	Cost of bonds and stocks acquired, Part 3, Column 7		461,711,864
3.	Accrual of discount		858,883
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	200,606	
	4.2 Part 2, Section 1, Column 15		
	4.3 Part 2, Section 2, Column 13	153,115,679	
	4.4 Part 4, Column 11	(23,708,432)	129,607,853
5.	Total gain (loss) on disposals, Part 4, Column 19		43,645,853
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		404,849,075
7.	Deduct amortization of premium		7,780,918
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14	504,633	
	9.4 Part 4, Column 13		504,633
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		3,001,179,330
11.	Deduct total nonadmitted amounts		26,555,961
12.	Statement value at end of current period (Line 10 minus Line 11)		2,974,623,369

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	117,738,850	116,576,800	116,442,183	113,452,972
Governments (Including all obligations	2. Canada	5,070,807	4,972,239	5,067,373	5,100,000
guaranteed by governments)	3. Other Countries				
	4. Totals	122,809,657	121,549,039	121,509,556	118,552,972
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	359,654,150	377,243,186	366,391,180	347,045,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	238,995,430	249,913,521	242,632,264	229,220,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	703,105,806	729,410,471	713,339,054	675,002,168
Industrial and Miscellaneous and Hybrid	8. United States	270,430,233	285,717,644	270,783,713	267,087,628
Securities (Unaffiliated)	9. Canada	8,931,102	9,001,776	9,161,271	8,400,000
	10. Other Countries				
	11. Totals	279,361,335	294,719,420	279,944,984	275,487,628
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	1,703,926,378	1,772,835,637	1,723,817,038	1,645,307,768
PREFERRED STOCKS	14. United States				
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS	20. United States	1,231,259,549	1,231,259,549	837,122,035	
Industrial and Miscellaneous (Unaffiliated)	21. Canada				
	22. Other Countries				
	23. Totals	1,231,259,549	1,231,259,549	837,122,035	
Parent, Subsidiaries and Affiliates	24. Totals	65,993,403	65,993,403	72,241,331	
	25. Total Common Stocks	1,297,252,952	1,297,252,952	909,363,366	
	26. Total Stocks	1,297,252,952	1,297,252,952	909,363,366	
	27. Total Bonds and Stocks	3,001,179,330	3,070,088,589	2,633,180,404	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments**											
1.1 NAIC 1	7,800,611	54,206,243	48,849,215	10,818,128		121,674,197	7.0	121,187,001	6.6	121,674,197	
1.2 NAIC 2						0	0.0		0.0		
1.3 NAIC 3						0	0.0		0.0		
1.4 NAIC 4						0	0.0		0.0		
1.5 NAIC 5						0	0.0		0.0		
1.6 NAIC 6						0	0.0		0.0		
1.7 Totals	7,800,611	54,206,243	48,849,215	10,818,128	0	121,674,197	7.0	121,187,001	6.6	121,674,197	0
2. **All Other Governments**											
2.1 NAIC 1		4,074,602	996,204			5,070,806	0.3	4,098,182	0.2	5,070,806	
2.2 NAIC 2						0	0.0		0.0		
2.3 NAIC 3						0	0.0		0.0		
2.4 NAIC 4						0	0.0		0.0		
2.5 NAIC 5						0	0.0		0.0		
2.6 NAIC 6						0	0.0		0.0		
2.7 Totals	0	4,074,602	996,204	0	0	5,070,806	0.3	4,098,182	0.2	5,070,806	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**											
3.1 NAIC 1	8,086,475	80,798,576	175,517,183	95,251,918		359,654,152	20.8	371,905,082	20.3	359,654,152	
3.2 NAIC 2						0	0.0		0.0		
3.3 NAIC 3						0	0.0		0.0		
3.4 NAIC 4						0	0.0		0.0		
3.5 NAIC 5						0	0.0		0.0		
3.6 NAIC 6						0	0.0		0.0		
3.7 Totals	8,086,475	80,798,576	175,517,183	95,251,918	0	359,654,152	20.8	371,905,082	20.3	359,654,152	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 NAIC 1		26,221,584	140,216,417	67,093,006	5,464,426	238,995,433	13.8	215,075,220	11.7	238,995,433	
4.2 NAIC 2						0	0.0		0.0		
4.3 NAIC 3						0	0.0		0.0		
4.4 NAIC 4						0	0.0		0.0		
4.5 NAIC 5						0	0.0		0.0		
4.6 NAIC 6						0	0.0		0.0		
4.7 Totals	0	26,221,584	140,216,417	67,093,006	5,464,426	238,995,433	13.8	215,075,220	11.7	238,995,433	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 NAIC 1	2,387,632	155,257,078	310,098,354	201,215,543	26,235,528	695,194,135	40.1	631,004,845	34.5	695,194,135	
5.2 NAIC 2		113,058	3,228,616	3,634,395		6,976,069	0.4	5,682,301	0.3	6,976,069	
5.3 NAIC 3						0	0.0		0.0		
5.4 NAIC 4						0	0.0		0.0		
5.5 NAIC 5						0	0.0		0.0		
5.6 NAIC 6						0	0.0		0.0		
5.7 Totals	2,387,632	155,370,136	313,326,970	204,849,938	26,235,528	702,170,204	40.5	636,687,146	34.8	702,170,204	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 NAIC 1	55,810,081	105,562,510	47,574,054	238,999	5,743,172	214,928,816	12.4	365,866,387	20.0	214,928,816	
6.2 NAIC 2	1,182,274	46,623,583	38,211,325	1,537,076	1,763,109	89,317,367	5.2	116,158,492	6.3	89,317,367	
6.3 NAIC 3						0	0.0		0.0		
6.4 NAIC 4						0	0.0		0.0		
6.5 NAIC 5						0	0.0		0.0		
6.6 NAIC 6						0	0.0		0.0		
6.7 Totals	56,992,355	152,186,093	85,785,379	1,776,075	7,506,281	304,246,183	17.6	482,024,879	26.3	304,246,183	0
7. **Hybrid Securities**											
7.1 NAIC 1						0	0.0		0.0		
7.2 NAIC 2						0	0.0		0.0		
7.3 NAIC 3						0	0.0		0.0		
7.4 NAIC 4						0	0.0		0.0		
7.5 NAIC 5						0	0.0		0.0		
7.6 NAIC 6						0	0.0		0.0		
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 NAIC 1						0	0.0		0.0		
8.2 NAIC 2						0	0.0		0.0		
8.3 NAIC 3						0	0.0		0.0		
8.4 NAIC 4						0	0.0		0.0		
8.5 NAIC 5						0	0.0		0.0		
8.6 NAIC 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. **Total Bonds Current Year**											
9.1 NAIC 1	(d) 74,084,799	426,120,593	723,251,427	374,617,594	37,443,126	1,635,517,539	94.4	XXX	XXX	1,635,517,539	0
9.2 NAIC 2	(d) 1,182,274	46,736,641	41,439,941	5,171,471	1,763,109	96,293,436	5.6	XXX	XXX	96,293,436	0
9.3 NAIC 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 NAIC 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 NAIC 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.6 NAIC 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.7 Totals	75,267,073	472,857,234	764,691,368	379,789,065	39,206,235	(b) 1,731,810,975	100.0	XXX	XXX	1,731,810,975	0
9.8 Line 9.7 as a % of Col. 6	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	0.0
10. **Total Bonds Prior Year**											
10.1 NAIC 1	168,387,537	385,513,840	685,947,870	432,483,861	36,803,609	XXX	XXX	1,709,136,717	93.3	1,709,136,717	
10.2 NAIC 2	50,162,877	37,408,011	31,859,386	646,081	1,764,438	XXX	XXX	121,840,793	6.7	121,840,793	
10.3 NAIC 3						XXX	XXX	0	0.0		
10.4 NAIC 4						XXX	XXX	0	0.0		
10.5 NAIC 5						XXX	XXX	(c) 0	0.0		
10.6 NAIC 6						XXX	XXX	(c) 0	0.0		
10.7 Totals	218,550,414	422,921,851	717,807,256	433,129,942	38,568,047	XXX	XXX	(b) 1,830,977,510	100.0	1,830,977,510	0
10.8 Line 10.7 as a % of Col. 8	11.9	23.1	39.2	23.7	2.1	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 NAIC 1	74,084,799	426,120,593	723,251,427	374,617,594	37,443,126	1,635,517,539	94.4	1,709,136,717	93.3	1,635,517,539	XXX
11.2 NAIC 2	1,182,274	46,736,641	41,439,941	5,171,471	1,763,109	96,293,436	5.6	121,840,793	6.7	96,293,436	XXX
11.3 NAIC 3						0	0.0	0	0.0	0	XXX
11.4 NAIC 4						0	0.0	0	0.0	0	XXX
11.5 NAIC 5						0	0.0	0	0.0	0	XXX
11.6 NAIC 6						0	0.0	0	0.0	0	XXX
11.7 Totals	75,267,073	472,857,234	764,691,368	379,789,065	39,206,235	1,731,810,975	100.0	1,830,977,510	100.0	1,731,810,975	XXX
11.8 Line 11.7 as a % of Col. 6	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	XXX
12. **Total Privately Placed Bonds**											
12.1 NAIC 1						0	0.0	0	0.0	XXX	0
12.2 NAIC 2						0	0.0	0	0.0	XXX	0
12.3 NAIC 3						0	0.0	0	0.0	XXX	0
12.4 NAIC 4						0	0.0	0	0.0	XXX	0
12.5 NAIC 5						0	0.0	0	0.0	XXX	0
12.6 NAIC 6						0	0.0	0	0.0	XXX	0
12.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....27,884,596; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments**											
1.1 Issuer Obligations	4,799,557	46,738,227	43,716,943	7,213,961		102,468,688	5.9	97,425,103	5.3	102,468,688	
1.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
1.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities	3,001,056	7,468,016	5,132,272	3,604,165		19,205,509	1.1	23,761,897	1.3	19,205,509	
1.5 Totals	7,800,613	54,206,243	48,849,215	10,818,126	0	121,674,197	7.0	121,187,000	6.6	121,674,197	0
2. **All Other Governments**											
2.1 Issuer Obligations		4,074,602	996,204			5,070,806	0.3	4,098,182	0.2	5,070,806	
2.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
2.5 Totals	0	4,074,602	996,204	0	0	5,070,806	0.3	4,098,182	0.2	5,070,806	0
3. **U.S. States, Territories and Possessions, Guaranteed**											
3.1 Issuer Obligations	8,086,475	80,798,576	175,517,183	95,251,918		359,654,152	20.8	371,905,082	20.3	359,654,152	
3.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
3.5 Totals	8,086,475	80,798,576	175,517,183	95,251,918	0	359,654,152	20.8	371,905,082	20.3	359,654,152	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Issuer Obligations		26,221,587	140,216,417	67,093,006	5,464,423	238,995,433	13.8	215,075,220	11.7	238,995,433	
4.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
4.5 Totals	0	26,221,587	140,216,417	67,093,006	5,464,423	238,995,433	13.8	215,075,220	11.7	238,995,433	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Issuer Obligations	499,743	150,744,459	309,063,965	202,827,573	26,025,623	689,161,363	39.8	611,363,558	33.4	689,161,363	
5.2 Residential Mortgage-Backed Securities	1,887,890	4,625,674	4,263,007	2,022,365	209,905	13,008,841	0.8	25,323,587	1.4	13,008,841	
5.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
5.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
5.5 Totals	2,387,633	155,370,133	313,326,972	204,849,938	26,235,528	702,170,204	40.5	636,687,145	34.8	702,170,204	0
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Issuer Obligations	52,985,289	142,869,423	81,936,675	1,537,075	7,490,595	286,819,057	16.6	465,022,853	25.4	286,819,057	
6.2 Residential Mortgage-Backed Securities	104,366	289,248	178,664	146,099	14,342	732,719	0.0	935,549	0.1	732,719	
6.3 Commercial Mortgage-Backed Securities	1,706,756	7,388,400	2,812,650			11,907,806	0.7	9,741,467	0.5	11,907,806	
6.4 Other Loan-Backed and Structured Securities	2,195,944	1,639,022	857,390	92,901	1,344	4,786,601	0.3	6,325,012	0.3	4,786,601	
6.5 Totals	56,992,355	152,186,093	85,785,379	1,776,075	7,506,281	304,246,183	17.6	482,024,881	26.3	304,246,183	0
7. **Hybrid Securities**											
7.1 Issuer Obligations						0	0.0		0.0		
7.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 Issuer Obligations						0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. **Total Bonds Current Year**											
9.1 Issuer Obligations	66,371,064	451,446,874	751,447,387	373,923,533	38,980,641	1,682,169,499	97.1	XXX	XXX	1,682,169,499	0
9.2 Residential Mortgage-Backed Securities	1,992,256	4,914,922	4,441,671	2,168,464	224,247	13,741,560	0.8	XXX	XXX	13,741,560	0
9.3 Commercial Mortgage-Backed Securities	1,706,756	7,388,400	2,812,650	0	0	11,907,806	0.7	XXX	XXX	11,907,806	0
9.4 Other Loan-Backed and Structured Securities	5,197,000	9,107,038	5,989,662	3,697,066	1,344	23,992,110	1.4	XXX	XXX	23,992,110	0
9.5 Totals	75,267,076	472,857,234	764,691,370	379,789,063	39,206,232	1,731,810,975	100.0	XXX	XXX	1,731,810,975	0
9.6 Line 9.5 as a % of Col. 6	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	0.0
10. **Total Bonds Prior Year**											
10.1 Issuer Obligations	208,554,667	396,789,020	702,007,934	422,421,209	35,117,168	XXX	XXX	1,764,889,998	96.4	1,764,889,998	
10.2 Residential Mortgage-Backed Securities	2,781,266	7,192,315	7,182,213	5,655,127	3,448,215	XXX	XXX	26,259,136	1.4	26,259,136	
10.3 Commercial Mortgage-Backed Securities	991,731	6,516,809	2,232,927			XXX	XXX	9,741,467	0.5	9,741,467	
10.4 Other Loan-Backed and Structured Securities	6,222,750	12,423,706	6,384,181	5,053,606	2,666	XXX	XXX	30,086,909	1.6	30,086,909	
10.5 Totals	218,550,414	422,921,850	717,807,255	433,129,942	38,568,049	XXX	XXX	1,830,977,510	100.0	1,830,977,510	0
10.6 Line 10.5 as a % of Col. 8	11.9	23.1	39.2	23.7	2.1	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 Issuer Obligations	66,371,064	451,446,874	751,447,387	373,923,533	38,980,641	1,682,169,499	97.1	1,764,889,998	96.4	1,682,169,499	XXX
11.2 Residential Mortgage-Backed Securities	1,992,256	4,914,922	4,441,671	2,168,464	224,247	13,741,560	0.8	26,259,136	1.4	13,741,560	XXX
11.3 Commercial Mortgage-Backed Securities	1,706,756	7,388,400	2,812,650			11,907,806	0.7	9,741,467	0.5	11,907,806	XXX
11.4 Other Loan-Backed and Structured Securities	5,197,000	9,107,038	5,989,662	3,697,066	1,344	23,992,110	1.4	30,086,909	1.6	23,992,110	XXX
11.5 Totals	75,267,076	472,857,234	764,691,370	379,789,063	39,206,232	1,731,810,975	100.0	1,830,977,510	100.0	1,731,810,975	XXX
11.6 Line 11.5 as a % of Col. 6	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	4.3	27.3	44.2	21.9	2.3	100.0	XXX	XXX	XXX	100.0	XXX
12. **Total Privately Placed Bonds**											
12.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
12.2 Residential Mortgage-Backed Securities						0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities						0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities						0	0.0	0	0.0	XXX	0
12.5 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Line 12.5 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	112,297,996	112,297,996			
2. Cost of short-term investments acquired	377,500,991	377,500,991			
3. Accrual of discount	4,830	4,830			
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	2,880	2,880			
6. Deduct consideration received on disposals	461,912,775	461,912,775			
7. Deduct amortization of premium	9,325	9,325			
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	27,884,597	27,884,597	0	0	0
11. Deduct total nonadmitted amounts	2,000,000	2,000,000			
12. Statement value at end of current period (Line 10 minus Line 11)	25,884,597	25,884,597	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
3.1	Section 1, Column 17			
3.2	Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
6.1	Section 1, Column 19			
6.2	Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
7.1	Section 1, Column 20			
7.2	Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
8.1	Section 1, Column 18			
8.2	Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)				
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)				
3.1	Add:				
	Change in variation margin on open contracts - highly effective hedges:				
3.11	Section 1, Column 15, current year minus				
3.12	Section 1, Column 15, prior year		0		
	Change in the valuation margin on open contracts - all other:				
3.13	Section 1, Column 18, current year minus				
3.14	Section 1, Column 18, prior year		0	0	
3.2	Add:				
	Change in adjustment to basis of hedged item:				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year		0		
	Change in amount recognized:				
3.23	Section 1, Column 19, current year to date minus				
3.24	Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)				
4.22	Amount recognized (Section 2, Column 16)		0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				0
7.	Deduct nonadmitted assets				
8.	Statement value at end of current period (Line 6 minus Line 7)				0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

NONE

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Subtotal (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0

NONE

		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0

		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	53,294,538	53,294,538	
2. Cost of cash equivalents acquired	2,377,672,512	2,377,672,512	
3. Accrual of discount	128,535	128,535	
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	(108)	(108)	
6. Deduct consideration received on disposals	2,431,095,464	2,431,095,464	
7. Deduct amortization of premium	13	13	
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.....

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Administrative																
HQ Building & Land	^	Chapel Hill	NC	01/01/1969	12/11/2012	19,359,960		3,270,323	39,500,000	591,152			(591,152)		720,904	1,848,083
CSC Building & Land	^	Durham	NC	01/01/2000	07/06/2010	37,818,340		21,948,924	31,700,000	1,175,019			(1,175,019)		4,838,382	1,653,002
CSC II & Commons Building	^	Durham	NC	12/31/2009	07/06/2010	40,440,525		19,648,075	23,000,000	995,134			(995,134)		4,331,187	1,047,386
CSC Vacant Land & CSC Parking Deck #2	^	Durham	NC	12/31/2009	07/06/2010	6,735,186		4,533,260	6,530,000	285,014			(285,014)		999,304	12,365
UP1 Building & Land	^	Durham	NC	09/30/2013	11/12/2013	8,394,289		6,470,763	10,500,000	246,464			(246,464)		1,426,404	520,297
UP2 Building & Land	^	Durham	NC	12/31/2008	11/17/2009	7,851,120		3,808,735	4,900,000	142,334			(142,334)		839,591	205,240
UP4 & UP5 Building & Land	^	Durham	NC	06/02/2013	03/26/2013	7,120,247		6,993,060	12,500,000				0		1,541,538	350,533
UP6 Building & Land	^	Durham	NC	03/07/2003	11/17/2009	5,581,735		3,967,243	5,200,000	211,089			(211,089)		874,532	252,444
98 Lakeview Drive - Brick House 1	^	Chapel Hill	NC	01/01/1971	03/25/2009	22,251			177,500				0			581
105 E Lakeview Drive - Brick House 2	^	Chapel Hill	NC	01/01/1969	03/25/2009	22,200			192,500				0			580
104 East Lakeview - Brick House 4	^	Chapel Hill	NC	12/15/2007	03/25/2009	183,000		155,169	190,000	4,575			(4,575)		34,205	4,782
102 E Lakeview Dr - Brick House 5	^	Chapel Hill	NC	12/15/2007	03/25/2009	190,062		165,907	190,000	4,752			(4,752)		36,572	4,966
100 W Lakeview Drive - Brick House 6	^	Chapel Hill	NC	01/15/2009	03/25/2009	201,358		176,188	200,000	5,034			(5,034)		38,839	5,261
East Lake Lots	^	Chapel Hill	NC	04/15/2008	03/25/2009	210,137		210,137	35,000				0		46,322	5,491
0299999. Properties Occupied by the Reporting Entity - Administrative						134,130,410	0	71,347,784	134,815,000	3,660,567	0	0	(3,660,567)	0	15,727,780	5,911,011
0399999. Total - Properties Occupied by the Reporting Entity						134,130,410	0	71,347,784	134,815,000	3,660,567	0	0	(3,660,567)	0	15,727,780	5,911,011
Properties Held for the Production of Income																
Duke Street Building	LS	Durham	NC	01/23/1970	03/05/2010	5,541,976		2,996,346	3,700,000	247,037			(247,037)		410,305	175,343
0499999. Total - Properties Held for the Production of Income						5,541,976	0	2,996,346	3,700,000	247,037	0	0	(247,037)	0	410,305	175,343
0699999. Totals						139,672,386	0	74,344,130	138,515,000	3,907,604	0	0	(3,907,604)	0	16,138,085	6,086,354

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3					Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances		
Acquired by Purchase								
CSC Building & Land	Durham	NC	07/15/2013	Various			44,250	44,250
UP1 Building & Land	Durham	NC	09/30/2013	Various			5,355,834	5,355,834
UP4 & UP5 Buildings	Durham	NC	06/01/2013	Various	4,833,061		4,833,061	
UP4 & UP5 Land	Durham	NC	06/01/2013	Various	2,160,000		2,160,000	
0199999. Total - Acquired by Purchase					6,993,061	0	12,393,145	5,400,084
0399999. Totals					6,993,061	0	12,393,145	5,400,084

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A. C. V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Property Disposed																			
CSC Building & Land	Durham	NC	12/26/2013	Various	1,554,171						0		93,684			(93,684)	(93,684)		
CSC II & Common Building	Durham	NC	12/26/2013	Various	1,304,855						0		764,416			(764,416)	(764,416)		
Duke Street Building	Durham	NC	12/26/2013	Various	296,040						0		167,589			(167,587)	(167,587)		
UP1 Building	Durham	NC	12/26/2013	Various	990,640						0		781,890			(781,890)	(781,890)		
UP2 Building	Durham	NC	12/26/2013	Various	230,171						0		147,484			(147,484)	(147,484)		
0199999. Total - Property Disposed					4,375,877	0	0	0	0	0	0	0	1,955,063	0	0	(1,955,061)	(1,955,061)	0	0
0399999. Totals					4,375,877	0	0	0	0	0	0	0	1,955,063	0	0	(1,955,061)	(1,955,061)	0	0

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
		3	4				Book Value/ Recorded Investment Excluding Accrued Interest	9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Amortization)/ Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest								

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

E04

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3				Actual Cost		Value of
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	at Time of Acquisition	Additional Investment Made After Acquisition	Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3				Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other-Than-Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value	Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date												

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) /Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
	C.B. Healthcare Fund II, L.P.			DE	Cain Brothers, LLC		04/24/2001	1	231,148	231,148	231,148			39,751					4.0
	C.B. Healthcare Fund II Add on Commitment			DE	Cain Brothers, LLC		04/24/2001	1	164,827	164,827	164,827								6.1
	Health Enterprise Partners, L.P.			DE	HEP Associates, LLC		03/30/2007	1	1,887,970	1,887,970	1,887,970							482,052	3.6
	Southern Capital Technology Fund II, L.P.			DE	So. Capital Tech. Fund II Mgmt Co		06/15/2006	1	242,784	242,784	242,784						15,560	130,000	3.3
	Synergy Life Science Partners, L.P.			DE	Synergy Management, LLC		12/13/2007	1	1,461,641	1,461,641	1,461,641			526,520				414,179	2.1
	Blue Cross Blue Shield Ventures II			DE	Blue Cross Blue Shield Ventures II, Inc		06/24/2011	1	1,240,787	1,240,787	1,240,787							3,709,213	2.8
	Hatteras Ventures Partners IV, L.P.			DE	Hatteras Ventures Advisors IV, LLC		08/25/2011	1	382,500	382,500	382,500							1,117,500	2.4
	BullCity Venture Partners Fund III			DE	Bull City Fund III GP, LLC		02/13/2013	1	60,000	60,000	60,000							440,000	2.0
	Excel Medical Fund I			DE	Excel Medical Ventures, LLC		03/18/2013	1	2,002,535	2,002,535	2,002,535							1,047,465	2.4
	Excel Venture Fund II			DE	Excel Ventures II GP, LLC		03/28/2013	1	389,489	389,489	389,489							1,610,511	2.5
	Health Enterprise Partners II, L.P.			DE	HEP Associates II, LLC		07/10/2013	1	176,876	176,876	176,876						68	823,124	0.9
	Northgate Venture Partners VI, LLC			DE	Northgate Venture VI, LLC		08/31/2012	1	2,600,000	2,600,000	2,600,000							19,400,000	7.0
	HarbourVest Partners IX -Buyout Fund LP			DE	HarbourVest Partners IX - Venture Associiates LLC		06/28/2012	1	2,782,454	2,782,454	2,782,454							6,225,000	2.1
	HarbourVest Partners IX -Venture Fund LP			DE	HarbourVest Partners IX -Buyout Associates LLC		06/28/2012	1	1,989,246	1,989,246	1,989,246							14,918,750	1.0
	Northgate Capital Direct Partners VII, L.P.			DE	NCD Management VII, LLC		07/12/2012	1	8,000,000	8,000,000	8,000,000							16,600,000	8.0
	Adams Street 2012 Gloabal Fund LP			DE	Adams Street Partners LLC		07/06/2012	1	3,585,000	3,585,000	3,585,000							23,540,000	3.4
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									27,197,257	27,197,257	27,197,257	0	0	566,271	0	0	15,628	90,457,794	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
	AEW Real Estate Trust			MD	AEW Capital Management LP		04/02/2012		42,426,294	45,427,397	45,427,397	2,372,885					1,928,730		1.6
	J.P. Morgan US Real Estate Income and Growth Domestic, L.P.			DE	I&G Manager, LLC		10/01/2012		51,379,121	51,379,121	51,379,121						2,279,241		3.7
	Morgan Stanley Prime Property Fund			DE	Prime Property Fund LLC		09/30/2013		50,393,388	50,393,388	50,393,388						393,388		0.5
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									144,198,803	147,199,906	147,199,906	2,372,885	0	0	0	0	4,601,359	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
	Crescent Mezzanine Paartners VI			DE	Crescent Mezzanine VI, LLC		08/30/2013		8,268,626	8,268,626	8,268,626							26,940,325	1.0
	KKR Energy Income & Growth Fund LP			DE	KKR Associates EIGF LP		10/31/2013		3,295,558	3,295,558	3,295,558							31,542,806	3.1
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									11,564,184	11,564,184	11,564,184	0	0	0	0	0	0	58,483,131	XXX
4499999. Subtotal - Unaffiliated									182,960,244	185,961,347	185,961,347	2,372,885	0	566,271	0	0	4,616,987	148,940,925	XXX
4699999. Totals									182,960,244	185,961,347	185,961,347	2,372,885	0	566,271	0	0	4,616,987	148,940,925	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4		Date	Type	Actual Cost	Additional		Percentage
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Originally Acquired	and Strategy	at Time of Acquisition	Investment Made After Acquisition	Amount of Encumbrances	of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
	Health Enterprise Partners, L.P.		DE	HEP Associates, LLC	03/30/2007	1		241,229		3.6
	Southern Capital Technology Fund II, L.P.		DE	So. Capital Tech. Fund II Mgmt Co.	06/15/2006	1		30,000		3.3
	Synergy Life Science Partners, L.P.		DE	Synergy Management, LLC	12/13/2007	1		228,000		2.1
	Blue Cross Blue Shield Ventures II		DE	Blue Cross Blue Shield Ventures II, Inc.	06/24/2011	1		341,245		2.8
	Hatteras Ventures Partners IV, L.P.		DE	Hatteras Ventures Advisors IV, LLC	08/25/2011	1		82,500		2.4
	BullCity Venture Partners Fund III		DE	Bull City Fund III GP, LLC	02/13/2013	1	15,000	45,000		2.0
	Excel Medical Fund I		DE	Excel Medical Ventures, LLC	03/18/2013	1	1,729,983	272,552		2.4
	Excel Venture Fund II		DE	Excel Ventures II GP, LLC	03/28/2013	1	119,637	269,852		2.5
	Health Enterprise Partners II, L.P.		DE	HEP Associates II, LLC	07/10/2013	1	63,357	122,953		0.9
	Northgate Venture Partners VI, LLC		DE	Northgate Venture VI, LLC	08/31/2012	1		2,000,000		7.0
	HarbourVest Partners IX -Buyout Fund LP		DE	HarbourVest Partners IX - Venture Associates LLC	06/28/2012	1		262,500		2.1
	HarbourVest Partners IX -Venture Fund LP		DE	HarbourVest Partners IX -Buyout Associates LLC	06/28/2012	1		750,000		1.0
	Northgate Capital Direct Partners VII, L.P.		DE	NCD Management VII, LLC	07/12/2012	1		4,600,000		8.0
	Adams Street 2012 Gloabal Fund LP		DE	Adams Street Partners LLC	07/06/2012	1		2,125,000		3.4
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							1,927,977	11,370,831	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated										
	AEW Real Estate Trust		MD	AEW Capital Management LP	04/02/2012			1,928,730		1.6
	J.P. Morgan US Real Estate Income and Growth Domestic, L.P.		DE	I&G Manager, LLC	10/01/2012			18,765,656		3.7
	Morgan Stanley Prime Property Fund		DE	Prime Property Fund LLC	09/30/2013		30,000,000	20,393,388		0.5
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							30,000,000	41,087,774	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
	Crescent Mezzanine Paartners VI		DE	Crescent Mezzanine VI, LLC	08/30/2013		7,898,776	751,728		1.0
	KKR Energy Income & Growth Fund LP		DE	KKR Associates EIGF LP	10/31/2013		3,457,194			3.1
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							11,355,970	751,728	0	XXX
4499999. Subtotal - Unaffiliated							43,283,947	53,210,333	0	XXX
4699999. Totals							43,283,947	53,210,333	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
	C.B. Healthcare Fund II, L.P.		DE	Capital Distribution	04/24/2001	09/30/2013	270,898					0		94,946	260,270		165,324	165,324	
	Health Enterprise Partners, L.P.		DE	Capital Distribution	03/30/2007	12/31/2013	1,862,948					0		216,207	676,520		460,313	460,313	
	Southern Capital Technology Fund II, L.P.		DE	Capital Distribution	06/15/2006	12/19/2013	275,726					0		62,942	137,890		74,949	74,949	
	Health Enterprise Partners II, L.P.		DE	Capital Distribution	07/10/2013	12/31/2013						0		9,434	9,434		-	0	
	HarbourVest Partners IX -Buyout Fund LP		DE	Capital Distribution	06/28/2012	12/23/2013	1,275,000					0		61,296	87,337		26,041	26,041	
	HarbourVest Partners IX -Venture Fund LP		DE	Capital Distribution	06/28/2012	12/03/2013	2,581,250					0		35,754	84,841		49,087	49,087	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							6,265,822	0	0	0	0	0	0	480,579	1,256,292	0	775,714	775,714	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
	Crescent Mezzanine Paartners VI		DE	Capital Distribution	08/30/2013	12/04/2013	-					0		381,878	409,703		27,825	27,825	
	KKR Energy Income & Growth Fund LP		DE	Capital Distribution	10/31/2013	11/21/2013						0		161,636	161,636		-	0	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							0	0	0	0	0	0	0	543,514	571,339	0	27,825	27,825	0
4499999. Subtotal - Unaffiliated							6,265,822	0	0	0	0	0	0	1,024,093	1,827,631	0	803,539	803,539	0
4699999. Totals							6,265,822	0	0	0	0	0	0	1,024,093	1,827,631	0	803,539	803,539	0

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
31359M EL 3	Federal National Mtg Assoc Global Notes	@	..		..1FE	1,428,720	95.327	1,429,905	1,500,000	1,435,348		6,628			2.500	1.238	N/A			08/13/2013	06/01/2017
912810 PZ 5	US Treasury Inflation Protected Bonds		..		1	7,285,434	127.490	6,119,512	4,800,000	7,213,963	68,536	(130,746)			2.500	-0.024	JJ	60,300	129,541	08/09/2012	01/15/2029
912828 CA 6	U.S. Treasury Notes		..		1	2,282,031	100.481	2,311,063	2,300,000	2,299,557		2,055			4.000	4.097	FA	34,750	92,000	04/02/2004	02/15/2014
912828 DH 0	U.S. Treasury Inflation Indexed Nt		..		1	6,029,829	126.010	7,560,581	6,000,000	7,335,874	71,029	2,162			1.625	1.662	JJ	55,090	118,346	05/13/2005	01/15/2015
912828 NM 8	U.S. Treasury Inflation Prot Bd		..		1	2,453,428	114.579	2,291,573	2,000,000	2,426,114	23,055	(43,692)			1.250	-0.705	JJ	12,378	26,569	06/26/2012	07/15/2020
912828 RC 6	U.S. Treasury Bond		..		1	14,864,562	96.735	14,510,250	15,000,000	14,893,084		12,713			2.125	2.227	FA	120,397	318,750	10/19/2011	08/15/2021
912828 SA 9	U.S. Treasury Inflation Prot Bond		..		1	3,939,088	99.063	3,615,794	3,650,000	3,969,434	37,986	(25,381)			0.125	-0.529	JJ	2,175	4,672	06/04/2012	01/15/2022
912828 TS 9	U.S. Treasury		..		1	13,987,969	97.922	13,709,080	14,000,000	13,990,931		2,381			0.625	0.643	MS	22,356	87,500	09/27/2012	09/30/2017
912828 UF 5	U.S. Treasury Note		..		1	4,919,288	94.391	4,719,550	5,000,000	4,929,307		10,019			1.125	1.371	JD	155	56,250	02/14/2013	12/31/2019
912828 UJ 7	U.S. Treasury Note		..		1	2,996,602	98.079	2,942,370	3,000,000	2,997,191		589			0.875	0.898	JJ	10,985	13,125	02/13/2013	01/31/2018
912828 VJ 6	U.S. Treasury Note		..		1	10,495,078	97.570	10,244,850	10,500,000	10,495,417		339			1.875	1.882	JD	544	98,438	07/22/2013	06/30/2020
912828 VP 2	U.S. Treasury Note		..		1	7,003,664	98.219	6,875,330	7,000,000	7,003,588		(76)			2.000	1.992	JJ	58,587		10/21/2013	07/31/2020
912828 VQ 0	U.S. Treasury		..		1	20,977,479	99.102	20,811,420	21,000,000	20,978,882		1,403			1.375	1.398	JJ	120,925		12/19/2013	07/31/2018
0199999.	U.S. Government - Issuer Obligations					98,663,172	XXX	97,141,278	95,750,000	99,968,690	200,606	(161,606)	0	0	XXX	XXX	XXX	498,642	945,191	XXX	XXX
U.S. Government - Other Loan-Backed and Structured Securities																					
83162C KK 8	Small Business Admin Prtn Ctfs - Deb Ser		..	2	1	205,627	109.840	225,861	205,627	205,627					7.190	7.226	JD	1,232	14,785	12/07/1999	12/01/2019
83162C MT 7	Small Business Admin 2203-20A Ptn CTFs		..	2	1	109,815	108.119	113,584	105,055	107,591		(248)			4.900	4.351	JJ	2,574	5,202	03/11/2004	01/01/2023
83162C PE 7	Small Business Admin Ser 2004-20L Cl 1		..	2	1	1,145,656	107.049	1,226,414	1,145,656	1,145,656					4.920	4.921	JD	4,697	58,330	12/07/2004	12/01/2024
83162C PK 3	Small Business Admin Ser 2005-20C Cl 1		..	2	1	1,330,625	106.689	1,419,631	1,330,625	1,330,625					4.950	4.950	MS	21,955	68,363	03/08/2005	03/01/2025
83162C PL 1	Small Business Admin Ser 2005 - 20D Cl 1		..	2	1	734,479	107.099	786,620	734,479	734,479					5.110	5.110	AO	9,383	39,347	04/05/2005	04/01/2025
83162C PR 8	Small Business Admin Ser 2005-20G Cl 1 P		..	2	1	1,022,185	106.537	1,089,005	1,022,185	1,022,185					4.750	4.750	JJ	24,277	50,178	07/05/2005	07/01/2025
83162C RR 6	Small Business Admin Prtn CTFs Ser 2008-		..	2	1	1,431,025	110.539	1,581,841	1,431,025	1,431,025					5.490	5.510	MS	26,188	79,873	03/04/2008	03/01/2028
83162C RS 4	Small Business Admin Ser 2008-20D Cl 1 P		..	2	1	3,324,531	110.148	3,661,904	3,324,531	3,324,531					5.370	5.370	AO	44,632	185,295	04/08/2008	04/01/2028
83162C RU 9	Small Business Admin 2008-20E Cl 1		..	2	1	3,180,482	109.652	3,487,462	3,180,482	3,180,482					5.490	5.490	MN	29,101	182,055	05/06/2008	05/01/2028
83162C RV 7	Small Business Admin Ser 2008-20F Cl 1		..	2	1	1,403,017	112.075	1,572,432	1,403,017	1,403,017					5.680	5.699	JD	6,641	82,606	06/03/2008	06/01/2028
83162C SG 9	Small Business Admin Ser 2009-20A Cl 1 P		..	2	1	863,171	109.818	947,917	863,171	863,171					5.720	5.745	JJ	24,687	50,583	01/06/2009	01/01/2029
83162C SN 4	Small Business Admin Ser 2009-20E Cl 1		..	2	1	1,238,303	106.594	1,319,957	1,238,303	1,238,303					4.430	4.430	MN	9,143	55,875	05/05/2009	05/01/2029
831641 DV 4	Small Business Administration Ser 2004-1		..	2	1	112,579	102.432	115,317	112,579	112,579					4.684	4.665	MS	1,633	5,273	09/15/2004	09/10/2014
831641 DX 0	Small Business Administration Ser 2005-1		..	2	1	1,248,779	103.985	1,298,543	1,248,779	1,248,779					5.038	5.022	MS	21,029	62,914	03/15/2005	03/10/2015
831641 EK 7	Small Business Administration Ser 2008-1		..	2	1	991,275	108.961	1,080,104	991,275	991,275					5.902	5.903	FMAN	9,778	58,505	02/20/2008	02/01/2018
831641 EL 5	Small Business Administration Ser 2008-1		..	2	1	866,182	108.388	938,837	866,182	866,182					5.471	5.443	MS	15,840	47,389	03/18/2008	03/10/2018
0499999.	U.S. Government - Other Loan-Backed and Structured Securities					19,207,731	XXX	20,865,429	19,202,971	19,205,507	0	(248)	0	0	XXX	XXX	XXX	252,790	1,046,573	XXX	XXX
0599999.	Total - U.S. Government					117,870,903	XXX	118,006,707	114,952,971	119,174,197	200,606	(161,854)	0	0	XXX	XXX	XXX	751,432	1,991,764	XXX	XXX
All Other Governments - Issuer Obligations																					
11070T AA 6	British Colubia Prov of Canada Sr Notes		A		1FE	2,398,248	100.276	2,406,624	2,400,000	2,398,816		345			1.200	1.215	AO	5,280	28,800	04/18/2012	04/25/2017
68323A BM 5	Ontario Province Sr Unsecured Note		A		1FE	1,673,225	97.445	1,656,565	1,700,000	1,675,786		2,561			1.100	1.485	AO	3,428	9,350	07/29/2013	10/25/2017
748149 AG 6	Province of Quebec Bonds		A		1FE	995,900	90.905	909,050	1,000,000	996,204		304			2.625	2.672	FA	10,063	13,125	02/06/2013	02/13/2023
0699999.	All Other Governments - Issuer Obligations					5,067,373	XXX	4,972,239	5,100,000	5,070,806	0	3,210	0	0	XXX	XXX	XXX	18,771	51,275	XXX	XXX
1099999.	Total - All Other Governments					5,067,373	XXX	4,972,239	5,100,000	5,070,806	0	3,210	0	0	XXX	XXX	XXX	18,771	51,275	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
04057P CZ 9	Arizona Sch Facs Ctfs Partn		..	1	1FE	5,451,350	103.366	5,168,300	5,000,000	5,035,827		(52,372)			5.250	4.140	MS	87,500	262,500	07/20/2004	09/01/2016

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
040588 WU 5	Arizona State CTFs			1	1FE	1,020,209	107.260	1,072,600	1,000,000	1,011,514		(2,462)			5.000	4.691	MS	16,667	50,000	03/31/2010	09/01/2021
040588 WV 3	Arizona State CTFs			1	1FE	5,099,500	106.215	5,310,750	5,000,000	5,068,237		(6,246)			5.000	4.805	MS	83,333	250,000	06/26/2008	09/01/2022
040588 XP 5	Arizona State Cert Part G. O			1	1FE	5,058,750	112.613	5,630,650	5,000,000	5,041,503		(6,133)			5.250	5.080	AO	65,625	262,500	01/18/2011	10/01/2021
041042 KN 1	Arkansas St G.O			1	1FE	5,056,300	103.760	5,188,000	5,000,000	5,039,161		(2,919)			4.500	4.405	JD	18,750	225,000	05/17/2007	06/01/2024
13062T N9 1	California St G.O. Unrefunded Bal			1	1FE	597,087	100.381	582,210	580,000	582,963		(2,635)			4.750	4.259	FA	11,479	27,550	03/31/2010	02/01/2015
13063B FV 9	CA ST Build America G. O. Taxable			1	1FE	2,750,095	116.164	2,904,100	2,500,000	2,693,296		(25,084)			7.950	6.404	MS	66,250	198,750	10/31/2011	03/01/2036
13063B JB 9	CA ST Build America G. O. Taxable			1	1FE	302,178	115.990	347,970	300,000	301,939		(57)			7.700	7.629	MN	3,850	23,100	11/19/2010	11/01/2030
19668Q GC 3	Colorado ST Bldg Exce SCHS Cop Certifica			1	1FE	1,055,030	95.503	955,030	1,000,000	1,050,033		(4,997)			4.000	3.298	MS	11,778	31,000	01/04/2013	03/15/2032
196734 BQ 9	Colorado St Higher Ed CTFS PART			1	1FE	1,885,120	119.548	2,265,435	1,895,000	1,886,525		391			5.500	5.546	MN	17,371	104,225	03/31/2010	11/01/2027
196734 BR 7	Colorado St Higher Ed CTFS PART - G. O			1	1FE	5,078,375	111.557	5,694,985	5,105,000	5,082,162		1,055			5.500	5.546	MN	46,796	280,775	03/31/2010	11/01/2027
341150 G4 6	Florida Dept of Transportation Bond			1	1FE	2,435,700	113.632	2,272,640	2,000,000	2,357,919		(43,101)			5.000	2.380	JJ	50,000	100,000	02/29/2012	07/01/2024
341535 J6 0	Florida St Brd Ed G.O				1FE	5,111,150	106.420	5,321,000	5,000,000	5,084,101		(4,948)			4.750	4.571	JD	19,792	237,500	11/29/2007	06/01/2026
341535 VG 4	Florida St Brd Ed Pub Ed G.O			1	1FE	5,372,050	106.838	5,341,900	5,000,000	5,242,537		(18,008)			5.000	4.414	JD	20,833	250,000	07/27/2005	06/01/2024
34153P DT 2	Florida St Bd of Educ G.O			1	1FE	6,004,500	114.487	6,874,944	6,005,000	6,004,628		8			5.000	5.000	JD	25,021	300,250	03/31/2010	06/01/2024
34160P AP 4	Florida St Dept of Mgmt Svcs CTFs PARTN			1	1FE	1,068,471	108.105	1,081,050	1,000,000	1,044,037		(6,890)			5.000	4.109	FA	20,833	50,000	03/31/2010	08/01/2019
34160P AR 0	Florida St Dept of Mgmt Svcs CTFs			1	1FE	7,844,133	108.105	8,026,796	7,425,000	7,676,876		(27,383)			5.000	4.467	FA	154,688	371,250	03/31/2010	08/01/2021
447025 LN 5	AL Huntsville Ref - Wts - Ser G. O. Unli			1	1FE	5,447,300	105.970	5,298,500	5,000,000	5,360,567		(41,823)			5.000	3.861	MN	41,667	250,000	11/09/2011	05/01/2033
45528S 4X 1	Indianapolis Ind Lo Pub IMPT B Revenue B			1	1FE	3,350,040	111.752	3,352,560	3,000,000	3,228,323		(33,307)			5.000	3.587	JJ	69,167	150,000	02/02/2010	01/15/2022
45528U AP 6	Indianapolis Ind Loc Pub Impt Revenue Bo			1	1FE	4,821,968	109.697	5,057,032	4,610,000	4,771,789		(18,900)			5.250	4.662	FA	100,844	242,025	03/17/2011	02/01/2027
45528U AS 0	Indianapolis Ind Loc Pub Impt Revenue Bo			1	1FE	2,953,050	106.239	3,187,170	3,000,000	2,957,094		1,679			5.000	5.131	FA	62,500	150,000	03/25/2011	02/01/2030
45528U BV 2	Indianapolis Ind Loc Pub Impt Revenue Bo			1	1FE	3,508,002	109.697	3,669,365	3,345,000	3,470,559		(14,690)			5.250	4.622	FA	73,172	175,613	04/26/2011	02/01/2027
46246K Y4 8	Iowa St Fin Auth Revenue Bonds			1	1FE	5,180,550	98.263	4,913,150	5,000,000	5,173,058		(7,492)			4.000	3.570	FA	99,444		05/31/2013	08/01/2033
574192 TT 7	Maryland State G.O				1FE	8,391,720	116.845	8,599,792	7,360,000	7,797,992		(112,347)			5.500	3.710	FA	168,667	404,800	03/31/2010	08/01/2017
57420P FX 9	Maryland ST Econ Dev Corp Leas Revenue B			1	1FE	11,252,800	110.220	11,022,000	10,000,000	11,013,110		(118,058)			5.000	3.440	JD	41,667	500,000	12/01/2011	06/01/2026
57582N UT 0	Massachusetts State G.O. Bonds				1FE	2,268,560	119.577	2,391,540	2,000,000	2,148,155		(19,352)			5.250	3.960	FA	43,750	105,000	01/08/2007	08/01/2020
576049 W4 8	MA St Wtr Resources Auth Revenue Bonds				1FE	6,618,100	112.360	5,618,000	5,000,000	6,528,378		(65,174)			5.250	3.000	FA	109,375	262,500	08/08/2012	08/01/2031
576051 BN 5	Massachusetts St WTR Auth Revenue Bonds			1	1FE	8,169,120	110.800	8,864,000	8,000,000	8,125,124		(15,905)			5.000	4.720	FA	166,667	400,000	02/10/2011	08/01/2028
59259Y RE 1	NY Met Transportation Auth Revenue Bonds			1	1FE	5,199,750	103.029	5,151,450	5,000,000	5,192,067		(7,683)			5.000	4.470	MN	31,944	125,000	07/17/2013	11/15/2032
594610 3D 7	Michigan St G.O. Unlimited			1	1FE	5,405,400	110.577	5,528,850	5,000,000	5,271,909		(50,100)			5.250	4.000	MN	43,750	262,500	03/24/2011	11/01/2022
602409 GP 3	Milwaukee Wis Met Swr Dist G.O			1	1FE	4,894,242	111.289	5,319,614	4,780,000	4,839,777		(11,053)			5.000	4.701	AO	59,750	239,000	07/29/2008	10/01/2026
604129 YU 4	Minnesota St G. O. Unlimited				1FE	5,000,000	100.725	5,036,250	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011	10/01/2031
626207 WT 7	GA Muni Elec Auth Revenue Bonds			1	1FE	4,851,990	116.794	4,905,348	4,200,000	4,655,752		(92,276)			6.000	3.380	JJ	126,000	252,000	10/31/2011	01/01/2023
626207 ZN 7	GA Muni Elec Auth Comb Cycle Ser A			1	1FE	2,155,500	109.794	2,195,880	2,000,000	2,108,609		(13,540)			5.000	4.080	MN	16,667	100,000	04/28/2010	11/01/2024
626207 ZR 8	GA Muni Elec Auth Revenue Bonds			1	1FE	4,310,640	107.178	4,329,991	4,040,000	4,229,958		(23,573)			5.000	4.200	MN	33,667	202,000	05/20/2010	11/01/2027
626207 ZS 6	GA Muni Elec Auth Revenue Bonds			1	1FE	2,678,861	106.538	2,700,738	2,535,000	2,635,853		(12,459)			5.000	4.320	MN	21,125	126,750	05/10/2010	11/01/2028
641461 ED 6	Nevada St G.O			1	1FE	5,283,300	113.101	5,655,050	5,000,000	5,201,676		(15,847)			5.000	4.491	JD	20,833	250,000	04/11/2008	12/01/2023
646046 MP 4	New Jersey St CTFs			1	1FE	5,224,650	110.473	5,523,650	5,000,000	5,135,165		(17,684)			5.000	4.512	JD	11,111	250,000	05/28/2008	06/15/2020
646133 GU 6	New Jersey St Trans Corp Cert of Partn				1FE	5,630,750	107.539	5,376,950	5,000,000	5,116,674		(65,154)			5.250	3.820	MS	77,292	262,500	10/29/2004	09/15/2015
64966J AS 5	NY Build Amer Bonds G. O. Unlimited - T			1	1FE	1,000,000	110.596	1,105,960	1,000,000	1,000,000					6.646	6.646	JD	5,538	66,460	12/15/2010	12/01/2031
65820A AJ 7	NC Capi FACS FIN AGY WAS DISP Revenue Bo			1	1FE	10,448,000	100.750	10,578,750	10,500,000	10,452,684		1,704			4.375	4.411	AO	114,844	459,375	08/09/2011	10/01/2031
65820Q AR 4	North Carolina Infrastructure NC Corr CT				1FE	1,570,642	100.400	1,506,000	1,500,000	1,501,562		(19,385)			5.000	3.670	FA	31,250	75,000	03/31/2010	02/01/2014
65820Q AS 2	North Carolina Infrastructure Ctfs Partn			1	1FE	3,195,676	100.406	2,961,977	2,950,000	2,981,028		(27,575)			5.000	3.995	FA	61,458	147,500	11/23/2004	02/01/2015

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
65820Q AZ 6	North Carolina Infrastructure CoPs			1	1FE	3,192,090	100.406	3,012,180	3,000,000	3,102,462		(14,436)			5.000	4.354	FA	62,500	150,000	12/08/2006	02/01/2020
65820Q BT 9	North Carolina Infrastructure Ser A CTFs			1	1FE	6,980,650	104.820	6,813,300	6,500,000	6,657,541		(71,462)			5.000	3.778	FA	135,417	325,000	03/31/2010	02/01/2016
65820Q BV 4	North Carolina Infrastructure Ser A Ctf			1	1FE	11,860,942	105.150	12,086,993	11,495,000	11,655,633		(35,079)			5.000	4.619	FA	239,479	574,750	03/31/2010	02/01/2018
65820Q BY 8	North Carolina Infrastructure Ctfs Partn			1	1FE	2,110,373	105.150	2,103,000	2,000,000	2,077,843		(9,207)			5.000	4.355	FA	41,667	100,000	03/31/2010	02/01/2021
65820Q CA 9	North Carolina Infrastructure Ctfs Partn			1	1FE	9,544,501	105.150	9,463,500	9,000,000	9,356,794		(29,288)			5.000	4.464	FA	187,500	425,000	07/31/2013	02/01/2023
65820Q CC 5	North Carolina Infrastructure Ctfs Partn			1	1FE	5,722,445	104.835	5,765,925	5,500,000	5,653,727		(10,414)			5.000	4.673	FA	114,583	275,000	08/13/2007	02/01/2025
65820Q DS 9	North Carolina Infrastructure Certificat			1	1FE	1,031,696	111.215	1,112,150	1,000,000	1,028,116		(3,581)			5.000	4.020	FA	20,833	25,000	07/31/2013	02/01/2023
65820Q DT 7	North Carolina Infrastructure CTFs Partn			1	1FE	9,690,030	110.958	9,986,220	9,000,000	9,487,139		(37,834)			5.000	4.331	FA	187,500	450,000	01/17/2008	02/01/2024
65820Q DU 4	North Carolina Infrastructure CTFs PARTN			1	1FE	10,526,900	110.150	11,015,000	10,000,000	10,381,544		(25,979)			5.000	4.557	FA	208,333	500,000	09/12/2007	02/01/2025
65820Q DV 2	North Carolina Infrastructure CTFs			1	1FE	5,140,750	109.271	5,463,550	5,000,000	5,056,679		(16,799)			5.000	4.600	FA	104,167	250,000	06/12/2008	02/01/2026
65820Q EM 1	North Carolina Infrastructure Cert Partn			1	1FE	11,128,254	111.919	13,760,441	12,295,000	11,424,924		67,753			5.000	6.000	MN	102,458	614,750	03/31/2010	05/01/2023
658256 C6 7	State of North Carolina G. O. - Unref Ba				1FE	567,291	100.782	559,340	555,000	555,432		(2,899)			4.750	4.026	MS	8,788	26,363	03/31/2010	03/01/2014
677521 BD 7	Ohio State Higher Education G. O				1FE	5,680,150	117.549	5,877,450	5,000,000	5,478,197		(54,080)			5.000	3.550	FA	104,167	250,000	01/22/2010	08/01/2021
68607H H8 2	Oregon State Dept Admin Svcs Ctfs Partn			1	1FE	1,552,151	112.557	1,688,355	1,500,000	1,538,122		(3,969)			5.000	4.609	MN	12,500	75,000	03/31/2010	11/01/2021
709141 3S 2	Pennsylvania State G.O			1	1FE	4,982,450	104.906	5,245,300	5,000,000	4,988,686		877			4.500	4.528	JJ	112,500	225,000	12/21/2005	01/01/2024
720175 VA 3	Piedmont Mun Pwr Agy SC Revenue bonds			1	1FE	1,193,760	114.208	1,239,157	1,085,000	1,149,412		(14,791)			5.000	3.400	JJ	27,125	54,250	11/17/2010	01/01/2018
720175 XD 5	Piedmont Mun Pwr Agy SC Revenue Bonds			1	1FE	5,065,600	108.412	5,420,600	5,000,000	5,050,812		(5,324)			5.750	5.582	JJ	143,750	287,500	02/24/2011	01/01/2034
76222N HT 1	Rhode Is St & Prov Plantations G O			1	1FE	7,190,593	107.129	7,284,772	6,800,000	6,974,958		(33,827)			5.000	4.373	FA	141,667	340,000	03/31/2010	08/01/2018
76222R KJ 0	Rhode Island ST & Providence G.O. Unlimi			1	1FE	2,186,940	108.229	2,164,580	2,000,000	2,149,636		(16,356)			5.500	4.331	FA	45,833	110,000	08/24/2011	08/01/2031
76222R KK 7	Rhode Island ST & Providence G. O. Unlim			1	1FE	2,202,200	109.178	2,183,560	2,000,000	2,161,720		(17,746)			5.500	4.241	FA	45,833	110,000	08/24/2011	08/01/2030
837151 AM 1	South Carolina ST Pub SVC Auth Revenue B				1FE		100.000								0.868		MON		2,242	06/13/2011	06/02/2014
837151 CC 1	South Carolina ST Pub SVC Auth Revenue B			1	1FE	5,592,250	101.169	5,058,450	5,000,000	5,505,447		(54,481)			5.000	3.525	JD	20,833	250,000	05/17/2012	12/01/2036
880557 6V 0	TN State School Board Revenue Bonds			1	1FE	5,970,834	106.454	5,732,548	5,385,000	5,735,964		(74,078)			5.000	3.370	MN	44,875	269,250	09/02/2010	05/01/2030
882721 2J 1	Texas St Wtr Finl Assistance G.O			1	1FE	7,389,483	113.742	8,405,534	7,390,000	7,389,654		2			5.000	5.000	FA	153,958	369,500	09/18/2008	08/01/2023
917565 ET 6	Utah Tran Auth Sales Tax Revenue Bonds				1FE	5,783,450	113.745	5,687,250	5,000,000	5,707,222		(32,493)			5.250	4.013	JD	11,667	262,500	07/27/2011	06/15/2029
917565 GR 8	Utah Tran Auth Sales Tax Revenue Bonds				1FE	3,182,850	107.192	3,215,760	3,000,000	3,179,957		(2,893)			5.000	4.500	JD	6,667	75,000	07/17/2013	06/15/2031
92817A GJ 0	Virginia State Res Auth Arpt Revenue Bon				1FE	1,027,897	101.478	999,558	985,000	993,654		(14,677)			3.000	1.480	FA	12,313	29,550	08/11/2011	08/01/2014
93974C BM 1	Washington State Ser A G.O			1	1FE	7,387,774	113.411	7,938,770	7,000,000	7,204,112		(40,313)			5.000	4.281	JJ	175,000	350,000	03/31/2010	07/01/2024
93974C JP 6	Washington State G.O			1	1FE	4,328,640	113.189	4,527,560	4,000,000	4,188,835		(33,534)			5.000	3.950	JJ	100,000	200,000	07/14/2009	01/01/2024
93974C Q2 9	Washington State G.O. Unlimited			1	1FE	4,157,240	99.997	3,999,880	4,000,000	4,133,799		(14,090)			4.000	3.521	FA	66,667	160,000	04/24/2012	02/01/2031
93974C WR 7	Washington State G. O. Unlimited			1	1FE	9,031,949	108.357	9,779,219	9,025,000	9,029,865		(605)			5.000	4.990	FA	188,021	451,250	01/20/2011	02/01/2029
956553 UV 1	West Virginia St G.O			1	1FE	7,420,918	111.153	7,669,557	6,900,000	7,274,436		(26,559)			5.000	4.365	MN	57,500	345,000	03/31/2010	11/01/2024
97705L NA 1	Wisconsin State G.O. Bonds				1FE	4,410,680	117.372	4,694,880	4,000,000	4,203,159		(33,649)			5.000	3.934	MN	33,333	200,000	01/10/2007	05/01/2019
97705L UH 8	Wisconsin State G.O			1	1FE	3,156,840	113.364	3,400,920	3,000,000	3,078,550		(16,185)			5.000	4.329	MN	25,000	150,000	09/08/2008	05/01/2024
1199999. U.S. States, Territories & Possessions - Issuer Obligations						366,391,180	XXX	377,243,186	347,045,000	359,654,152	0	(1,679,771)	0	0	XXX	XXX	XXX	5,345,149	16,964,328	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						366,391,180	XXX	377,243,186	347,045,000	359,654,152	0	(1,679,771)	0	0	XXX	XXX	XXX	5,345,149	16,964,328	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
033161 VZ 0	Anchorage AK G.O			1	1FE	2,595,225	110.290	2,757,250	2,500,000	2,544,977		(11,361)			5.000	4.450	FA	52,083	125,000	03/09/2009	08/01/2023
033161 WA 4	Anchorage AK G.O			1	1FE	4,307,266	109.433	4,601,658	4,205,000	4,247,225		(10,627)			5.000	4.691	FA	87,604	210,250	08/21/2007	08/01/2024
033161 WB 2	Anchorage AK G.O			1	1FE	1,017,680	109.936	1,099,360	1,000,000	1,009,387		(2,362)			5.000	4.711	FA	20,833	50,000	03/31/2010	08/01/2025
04048P JN 1	Arizona Board of Regents CTFs			1	1FE	4,707,672	105.910	4,691,813	4,430,000	4,701,475		(6,198)			5.000	4.130	JD	18,458	110,750	10/02/2013	06/01/2028
047870 CY 4	Atlanta Wtr/Wstw Revenue Bonds				1FE	4,527,840	112.743	4,509,720	4,000,000	4,478,528		(24,808)			5.500	4.340	MN	36,667	220,000	12/15/2011	11/01/2027

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
047870 FC 9	Atlanta Wtr/Wstw Revenue bonds Agm Insur				1FE	5,463,100	115.152	5,757,600	5,000,000	5,422,989		(15,737)			5.750	5.000	MN	47,917	287,500	05/10/2011	11/01/2030
09088R RR 9	Birmingham, ALA G.O			1	1FE	6,376,030	111.358	6,609,097	5,935,000	6,222,949		(28,571)			5.000	4.294	AO	74,188	296,750	03/31/2010	04/01/2022
101565 VW 6	Boulder CO Sch Dist G.O			1	1FE	5,617,900	119.438	5,971,900	5,000,000	5,338,221		(41,220)			5.250	4.121	JD	11,667	262,500	03/22/2006	12/15/2020
12677P HD 6	Cabarrus Cnty NC CoPs			1	1FE	1,018,916	112.583	1,125,830	1,000,000	1,017,657		(1,259)			5.000	4.601	JJ	25,000		07/31/2013	01/01/2023
147051 SW 7	Cary, NC G.O			1	1FE	995,290	106.770	1,067,700	1,000,000	995,436		146			4.000	4.050	JD	3,333	20,000	07/31/2013	06/01/2025
161037 QW 9	Charlotte NC CTFs Ref-Conv Fac Proj			1	1FE	1,018,941	108.982	1,029,880	945,000	968,041		(7,303)			5.000	4.103	JD	3,938	47,250	12/31/2005	12/01/2016
161037 QX 7	Charlotte NC CTFs Rev-Conv Fac Proj			1	1FE	1,070,088	108.982	1,089,820	1,000,000	1,026,975		(6,214)			5.000	4.244	JD	4,167	50,000	12/31/2005	12/01/2017
161037 QY 5	Charlotte NC CTFs Ref - Conv Fac Proj			1	1FE	1,065,273	108.287	1,082,870	1,000,000	1,029,155		(5,221)			5.000	4.334	JD	4,167	50,000	12/31/2005	12/01/2018
161037 RA 6	Charlotte NC CTFs Ref-Conv Fac Proj			1	1FE	1,063,139	107.748	1,077,480	1,000,000	1,034,371		(4,169)			5.000	4.417	JD	4,167	50,000	12/31/2005	12/01/2020
161037 RF 5	Charlotte NC CTFs Ctfs Partn			1	1FE	2,107,640	107.212	2,171,043	2,025,000	2,082,045		(3,509)			5.000	4.688	JD	8,438	101,250	04/14/2005	12/01/2025
161037 YG 5	Charlotte NC CTFs G. O			1	1FE	3,884,545	112.322	3,931,270	3,500,000	3,756,885		(42,386)			5.000	3.500	JD	14,583	175,000	11/12/2010	06/01/2021
167505 DB 9	Chicago Ill Brd Educ G.O				1FE	5,457,655	110.228	5,511,400	5,000,000	5,268,302		(39,186)			5.250	4.215	JD	21,875	262,500	03/31/2010	12/01/2019
172252 A7 3	Cincennati OH City Sch Dist G. O				1FE	3,727,570	116.620	4,081,700	3,500,000	3,684,640		(10,202)			5.250	4.700	JD	15,313	183,750	06/09/2009	12/01/2026
172252 A8 1	Cincennati OH City Sch Dist G.O. Bonds				1FE	5,672,450	116.480	5,824,000	5,000,000	5,526,549		(27,292)			5.250	4.240	JD	21,875	262,500	01/24/2008	12/01/2027
180847 M4 4	Clark Cnty Nevada G. O			1	1FE	6,094,980	108.552	6,513,120	6,000,000	6,066,481		(5,267)			4.750	4.608	MN	47,500	285,000	12/12/2007	11/01/2023
224616 AN 2	Craven Cnty NC CTFs				1FE	1,542,217	105.646	1,563,561	1,480,000	1,498,194		(12,328)			4.500	3.600	JD	5,550	66,600	03/31/2010	06/01/2015
230582 CU 0	Cumberland Cnty NC CTFs				1FE	1,077,401	116.105	1,161,050	1,000,000	1,071,857		(5,544)			5.000	3.400	JD	4,167	25,000	07/31/2013	12/01/2018
249174 HM 8	Denver CO Sch Dist No 1 G.O				1FE	5,977,400	121.017	6,050,850	5,000,000	5,612,899		(49,516)			5.500	3.991	JD	22,917	275,000	06/28/2005	12/01/2023
24919P HT 4	Denver CO City & Cnty School D Certifica			1	1FE	5,639,595	103.003	5,114,099	4,965,000	5,604,313		(35,281)			5.000	3.460	JD	11,033	154,467	04/25/2013	12/15/2033
251129 Y2 2	Detroit Mich City Sch Dist Sch Bldg & Si			1	1FE	5,282,400	102.072	5,103,600	5,000,000	5,158,719		(17,948)			5.000	4.486	MN	41,667	250,000	12/22/2005	05/01/2021
346604 FJ 5	Forsyth Cnty GA Sch Dist G.O				1FE	5,331,061	105.150	5,257,500	5,000,000	5,181,961		(25,672)			5.000	4.313	FA	104,167	250,000	03/31/2010	02/01/2020
346641 EF 6	Forsyth Cnty NC Ctfs Partn			1	1FE	2,035,996	104.835	2,044,283	1,950,000	2,017,725		(5,191)			5.000	4.566	FA	40,625	97,500	03/31/2010	02/01/2024
403715 CM 5	Gwinnett Cnty GA Pub Schools Dev Auth CT				1FE	12,962,881	115.963	13,915,560	12,000,000	12,727,716		(50,019)			5.250	4.543	JJ	315,000	630,000	03/31/2010	01/01/2025
413328 FF 7	Harnett Cnty NC CoPs			1	1FE	1,018,272	107.832	1,078,320	1,000,000	1,017,142		(1,129)			5.000	4.638	JD	4,167	25,000	07/31/2013	06/01/2023
439239 HH 0	Hoover ALA Bd of Ed G.O			1	1FE	3,718,085	105.352	3,687,320	3,500,000	3,599,688		(17,045)			5.000	4.372	FA	66,111	175,000	12/20/2005	02/15/2019
478700 A9 8	Johnson Cnty KS Sch Dist No229 G.O			1	1FE	1,079,463	107.908	1,100,662	1,020,000	1,051,920		(7,740)			5.000	4.090	AO	12,750	51,000	03/31/2010	10/01/2017
479354 AP 7	Johnston Cnty NC Rvenue Bonds			1	1FE	2,083,558	108.569	2,165,952	1,995,000	2,060,317		(8,098)			5.000	4.435	AO	21,058	99,750	11/19/2010	10/15/2025
495098 UC 7	King Co., WA S.D #405 Bellevue G. O			1	1FE	4,946,350	105.853	5,292,650	5,000,000	4,954,064		2,570			4.375	4.469	JD	18,229	218,750	02/17/2011	12/01/2026
503462 UB 7	La Joya TX Indep Sch Dist G. O. Unlimite				1FE	6,183,500	111.738	5,586,900	5,000,000	6,139,162		(44,338)			5.000	3.008	FA	94,444	127,083	04/17/2013	02/15/2031
544712 2F 8	Los Angeles Cnty CA Met Transn Revenue B				1FE	1,687,284	104.981	1,889,658	1,800,000	1,709,987		8,298			4.530	5.273	JD	6,795	81,540	02/17/2011	06/01/2022
564096 PB 5	Manor TX Sch Dist G.O			1	1FE	3,493,294	111.139	3,750,941	3,375,000	3,462,716		(5,503)			5.250	4.952	FA	73,828	177,188	08/21/2007	08/01/2025
583887 BD 5	Mecklenburg Cnty NC CTFs			1	1FE	1,364,990	110.312	1,434,056	1,300,000	1,351,137		(3,932)			5.000	4.510	FA	27,083	65,000	03/31/2010	02/01/2024
583887 BE 3	Mecklenburg Cnty NC CTFs			1	1FE	2,860,187	109.894	2,994,612	2,725,000	2,824,348		(6,757)			5.000	4.576	FA	56,771	136,250	02/01/2008	02/01/2025
583887 CZ 5	Mecklenburg Cnty NC CTFs			1	1FE	2,122,884	107.557	2,253,319	2,095,000	2,110,755		(2,689)			5.000	4.830	FA	43,646	104,750	01/30/2009	02/01/2025
586145 WZ 3	Memphis Tenn Ser D G.O			1	1FE	2,756,500	113.609	2,840,225	2,500,000	2,677,287		(23,662)			5.000	3.760	JJ	62,500	125,000	06/22/2010	07/01/2023
59333F LV 0	Miami-Dade City FL G. O			1	1FE	5,149,400	102.322	5,116,100	5,000,000	5,119,602		(13,071)			5.000	4.619	JJ	125,000	250,000	08/02/2011	07/01/2031
607114 P8 2	Mobile ALA G.O			1	1FE	5,208,250	107.809	5,390,450	5,000,000	5,139,346		(12,058)			5.000	4.621	FA	94,444	250,000	07/19/2007	02/15/2023
607114 T3 9	Mobile ALA Ser B G.O			1	1FE	2,044,267	110.872	2,217,440	2,000,000	2,025,127		(5,432)			5.000	4.660	FA	37,778	100,000	03/31/2010	02/15/2020
616108 BN 5	Mooresville, NC CTFs			1	1FE	3,224,370	110.682	3,464,347	3,130,000	3,186,043		(7,038)			5.000	4.683	MS	52,167	156,500	12/05/2007	09/01/2020
616108 BP 0	Mooresville, NC CTFs			1	1FE	3,371,099	110.682	3,641,438	3,290,000	3,341,319		(5,455)			5.000	4.754	MS	54,833	164,500	12/05/2007	09/01/2021
616108 BQ 8	Mooresville, NC CTFs			1	1FE	3,529,062	110.161	3,811,571	3,460,000	3,505,985		(4,208)			5.000	4.810	MS	57,667	173,000	12/05/2007	09/01/2022
64971Q T9 4	New York City Trans Fin Auth Revenue Bon			1	1FE	73,095	118.204	82,743	70,000	72,646		(435)			5.000	4.200	MN	583	3,500	12/19/2012	05/01/2023

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
64971Q U3 5	New York City Trans Fin Auth Revenue Bon			1	1FE	3,059,606	114.442	3,353,151	2,930,000	3,040,789		(18,203)			5.000	4.200	MN	24,417	146,500	12/19/2012	05/01/2023
64971Q XW 8	New York City Trans Fin Auth Revenue Bon			1	1FE	5,372,200	107.221	5,361,050	5,000,000	5,368,688		(3,512)			5.000	4.000	MN	41,667		11/21/2013	11/01/2031
676006 QD 4	City of Odessa Texas G.O. Bonds			1	1FE	1,880,488	105.406	1,950,011	1,850,000	1,880,094		(394)			5.000	4.868	MS	24,924		08/28/2013	03/01/2033
677632 PA 3	Ohio State University Revenue Bonds - Ta				1FE	1,484,895	87.412	1,311,180	1,500,000	1,484,782		7			4.800	4.849	JD	6,000	72,000	10/20/2011	06/01/2111
681712 PQ 2	Omaha Nebraska G.O.				1FE	2,169,770	119.294	2,385,880	2,000,000	2,139,924		(8,411)			5.250	4.500	AO	26,250	105,000	03/31/2010	04/01/2026
684610 BB 3	Orange County NC CTFs Partn			1	1FE	1,145,132	110.091	1,216,506	1,105,000	1,134,774		(2,915)			5.000	4.603	AO	13,813	55,250	03/31/2010	04/01/2022
718814 J2 3	Phoenix Arizona G. O.			1	1FE	6,169,496	99.464	5,918,108	5,950,000	6,140,567		(18,890)			4.000	3.560	JJ	119,000	250,561	05/24/2012	07/01/2033
724500 GN 7	Pitt County NC CTFs			1	1FE	2,042,371	112.273	2,200,551	1,960,000	2,018,557		(6,706)			5.000	4.511	AO	24,500	98,000	03/31/2010	04/01/2021
751120 BD 7	Raleigh NC Ltd Ob Revenue Bonds			1	1FE	3,085,560	105.439	3,163,170	3,000,000	3,083,687		(1,873)			5.000	4.640	AO	36,667		09/19/2013	10/01/2038
76541V CT 2	Richmond VA Ser A G.O.			1	1FE	2,114,960	102.590	2,051,800	2,000,000	2,019,428		(11,978)			5.000	4.339	JJ	46,111	100,000	06/10/2004	07/15/2015
76541V CU 9	Richmond VA Ser A G.O.			1	1FE	2,098,280	102.590	2,051,800	2,000,000	2,025,244		(9,206)			5.000	4.468	JJ	46,111	100,000	06/10/2004	07/15/2016
796237 C9 4	San Antonio TX Ref & GEN Impt G. O.			1	1FE	5,330,100	107.131	5,356,550	5,000,000	5,317,241		(12,860)			5.000	4.071	FA	95,833		07/16/2013	02/01/2033
79765R SU 4	San Francisco CA City & Cnty Revenue Bon				1FE	1,740,546	109.717	1,974,906	1,800,000	1,748,526		2,941			5.500	5.837	MN	16,500	99,000	02/17/2011	11/01/2025
800618 AB 6	Sanford NC BAB's Revenue Bonds - Taxable				1FE	1,000,000	103.109	1,031,090	1,000,000	1,000,000					5.120	5.120	JD	4,267	51,200	12/08/2010	06/01/2020
800618 AD 2	Sanford NC BAB's Revenue Bonds - Taxable			1	1FE	4,820,000	104.964	5,059,265	4,820,000	4,820,000					5.920	5.920	JD	23,779	285,344	12/08/2010	06/01/2024
870487 CG 8	Sweetwater Cnty WY Pollu Ctl Revenue Bon			1	1FE	13,000,000	106.522	13,847,860	13,000,000	13,000,000					5.250	5.249	FA	284,375	682,500	12/16/2010	07/15/2026
91417K SF 9	Univerisity of Co Revenue Bonds			1	1FE	3,236,640	106.757	3,202,710	3,000,000	3,190,802		(21,712)			5.000	4.000	JD	12,500	150,000	10/26/2011	06/01/2032
914714 CB 4	University NC Chapel Hill Revenue Bonds				1FE	500,000	101.167	505,835	500,000	500,000					2.453	2.453	FA	5,110	12,265	11/10/2010	02/01/2015
914714 CN 8	University NC Chapel Hill Revenue Bonds			1	1FE	2,500,000	109.682	2,742,050	2,500,000	2,500,000					6.329	6.329	FA	65,927	158,225	11/10/2010	02/01/2031
919061 EY 3	Valdez Ak Marine Terminal Revenue Bonds				1FE	1,122,700	113.557	1,135,570	1,000,000	1,096,965		(12,062)			5.000	3.430	JJ	25,000	50,000	10/21/2011	01/01/2021
927734 PY 3	Virginia Beach VA Pub Impt Ser B G.O.			1	1FE	4,456,600	111.700	4,468,000	4,000,000	4,172,839		(35,982)			5.000	3.905	MN	33,333	200,000	09/22/2004	05/01/2018
971673 EB 0	Wilmington NC CTFs Partn			1	1FE	5,674,291	106.245	5,960,345	5,610,000	5,657,408		(3,051)			5.000	4.902	JD	23,375	280,500	08/22/2007	06/01/2025
972315 BQ 7	Wilson Cnty NC Pub Facs Proj CTFs				1FE	1,098,370	105.882	1,058,820	1,000,000	1,031,215		(22,742)			5.000	2.600	MN	8,333	50,000	12/15/2010	05/01/2015
977228 AB 1	Wise Cnty VA Indl Dev Auth Waste & Sew R				1FE	3,978,200	102.340	4,093,600	4,000,000	3,979,640		534			2.375	2.401	MN	15,833	95,000	03/09/2011	11/01/2040
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations						242,632,266	XXX	249,913,526	229,220,000	238,995,433	0	(838,982)	0	0	XXX	XXX	XXX	3,002,378	10,323,723	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions						242,632,266	XXX	249,913,526	229,220,000	238,995,433	0	(838,982)	0	0	XXX	XXX	XXX	3,002,378	10,323,723	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
010608 D6 1	Alabama St Pub Sch & Coll Auth Revs			1	1FE	3,358,776	112.387	3,602,003	3,205,000	3,282,058		(17,718)			5.000	4.325	JD	13,354	160,250	04/22/2009	12/01/2023
13067J BH 3	California St Econ Recovery Series A Bon				1FE	5,293,350	102.449	5,122,450	5,000,000	5,048,188		(30,448)			5.000	4.329	JJ	125,000	250,000	05/05/2004	07/01/2015
152708 AW 3	Central Brown Cnty Wis Wtr Auth Wtr Sy			1	1FE	5,199,850	104.086	5,204,300	5,000,000	5,165,698		(6,297)			5.000	4.713	JD	20,833	250,000	12/05/2007	12/01/2030
160131 DB 1	Charleston SC Educational Exc Revenue Bo			1	1FE	4,648,640	106.598	4,263,920	4,000,000	4,614,939		(33,701)			5.000	3.180	JD	16,667	112,222	04/04/2013	12/01/2030
16104P BZ 7	Charlotte NC Storm Wtr Fee Revenue Bds				1FE	1,100,714	101.974	1,019,740	1,000,000	1,017,448		(11,800)			5.000	3.722	JD	4,167	50,000	12/31/2005	06/01/2015
18610R BA 1	Cleveland-Cuyahoga Cnty OH Port Aug Leas				1FE	7,505,850	104.587	7,844,025	7,500,000	7,506,143		293			5.000	4.993	JJ	187,500		09/09/2013	07/01/2033
18610R BB 9	Cleveland-Cuyahoga Cnty OH Revenue Bonds				1FE	5,140,000	102.373	5,118,650	5,000,000	5,139,986		(14)			5.000	4.800	JJ	125,000		12/17/2013	07/01/2037
19464V CT 5	Collier County FL Spl Ob Revenue Bonds				1FE	5,134,800	93.828	4,691,400	5,000,000	5,125,937		(8,863)			4.000	3.660	AO	50,000	91,667	04/11/2013	10/01/2032
196707 KW 2	Colorado ST Brd of Governors Revenue Bon				1FE	5,829,468	106.462	5,312,454	4,990,000	5,815,285		(14,183)			5.000	3.850	MS	83,167	124,750	06/04/2013	03/01/2035
196707 MQ 3	Colorado ST Brd of Governors Revenue Bon				1FE	6,233,850	107.507	5,375,350	5,000,000	6,199,782		(34,068)			5.000	3.300	MS	83,333	106,250	03/04/2013	03/01/2033
230593 AA 3	Cumberland County NC G. O. Ltd Taxable			1	1FE	2,000,000	113.883	2,277,660	2,000,000	2,000,000					6.100	6.100	MN	20,333	122,000	01/12/2011	11/01/2025
234667 JL 8	Dallas Cnty Tx Hosp Dist Revenue Bonds -				1FE	941,963	110.432	828,240	750,000	939,200		(2,762)			5.621	4.157	FA	15,926	42,158	02/01/2013	08/15/2044
240523 UK 4	De Kalb Cnty GA Wtr & Sew Rev Bond			1	1FE	12,954,860	109.140	12,005,400	11,000,000	12,709,920		(103,345)			5.250	3.708	AO	144,375	577,500	01/25/2012	10/01/2032
246317 DF 5	Delaware Riv & Bay Auth Del Revenue Bond			1	1FE	2,500,003	103.924	2,395,448	2,305,000	2,400,379		(13,704)			5.000	4.212	JJ	57,625	115,250	07/13/2005	01/01/2020
246387 PA 6	Delaware State Eco Dev Auth Revenue Bond			1	2FE	1,120,420	104.831	1,048,310	1,000,000	1,116,966		(3,454)			5.400	4.417	FA	22,500	27,000	03/20/2013	02/01/2031

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
250145 FW 4	Des Moines Iowa Swr Rev Ser H			1	1FE	1,570,772	101.928	1,528,920	1,500,000	1,541,308		(8,333)			5.000	4.308	JD	6,250	75,000	03/31/2010	06/01/2018
266780 AV 7	Durham Capital Fing Corp Ltd Revenue Bon			1	1FE	3,061,978	99.997	2,989,910	2,990,000	3,054,124		(4,971)			4.000	3.701	JD	9,967	99,600	07/31/2013	06/01/2029
266780 BW 4	Durham Capital Fing Corp Ltd Revenue Bon			1	1FE	9,637,640	104.975	8,922,875	8,500,000	9,566,289		(71,352)			5.000	3.430	JD	35,417	286,875	03/14/2013	06/01/2038
302716 AM 7	FYI Properties WA Rev bonds			1	1FE	3,098,172	110.832	3,324,960	3,000,000	3,076,296		(6,251)			5.250	4.909	JD	13,125	157,500	03/31/2010	06/01/2023
302716 AP 0	FYI Properties WA Rev bonds			1	1FE	4,388,838	109.248	4,697,664	4,300,000	4,353,935		(8,509)			5.250	4.982	JD	18,813	225,750	08/05/2009	06/01/2025
31331X FJ 6	Federal Farm Cr Bk Bonds				1FE	4,179,840	114.825	4,593,000	4,000,000	4,110,897		(15,300)			5.000	4.480	MS	64,444	200,000	02/06/2009	03/05/2020
31331Y N5 5	Fed Farm Cr Bk Bonds				1FE	5,307,600	114.108	5,705,400	5,000,000	5,237,153		(19,872)			5.220	4.591	MN	33,350	261,000	03/22/2010	05/15/2023
3133XD VS 7	Federal Home Loan Bank Notes				1FE	5,337,400	115.826	5,791,300	5,000,000	5,221,392		(26,628)			5.250	4.500	JD	14,583	262,500	04/06/2009	12/11/2020
3133XN 4B 2	Federal Hm Ln Bk Bonds				1	7,506,140	115.460	8,082,200	7,000,000	7,376,058		(33,504)			5.250	4.513	JD	22,458	367,500	11/06/2009	12/09/2022
3135G0 MZ 3	FNMA Note				1	6,997,900	98.732	6,911,240	7,000,000	6,998,463		408			0.875	0.881	FA	20,927	61,250	07/18/2012	08/28/2017
3135G0 YM 9	FNMA Global Nts				1	5,049,344	100.658	5,083,229	5,050,000	5,049,313		(30)			1.875	1.878	MS	27,091	6,576	08/28/2013	09/18/2018
3137EA DC 0	FHLMC Unsecured Notes				1	20,515,110	100.163	20,783,823	20,750,000	20,596,951		46,787			1.000	1.237	MS	65,132	207,500	03/27/2012	03/08/2017
3137EA DG 1	FHLMC Bond				1	5,535,782	98.230	5,353,535	5,450,000	5,517,386		(11,900)			1.750	1.511	MN	8,213	95,375	06/12/2012	05/30/2019
373541 HS 3	Georgia State Muni Elec Auth Revenue Bon				1FE	2,077,020	113.690	2,046,420	1,800,000	2,067,247		(9,773)			5.250	3.603	JJ	47,250		06/27/2013	01/01/2025
385492 FF 5	Grand Forks ND Sales Tax Rev Bonds			1	1FE	2,665,070	108.238	2,711,362	2,505,000	2,564,609		(13,546)			5.000	4.338	JD	5,567	125,250	03/29/2005	12/15/2017
395468 FL 0	Greensboro NC Enterprise Sys Revenue Bon			1	1FE	2,115,627	111.329	2,265,545	2,035,000	2,086,956		(4,954)			5.000	4.630	JD	8,479	101,750	06/14/2007	06/01/2022
414004 3W 9	Harris County Texas G. O				1FE	4,939,335	115.305	5,188,725	4,500,000	4,883,742		(20,194)			5.250	4.410	FA	89,250	236,250	02/17/2011	08/15/2027
438670 XM 8	Honolulu Hawaii City & County G. O				1FE	5,169,450	107.911	5,535,834	5,130,000	5,161,505		(3,770)			5.000	4.894	JD	21,375	256,500	01/12/2011	12/01/2030
45200B CY 2	Illinois Fin Auth Rev Bds			1	1FE	3,318,180	105.356	3,160,680	3,000,000	3,125,048		(31,101)			5.250	4.014	MS	52,500	157,500	01/09/2007	09/01/2017
452024 DF 6	Illinois Municipal Elec Agy Revenue Bond			1	1FE	5,171,900	107.576	5,378,800	5,000,000	5,067,843		(20,032)			5.250	4.770	FA	109,375	262,500	03/07/2008	02/01/2022
45528S 5Q 5	Indianapolis Ind Pub Imp Bd Bk Revenue B			1	1FE	3,332,820	110.361	3,310,830	3,000,000	3,218,118		(31,750)			5.000	3.647	JJ	69,167	150,000	02/25/2010	01/15/2023
45528S LX 2	Indianapolis Ind Pub Imp Bd Bk Revenue B			1	1FE	2,215,852	106.592	2,275,739	2,135,000	2,186,499		(4,218)			5.000	4.683	JJ	53,375	106,750	11/09/2005	07/01/2023
46257T AN 9	Iowa State Jobs S.O. Rev. Bonds			1	1FE	5,349,050	114.429	5,721,450	5,000,000	5,208,699		(33,754)			5.000	4.131	JD	20,833	250,000	07/14/2009	06/01/2023
46257T BB 4	Iowa State Jobs S.O. Ser A Rev			1	1FE	7,739,970	114.045	7,983,150	7,000,000	7,483,383		(75,482)			5.000	3.641	JD	29,167	350,000	06/08/2010	06/01/2024
469487 GB 2	Jacksonville FL Revenue Bonds			1	1FE	2,281,862	103.944	2,286,768	2,200,000	2,280,685		(1,177)			5.000	4.703	AO	27,500	55,000	07/19/2013	10/01/2032
48542K RF 8	Kansas St Dev Fin Auth Revenue Bonds			1	1FE	3,870,836	114.109	4,227,738	3,705,000	3,820,682		(9,014)			5.250	4.846	MN	32,419	194,513	08/21/2007	11/01/2023
486296 LM 6	Kaukauna WI Elec System Revenue Bonds			1	1FE	3,965,559	101.077	3,942,003	3,900,000	3,964,637		(922)			5.000	4.770	JD	8,667	97,500	10/22/2013	12/15/2035
491501 AN 2	Kentucky St Muni Pwr Agy Revs			1	1FE	4,224,880	108.172	4,326,880	4,000,000	4,170,811		(10,746)			5.250	4.768	MS	70,000	210,000	05/21/2008	09/01/2025
49151E U7 6	Kentucky St Ppty & Bldg Revs			1	1FE	4,867,500	115.549	5,777,450	5,000,000	4,901,133		7,318			5.375	5.639	MN	44,792	268,750	10/08/2008	11/01/2023
491552 US 2	Kentucky St Turnpike Auth Revs				1FE	1,026,031	112.953	1,129,530	1,000,000	1,021,303		(1,364)			5.000	4.757	JJ	25,000	50,000	03/31/2010	07/01/2025
491552 UU 7	Kentucky St Turnpike Auth Revs			1	1FE	1,017,591	110.600	1,106,000	1,000,000	1,011,414		(1,776)			5.000	4.762	JJ	25,000	50,000	03/31/2010	07/01/2026
528921 DA 4	KY Lex-Fay Cnty Govt Pub Facs Revenue Bo			1	1FE	5,147,630	104.015	5,200,750	5,000,000	5,116,565		(12,793)			5.250	4.871	JD	21,875	262,500	07/14/2011	06/01/2031
545909 CG 6	VA Loudoun Cnty Indl Dev Auth Revenue Bo			1	1FE	8,464,750	105.310	8,424,800	8,000,000	8,364,599		(41,010)			5.000	4.276	JD	33,333	400,000	06/27/2011	06/01/2031
546540 HT 5	Louisiana St U Ag & Mech Coll Revenue Bo			1	1FE	3,227,640	110.028	3,300,840	3,000,000	3,157,930		(20,831)			5.000	4.070	JJ	75,000	150,000	06/10/2010	07/01/2023
546589 QU 9	Louisville & Jefferson Wtr&Sw Rev bonds			1	1FE	9,396,021	110.724	9,965,160	9,000,000	9,252,090		(36,871)			5.000	4.452	MN	57,500	450,000	03/31/2010	05/15/2023
54811B NF 4	Lower Colorado River Auth Revenue Bonds			1	1FE	5,018,800	87.600	4,380,000	5,000,000	5,017,612		(1,188)			4.000	3.950	MN	25,556	130,000	03/08/2013	05/15/2036
558459 RK 1	Madison Wis CMNTY Dev Auth Rev Bonds			1	1FE	5,108,441	114.689	5,264,225	4,590,000	4,918,116		(50,524)			5.000	3.611	AO	57,375	229,500	01/12/2010	10/01/2024
56041M HJ 6	Maine Governmantal Facs Auth Lease Rent			1	1FE	2,160,560	107.373	2,147,460	2,000,000	2,045,553		(15,383)			5.000	4.113	AO	25,000	100,000	04/13/2005	10/01/2016
56041M HN 7	Maine Governmantal Facs Auth Lease Rent			1	1FE	4,815,360	107.506	4,837,770	4,500,000	4,631,786		(24,559)			5.000	4.310	AO	56,250	225,000	03/21/2005	10/01/2018
56041M HQ 0	Maine Governmantal Facs Auth Lease Rent			1	1FE	5,004,654	107.506	5,052,782	4,700,000	4,843,758		(21,586)			5.000	4.391	AO	58,750	235,000	03/21/2005	10/01/2019
560427 GK 6	Maine HLTH & HGR EDL FACSAUTH Revenue Bo			1	1FE	10,469,022	104.568	10,456,800	10,000,000	10,295,241		(46,508)			5.000	4.390	JJ	250,000	500,000	03/31/2010	07/01/2026
560459 R9 2	Maine Muni Bd Bk Revenue Bonds			1	1FE	1,467,250	111.456	1,515,802	1,360,000	1,430,007		(10,471)			5.000	4.001	MN	11,333	68,000	03/31/2010	11/01/2027

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
575579 PZ 4	Massachusetts Bay Tmsn Auth Revenue Bon				1FE	5,953,229	115.084	6,375,654	5,540,000	5,905,886		(17,393)			5.250	4.620	JJ	145,425	290,850	02/15/2011	07/01/2028
575579 QC 4	Massachusetts Bay Tmsn Auth Revenue Bon				1FE	11,652,630	112.060	12,326,600	11,000,000	11,594,941		(21,329)			5.250	4.790	JJ	288,750	577,500	02/16/2011	07/01/2031
576002 BP 3	Massachusetts St Spl Oblig Rev Bonds			1	1FE	5,316,350	111.407	5,570,350	5,000,000	5,312,892		(3,458)			5.500	4.951	JJ	137,500		08/28/2013	01/01/2034
576528 DQ 3	Matagorda Cnty TX AEP Co Proj Ser B Rev			1	2FE	2,511,180	87.156	2,614,680	3,000,000	2,517,428		6,248			4.000	5.500	JD	10,000	59,333	08/23/2013	06/01/2030
58401A BD 1	Mecklenburg NC Pub Fac Corp Revenue Bond			1	1FE	1,060,860	108.862	1,088,620	1,000,000	1,056,722		(4,137)			5.000	3.780	MS	16,667	25,000	07/31/2013	03/01/2026
586158 MK 0	Memphis Tenn Elec Sys Rev Bds				1FE	7,449,381	117.330	8,213,100	7,000,000	7,245,905		(44,198)			5.000	4.201	JD	29,167	350,000	03/31/2010	12/01/2018
59259N ZH 9	Metropolitan Transp. Auth NY Taxable Rev				1FE	2,100,000	131.309	2,757,489	2,100,000	2,100,000					7.336	7.336	MN	19,685	154,056	04/23/2009	11/15/2039
59333A GH 8	Univ of Miami Fla Fac Auth Revenue Bds				1FE	5,236,550	113.786	5,689,300	5,000,000	5,138,877		(18,743)			5.250	4.730	AO	65,625	262,500	03/11/2008	04/01/2020
594614 B3 2	Michigan State Bldg Auth Rev			1	1FE	4,778,865	106.359	4,786,155	4,500,000	4,671,174		(15,617)			5.000	4.471	AO	47,500	225,000	12/27/2005	10/15/2022
594614 W7 0	Michigan State Bldg Auth Rev	@		1	1FE	3,348,733	86.056	4,302,800	5,000,000	3,993,619		183,089				4.748	N/A			03/31/2010	10/15/2018
594614 YB 9	Michigan State Bldg Auth Rev Bonds				1FE	3,230,430	103.895	3,116,850	3,000,000	3,043,299		(23,389)			5.375	4.504	AO	40,313	161,250	05/18/2004	10/01/2015
60534T FR 1	Mississippi State Dev BK Wtr & Swr Sys R			1	1FE	5,094,400	104.279	5,213,950	5,000,000	5,091,181		(3,219)			5.000	4.740	MS	83,333	125,000	08/22/2013	09/01/2030
606092 CJ 1	Missouri Muni Elec Util Comm Pwr Proj Re			1	1FE	6,868,270	107.811	7,007,715	6,500,000	6,773,017		(18,803)			5.000	4.511	JJ	162,500	325,000	03/31/2010	01/01/2025
60636W GW 9	Missouri St Hwy & Trans Revenue Bonds			1	1FE	7,152,670	108.498	7,594,860	7,000,000	7,115,038		(6,720)			5.000	4.821	MN	58,333	350,000	08/27/2007	05/01/2026
61212L EH 8	Montana St Brd Regents Higher Ed Revs			1	1FE	1,052,170	104.163	1,041,630	1,000,000	1,038,119		(3,975)			5.000	4.421	MN	6,389	50,000	03/31/2010	11/15/2021
61212L EQ 8	Montana St Brd Regents Higher Ed Rev			1	1FE	2,148,980	104.163	2,083,260	2,000,000	2,076,721		(9,404)			5.000	4.347	MN	12,778	100,000	12/06/2004	11/15/2020
613209 AT 2	Montgomery Cnty AL Pub Hsg Revenue Bonds			1	1FE	5,172,200	108.404	5,420,200	5,000,000	5,126,152		(8,440)			5.000	4.706	MS	83,333	250,000	11/08/2007	03/01/2025
613209 BS 3	Montgomery Cnty AL Pub Hsg Revenue Bonds				1FE	3,201,631	109.819	3,354,970	3,055,000	3,157,713		(43,918)			5.000	3.376	MS	50,917	152,750	01/10/2013	03/01/2024
613209 BV 6	Montgomery Cnty AL Pub Hsg Revenue Bond			1	1FE	2,294,710	108.991	2,425,050	2,225,000	2,273,938		(20,773)			5.000	3.928	MS	37,083	111,250	01/10/2013	03/01/2024
625914 HG 4	Muni Energy Agy of Nebraska Revenue Bond			1	1FE	3,555,840	106.709	3,201,270	3,000,000	3,507,120		(48,720)			5.000	2.700	AO	37,500	150,000	02/04/2013	04/01/2027
62889K AE 1	NCUA Guaranteed Notes				1FE	2,168,280	103.162	2,063,248	2,000,000	2,136,128		(16,476)			3.450	2.445	JD	3,642	69,000	01/05/2012	06/12/2021
63968M EW 5	Nebraska St Investment Fin Aut Revenue B				1FE	934,050	93.493	934,930	1,000,000	936,253		2,203			2.750	3.500	MS	9,167	6,951	07/23/2013	03/01/2024
63968M EX 3	Nebraska St Investment Fin Aut Revenue B			1	1FE	1,397,250	93.226	1,398,390	1,500,000	1,400,497		3,247			2.750	3.500	MS	13,750	10,427	07/23/2013	09/01/2024
64465P MH 8	New Hampshire Mun Bd Bk Revenue Bonds			1	1FE	3,755,610	110.309	3,822,207	3,465,000	3,668,814		(26,432)			5.000	3.980	FA	65,450	173,250	06/17/2010	08/15/2028
64465P MS 4	New Hampshire Mun Bd Bk Revenue Bonds			1	1FE	2,153,980	109.723	2,194,460	2,000,000	2,000,000					5.000	-99.999	FA	37,778	100,000	06/17/2010	08/15/2029
64465P TT 5	New Hampshire Mun Bd Bk Revenue Bonds				1FE	1,817,370	112.966	1,694,490	1,500,000	1,781,420		(22,288)			5.000	2.931	FA	28,333	75,000	04/18/2012	08/15/2024
646136 VV 0	New Jersey St Transn Tr Df Revs			1	1FE	3,464,580	112.551	3,939,285	3,500,000	3,472,775		1,767			5.375	5.470	JD	8,361	188,125	11/17/2008	12/15/2024
646139 W3 5	New Jersey St Turnpie Auth Taxable Serie				1FE	1,700,000	133.780	2,274,260	1,700,000	1,700,000					7.414	7.414	JJ	63,019	126,038	04/20/2009	01/01/2040
64711M 5W 3	New Mexico Fin Auth Rev Bds			1	1FE	7,171,960	113.055	7,619,907	6,740,000	6,934,704		(51,203)			5.250	4.340	JD	15,727	353,850	03/31/2010	06/15/2020
64711M 6B 8	New Mexico Fin Auth Revenue Bonds			1	1FE	4,318,167	111.789	4,644,833	4,155,000	4,276,137		(7,723)			5.250	4.914	JD	9,695	218,138	08/22/2007	06/15/2025
64971M 5F 5	NY City Transitional Fin Authq Revenue B				1FE	2,292,370	103.695	2,073,900	2,000,000	2,270,770		(21,600)			4.325	2.417	MN	14,417	86,500	04/17/2013	11/01/2021
64972F 4K 9	New York City Mun Wtr Fin Auth Revenue B			1	1FE	3,158,910	106.789	3,203,670	3,000,000	3,145,755		(5,354)			5.000	4.592	JD	6,667	150,000	06/15/2011	06/15/2031
64972H SY 9	New York City NY TransFinAuth Revenue Bo			1	1FE	8,409,040	105.271	8,421,680	8,000,000	8,401,130		(7,910)			5.250	4.459	JJ	193,667		10/21/2013	07/15/2037
64983S FU 4	New York St Dorm Scdly Insured Revenue B				1FE	3,263,081	112.699	2,907,634	2,580,000	3,220,043		(25,923)			5.500	3.580	JJ	70,950	141,900	04/19/2012	07/01/2031
658196 PK 0	NC Eastern Muni Pwr Agy Sys Revenue Bond				1FE	3,577,170	120.935	3,628,050	3,000,000	3,567,391		(9,779)			6.000	4.000	JJ	90,000		09/18/2013	01/01/2026
658196 QS 2	NC Eastern Muni Pwr Agy Sys Prerefunded			1	1	1,048,930	109.597	1,095,970	1,000,000	1,023,462		(7,198)			5.000	4.160	JJ	25,000	50,000	03/31/2010	01/01/2017
658196 QY 9	NC Eastern Muni Pwr Agy Sys Revenue Bond				2FE	2,319,940	120.094	2,401,880	2,000,000	2,206,746		(21,092)			6.000	4.450	JJ	60,000	120,000	01/04/2008	01/01/2022
658196 Z2 9	NC Eastern Muni Pwr Agy Sys Revenue Bond			1	1FE	5,984,640	109.533	6,571,980	6,000,000	5,986,942		750			5.500	5.525	JJ	165,000	330,000	01/13/2011	01/01/2026
658203 M8 4	NC Mun Pwr Agy #1 Catawba Elec Revenue B			1	1FE	5,730,960	104.722	6,283,320	6,000,000	5,757,415		9,372			5.000	5.380	JJ	150,000	300,000	01/13/2011	01/01/2030
65821D CY 5	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	987,147	101.508	1,015,080	1,000,000	988,736		439			4.750	4.850	JD	3,958	47,500	03/31/2010	06/01/2030
65821D DW 8	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	2,030,000	102.030	2,040,600	2,000,000	2,020,702		(2,705)			5.000	4.810	JD	8,333	100,000	04/22/2010	06/01/2035
65821D DX 6	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	1,119,880	100.869	1,008,690	1,000,000	1,107,308		(12,572)			5.000	3.140	JD	4,167	50,000	02/22/2013	06/01/2042

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
65821D FW 6	NC Med Care Comm Duke Univer Revenue Bo				1FE	5,179,050	101.993	5,099,650	5,000,000	5,130,531		(15,993)			5.000	4.550	MN	41,667	250,000	10/22/2010	11/01/2030
65821D LH 2	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	9,165,865	104.220	8,858,700	8,500,000	9,141,682		(17,625)			5.000	4.396	JD	35,417	300,000	06/27/2013	06/01/2032
65821D NE 7	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	5,327,000	87.076	4,353,800	5,000,000	5,300,152		(26,848)			4.000	3.220	JD	16,667	208,889	01/15/2013	12/01/2033
65825P CA 6	NC State Capital Improvements LTD Oblig			1	1FE	1,066,858	113.705	1,137,050	1,000,000	1,042,176		(6,948)			5.000	4.110	MN	8,333	50,000	03/31/2010	05/01/2023
65825P CB 4	NC State Capital Improvements LTD Oblig			1	1FE	1,056,760	113.705	1,137,050	1,000,000	1,035,877		(5,888)			5.000	4.240	MN	8,333	50,000	03/31/2010	05/01/2024
65825P DD 9	NC State Capital Improvements Revenue Bo			1	1FE	4,909,100	104.579	5,228,950	5,000,000	4,919,986		3,840			4.500	4.654	MN	37,500	225,000	03/22/2011	05/01/2028
658268 AX 5	North Carolina State Grant Antic Rev Bon			1	1FE	3,552,329	112.068	3,815,915	3,405,000	3,488,517		(20,149)			5.000	4.163	MS	56,750	145,250	07/31/2013	03/01/2019
658289 XS 7	N C St University NC Raleigh Revenue Bon			1	1FE	4,044,340	108.233	4,112,854	3,800,000	3,905,717		(19,684)			5.000	4.344	AO	47,500	190,000	10/26/2005	10/01/2018
664754 Y5 1	North AZ Uni Edu Dev Revenue Bonds			1	1FE	3,061,543	105.367	2,918,666	2,770,000	3,048,842		(12,701)			5.000	3.740	FA	73,482		06/05/2013	08/01/2029
684618 AN 1	Orange Cnty NC Pub Facs Com Bonds			1	1FE	1,135,640	110.851	1,108,510	1,000,000	1,108,866		(12,098)			5.000	3.390	AO	12,500	50,000	09/14/2011	10/01/2024
684618 AP 6	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	1,123,000	109.850	1,098,500	1,000,000	1,098,852		(10,918)			5.000	3.530	AO	12,500	50,000	09/14/2011	10/01/2025
684618 AQ 4	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	2,226,380	108.842	2,176,840	2,000,000	2,182,124		(20,017)			5.000	3.640	AO	25,000	100,000	09/14/2011	10/01/2026
684618 BH 3	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	2,748,900	103.394	2,584,850	2,500,000	2,713,969		(20,480)			4.750	3.600	AO	29,688	118,750	03/30/2012	10/01/2032
709222 CN 1	Pennsylvania St Turnpike Revenue Bonds				1FE	3,937,220	117.245	4,103,575	3,500,000	3,724,557		(29,372)			5.250	4.120	JJ	84,729	183,750	08/02/2005	07/15/2020
71883R GW 7	Phoenix Ariz Civic Impt Corp Wtr Sys Rev			1	1FE	2,078,673	105.879	2,117,580	2,000,000	2,062,520		(4,603)			4.750	4.375	JJ	47,500	95,000	03/31/2010	07/01/2024
76116F AA 5	Resolution Funding Corp PO Strip	@			1	6,674,250	86.831	6,512,325	7,500,000	6,696,479		22,229				1.967	N/A			10/30/2013	10/15/2019
76218T NK 6	Rhode Island Clean Wtr Fin Agy Revenue B			1	1FE	2,140,483	113.441	2,155,379	1,900,000	2,067,396		(21,627)			5.000	3.521	AO	23,750	95,000	06/10/2010	10/01/2023
829594 EV 8	Sioux Falls, SD Revenue Bonds			1	1FE	2,770,500	111.047	2,887,222	2,600,000	2,733,025		(10,592)			5.000	4.356	MN	16,611	130,000	03/31/2010	11/15/2023
829594 EW 6	Sioux Falls, SD Revenue Bonds			1	1FE	2,911,865	110.509	3,000,319	2,715,000	2,854,162		(9,804)			5.000	4.401	MN	17,346	135,750	05/09/2007	11/15/2024
829594 EX 4	Sioux Falls, SD Revenue Bonds			1	1FE	3,035,605	111.991	3,174,945	2,835,000	2,981,445		(9,207)			5.000	4.435	MN	18,113	141,750	05/09/2007	11/15/2025
837152 MW 4	So Carolina Transit Rev. Bonds			1	1FE	7,490,421	109.238	7,652,122	7,005,000	7,294,525		(36,328)			5.000	4.287	AO	87,563	350,250	03/31/2010	10/01/2020
847184 SM 1	Spartanburg SC Revenue Bonds			1	1FE	2,041,020	108.817	2,176,340	2,000,000	2,024,305		(2,735)			4.500	4.306	JD	7,500	90,000	02/08/2007	06/01/2021
847184 SN 9	Spartanburg SC Wtrwks Revenue Bonds			1	1FE	2,031,725	107.717	2,154,340	2,000,000	2,023,656		(2,291)			4.500	4.330	JD	7,500	90,000	03/31/2010	06/01/2022
847184 SQ 2	Spartanburg SC Ser A Rev			1	1FE	2,864,344	104.540	2,927,120	2,800,000	2,844,187		(3,305)			4.500	4.310	JD	10,500	126,000	03/09/2007	06/01/2024
851018 HW 4	Springfield MO Pub Util Rev Bds			1	1FE	3,010,770	109.784	3,293,520	3,000,000	3,007,620		(552)			4.750	4.719	FA	59,375	142,500	08/15/2007	08/01/2024
880591 CJ 9	Tennessee Valley Authority Bond				1FE	1,679,019	126.620	1,506,778	1,190,000	1,620,225		(29,725)			6.750	3.080	MN	13,388	80,325	12/27/2011	11/01/2025
880591 EA 6	Tennessee Valley Authority Notes				1FE	10,137,525	114.554	10,023,475	8,750,000	9,523,505		(206,951)			5.500	2.843	JJ	217,899	481,250	09/02/2011	07/18/2017
88283L GW 0	Texas St Transn Comm Revs				1FE	11,338,011	119.480	12,557,348	10,510,000	11,123,426		(46,170)			5.250	4.531	AO	137,944	551,775	03/31/2010	04/01/2024
882854 PX 4	Texas Water Development Board Revenue Bo			1	1FE	7,468,349	109.478	8,375,067	7,650,000	7,502,371		7,351			5.000	5.200	JJ	176,375	382,500	03/31/2010	07/15/2027
882854 RC 8	Texas Water Development Board Rev Bds			1	1FE	5,238,055	113.296	5,664,800	5,000,000	5,116,385		(29,707)			5.250	4.530	JJ	121,042	262,500	03/31/2010	07/15/2022
882854 RF 1	Texas Water Development Board Ser B Revs			1	1FE	5,218,550	112.447	5,622,350	5,000,000	5,096,736		(24,630)			5.250	4.650	JJ	121,042	262,500	06/25/2008	07/15/2025
899676 KU 3	Tulsa, OK Univ ofTulsa Revenue Bonds			1	1FE	999,975	101.330	1,013,300	1,000,000	999,916		1			4.500	4.500	AO	11,250	45,000	03/31/2010	10/01/2026
913366 DF 4	Univ CA Regts Med Ctr Pooled Revenue Bon				1FE	5,208,168	117.305	6,099,860	5,200,000	5,207,802		(57)			6.583	6.572	MN	43,740	342,316	12/04/2009	05/15/2049
914072 PK 3	Univ of Arkansas AR Revenue Bonds			1	1FE	4,589,600	104.417	4,176,680	4,000,000	4,559,537		(30,063)			5.000	3.320	MN	33,333	91,667	04/18/2013	11/01/2037
914084 UY 2	University of Arkansas Revenue Bonds			1	1FE	2,093,016	104.004	2,080,080	2,000,000	2,076,161		(4,765)			5.000	4.579	MN	16,667	100,000	03/31/2010	11/01/2025
91412F 7X 9	University California Rev Bonds - Taxabl			1	1FE	999,290	107.986	1,079,860	1,000,000	999,534		12			6.270	6.274	MN	8,012	62,700	08/19/2009	05/15/2031
914353 A8 0	University of Illinois Revenue Bonds			1	1FE	8,713,387	110.221	9,175,898	8,325,000	8,642,147		(71,240)			5.000	3.229	AO	104,063	208,125	06/21/2013	04/01/2022
914353 C4 7	University of Illinois			1	1FE	1,753,144	106.958	1,791,547	1,675,000	1,738,810		(14,334)			5.000	3.229	AO	20,938	41,875	06/21/2013	04/01/2022
914692 J4 1	Univ of New Mexico Sys Impt Ser A Revs			1	1FE	3,117,270	110.921	3,327,630	3,000,000	3,050,223		(13,352)			5.000	4.465	JD	12,500	150,000	06/16/2008	06/01/2023
914720 AR 8	Univ NC System Pool Revenue Bonds			1	2FE	111,824	100.241	115,277	115,000	113,058		353			4.500	4.901	AO	1,294	5,175	03/31/2010	10/01/2018
914720 JC 2	Univ NC System Pool Revenue Bonds				1FE	4,799,660	116.717	5,077,190	4,350,000	4,550,313		(33,430)			5.250	4.260	AO	57,094	228,375	03/23/2005	04/01/2019
914720 YH 4	Univ NC System Pool UNC Greensboro-Ser B			1	1FE	1,600,644	115.398	1,673,271	1,450,000	1,575,950		(10,598)			5.250	3.680	AO	19,031	49,875	07/31/2013	04/01/2022

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
91472R BG 2	UNC-Wilmington Student Hsg Proj CTFs			1	2FE	1,023,060	105.462	1,054,620	1,000,000	1,021,870		(1,190)			5.000	4.602	JD	4,167	25,000	07/31/2013	06/01/2020
914760 N2 5	University Okla Revenue Bonds			1	1FE	5,962,330	109.031	6,345,604	5,820,000	5,924,350		(7,498)			5.000	4.781	JJ	145,500	291,000	03/31/2010	07/01/2024
914761 BA 8	Univ Oklahoma Student Hsg Rev Bonds			1	1FE	2,089,320	102.303	2,046,060	2,000,000	2,022,807		(8,434)			5.000	4.513	JJ	50,000	100,000	06/09/2004	07/01/2016
917547 VS 7	Utah St Bldg Ownership Auth Revenue Bond			1	1FE	1,196,094	101.813	1,160,668	1,140,000	1,166,369		(10,421)			5.000	3.967	MN	7,283	57,000	01/14/2011	05/15/2016
917547 VZ 1	Utah St Bldg Ownership Auth Revenue Bond			1	1FE	1,951,522	101.813	1,893,722	1,860,000	1,903,023		(17,003)			5.000	3.967	MN	11,883	93,000	01/14/2011	05/15/2016
924211 3M 5	Vermont Mun Bd Bk Revenue Bonds			1	1FE	1,459,472	108.901	1,486,499	1,365,000	1,427,765		(4,381)			5.000	4.463	JD	5,688	68,250	07/13/2005	12/01/2024
927781 VQ 4	Virginia College Bldg Auth Revenue Bonds				1FE	2,004,400	106.091	2,121,820	2,000,000	2,003,020		(400)			4.000	3.973	MS	26,667	80,000	10/28/2010	09/01/2020
927781 Y2 4	Virginia College Bldg Auth Rev Bds - Pre			1	1FE	337,318	111.809	363,379	325,000	337,138		(180)			5.000	3.519	MS	5,417		12/16/2013	09/01/2023
927781 Z8 0	Virginia College Bldg Auth Revenue Bds -			1	1FE	5,890,085	110.744	6,284,722	5,675,000	5,886,949		(3,136)			5.000	3.519	MS	94,583		12/16/2013	09/01/2023
927793 WM 7	Virginia State CMWITH Transprt Revenue B			1	1FE	5,129,700	97.361	4,868,050	5,000,000	5,123,350		(3,947)			4.000	3.824	MN	25,556	200,000	06/05/2012	05/15/2034
928075 DT 4	Virginia Port Auth Comm Pt Fd Revenue Bo			1	1FE	2,767,372	107.317	3,278,534	3,055,000	2,833,301		14,613			5.250	6.201	JJ	80,194	160,388	11/24/2008	07/01/2024
928172 KA 2	Virginia St Pub Bldg Auth Pub Fac Rev			1	1FE	4,400,800	102.867	4,114,680	4,000,000	4,068,830		(41,450)			5.000	3.867	FA	83,333	200,000	08/19/2004	08/01/2015
928172 LJ 2	Virginia St Pub Bldg Auth Revenue Bonds			1	1FE	2,098,710	107.188	2,143,760	2,000,000	2,058,570		(11,349)			5.000	4.289	FA	41,667	100,000	03/31/2010	08/01/2018
928172 RH 0	Virginia St Pub Bldg Auth Revs			1	1FE	8,887,161	113.357	10,236,137	9,030,000	8,917,422		6,877			5.125	5.270	FA	192,828	462,788	03/31/2010	08/01/2025
930876 AZ 0	Wake County NC Revenue Bonds			1	1FE	3,862,929	113.420	3,969,700	3,500,000	3,763,794		(32,648)			5.000	3.461	JD	14,583	137,500	07/31/2013	06/01/2023
930876 BB 2	Wake County NC Hammond RD Rev Bonds			1	1FE	1,179,722	113.392	1,247,312	1,100,000	1,174,580		(5,142)			5.000	3.610	JD	4,583	27,500	07/31/2013	06/01/2024
930876 BY 2	Wake County NC Revenue Bonds			1	1FE	6,556,794	115.257	6,805,926	5,905,000	6,324,472		(61,437)			5.000	3.670	JJ	147,625	295,250	12/11/2009	01/01/2025
95639R BR 9	West VA Higher Ed Pol Commn Revenue Bond			1	1FE	3,213,900	101.217	3,036,510	3,000,000	3,116,679		(13,436)			5.000	4.367	AO	37,500	150,000	07/13/2005	04/01/2021
967338 UB 8	Wichita Kansas Wtr & Swr Revenue Bonds			1	1FE	3,642,963	111.428	3,571,267	3,205,000	3,590,486		(25,739)			5.000	3.726	AO	40,063	160,250	11/15/2011	10/01/2025
967338 UC 6	Wichita Kansas Wtr & Swr Revenue Bonds			1	1FE	4,819,840	110.403	4,692,128	4,250,000	4,713,459		(51,510)			5.000	3.388	AO	53,125	212,500	11/02/2011	10/01/2026
967338 UD 4	Wichita Kansas Wtr & Swr Revenue Bonds			1	1FE	4,941,079	109.744	4,823,249	4,395,000	4,839,668		(49,182)			5.000	3.497	AO	54,938	219,750	11/02/2011	10/01/2027
977100 BU 9	Wisconsin ST GEN Rev Bonds			1	1FE	9,213,397	117.657	9,412,560	8,000,000	8,761,096		(125,746)			6.000	4.000	MN	80,000	480,000	03/31/2010	05/01/2026
977100 BZ 8	Wisconsin ST GEN Revenue Bonds			1	1FE	10,363,500	110.004	11,000,400	10,000,000	10,252,458		(40,243)			5.750	5.200	MN	95,833	575,000	02/03/2011	05/01/2033
977229 AB 9	Wise Cnty VA Indl Dev Pub Facs Revenue B			1	1FE	3,979,440	96.833	3,873,320	4,000,000	3,984,469		4,878			1.700	1.830	FA	28,333	41,933	12/04/2012	02/01/2017
982674 GW 7	Wyandotte Cnty KS Govt Utility Revenue B			1	1FE	5,780,900	103.913	5,195,650	5,000,000	5,696,495		(68,928)			5.000	3.150	MS	83,333	246,528	10/03/2012	09/01/2032
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations						698,161,051	XXX	714,394,476	662,080,000	688,661,622	0	(2,688,907)	0	0	XXX	XXX	XXX	8,417,235	27,471,388	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
31283H BP 9	FHLMC Gold Pool #G00946			2	1	19,803	110.397	22,514	20,394	20,029		18			6.000	6.336	MON	102	1,224	06/08/1998	06/01/2028
3128M6 PB 8	FHLMC Pool #G0-4618			2	1	11,842	111.900	13,226	11,820	11,835		(1)			6.000	6.036	MON	59	709	08/15/2008	08/01/2038
3128M6 PE 2	FHLMC Pool #G0-4621			2	1	23,105	111.772	25,776	23,061	23,092		(2)			6.000	6.036	MON	115	1,384	08/15/2008	08/01/2038
3128M6 PH 5	FHLMC Pool #G0-4624			2	1	3,374	111.920	3,770	3,368	3,373					6.000	6.036	MON	17	202	08/15/2008	08/01/2038
3128M6 PK 8	FHLMC Pool #G0-4626			2	1	20,523	112.003	22,944	20,485	20,513		(2)			6.000	6.036	MON	102	1,229	08/15/2008	08/01/2038
3128M6 PM 4	FHLMC Pool #G0-4628			2	1	9,725	111.759	10,848	9,706	9,719		(1)			6.000	6.036	MON	49	582	08/15/2008	08/01/2038
3128M6 PP 7	FHLMC Pool #G0-4630			2	1	23,957	110.436	26,407	23,912	23,944		(3)			6.000	6.036	MON	120	1,435	08/15/2008	08/01/2038
3133TE LJ 1	FHLMC Ser 2064 Cl PD			2	1FE	139,236	112.156	150,155	133,880	136,378		(48)			6.500	5.737	MON	725	8,702	07/26/2005	06/15/2028
3133XC T6 0	FHLB Structured Note SK-2015 Cl 1			2	1	1,219,643	105.515	1,291,750	1,224,234	1,222,752		672			5.140	5.369	MON	2,272	62,925	11/22/2005	08/18/2015
31358N MY 5	FNMA Remic Tr 1992-111 cl Z			2	1FE	35,109	112.086	40,386	36,032	35,468		26			7.500	8.017	MON	225	2,702	11/02/1995	06/25/2022
31371J 5D 2	FNMA Pass Thru Pool #253844			2	1	7,768	106.157	8,102	7,632	7,638		(13)			5.500	5.205	MON	35	420	10/18/2002	06/01/2016
31371K HR 5	FNMA Pass Thru Pool #254140			2	1	8,989	106.830	9,432	8,829	8,842		(14)			5.500	5.213	MON	40	485	10/18/2002	01/01/2017
31371K KH 3	FNMA Pass Thru Pool #254196			2	1	1,168	104.994	1,194	1,138	1,142		(3)			6.000	5.581	MON	6	68	08/01/2002	02/01/2017
31371K NX 5	FNMA Pass Thru Dwarf Pool #254306			2	1	25,302	106.864	26,565	24,859	24,906		(39)			5.500	5.224	MON	114	1,367	10/18/2002	05/01/2017

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
31371K XS 5	FNMA Pool # 254589			2	1	1,850	109.854	1,963	1,787	1,816		(4)			5.500	5.090	MON	8	98	05/15/2003	01/01/2023
31381K VY 2	FNMA P-T Dus #463331			2	1	1,146,691	109.915	1,087,828	989,700	1,132,825		(8,755)			5.250	3.356	MON	4,474	52,681	05/31/2012	08/01/2029
31381L DB 0	FNMA P-T Dus #463698			2	1	1,098,673	102.938	976,932	949,049	1,079,418		(12,131)			5.100	2.588	MON	4,168	49,074	05/31/2012	10/01/2024
31381S MU 3	FNMA P-T DUS #469371			2	1	1,374,907	100.872	1,368,191	1,356,363	1,370,722		(2,060)			3.250	2.939	MON	3,673	44,691	09/23/2011	12/01/2021
31381S VJ 8	FNMA P - T DUS #469617			2	1	1,351,870	101.488	1,370,915	1,350,815	1,351,087		(384)			3.330	3.290	MON	3,873	45,607	09/19/2011	11/01/2021
31381T DZ 0	FNMA P-T DUS #470020			2	1	2,174,471	100.134	2,113,966	2,111,137	2,168,027		(3,426)			4.200	3.829	MON	7,635	89,899	02/12/2011	01/01/2030
31381T QF 0	FNMA Pass Thru #470354			2	1	1,471,611	100.261	1,463,560	1,459,750	1,468,956		(1,426)			3.170	2.978	MON	3,985	46,910	12/28/2011	01/01/2022
31381U 6P 7	FNMA			2,4	1	415,422	91.312	365,248		317,027		(65,552)			3.260	-19.586	MON	1,087	13,219	07/10/2012	06/01/2027
31381U RW 9	FNMA Mortgage Pool #471301			2,4	1	734,289	98.367	688,569		436,933		(183,433)			2.940	-36.777	MON	1,715	20,866	07/09/2012	06/01/2022
31381U RY 5	FNMA P-T DUS #471303			2,4	1	787,588	98.367	737,753		468,549		(196,800)			2.940	-36.792	MON	1,838	22,356	07/09/2012	06/01/2022
31387Y YX 5	FNMA Pass Thru Dwarf Pool #598426			2	1	3,595	106.846	3,774	3,532	3,538		(6)			5.500	5.219	MON	16	194	10/18/2002	02/01/2017
31388P XY 2	FNMA Pass Thru Dwarf Pool #610995			2	1	9,068	106.203	9,459	8,906	8,918		(15)			5.500	5.209	MON	41	490	10/18/2002	11/01/2016
31388T BK 8	FNMA Pass Thru Dwarf Pool #613942			2	1	855	106.197	892	840	841		(1)			5.500	5.209	MON	4	46	10/18/2002	11/01/2016
31388U P6 1	FNMA Pass Thru Dwarf Pool #615245			2	1	5,074	106.207	5,292	4,983	4,990		(8)			5.500	5.209	MON	23	274	10/18/2002	11/01/2016
31388V ML 9	FNMA Pass Thru Dwarf Pool #616063			2	1	9,146	106.192	9,540	8,984	8,996		(15)			5.500	5.209	MON	41	494	10/18/2002	11/01/2016
31388W FB 7	FNMA Pass Thru Dwarf Pool #616762			2	1	14,472	106.207	15,096	14,214	14,235		(23)			5.500	5.211	MON	65	782	10/18/2002	12/01/2016
31389C 2L 2	FNMA Pass Thru Dwarf Pool #621879			2	1	1,223	106.226	1,276	1,201	1,203		(2)			5.500	5.213	MON	6	66	10/18/2002	01/01/2017
31389F SX 1	FNMA Pass Thru Dwarf Pool #624334			2	1	3,851	106.221	4,019	3,784	3,790		(6)			5.500	5.219	MON	17	208	10/18/2002	02/01/2017
31389H 7H 5	FNMA Pass Thru Dwarf Pool #626496			2	1	1,589	106.196	1,657	1,560	1,563		(3)			5.500	5.213	MON	7	86	10/18/2002	01/01/2017
31389H NR 5	FNMA Pass Thru Dwarf Pool#626000			2	1	10,684	106.575	11,183	10,493	10,511		(17)			5.500	5.214	MON	48	577	10/18/2002	02/01/2017
31389L 2E 8	FNMA Pass Thru Dwarf Pool #629073			2	1	7,279	106.226	7,594	7,149	7,163		(11)			5.500	5.220	MON	33	393	10/18/2002	05/01/2017
31389P KB 5	FNMA Pass Thru Dwarf Pool #631290			2	1	7,526	106.234	7,855	7,394	7,406		(12)			5.500	5.219	MON	34	407	10/18/2002	02/01/2017
31389P LB 4	FNMA Pass Thru Dwarf Pool #631322			2	1	1,655	106.849	1,737	1,625	1,628		(3)			5.500	5.214	MON	7	90	10/18/2002	02/01/2017
31389Q LN 6	FNMA Pass Thru Dwarf Pool #632233			2	1	10,140	106.233	10,580	9,960	9,977		(16)			5.500	5.216	MON	46	548	10/18/2002	03/01/2017
31389V 5B 9	FNMA Pass Thru Dwarf Pool #637242			2	1	30,618	106.220	31,954	30,082	30,137		(47)			5.500	5.223	MON	138	1,655	10/18/2002	04/01/2017
31389X 4X 8	FNMA Pass Thru Pool #639038			2	1	34,836	106.224	36,356	34,226	34,288		(54)			5.500	5.223	MON	157	1,883	10/18/2002	04/01/2017
3138L0 LC 3	FNMA P-T Dus #AM0322			2	1	293,812	94.880	278,334	293,354	293,689		(90)			2.440	2.386	MON	596	7,257	07/09/2012	08/01/2022
31391N BA 8	FNMA Pass Thru Dwarf Pool #671533			2	1	1,218	106.281	1,272	1,197	1,200		(2)			5.500	5.234	MON	5	66	10/18/2002	11/01/2017
31391Q 5L 4	FNMA Pass Thru Dwarf Pool #674151			2	1	88,014	106.893	92,406	86,447	86,672		(132)			5.500	5.229	MON	396	4,754	10/18/2002	11/01/2017
31392B 5Y 8	FNMA Ser 2002-7 Cl OK			2	1FE	29,322	100.559	29,485	29,322	29,322					8.750	8.837	MON	214	203	01/29/2002	03/25/2017
31402L PB 2	FNMA ARM 732218			2	1	121,985	102.064	123,589	121,090	121,829		(27)			6.027	6.009	MON	608	1,653	12/11/2006	06/01/2043
31406J TM 5	FNMA Pass Thru Dwarf Pool #811556			2	1	4,442	109.191	4,872	4,462	4,443					5.500	5.576	MON	20	245	10/10/2007	04/01/2021
31409D Y7 2	FNMA Pass Thru Dwarf Pool #868434			2	1	2,578	109.238	2,828	2,589	2,579					5.500	5.576	MON	12	142	10/10/2007	04/01/2021
31411N XC 6	FNMA Pass Thru Dwarf Pool # 912475			2	1	77,828	106.319	83,110	78,170	77,849		4			5.500	5.575	MON	358	4,299	10/10/2007	03/01/2022
31416V GC 2	FNMA Pass Thru #AB0194			2	1	336,440	109.764	340,801	310,485	334,825		(784)			5.500	4.752	MON	1,423	17,077	11/02/2011	01/01/2039
36202D QY 0	GNMA II SF Pool #003171X			2	1	5,891	111.006	6,893	6,210	5,984		9			5.500	6.023	MON	28	342	01/10/2002	12/20/2031
36202D RE 3	GNMA II SF Pool #003185X			2	1	8,025	110.893	9,381	8,460	8,151		12			5.500	6.022	MON	39	465	01/10/2002	01/20/2032
36202K AY 1	GNMA Arm Pool #008123			2	1	30,554	103.709	31,228	30,111	30,238		(23)			6.500	6.398	MON	163	489	08/22/1996	01/20/2023
36202K T8 8	GNMA Arm Pool #P008675			2	1	23,640	103.879	25,324	24,379	23,999		24			5.000	5.303	MON	102	421	09/21/1995	08/20/2025
36225C DA 1	GNMA II ARM Pool 80096 Resets 10/98			2	1	29,937	103.954	30,441	29,283	29,602		(26)			7.000	6.845	MON	171	586	08/07/1997	07/20/2027
36225C NZ 5	GNMA II ARM ARM Pool #080407M			2	1	34,237	103.556	36,110	34,870	34,422		16			6.000	6.219	MON	174	592	06/15/2000	05/20/2030
3837H0 XX 6	GNMA REMIC Accrual Bond Series 1996-22 C			2	1FE	400,541	113.304	501,426	442,549	427,554		1,577			7.000	8.024	MON	2,582	30,978	10/24/1996	10/30/2026

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
3837H4 V7 7	GNMA Ser 2000 Class FB			2	1FE	2,306	100.986	2,329	2,306	2,306					0.615	0.616	MON	1	15	10/10/2000	10/16/2030
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						13,749,297	XXX	13,586,087	11,422,168	13,008,839	0	(473,062)	0	0	XXX	XXX	XXX	44,012	546,612	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						711,910,348	XXX	727,980,563	673,502,168	701,670,461	0	(3,161,969)	0	0	XXX	XXX	XXX	8,461,247	28,018,000	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00206R AW 2	AT&T Inc Sr Note				1FE	1,996,360	104.097	2,081,940	2,000,000	1,998,189		709			2.950	2.989	MN	7,539	59,000	04/26/2011	05/15/2016
00206R BR 2	AT&T Inc Note				1FE	1,998,700	99.385	1,987,700	2,000,000	1,999,077		377			0.900	0.922	FA	6,950	9,000	02/07/2013	02/12/2016
02580E CC 5	American Express Bk FSB Sr Notes				1FE	2,187,128	114.918	2,183,442	1,900,000	2,063,525		(40,741)			6.000	3.498	MS	34,200	114,000	11/03/2010	09/13/2017
025816 AY 5	American Express Co Sr Notes				1FE	1,494,255	119.616	1,794,240	1,500,000	1,496,864		574			7.000	7.054	MS	29,750	105,000	03/12/2008	03/19/2018
026874 BT 3	American Intl Group Inc Sr Notes				2FE	3,547,500	125.319	3,759,570	3,000,000	3,360,532		(67,265)			8.250	5.283	FA	93,500	247,500	01/27/2011	08/15/2018
03523T AV 0	Anheuser Busch Notes				1FE	993,810	111.113	1,111,130	1,000,000	995,713		555			5.000	5.079	AO	10,556	50,000	03/24/2010	04/15/2020
03523T BP 2	Anheuser Busch Sr. Notes				1FE	1,625,208	92.601	1,620,518	1,750,000	1,627,799		2,591			2.500	3.451	JJ	20,174		10/10/2013	07/15/2022
05531F AA 1	BB&T Corporation Sr Notes				1FE	4,997,450	101.802	5,090,100	5,000,000	4,998,909		122			5.700	5.712	AO	48,292	285,000	04/27/2009	04/30/2014
059165 DZ 0	Baltimore Gas & Elec Co Sr Notes				2FE	1,496,460	112.122	1,681,830	1,500,000	1,498,635		392			5.900	5.932	AO	22,125	88,500	10/11/2006	10/01/2016
06050T JZ 6	Bank of America Sub Notes				2FE	1,771,077	114.768	1,951,056	1,700,000	1,763,109		(1,329)			6.000	5.706	AO	21,533	102,000	12/26/2006	10/15/2036
06050T KN 1	Bank of America Sub Notes				2FE	7,493,547	110.646	8,298,450	7,500,000	7,496,736		735			5.300	5.312	MS	117,042	397,500	03/31/2010	03/15/2017
06050T KW 1	Bank of America Sub Notes				2FE	1,969,274	112.473	2,136,987	1,900,000	1,929,652		(7,594)			6.100	5.596	JD	5,151	115,900	01/09/2008	06/15/2017
06051G EA 3	Bank of America Sr Notes				1FE	1,097,239	113.003	1,243,033	1,100,000	1,098,759		400			6.500	6.545	FA	29,792	71,500	07/23/2009	08/01/2016
073902 RU 4	Bear Stearns Cos Inc Sr Notes				1FE	2,723,338	119.348	2,745,004	2,300,000	2,561,611		(57,623)			7.250	4.189	FA	69,479	166,750	01/27/2011	02/01/2018
09247X AC 5	Blackrock Notes				1FE	2,975,880	116.223	3,486,690	3,000,000	2,988,900		2,497			6.250	6.360	MS	55,208	187,500	09/12/2007	09/15/2017
097014 AK 0	Boeing Capital Corp Sr Notes				1FE	4,989,000	102.416	5,120,800	5,000,000	4,997,913		2,284			3.250	3.298	AO	28,889	162,500	10/22/2009	10/27/2014
097014 AL 8	Boeing Capital Corp Sr Notes				1FE	2,997,870	112.518	3,375,540	3,000,000	2,998,454		199			4.700	4.709	AO	25,067	141,000	10/22/2009	10/27/2019
101137 AM 9	Boston Scientific Corp Sr. Notes				2FE	998,790	100.778	1,007,780	1,000,000	998,844		54			2.650	2.675	AO	10,158		10/02/2013	10/01/2018
10513K AA 2	B B & T Sub Notes				1FE	2,994,300	111.712	3,351,360	3,000,000	2,997,853		620			5.625	5.650	MS	49,688	168,750	09/06/2006	09/15/2016
12189L AH 4	Burlington North Santa Fe Sr Notes				2FE	997,500	94.784	947,840	1,000,000	997,880		221			3.050	3.079	MS	8,981	30,500	02/28/2012	03/15/2022
126650 BQ 2	CVS Corporation Pass Thru Certs			2	2FE	1,127,319	113.905	1,174,202	1,030,861	1,115,032		(4,344)			6.943	5.836	MON	4,175	71,573	02/14/2011	01/10/2030
13034V AA 2	California Institute Sr Notes				1FE	1,783,530	87.345	1,572,210	1,800,000	1,783,359		8			4.700	4.744	MN	14,100	84,600	11/29/2011	11/01/2111
134429 AV 1	Campbell Soup Co Sr Notes				1FE	1,994,220	104.322	2,086,440	2,000,000	1,996,922		806			3.050	3.096	JJ	28,128	61,000	06/30/2010	07/15/2017
144141 CX 4	Carolina Pwr & Lt Co Notes				1FE	996,580	108.680	1,086,800	1,000,000	999,166		382			5.250	5.294	JD	2,333	52,500	11/28/2005	12/15/2015
149123 BU 4	Caterpillar Inc Sr Notes				1FE	1,998,480	100.465	2,009,300	2,000,000	1,999,776		503			1.375	1.401	MN	2,597	27,500	05/24/2011	05/27/2014
17252M AJ 9	Cintas Corporation Notes				1FE	999,950	102.846	1,028,460	1,000,000	999,963		9			2.850	2.851	JD	2,375	28,500	05/18/2011	06/01/2016
172967 EM 9	Citigroup Inc Notes				1FE	2,128,513	115.307	2,190,833	1,900,000	2,034,304		(31,239)			6.125	4.137	MN	12,931	116,375	11/03/2010	11/21/2017
172967 EV 9	Citigroup Inc Sr Notes				1FE	2,446,075	128.611	2,567,076	1,996,000	2,309,034		(49,261)			8.500	5.131	MN	18,380	169,660	01/27/2011	05/22/2019
191216 AK 6	Coca Cola Co Notes				1FE	1,997,020	113.690	2,273,800	2,000,000	1,998,552		298			5.350	5.369	MN	13,672	107,000	10/29/2007	11/15/2017
20825C AR 5	ConocoPhillips Notes				1FE	2,979,780	115.610	3,468,300	3,000,000	2,988,094		1,931			5.750	5.840	FA	71,875	172,500	01/29/2009	02/01/2019
20825C AS 3	ConocoPhillips Notes				1FE	797,752	100.365	802,920	800,000	799,894		460			4.750	4.814	FA	15,833	38,000	01/29/2009	02/01/2014
21079V AA 1	Continental Airlines Pass Thru Certs			2	2FE	758,281	106.132	804,778	758,281	758,281					4.750	4.647	JJ	16,909	36,018	11/17/2010	01/12/2021
22546Q AE 7	Credit Suisse New York Notes				1FE	4,992,050	103.255	5,162,750	5,000,000	4,997,727		1,632			3.500	3.535	MS	47,639	175,000	03/18/2010	03/23/2015
247361 ZH 4	Delta Air Lines Inc Del Pass thru Certs			2	2FE	388,102	108.162	418,732	387,134	387,832		(107)			4.950	4.887	MN	2,023	19,163	12/20/2010	11/23/2019
250847 EC 0	Detroit Edison Secured Notes				1FE	6,576,640	104.326	7,302,820	7,000,000	6,931,630		57,024			4.800	5.705	FA	126,933	336,000	08/01/2006	02/15/2015
25746U BL 2	Dominion Resources Inc VA Sr Notes				2FE	1,995,020	106.034	2,120,680	2,000,000	1,996,102		435			4.450	4.481	MS	26,206	89,000	03/02/2011	03/15/2021
263534 BV 0	Du Pont E I De Nemours & Co Notes				1FE	1,019,197	100.220	1,026,253	1,024,000	1,023,893		1,004			5.875	5.981	JJ	27,740	60,160	12/09/2008	01/15/2014
264399 EQ 5	Duke Energy Co Notes				2FE	998,120	100.489	1,004,890	1,000,000	999,825		348			6.300	6.344	FA	26,250	63,000	01/21/2009	02/01/2014

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
26441C AD 7	Duke Energy Sr notes				2FE	996,230	110.594	1,105,940	1,000,000	997,572		347			5.050	5.098	MS	14,869	50,500	08/25/2009	09/15/2019
26441C AE 5	Duke Energy Sr Notes				2FE	999,450	103.229	1,032,290	1,000,000	999,821		111			3.350	3.362	AO	8,375	33,500	03/22/2010	04/01/2015
26875P AJ 0	EOG Resources Sr Notes				1FE	1,100,000	100.406	1,104,466	1,100,000	1,100,000					0.988	1.036	FMAN	1,751	11,569	11/18/2010	02/03/2014
26882P BB 7	ERAC USA Finance Co Sr. Notes				2FE	873,263	114.652	859,890	750,000	866,365		(6,897)			6.375	2.093	AO	10,094	23,906	10/02/2013	10/15/2017
278642 AB 9	Ebay, Inc Sr Notes				1FE	1,992,600	102.085	2,041,700	2,000,000	1,997,243		1,496			1.625	1.703	AO	6,861	32,500	10/21/2010	10/15/2015
29364G AE 3	Entergy Corp New Sr Notes				2FE	599,538	104.687	628,122	600,000	599,809		93			3.625	3.642	MS	6,404	21,750	09/13/2010	09/15/2015
29365T AB 0	Energy Texas Inc First Mortgage Bonds				2FE	999,130	103.547	1,035,470	1,000,000	999,718		176			3.600	3.619	JD	3,000	36,000	05/18/2010	06/01/2015
29379V AZ 6	Enterprise Productes Oper Sr Notes				2FE	1,563,883	94.993	1,519,888	1,600,000	1,564,570		687			3.350	3.631	MS	15,782	14,824	10/15/2013	03/15/2023
319477 AF 2	First Citizens Bank & Trust Sub Notes				2FE	1,947,280	103.757	2,075,140	2,000,000	1,990,201		6,466			5.125	5.488	MS	25,910	102,500	01/12/2006	06/01/2015
345397 VU 4	Ford Motor Cred Sr Notes				2FE	2,520,540	113.389	2,551,253	2,250,000	2,514,419		(6,121)			5.875	4.059	FA	54,711		10/10/2013	08/02/2021
35671D BD 6	Freeport-Mcmoran Copper & Go Sr. Notes				2FE	476,890	99.720	478,656	480,000	477,005		115			2.375	2.532	MS	3,357		10/23/2013	03/15/2018
36962G 2G 8	GE Capital Corp Sr Notes				1FE	2,018,700	111.487	2,229,740	2,000,000	2,006,866		(2,011)			5.400	5.277	FA	40,800	108,000	03/09/2007	02/15/2017
36962G 4C 5	GE Capital Corp Sr Notes				1FE	6,992,230	102.075	7,145,250	7,000,000	6,998,176		1,118			5.900	5.926	MN	55,067	413,000	05/06/2009	05/13/2014
36962G 4W 1	GE Capital Corp Float Rate Note				1FE	1,000,000	100.270	1,002,700	1,000,000	1,000,000					1.093	1.153	JAJO	2,612	11,614	01/04/2011	01/07/2014
369668 AA 6	GECC/LJ VP Hldg LLC Sr Unsecured Note				1FE	2,497,000	106.788	2,669,700	2,500,000	2,497,532		394			3.800	3.820	JD	3,431	95,000	04/25/2012	06/18/2019
373298 CF 3	Georgia Pac Corp Sr Notes				2FE	969,915	128.730	965,475	750,000	966,410		(3,505)			8.000	4.411	JJ	27,667		10/10/2013	01/15/2024
373334 JK 8	Georgia Pwr Co Sr Notes				1FE	1,991,020	112.573	2,251,460	2,000,000	1,995,322		894			5.400	5.459	JD	9,000	108,000	05/27/2008	06/01/2018
38141E A2 5	Goldman Sachs Group Sr Notes				1FE	3,332,097	121.942	3,475,347	2,850,000	3,178,262		(55,119)			7.500	4.926	FA	80,750	213,750	01/27/2011	02/15/2019
38141G EE 0	Goldman Sachs Group Inc Sr Notes				1FE	971,181	108.355	975,195	900,000	931,631		(14,712)			5.350	3.547	JJ	22,203	48,150	03/17/2011	01/15/2016
38259P AA 0	Google Inc Sr Note				1FE	1,999,540	100.419	2,008,380	2,000,000	1,999,926		147			1.250	1.258	MN	2,917	25,000	05/16/2011	05/19/2014
4042Q1 AA 5	HSBC Bank USA Sub Notes				1FE	2,031,260	110.208	2,204,160	2,000,000	2,027,277		(669)			5.875	5.761	MN	19,583	117,500	12/26/2006	11/01/2034
4042Q1 AC 1	HSBC Bank USA Sub Notes				1FE	595,824	113.054	678,324	600,000	598,154		434			6.000	6.094	FA	14,200	36,000	08/02/2007	08/09/2017
406216 AX 9	Halliburton Co Notes				1FE	996,560	118.920	1,189,200	1,000,000	997,753		303			6.150	6.195	MS	18,108	61,500	03/10/2009	09/15/2019
427866 AS 7	Hershey Foods Corp Sr Notes				1FE	997,670	101.324	1,013,240	1,000,000	998,641		464			1.500	1.549	MN	2,500	15,000	11/08/2011	11/01/2016
428236 BP 7	Hewlett Packard Co Sr Notes				2FE	1,995,680	104.359	2,087,180	2,000,000	1,997,519		848			3.000	3.047	MS	17,667	60,000	09/13/2011	09/15/2016
431116 AB 8	Highmark Inc Notes				2FE	14,861,600	94.598	13,716,710	14,500,000	14,799,808		(34,164)			4.750	4.415	MN	88,007	688,750	02/15/2012	05/15/2021
437076 AP 7	Home Depot Inc Sr Notes				1FE	2,987,910	109.952	3,298,560	3,000,000	2,996,470		1,393			5.400	5.454	MS	54,000	162,000	12/12/2006	03/01/2016
45138L AX 1	Idaho Power Corp Morgtage Notes				1FE	995,010	99.243	992,430	1,000,000	996,404		455			3.400	3.459	MN	5,667	34,000	08/25/2010	11/01/2020
45167R AF 1	Idex Sr Notes				2FE	1,496,235	98.305	1,474,575	1,500,000	1,496,860		323			4.200	4.231	JD	2,800	63,000	12/08/2011	12/15/2021
45866F AA 2	Intercontinentalexchange Sr. Notes				1FE	996,720	100.439	1,004,390	1,000,000	996,735		15			4.000	4.040	AO	9,222		10/11/2013	10/15/2023
461070 AH 7	Interstate Pwr & Lgt Notes				1FE	996,940	103.284	1,032,840	1,000,000	999,045		623			3.300	3.367	JD	1,467	33,000	06/10/2010	06/15/2015
465685 AG 0	ITC Holdings Sr Notes				2FE	997,150	98.028	980,280	1,000,000	997,263		113			4.050	4.085	JJ	20,025		06/26/2013	07/01/2023
46625H HW 3	JP Morgan Chase & Co Notes				1FE	1,998,100	103.194	2,063,880	2,000,000	1,999,235		355			2.600	2.619	JJ	23,978	52,000	11/10/2010	01/15/2016
476556 CR 4	New Jersey Pwr & Lgt Notes				2FE	6,481,570	109.720	7,625,540	6,950,000	6,735,849		41,218			4.800	5.590	JD	14,827	333,600	09/19/2006	06/15/2018
48121C YK 6	JP Morgan Chase Bank Sub Notes				1FE	1,184,234	114.330	1,171,883	1,025,000	1,177,989		(6,245)			6.000	1.860	AO	15,375		10/30/2013	10/01/2017
491674 BC 0	Kentucky Utilities PPL 144A				1FE	996,915	101.638	1,016,380	1,000,000	998,663		708			1.625	1.699	MN	2,708	16,250	07/01/2011	11/01/2015
494368 BB 8	Kimberly Clark Corp Notes				1FE	3,987,880	115.840	4,633,600	4,000,000	3,994,539		1,261			6.125	6.166	FA	102,083	245,000	07/26/2007	08/01/2017
494550 BL 9	Kinder Morgan Energy Partners Notes				2FE	745,868	97.097	728,228	750,000	745,937		69			3.950	4.024	MS	9,875		10/22/2013	09/01/2022
50188F AB 1	LG&E & KU Energy LLC Notes				2FE	996,096	101.943	1,019,430	1,000,000	998,276		886			2.125	2.219	MN	2,715	21,250	07/01/2011	11/15/2015
50188F AD 7	LG&E & KU Energy LLC Notes				2FE	1,985,105	100.873	2,017,460	2,000,000	1,988,558		1,421			3.750	3.845	MN	9,583	75,000	07/01/2011	11/15/2020
548661 CQ 8	Lowes Cos Inc Notes				1FE	998,180	109.821	1,098,210	1,000,000	998,695		166			4.625	4.648	AO	9,764	46,250	04/12/2010	04/15/2020
58013M EA 8	McDonalds Corp Bonds				1FE	2,491,675	111.076	2,776,900	2,500,000	2,496,636		879			5.300	5.343	MS	39,014	132,500	03/16/2007	03/15/2017

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
585055 AU 0	Medtronic Inc Sr Notes				1FE	4,977,450	103.707	5,185,350	5,000,000	4,989,569		4,482			2.625	2.722	MS	38,646	131,250	03/10/2011	03/15/2016
585055 AV 8	Medtronic Inc Sr Notes				1FE	2,983,710	103.924	3,117,720	3,000,000	2,987,449		1,446			4.125	4.192	MS	36,438	123,750	03/10/2011	03/15/2021
59018Y TZ 4	Merrill Lynch & Co Notes				1FE	1,996,060	102.727	2,054,540	2,000,000	1,999,675		485			5.450	5.476	JJ	50,261	109,000	07/14/2004	07/15/2014
593464 AA 8	Miami Fla Rent Rev Taxable Rev Bds Ser 1				1FE	394,642	119.882	437,569	365,000	378,164		(1,851)			8.650	7.830	JJ	15,786	29,840	01/04/2000	07/01/2019
61744Y AD 0	Morgan Stanley Sr Notes				2FE	754,743	114.409	915,272	800,000	775,785		5,115			5.950	6.829	JD	397	47,600	05/15/2009	12/28/2017
61746S BR 9	Morgan Stanley Notes				2FE	1,989,283	107.664	2,153,280	2,000,000	1,996,023		1,969			5.375	5.488	AO	22,694	107,500	03/31/2010	10/15/2015
617482 V9 2	Morgan Stanley Senior Note				1FE	1,919,698	117.295	2,052,663	1,750,000	1,916,854		(2,295)			6.375	5.695	JJ	48,654	111,563	09/14/2012	07/24/2042
637432 LR 4	National Rural Utilities Notes				1FE	2,977,110	135.030	4,050,900	3,000,000	2,985,191		2,117			10.375	10.500	MN	51,875	311,250	10/23/2008	11/01/2018
637432 MN 2	National Rural Utilities Notes				1FE	4,990,250	104.575	5,228,750	5,000,000	4,995,495		1,923			3.050	3.092	MS	50,833	152,500	02/14/2011	03/01/2016
64952W BF 9	New York Life Secured Note				1FE	1,996,420	98.428	1,968,560	2,000,000	1,997,641		670			1.650	1.686	MN	4,217	33,000	02/07/2012	05/15/2017
64952W BQ 5	New York Life Med Term Note				1FE	1,498,275	98.756	1,481,340	1,500,000	1,498,284		9			2.100	2.124	JJ	1,663		12/05/2013	01/02/2019
65473Q AV 5	Nisource Finance Corp Bonds				2FE	497,845	110.963	554,815	500,000	498,299		151			6.125	6.177	MS	10,208	30,625	12/01/2009	03/01/2022
67021C AG 2	NSTAR Electric Co Sr Notes				1FE	997,260	90.447	904,470	1,000,000	997,541		247			2.375	2.406	AO	5,014	23,750	10/08/2012	10/15/2022
670346 AG 0	Nucor Corp Notes				2FE	1,991,160	113.440	2,268,800	2,000,000	1,995,806		903			5.750	5.809	JD	9,583	115,000	11/28/2007	12/01/2017
68268N AJ 2	Oneok Partners Sr Notes				2FE	710,378	93.970	704,775	750,000	711,066		689			3.375	4.086	AO	6,328		10/17/2013	10/01/2022
693476 BJ 1	PNC Fund Corp Notes				1FE	1,959,738	111.802	1,956,535	1,750,000	1,953,451		(6,287)			5.125	3.024	FA	35,626		10/10/2013	02/08/2020
693476 BM 4	PNC Fund Corp Sr Notes				1FE	998,790	104.239	1,042,390	1,000,000	999,300		237			2.700	2.726	MS	7,650	27,000	09/14/2011	09/19/2016
694308 GT 8	Pacific Gas & Elec Co Sr Notes				1FE	1,799,384	100.549	1,860,157	1,850,000	1,813,378		4,660			3.500	3.835	AO	16,188	64,750	11/15/2010	10/01/2020
694308 HE 0	Pacific Gas & Elec Co Sr Notes				1FE	1,996,380	99.462	1,989,240	2,000,000	1,996,347		(33)			3.850	3.872	MN	10,481		11/06/2013	11/15/2023
695114 CK 2	Pacificorp Bond				1FE	2,121,392	114.816	2,181,504	1,900,000	2,049,808		(26,531)			5.500	3.767	JJ	48,186	104,500	03/11/2011	01/15/2019
723787 AJ 6	Pioneer Nat Res Co Sr. Notes				2FE	923,085	122.900	921,750	750,000	917,917		(5,168)			7.500	3.371	JJ	25,938		10/10/2013	01/15/2020
737662 BU 9	Potomac Edison 1st Mtg Bonds				2FE	3,069,240	109.507	3,285,210	3,000,000	3,025,000		(8,179)			5.800	5.470	AO	36,733	174,000	10/30/2007	10/15/2016
744533 BK 5	Public Service of Oklahoma Sr Notes				2FE	997,170	111.953	1,119,530	1,000,000	998,139		256			5.150	5.186	JD	4,292	51,500	11/09/2009	12/01/2019
744533 BL 3	Public Service of Oklahoma Sr Notes				2FE	1,190,952	104.930	1,259,160	1,200,000	1,193,182		796			4.400	4.494	FA	22,000	52,800	01/13/2011	02/01/2021
775109 AK 7	Rogers Communications Inc Notes				2FE	854,798	119.561	848,883	710,000	803,045		(18,152)			6.800	3.689	FA	18,239	48,280	01/13/2011	08/15/2018
80589M AD 4	Scana Corp Notes				2FE	997,390	101.351	1,013,510	1,000,000	997,908		226			4.750	4.783	MN	6,465	47,500	05/05/2011	05/15/2021
857477 AG 8	State Street Corp Sr Notess				1FE	2,989,650	107.853	3,235,590	3,000,000	2,991,957		913			4.375	4.418	MS	41,563	131,250	03/02/2011	03/07/2021
857477 AH 6	State Street Corp Sr Notes				1FE	2,987,550	104.565	3,136,950	3,000,000	2,994,264		2,474			2.875	2.965	MS	27,313	86,250	03/02/2011	03/07/2016
863667 AC 5	Stryker Corp Sr Notes				1FE	998,140	102.912	1,029,120	1,000,000	998,952		363			2.000	2.039	MS	5,056	20,000	09/13/2011	09/30/2016
87612E AP 1	Target Corp Notes				1FE	2,888,720	112.579	3,377,370	3,000,000	2,953,296		12,268			5.375	5.893	MN	26,875	161,250	11/28/2007	05/01/2017
883556 AY 8	Thermo Electron Corp Sr Notes				2FE	999,390	104.698	1,046,980	1,000,000	999,700		119			3.200	3.213	MS	10,667	32,000	02/14/2011	03/01/2016
89837L AA 3	Princeton University Notes				1FE	2,191,640	113.339	2,493,458	2,200,000	2,194,995		805			4.950	4.999	MS	36,300	108,900	01/13/2009	03/01/2019
90521A PJ 1	Union Bank NA Sr Notes				1FE	999,770	101.833	1,018,330	1,000,000	999,760		(10)			2.625	2.630	MS	6,927		09/19/2013	09/26/2018
913017 BQ 1	United Technologies Corp Sr Notes				1FE	998,380	117.916	1,179,160	1,000,000	999,076		140			6.125	6.145	FA	25,521	61,250	12/15/2008	02/01/2019
92343V AC 8	Verizon Communications Notes				2FE	1,983,980	109.331	2,186,620	2,000,000	1,995,674		1,806			5.550	5.656	FA	41,933	111,000	02/09/2006	02/15/2016
92343V BP 8	Verizon Communications Senior Notes				2FE	2,249,910	106.147	2,388,308	2,250,000	2,249,824		(86)			3.650	3.651	MS	23,497		09/11/2013	09/14/2018
927804 FF 6	Virginia Electric Power Sr Notes				1FE	1,097,525	114.423	1,258,653	1,100,000	1,098,694		243			5.400	5.429	AO	10,065	59,400	04/14/2008	04/30/2018
92928Q AA 6	Westfield Finance Senior Nts				1FE	326,823	116.248	348,744	300,000	315,703		(3,153)			7.125	5.728	AO	4,513	21,375	03/08/2010	04/15/2018
931142 CR 2	Wal Mart Stores Inc Sr Notes				1FE	1,986,180	103.160	2,063,200	2,000,000	1,996,294		2,824			2.875	3.025	AO	14,375	57,500	03/24/2010	04/01/2015
931142 CT 8	Wal Mart Stores Inc Sr Notes				1FE	1,993,900	102.797	2,055,940	2,000,000	1,998,067		1,233			2.250	2.315	JJ	21,625	45,000	06/30/2010	07/08/2015
931422 AE 9	Walgreen Co Notes				2FE	994,770	111.968	1,119,680	1,000,000	997,002		502			5.250	5.318	JJ	24,208	52,500	01/08/2009	01/15/2019
949746 QU 8	Wells Fargo & Co Bond				1FE	1,006,741	106.646	1,066,460	1,000,000	1,003,262		(1,250)			3.676	3.536	MS	10,824	36,760	02/10/2011	06/15/2016

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
94974B EV 8	Wells Fargo & Company Notes				..1FE	1,630,395	109.366	1,640,490	1,500,000	1,627,073		(3,322)			4.600	3.277	AO	17,250		10/09/2013	04/01/2021
94974B FC 9	Wells Fargo & Company Sr. Notes				..1FE	502,700	100.026	500,130	500,000	502,638		(62)			3.500	3.425	MS	5,493		10/11/2013	03/08/2022
958254 AC 8	Western Gas Parnters Sr. Notes				..2FE	1,000,300	98.773	987,730	1,000,000	1,000,288		(12)			2.600	2.593	FA	9,894		10/02/2013	08/15/2018
962166 BV 5	Weyerhaeuser Co Sr. Notes				..2FE	916,118	121.215	909,113	750,000	910,793		(5,325)			7.375	3.255	AO	13,828		10/10/2013	10/01/2019
064159 CU 8	Bank of Nova Scotia Sr Notes		A		..1FE	1,998,580	99.061	1,981,220	2,000,000	1,998,602		22			2.050	2.065	AO	6,947		10/24/2013	10/30/2018
06415C AC 3	Bank of Nova Scotia Medium Term Note		A		..1FE	721,280	102.540	717,780	700,000	721,001		(279)			1.950	0.959	JJ	5,725		12/11/2013	01/30/2017
13643E AF 2	Canadian Oil Sands PP 144A		A		..2FE	2,366,830	118.420	2,249,980	1,900,000	2,213,499		(50,911)			7.750	4.278	MN	18,815	147,250	11/03/2010	05/15/2019
63307E AB 3	National Bank of Canada Medium Term Note		A		..1FE	1,348,100	103.492	1,345,396	1,300,000	1,347,403		(698)			2.200	0.879	AO	5,720		12/11/2013	10/19/2016
78011D AC 8	Royal Bank of Canada Secured Note		A		..1FE	1,499,850	99.712	1,495,680	1,500,000	1,499,881		29			1.200	1.202	MS	5,100	18,000	09/12/2012	09/19/2017
893526 8Y 2	Trans-Canada Pipelines Ltd Sr Notes		A		..1FE	1,226,631	121.172	1,211,720	1,000,000	1,150,716		(26,656)			7.125	3.809	JJ	32,854	71,250	01/13/2011	01/15/2019
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						262,462,440	XXX	276,656,191	258,276,276	261,934,225	0	(357,936)	0	0	XXX	XXX	XXX	3,070,185	10,869,505	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																					
02660T CS 0	American Hm Mtg Inv Tr Ser 2004-4 Cl 4A			2	.1FM	115,999	97.574	115,036	117,896	116,589		74			4.390	4.710	MON	431	2,867	10/18/2005	02/25/2045
07384M 7D 8	Bear Stearns Ser 2005-2 Cl A2			2	.1FM	338,127	99.092	342,468	345,606	341,243		43			4.125	4.416	MON	1,188	9,655	08/07/2007	03/25/2035
07387Q AX 8	Bear Stearns Alt-A Tr Ser 2006-8 3A1			2	.1FM	194,313	91.920	198,451	215,903	194,318					0.327	1.545	MON	12	769	12/19/2006	02/25/2036
542514 HN 7	Long Beach Mtg Ln Tr Ser 2004-4 Cl 1A1			2	.1FM	13,932	94.508	13,151	13,915	13,928		(1)			5.665	5.722	MON	15	106	07/27/2006	10/25/2034
86359L PF 0	Structured Asset Mtg Inv Ser 2005-AR5 Cl			2	.1FM	66,375	90.719	61,365	67,643	66,640		40			0.415	0.572	MON	9	299	08/10/2007	07/19/2035
3399999. Industrial & Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities						728,746	XXX	730,471	760,963	732,718	0	156	0	0	XXX	XXX	XXX	1,655	13,696	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
055236 AA 1	Bank of America Re-Remic Trust 2011-07 C			2	..1FE	1,045,188	107.332	1,034,756	964,071	1,002,623		(12,902)			5.383	2.333	MON	4,325	51,896	05/26/2011	11/15/2016
12527X AA 4	Citigroup Comm Mtge Trust CMBS 2010-RR3			2	..1FE	1,380,184	110.905	1,441,765	1,300,000	1,342,100		(12,278)			5.810	3.894	MON	3,986	74,978	11/17/2010	05/14/2017
12621R AA 2	Commercial Mortgage Pass Thru Cert 2010-			2	..1FE	1,308,686	109.234	1,529,276	1,400,000	1,355,751		12,533			5.543	7.683	MON	6,467	77,602	02/05/2010	02/11/2017
22545B AD 3	Credit Suisse Mtg Tr Ser 2006-C2 Cl A1A			2	..1FE	1,158,810	108.266	1,149,482	1,061,721	1,148,593		(10,217)			5.670	-1.828	MON	5,017	10,198	10/10/2013	03/15/2039
22545X AD 5	Credit Suisse Mortgage Capital 2007-C1			2	.1FM	2,138,515	107.981	2,104,196	1,948,672	2,079,297		(45,837)			5.383	2.818	MON	8,741	104,798	09/11/2012	02/15/2040
46635T AK 8	JP Morgan Chase Comm Mort Series 2011-C3			2	.1FM	1,210,552	107.774	1,293,288	1,200,000	1,206,694		(1,435)			4.388	4.272	MON	4,388	52,652	03/01/2011	02/15/2046
55660C AA 6	Madison Avenue Tr Ser 2013-650M Cl A			2	..1FE	1,287,438	102.899	1,286,238	1,250,000	1,287,936		508			3.749	3.199	MON	2,473	8,006	10/10/2013	10/12/2032
60688B AD 0	Merrill Lynch/Countrywide Comm Mtg Ser 2			2	.1FM	1,417,441	111.360	1,670,400	1,500,000	1,462,314		8,961			5.957	6.829	MON	7,447	89,857	02/19/2008	07/12/2017
91830C AA 6	VNO Mortgage Trust 2012 - 6 Ave Class A			2	.1FM	1,024,996	94.036	940,360	1,000,000	1,022,477		(2,316)			2.996	2.712	MON	2,496	29,956	11/16/2012	11/15/2022
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						11,971,810	XXX	12,449,761	11,624,464	11,907,785	0	(62,983)	0	0	XXX	XXX	XXX	45,340	499,943	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
037680 AA 3	Appalachian Consumer Rate Rel Series 201			2	..1FE	999,998	99.326	993,260	1,000,000	999,989		(9)			2.010	2.010	FA	2,568		11/06/2013	02/01/2024
07387A CK 9	Bear Stearns Mtg Tr Ser 2005-5 Cl A2			2	.1FM	1,782,701	99.145	1,810,313	1,825,926	1,786,796		263			4.550	5.227	MON	6,923	42,042	08/07/2007	08/25/2035
34528Q AQ 7	Ford Credit Floorplan Master Series 2010			2	..1FE	1,999,273	103.971	2,079,420	2,000,000	1,999,816		145			4.200	4.252	MON	3,733	84,000	03/03/2010	02/15/2015
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						4,781,972	XXX	4,882,993	4,825,926	4,786,601	0	399	0	0	XXX	XXX	XXX	13,224	126,042	XXX	XXX
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						279,944,968	XXX	294,719,416	275,487,629	279,361,329	0	(420,364)	0	0	XXX	XXX	XXX	3,130,404	11,509,186	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						1,673,377,482	XXX	1,720,320,896	1,597,471,276	1,654,284,928	200,606	(5,723,992)	0	0	XXX	XXX	XXX	20,352,360	66,625,410	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						14,478,043	XXX	14,316,558	12,183,131	13,741,557	0	(472,906)	0	0	XXX	XXX	XXX	45,667	560,308	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						11,971,810	XXX	12,449,761	11,624,464	11,907,785	0	(62,983)	0	0	XXX	XXX	XXX	45,340	499,943	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						23,989,703	XXX	25,748,422	24,028,897	23,992,108	0	151	0	0	XXX	XXX	XXX	266,014	1,172,615	XXX	XXX
8399999. Grand Total - Bonds						1,723,817,038	XXX	1,772,835,637	1,645,307,768	1,703,926,378	200,606	(6,259,730)	0	0	XXX	XXX	XXX	20,709,381	68,858,276	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value Per Share	Rate Per Share	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig-nation	Date Acquired

NONE

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
001204 10 6	AGL Res Inc Com formerly Atlanta Gas Lt			232,861.000	10,998,025	47.230	10,998,025	9,428,042		406,759		1,565,893		1,565,893		L	03/28/2013
025537 10 1	American Elec Pwr Inc Com			212,087.000	9,912,946	46.740	9,912,946	9,414,763		386,918		497,204		497,204		L	03/28/2013
05536J 10 0	BCS Financial (BCSI Hdgs) Com			27,375.000	3,143,909	114.846	3,143,909	250,028				143,089		143,089		A	01/28/2007
09610# 10 9	BCBS Venture II, Inc. Common Stock			50.000	50,000	1,000.000	50,000	50,000						0		A	06/22/2011
209115 10 4	Consolidated Edison Inc Com			159,404.000	8,811,853	55.280	8,811,853	9,366,233		364,427		(227,774)	47,725	(275,499)		L	03/28/2013
000000 00 0	Consortium Health Plans Inc Com Class A			750.000	257,168	342.890	257,168	100,000				157,168		157,168		U	01/12/2000
22025Y 40 7	Corrections Corp of America Com			337.000	10,808	32.070	10,808			162		10,808		10,808		L	10/01/2013
25746U 10 9	Dominion Resources Inc VA Com New			174,038.000	11,258,518	64.690	11,258,518	9,410,375		364,890		1,934,183		1,934,183		L	03/28/2013
26441C 20 4	Duke Energy New Com (formerly Duke Pwr)			170,541.000	11,769,034	69.010	11,769,034	11,522,883		426,505		378,417		378,417		L	08/15/2013
281020 10 7	Edison Int'l Com formerly SCE Corp			200,550.000	9,285,465	46.300	9,285,465	9,412,562	71,195	223,597		(80,336)		(80,336)		L	03/28/2013
30161N 10 1	Exelon Corp Com (formerly Peco Energy)			283,815.000	7,773,693	27.390	7,773,693	9,267,622		369,586		(837,194)	145,265	(982,459)		L	03/28/2013
337932 10 7	Firstenergy Corp Com			220,506.000	7,272,288	32.980	7,272,288	9,145,443		448,703		(1,520,078)	311,643	(1,831,721)		L	03/28/2013
552690 10 9	MDU Resources Com			404,175.000	12,347,546	30.550	12,347,546	9,442,046	71,741	192,842		2,907,722		2,907,722		L	03/28/2013
664397 10 6	Northeast Utils Com			234,751.000	9,951,095	42.390	9,951,095	9,416,511		321,646		504,486		504,486		L	03/28/2013
69331C 10 8	PG&E Corp(Holding Co) Com(Formerly Pacif			219,510.000	8,841,863	40.280	8,841,863	9,410,684	99,877	327,782		(267,444)		(267,444)		L	03/28/2013
69351T 10 6	PP&L Corp Com (formerly 693499105)			312,102.000	9,391,149	30.090	9,391,149	9,277,706	114,698	377,904		166,934		166,934		L	03/28/2013
72724* 10 4	Plan Liability Ins Co Common Stock			8.350	873,191	104,573.817	873,191	561,000				(41,648)		(41,648)		A	02/28/1994
744573 10 6	Public Svc Enterprise Group Com			294,009.000	9,420,048	32.040	9,420,048	9,423,065		409,153		165,550		165,550		L	03/28/2013
842587 10 7	Southern Co Com			208,035.000	8,552,319	41.110	8,552,319	9,415,216		374,820		(583,579)		(583,579)		L	03/28/2013
969457 10 0	Williams Cos Inc Com			269,242.000	10,384,664	38.570	10,384,664	9,404,435		365,796		981,666		981,666		L	03/28/2013
976657 10 6	Wisconsin Energy Corp Com			239,855.000	9,915,606	41.340	9,915,606	9,455,072		324,719		649,199		649,199		L	03/28/2013
98389B 10 0	Xcel Energy Inc Com			334,828.000	9,355,094	27.940	9,355,094	9,427,824	93,752	304,140		127,020		127,020		L	03/28/2013
9099999.	Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				169,576,282	XXX	169,576,282	162,601,510	451,263	5,990,349	0	6,631,286	504,633	6,126,653	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
00092# 10 5	ACS Benefit Services, Inc. Com			8,000.000	12,641,274	1,580.159	12,641,274	4,552,066				1,703,989		1,703,989		K	03/31/2010
39947@ 10 2	Mosaic Group Services, LLC Common Stock			600.000	5,622,889	9,371.481	5,622,889	30,000				(16,198,182)		(16,198,182)		K	07/30/1954
655100 10 5	NobleHealth Inc Com			372.000	47,729,240	128,304.407	47,729,240	67,659,265				(4,843,136)		(4,843,136)		K	12/31/2013
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates				65,993,403	XXX	65,993,403	72,241,331	0	0	0	(19,337,329)	0	(19,337,329)	0	XXX	XXX
Common Stocks - Mutual Funds																	
197199 81 3	Columbia Acorn International - Z			1,940,677.810	90,590,840	46.680	90,590,840	71,932,675		5,705,110		10,832,253		10,832,253		L	12/11/2013
233203 58 7	DFA Emerging Markets Value Fund			2,765,699.230	76,360,956	27.610	76,360,956	74,435,555		2,897,822		(5,917,227)		(5,917,227)		L	12/12/2013
72201F 51 6	Pimco Emerging Market Local Bond Fund			6,520,622.330	60,837,406	9.330	60,837,406	65,607,731		3,006,385		(10,485,458)		(10,485,458)		L	12/31/2013
861647 10 5	Stone Harbor EMG MKT Debt Fund			2,929,550.570	30,467,326	10.400	30,467,326	32,019,824		1,505,124		(4,407,027)		(4,407,027)		L	12/18/2013
861647 50 1	Stone Harbor Local Market - I			3,163,985.350	30,057,861	9.500	30,057,861	31,898,701		965,229		(5,095,404)		(5,095,404)		L	12/18/2013
885215 56 6	Thornburg International Value Fund			1,920,058.340	61,557,070	32.060	61,557,070	48,497,221		780,474		7,606,765		7,606,765		L	12/24/2013
922040 20 9	Vanguard Large Cap Institutional Index			1,897,761.590	321,253,082	169.280	321,253,082	178,545,775		5,919,145		72,632,881		72,632,881		L	12/26/2013
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus			430,545.130	63,879,981	148.370	63,879,981	21,661,306		756,896		15,874,306		15,874,306		L	12/23/2013
922908 39 7	Vanguard Small- Cap Index Fd - Plus			2,128,707.960	323,904,203	152.160	323,904,203	147,285,517		4,259,515		84,654,962		84,654,962		L	12/23/2013
003021 71 4	Aberdeen Emerg Mkts Inst			1,056.000	15,286	14.470	15,286	15,850		211		(1,448)		(1,448)		L	12/20/2013

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
315910 28 1	Fidelity Diversified International K			3,863.000	142,316	36.840	142,316	120,023		2,283		26,486		26,486		L	12/06/2013
315911 72 7	Spartan International Index FAI			149.000	6,056	40.670	6,056	4,587		153		935		935		L	12/13/2013
316200 85 6	Fidelity Growth Company K			239.000	28,651	119.710	28,651	21,916		1,902		5,956		5,956		L	12/06/2013
316345 80 0	Fidelity Low Priced Stock Fund K			1,559.000	77,030	49.420	77,030	63,230		5,727		14,697		14,697		L	12/13/2013
617440 59 9	MSIF MID Cap Growth Fund P			145.000	6,267	43.350	6,267	5,802		359		1,368		1,368		L	12/16/2013
693390 70 0	PIMCO Total Return Fund Inst			28,857.000	308,484	10.690	308,484	316,539		14,546		(15,434)		(15,434)		L	12/31/2013
885215 36 8	Thornburg International Value Fd R5			691.000	22,114	32.020	22,114	20,772		244		2,745		2,745		L	12/24/2013
921937 10 8	Vanguard Total Bond Market Sig			40,886.000	431,756	10.560	431,756	431,791		4,965		359		359		L	12/31/2013
922908 10 8	Vanguard 500 Index Fund Sig			50.000	7,054	140.720	7,054	5,618		4,833		587		587		L	12/23/2013
02368A 55 4	American Beacon Large Cap Val Inst			261.000	7,498	28.750	7,498	5,400		113		1,828		1,828		L	12/20/2013
04314H 30 3	Artisan Mid Cap Inv			270.000	7,281	27.000	7,281	6,007		310		1,609		1,609		L	11/21/2013
19765J 50 9	Columbia Acorn Mid Cap Idx Z			469.000	7,060	15.040	7,060	5,806		293		1,469		1,469		L	12/09/2013
19765J 82 2	Columbia Acorn Small Cap Idx Z			325.000	7,647	23.530	7,647	5,993		431		1,790		1,790		L	12/09/2013
38141W 61 2	Goldman Sachs Small Cap Value A			370.000	19,708	53.230	19,708	20,703		1,715		(995)		(995)		L	12/05/2013
413838 40 0	Oakmark Equity & Income Fund			2,681.000	87,539	32.650	87,539	85,054		6,704		2,485		2,485		L	12/19/2013
351792 28 3	Fidelity Freedom K Income			485.000	5,797	11.960	5,797	5,621		121		134		134		L	12/27/2013
351792 26 7	Fidelity Freedom K 2005			3,913.000	52,587	13.440	52,587	48,876		812		3,150		3,150		L	05/03/2013
351792 25 9	Fidelity Freedom K 2010			7,044.000	98,832	28.000	98,832	89,700		3,336		7,991		7,991		L	05/03/2013
351792 24 2	Fidelity Freedom K 2015			31,511.000	448,718	28.000	448,718	404,725		7,962		38,800		38,800		L	12/17/2013
351792 23 4	Fidelity Freedom K 2020			17,810.000	265,014	30.000	265,014	239,260		4,049		23,341		23,341		L	12/17/2013
351792 21 8	Fidelity Freedom K 2030			3,702.000	58,717	15.860	58,717	49,817		1,784		7,818		7,818		L	05/10/2013
9299999.	Total - Common Stocks - Mutual Funds				1,061,020,137	XXX	1,061,020,137	673,857,395	0	25,858,553	0	165,821,722	0	165,821,722	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																	
316191 60 0	Fidelity Retire MMKT			663,130.000	663,130	2.000	663,130	663,130		85				0		L	12/31/2013
9399999.	Total - Common Stocks - Money Market Mutual Funds				663,130	XXX	663,130	663,130	0	85	0	0	0	0	0	XXX	XXX
9799999.	Total - Common Stock				1,297,252,952	XXX	1,297,252,952	909,363,366	451,263	31,848,987	0	153,115,679	504,633	152,611,046	0	XXX	XXX
9899999.	Total Common and Preferred Stock				1,297,252,952	XXX	1,297,252,952	909,363,366	451,263	31,848,987	0	153,115,679	504,633	152,611,046	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....1, the total $ value (included in Column 8) of all such issues $.....257,168.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
31359M EL 3	Federal National Mtg Assoc Global Notes		08/13/2013	State Street KC Bank		1,428,720	1,500,000	
912828 UF 5	U.S. Treasury Note 1.125% 12/31/19		02/14/2013	Goldman Sachs & Co		4,919,288	5,000,000	6,365
912828 UJ 7	U.S. Treasury Note 0.875% 01/31/18		02/13/2013	RBS Securities Inc		2,996,602	3,000,000	1,015
912828 VJ 6	U.S. Treasury Note 1.875% 06/30/20		07/22/2013	Deutsche Bank		10,495,078	10,500,000	12,305
912828 VP 2	U.S. Treasury Note 2.000% 07/31/20		10/21/2013	Various		7,003,664	7,000,000	6,201
912828 VQ 0	U.S. Treasury 1.375% 07/31/18		12/19/2013	Various		20,977,479	21,000,000	5,220
0599999.	Total - Bonds - U.S. Government					47,820,831	48,000,000	31,106
Bonds - All Other Government								
68323A BM 5	Ontario Province Sr Unsecured Note	A.	07/29/2013	Baird, Robert W & Co		1,673,225	1,700,000	4,987
748149 AG 6	Province of Quebec Bonds	A.	02/06/2013	Royal Bank of Canada		995,900	1,000,000	
1099999.	Total - Bonds - All Other Government					2,669,125	2,700,000	4,987
Bonds - U.S. States, Territories and Possessions								
19668Q GC 3	Colorado ST Bldg Exce SCHS Cop Certifica		01/04/2013	BB&T Capital Markets		1,055,030	1,000,000	3,667
46246K Y4 8	Iowa St Fin Auth Revenue Bonds		05/31/2013	Jefferies & Co		5,180,550	5,000,000	
59259Y RE 1	NY Met Transportation Auth Revenue Bonds		07/17/2013	BB&T Capital Markets		5,199,750	5,000,000	46,528
65820Q CA 9	North Carolina Infrastructure Ctfs Partn		07/31/2013	Group Insurance Services		1,041,301	1,000,000	25,000
65820Q DS 9	North Carolina Infrastructure Certificat		07/31/2013	Group Insurance Services		1,031,696	1,000,000	25,000
917565 GR 8	Utah Tran Auth Sales Tax Revenue Bonds		07/17/2013	BB&T Capital Markets		3,182,850	3,000,000	15,833
1799999.	Total - Bonds - U.S. States, Territories & Possessions					16,691,177	16,000,000	116,028
Bonds - U.S. Political Subdivisions of States								
04048P JN 1	Arizona Board of Regents CTFs		10/02/2013	BB&T Capital Markets		4,707,672	4,430,000	77,525
12677P HD 6	Cabarrus Cnty NC CoPs 5.000% 01/01/23		07/31/2013	Group Insurance Services		1,018,916	1,000,000	4,167
147051 SW 7	Cary, NC G.O. 4.000% 06/01/25		07/31/2013	Group Insurance Services		995,290	1,000,000	6,667
230582 CU 0	Cumberland Cnty NC CTFs		07/31/2013	Group Insurance Services		1,077,401	1,000,000	8,333
24919P HT 4	Denver CO City & Cnty School D Certifica		04/25/2013	Piper Jaffrey & Hopwood Inc		5,639,595	4,965,000	
413328 FF 7	Harnett Cnty NC CoPs 5.000% 06/01/23		07/31/2013	Group Insurance Services		1,018,272	1,000,000	8,333
503462 UB 7	La Joya TX Indep Sch Dist G. O. Unlimite		04/17/2013	BB&T Capital Markets		6,183,500	5,000,000	48,611
64971Q XW 8	New York City Trans Fin Auth Revenue Bon		11/21/2013	BB&T Capital Markets		5,372,200	5,000,000	17,361
676006 QD 4	City of Odessa Texas G.O. Bonds		08/28/2013	JP Morgan		1,880,488	1,850,000	
751120 BD 7	Raleigh NC Ltd Ob Revenue Bonds		09/19/2013	Wells Fargo Securities		3,085,560	3,000,000	
796237 C9 4	San Antonio TX Ref & GEN Impt G. O.		07/16/2013	Wells Fargo Advisors LLC		5,330,100	5,000,000	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					36,308,994	33,245,000	170,997
Bonds - U.S. Special Revenue and Special Assessment								
01F022 41 0	FNMA 15 Year Pairoff 2.5% Jan		11/27/2012	Goldman Sachs & Co		(1,043,281)	(1,000,000)	
160131 DB 1	Charleston SC Educational Exc Revenue Bo		04/04/2013	Wells Fargo Advisors LLC		4,648,640	4,000,000	
18610R BA 1	Cleveland-Cuyahoga Cnty OH Port Aug Leas		09/09/2013	BB&T Capital Markets		7,505,850	7,500,000	69,097
18610R BB 9	Cleveland-Cuyahoga Cnty OH Revenue Bonds		12/17/2013	BB&T Capital Markets		5,140,000	5,000,000	117,361
19464V CT 5	Collier County FL Spl Ob Revenue Bonds		04/11/2013	BB&T Capital Markets		5,134,800	5,000,000	
196707 KW 2	Colorado ST Brd of Governors Revenue Bon		06/04/2013	BB&T Capital Markets		5,829,468	4,990,000	66,533
196707 MQ 3	Colorado ST Brd of Governors Revenue Bon		03/04/2013	BB&T Capital Markets		6,233,850	5,000,000	
234667 JL 8	Dallas Cnty Tx Hosp Dist Revenue Bonds -		02/01/2013	Merrill Lynch Pierce Fenner Sm		941,963	750,000	20,025
246387 PA 6	Delaware State Eco Dev Auth Revenue Bond		03/20/2013	BB&T Capital Markets		1,120,420	1,000,000	8,100
266780 AV 7	Durham Capital Fing Corp Ltd Revenue Bon		07/31/2013	Group Insurance Services		1,025,352	1,000,000	6,667
266780 BW 4	Durham Capital Fing Corp Ltd Revenue Bon		03/14/2013	Wells Fargo Advisors LLC		9,637,640	8,500,000	
3135G0 YM 9	FNMA Global Nts 1.875% 09/18/18		08/28/2013	Citigroup Global Markets		5,049,344	5,050,000	1,578
373541 HS 3	Georgia State Muni Elec Auth Revenue Bon		06/27/2013	BB&T Capital Markets		2,077,020	1,800,000	263

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
469487 GB 2	Jacksonville FL Revenue Bonds		07/19/2013	BB&T Capital Markets		2,281,862	2,200,000	34,528
486296 LM 6	Kaukauna WI Elec System Revenue Bonds		10/22/2013	BB&T Capital Markets		3,965,559	3,900,000	70,417
54811B NF 4	Lower Colorado River Auth Revenue Bonds		03/08/2013	BB&T Capital Markets		5,018,800	5,000,000	
576002 BP 3	Massachusetts St Spl Oblig Rev Bonds		08/28/2013	BB&T Capital Markets		5,316,350	5,000,000	47,361
576528 DQ 3	Matagorda Cnty TX AEP Co Proj Ser B Rev		08/23/2013	BB&T Capital Markets		2,511,180	3,000,000	28,333
58401A BD 1	Mecklenburg NC Pub Fac Corp Revenue Bond		07/31/2013	Group Insurance Services		1,060,860	1,000,000	20,833
60534T FR 1	Mississippi State Dev BK Wtr & Swr Sys R		08/22/2013	BB&T Capital Markets		5,094,400	5,000,000	122,222
613209 BS 3	Montgomery Cnty AL Pub Hsg Revenue Bonds		01/10/2013	Tax Free Exchange		3,201,631	3,055,000	3,819
613209 BV 6	Montgomery Cnty AL Pub Hsg Revenue Bond		01/10/2013	Tax Free Exchange		2,294,710	2,225,000	39,865
625914 HG 4	Muni Energy Agy of Nebraska Revenue Bond		02/04/2013	BB&T Capital Markets		3,555,840	3,000,000	52,917
63968M EW 5	Nebraska St Investment Fin Aut Revenue B		07/23/2013	BB&T Capital Markets		934,050	1,000,000	4,278
63968M EX 3	Nebraska St Investment Fin Aut Revenue B		07/23/2013	BB&T Capital Markets		1,397,250	1,500,000	6,417
64971M 5F 5	NY City Transitional Fin Authq Revenue B		04/17/2013	JP Morgan		2,292,370	2,000,000	41,088
64972H SY 9	New York City NY TransFinAuth Revenue Bo		10/21/2013	BB&T Capital Markets		8,409,040	8,000,000	115,500
658196 PK 0	NC Eastern Muni Pwr Agy Sys Revenue Bond		09/18/2013	BB&T Capital Markets		3,577,170	3,000,000	41,000
65821D DX 6	NC Med Care Comm Duke Univer Revenue Bo		02/22/2013	BB&T Capital Markets		1,119,880	1,000,000	11,944
65821D LH 2	NC Med Care Comm Duke Univer Revenue Bo		06/27/2013	BB&T Capital Markets		5,284,750	5,000,000	21,528
65821D NE 7	NC Med Care Comm Duke Univer Revenue Bo		01/15/2013	BB&T Capital Markets		5,327,000	5,000,000	37,222
658268 AX 5	North Carolina State Grant Antic Rev Bon		07/31/2013	Group Insurance Services		1,027,552	1,000,000	20,833
664754 Y5 1	North AZ Uni Edu Dev Revenue Bonds		06/05/2013	JP Morgan		3,061,543	2,770,000	
76116F AA 5	Resolution Funding Corp PO Strip		10/30/2013	HSBC Secs Inc		6,674,250	7,500,000	
914072 PK 3	Univ of Arkansas AR Revenue Bonds		04/18/2013	Stephens Inc		4,589,600	4,000,000	
914353 A8 0	University of Illinois Revenue Bonds		06/21/2013	Tax Free Exchange		8,713,387	8,325,000	92,500
914353 C4 7	University of Illinois		06/21/2013	Tax Free Exchange		1,753,144	1,675,000	18,611
914720 YH 4	Univ NC System Pool UNC Greensboro-Ser B		07/31/2013	Group Insurance Services		1,091,996	1,000,000	17,500
91472R BG 2	UNC-Wilmington Student Hsg Proj CTFs		07/31/2013	Group Insurance Services		1,023,060	1,000,000	8,333
927781 Y2 4	Virginia College Bldg Auth Rev Bds - Pre		12/16/2013	Tax Free Exchange		337,318	325,000	4,740
927781 Z8 0	Virginia College Bldg Auth Revenue Bds -		12/16/2013	Tax Free Exchange		5,890,085	5,675,000	82,760
930876 AZ 0	Wake County NC Revenue Bonds		07/31/2013	Group Insurance Services		1,621,829	1,500,000	12,500
930876 BB 2	Wake County NC Hammond RD Rev Bonds		07/31/2013	Group Insurance Services		1,179,722	1,100,000	9,167
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					152,907,254	144,340,000	1,255,840
Bonds - Industrial and Miscellaneous								
00206R BR 2	AT&T Inc Note 0.900% 02/12/16		02/07/2013	Credit Suisse First Boston		1,998,700	2,000,000	
03523T BP 2	Anheuser Busch Sr. Notes		10/10/2013	Nomura Securities Intl Inc		1,625,208	1,750,000	11,059
037680 AA 3	Appalachian Consumer Rate Rel Series 201		11/06/2013	Morgan Stanley & Co		999,998	1,000,000	
101137 AM 9	Boston Scientific Corp Sr. Notes		10/02/2013	Nomura Securities Intl Inc		998,790	1,000,000	3,975
22545B AD 3	Credit Suisse Mtg Tr Ser 2006-C2 Cl A1A		10/10/2013	Guggenheim Securities LLC		1,158,810	1,061,721	2,508
26882P BB 7	ERAC USA Finance Co Sr. Notes		10/02/2013	U.S. Bancorp Investments		873,263	750,000	22,844
29379V AZ 6	Enterprise Productes Oper Sr Notes		10/15/2013	Various		1,563,883	1,600,000	1,777
345397 VU 4	Ford Motor Cred Sr Notes		10/10/2013	Citigroup Global Markets		2,520,540	2,250,000	27,172
35671D BD 6	Freeport-Mcmoran Copper & Go Sr. Notes		10/23/2013	Barclays Capital Inc		476,890	480,000	1,362
373298 CF 3	Georgia Pac Corp Sr Notes		10/10/2013	Chase Securities Inc		969,915	750,000	15,167
45866F AA 2	Intercontinentalexchange Sr. Notes		10/11/2013	Cantor Fitzgerald & Co		996,720	1,000,000	1,000
465685 AG 0	ITC Holdings Sr Notes 4.050% 07/01/23		06/26/2013	Credit Suisse First Boston		997,150	1,000,000	
48121C YK 6	JP Morgan Chase Bank Sub Notes		10/30/2013	Chase Securities Inc		1,184,234	1,025,000	5,638
494550 BL 9	Kinder Morgan Energy Partners Notes		10/22/2013	Deutsche Bank		745,868	750,000	4,444
55660C AA 6	Madison Avenue Tr Ser 2013-650M Cl A		10/10/2013	Goldman Sachs & Co		1,287,438	1,250,000	2,669

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
64952W BQ 5	New York Life Med Term Note		12/05/2013	Barclays Capital Inc		1,498,275	1,500,000	
68268N AJ 2	Oneok Partners Sr Notes		10/17/2013	Barclays Capital Inc		710,378	750,000	1,477
693476 BJ 1	PNC Fund Corp Notes 5.125% 02/08/20		10/10/2013	Citigroup Global Markets		1,959,738	1,750,000	16,941
694308 HE 0	Pacific Gas & Elec Co Sr Notes		11/06/2013	Wells Fargo Securities		1,996,380	2,000,000	
723787 AJ 6	Pioneer Nat Res Co Sr. Notes		10/10/2013	Morgan Stanley & Co		923,085	750,000	14,219
90521A PJ 1	Union Bank NA Sr Notes		09/19/2013	Morgan Stanley & Co		999,770	1,000,000	
92343V BP 8	Verizon Communications Senior Notes		09/11/2013	JP Morgan		2,249,910	2,250,000	
94974B EV 8	Wells Fargo & Company Notes		10/09/2013	Banc of America Securities LLC		1,630,395	1,500,000	2,683
94974B FC 9	Wells Fargo & Company Sr. Notes		10/11/2013	Wells Fargo Securities		502,700	500,000	1,896
958254 AC 8	Western Gas Parnters Sr. Notes		10/02/2013	Chase Securities Inc		1,000,300	1,000,000	3,828
962166 BV 5	Weyerhaeuser Co Sr. Notes		10/10/2013	Morgan Stanley & Co		916,118	750,000	2,305
064159 CU 8	Bank of Nova Scotia Sr Notes	A	10/24/2013	Barclays Capital Inc		1,998,580	2,000,000	
06415C AC 3	Bank of Nova Scotia Medium Term Note	A	12/11/2013	JP Morgan		721,280	700,000	5,157
63307E AB 3	National Bank of Canada Medium Term Note	A	12/11/2013	JP Morgan		1,348,100	1,300,000	4,528
3899999.	Total - Bonds - Industrial and Miscellaneous					36,852,416	35,416,721	152,649
8399997.	Total - Bonds - Part 3					293,249,797	279,701,721	1,731,607
8399998.	Total - Bonds - Summary Item from Part 5					52,982,432	52,122,335	84,197
8399999.	Total - Bonds					346,232,229	331,824,056	1,815,804
Common Stocks - Industrial and Miscellaneous								
001204 10 6	AGL Res Inc Com formerly Atlanta Gas Lt		03/28/2013	BB&T Capital Markets	98,400.000	4,057,726	XXX	
025537 10 1	American Elec Pwr Inc Com	E	03/28/2013	BB&T Capital Markets	86,559.000	4,058,207	XXX	
209115 10 4	Consolidated Edison Inc Com		03/28/2013	BB&T Capital Markets	68,808.000	4,055,650	XXX	
22025Y 40 7	Corrections Corp of America Com		10/01/2013	Non-Broker Trade	337.000		XXX	
25746U 10 9	Dominion Resources Inc VA Com New		03/28/2013	BB&T Capital Markets	72,431.000	4,061,092	XXX	
26441C 20 4	Duke Energy New Com (formerly Duke Pwr)	E	08/15/2013	BB&T Capital Markets	88,692.000	6,168,652	XXX	
281020 10 7	Edison Int'l Com formerly SCE Corp	E	03/28/2013	BB&T Capital Markets	82,900.000	4,049,197	XXX	
30161N 10 1	Exelon Corp Com (formerly Peco Energy)		03/28/2013	BB&T Capital Markets	125,700.000	4,053,811	XXX	
337932 10 7	Firstenergy Corp Com		03/28/2013	BB&T Capital Markets	99,600.000	4,054,974	XXX	
552690 10 9	MDU Resources Com		03/28/2013	BB&T Capital Markets	293,075.000	7,080,060	XXX	
664397 10 6	Northeast Utils Com		03/28/2013	BB&T Capital Markets	96,978.000	4,062,440	XXX	
69331C 10 8	PG&E Corp(Holding Co) Com(Formerly Pacif		03/28/2013	BB&T Capital Markets	93,600.000	4,050,243	XXX	
69351T 10 6	PP&L Corp Com (formerly 693499105)		03/28/2013	BB&T Capital Markets	131,797.000	4,062,083	XXX	
744573 10 6	Public Svc Enterprise Group Com		03/28/2013	BB&T Capital Markets	124,349.000	4,062,903	XXX	
842587 10 7	Southern Co Com		03/28/2013	BB&T Capital Markets	89,491.000	4,061,029	XXX	
969457 10 0	Williams Cos Inc Com		03/28/2013	BB&T Capital Markets	197,392.000	7,050,629	XXX	
976657 10 6	Wisconsin Energy Corp Com		03/28/2013	Various	98,928.000	4,073,247	XXX	
98389B 10 0	Xcel Energy Inc Com		03/28/2013	BB&T Capital Markets	141,400.000	4,061,612	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					77,123,555	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
655100 10 5	NobleHealth Inc Com		12/31/2013	Capital Contribution		6,795,777	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					6,795,777	XXX	0
Common Stocks - Mutual Funds								
197199 81 3	Columbia Acorn International - Z		12/11/2013	Non-Broker Trade	127,419.290	5,705,110	XXX	
233203 58 7	DFA Emerging Markets Value Fund		12/12/2013	Non-Broker Trade	105,499.490	2,897,834	XXX	
72201F 51 6	Pimco Emerging Market Local Bond Fund		12/31/2013	Non-Broker Trade	298,720.800	3,006,385	XXX	
861647 10 5	Stone Harbor EMG MKT Debt Fund		12/18/2013	Non-Broker Trade	184,811.320	2,019,824	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
861647 50 1	Stone Harbor Local Market - I		12/18/2013	Non-Broker Trade	205,291.380	2,015,892	XXX	
885215 56 6	Thornburg International Value Fund		12/24/2013	Non-Broker Trade	27,219.920	780,474	XXX	
922040 20 9	Vanguard Large Cap Institutional Index		12/26/2013	Non-Broker Trade	38,410.820	5,919,145	XXX	
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus		12/23/2013	Non-Broker Trade	5,083.600	745,409	XXX	
922908 39 7	Vanguard Small- Cap Index Fd - Plus		12/23/2013	Non-Broker Trade	28,744.680	4,326,349	XXX	
003021 71 4	Aberdeen Emerg Mkts Inst		12/20/2013	Non Broker Trade	15.000	211	XXX	
315910 28 1	Fidelity Diversified International K		12/06/2013	Non Broker Trade	64.000	2,283	XXX	
315911 72 7	Spartan International Index FAI		12/13/2013	Non Broker Trade	4.000	153	XXX	
316200 85 6	Fidelity Growth Company K		12/06/2013	Non Broker Trade	16.000	1,902	XXX	
316345 80 0	Fidelity Low Priced Stock Fund K		12/13/2013	Non Broker Trade	125.000	5,727	XXX	
617440 59 9	MSIF MID Cap Growth Fund P		12/16/2013	Non Broker Trade	9.000	359	XXX	
693390 70 0	PIMCO Total Return Fund Inst		12/31/2013	Non Broker Trade	8,289.000	92,733	XXX	
885215 36 8	Thornburg International Value Fd R5		12/24/2013	Non Broker Trade	9.000	244	XXX	
921937 10 8	Vanguard Total Bond Market Sig		12/31/2013	Non Broker Trade	40,886.000	431,397	XXX	
922908 10 8	Vanguard 500 Index Fund Sig		12/23/2013	Non Broker Trade	50.000	6,468	XXX	
02368A 55 4	American Beacon Large Cap Val Inst		12/20/2013	Non Broker Trade	4.000	113	XXX	
04314H 30 3	Artisan Mid Cap Inv		11/21/2013	Non Broker Trade	12.000	310	XXX	
19765J 50 9	Columbia Acorn Mid Cap Idx Z		12/09/2013	Non Broker Trade	21.000	293	XXX	
19765J 82 2	Columbia Acorn Small Cap Idx Z		12/09/2013	Non Broker Trade	20.000	431	XXX	
38141W 61 2	Goldman Sachs Small Cap Value A		12/05/2013	Non Broker Trade	370.000	20,703	XXX	
413838 40 0	Oakmark Equity & Income Fund		12/19/2013	Non Broker Trade	2,681.000	85,054	XXX	
351792 28 3	Fidelity Freedom K Income		12/27/2013	Non Broker Trade	10.000	121	XXX	
351792 26 7	Fidelity Freedom K 2005		05/03/2013	Non Broker Trade	67.000	863	XXX	
351792 25 9	Fidelity Freedom K 2010		05/03/2013	Non Broker Trade	250.000	3,336	XXX	
351792 24 2	Fidelity Freedom K 2015		12/17/2013	Non Broker Trade	2,811.000	37,961	XXX	
351792 23 4	Fidelity Freedom K 2020		12/17/2013	Non Broker Trade	4,806.000	67,549	XXX	
351792 21 8	Fidelity Freedom K 2030		05/10/2013	Non Broker Trade	122.000	1,784	XXX	
9299999.	Total - Common Stocks - Mutual Funds					28,176,417	XXX	0
Common Stocks - Money Market Mutual Funds								
316191 60 0	Fidelity Retire MMKT		12/31/2013	Non Broker Trade	618,130.000	618,130	XXX	
9399999.	Total - Common Stocks - Money Market Mutual Funds					618,130	XXX	0
9799997.	Total - Common Stocks - Part 3					112,713,879	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					2,765,756	XXX	
9799999.	Total - Common Stocks					115,479,635	XXX	0
9899999.	Total - Preferred and Common Stocks					115,479,635	XXX	0
9999999.	Total - Bonds, Preferred and Common Stocks					461,711,864	XXX	1,815,804

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
83162C KK 8	Small Business Admin Prtn Ctfs - Deb Ser		12/01/2013.	Paydown		66,294	66,294	66,294	66,294				0		66,294			0	3,200	12/01/2019.
83162C MT 7	Small Business Admin 2203-20A Ptn CTFs		07/01/2013.	Paydown		45,457	45,457	47,517	46,662		(1,205)		(1,205)		45,457			0	1,686	01/01/2023.
83162C PE 7	Small Business Admin Ser 2004-20L Cl 1		12/01/2013.	Paydown		442,945	442,945	442,945	442,945				0		442,945			0	16,871	12/01/2024.
83162C PK 3	Small Business Admin Ser 2005-20C Cl 1		09/01/2013.	Paydown		349,388	349,388	349,388	349,388				0		349,388			0	12,953	03/01/2025.
83162C PL 1	Small Business Admin Ser 2005 - 20D Cl 1		10/01/2013.	Paydown		273,114	273,114	273,114	273,114				0		273,114			0	11,041	04/01/2025.
83162C PR 8	Small Business Admin Ser 2005-20G Cl 1 P		07/01/2013.	Paydown		246,375	246,375	246,375	246,375				0		246,375			0	9,157	07/01/2025.
83162C RR 6	Small Business Admin Prtn CTFs Ser 2008-		09/01/2013.	Paydown		149,789	149,789	149,789	149,789				0		149,789			0	6,535	03/01/2028.
83162C RS 4	Small Business Admin Ser 2008-20D Cl 1 P		10/01/2013.	Paydown		597,417	597,417	597,417	597,417				0		597,417			0	26,482	04/01/2028.
83162C RU 9	Small Business Admin 2008-20E Cl 1		11/01/2013.	Paydown		542,404	542,404	542,404	542,404				0		542,404			0	24,249	05/01/2028.
83162C RV 7	Small Business Admin Ser 2008-20F Cl 1		12/01/2013.	Paydown		225,562	225,562	225,562	225,562				0		225,562			0	10,675	06/01/2028.
83162C SG 9	Small Business Admin Ser 2009-20A Cl 1 P		07/01/2013.	Paydown		94,750	94,750	94,750	94,750				0		94,750			0	4,546	01/01/2029.
83162C SN 4	Small Business Admin Ser 2009-20E Cl 1		11/01/2013.	Paydown		127,183	127,183	127,183	127,183				0		127,183			0	4,620	05/01/2029.
831641 DV 4	Small Business Administration Ser 2004-1		09/10/2013.	Paydown		219,389	219,389	219,389	219,389				0		219,389			0	7,597	09/10/2014.
831641 DX 0	Small Business Administration Ser 2005-1		09/01/2013.	Paydown		621,826	621,826	621,826	621,826				0		621,826			0	27,359	03/10/2015.
831641 EK 7	Small Business Administration Ser 2008-1		11/01/2013.	Paydown		277,081	277,081	277,081	277,081				0		277,081			0	11,390	02/01/2018.
831641 EL 5	Small Business Administration Ser 2008-1		09/01/2013.	Paydown		275,963	275,963	275,963	275,963				0		275,963			0	9,471	03/10/2018.
912810 QW 1	US Treasury Bond 3.000% 05/15/42		07/31/2013.	Merrill Lynch Pierce Fenner Sm		1,643,898	1,850,000	2,014,404	2,012,886		(2,193)		(2,193)		2,010,693		(366,794)	(366,794)	39,514	05/15/2042.
912810 QX 9	US Treasury Bond 2.750% 08/15/42		07/31/2013.	Royal Bank of Canada		2,521,289	3,000,000	3,042,539	3,042,217		(520)		(520)		3,041,697		(520,408)	(520,408)	79,309	08/15/2042.
912810 QY 7	US Treasury Bond 2.750% 11/15/42		09/30/2013.	Citigroup Global Markets		2,491,523	3,000,000	2,968,125	2,968,145		518		518		2,968,663		(477,139)	(477,139)	72,412	11/15/2042.
912828 PM 6	U.S. Treasury Note 2.125% 12/31/15		07/31/2013.	JP Morgan		15,613,477	15,000,000	15,102,539	15,063,814		(12,254)		(12,254)		15,051,561		561,916	561,916	187,092	12/31/2015.
912828 RC 6	U.S. Treasury Bond 2.125% 08/15/21		10/21/2013.	Goldman Sachs & Co		5,461,113	5,500,000	5,527,834	5,524,622		(2,152)		(2,152)		5,522,471		(61,357)	(61,357)	138,471	08/15/2021.
912828 RT 9	U.S. Treasury Note 1.375% 11/30/18		01/15/2013.	RBS Securities Inc		14,736,375	14,400,000	14,376,313	14,379,561		120		120		14,379,681		356,694	356,694	25,566	11/30/2018.
0599999.	Total - Bonds - U.S. Government					47,022,612	47,304,937	47,588,751	47,547,387	0	(17,686)	0	(17,686)	0	47,529,703	0	(507,088)	(507,088)	730,196	XXX
Bonds - All Other Government																				
68323A BJ 2	Ontario Province Sr Notes	A.	07/29/2013.	Natl Finl Services Corp		1,712,257	1,700,000	1,699,643	1,699,711		67		67		1,699,778		12,479	12,479	10,991	05/26/2015.
1099999.	Total - Bonds - All Other Government					1,712,257	1,700,000	1,699,643	1,699,711	0	67	0	67	0	1,699,778	0	12,479	12,479	10,991	XXX
Bonds - U.S. States, Territories and Possessions																				
452151 8U 0	Illinois State G. O. - Taxable		01/11/2013.	JP Morgan		308,208	300,000	300,000	300,000				0		300,000		8,208	8,208	6,615	01/01/2014.
57582N DM 4	Massachusetts State G.O. Cons Ln-Ser C		08/29/2013.	Banc of America Securities LLC		5,304,200	5,000,000	5,633,800	5,115,800		(41,725)		(41,725)		5,074,075		230,125	230,125	231,458	11/01/2014.
59259Y QR 3	NY Met Transportation Auth Revenue Bond		07/17/2013.	BB&T Capital Markets		4,797,900	5,000,000	5,143,800	5,139,161		(6,659)		(6,659)		5,132,502		(334,602)	(334,602)	137,222	11/15/2032.
65820Q AS 2	North Carolina Infrastructure Ctfs Partn		08/30/2013.	Citigroup Global Markets		5,097,200	5,000,000	5,508,440	5,115,501		(36,648)		(36,648)		5,078,853		18,347	18,347	273,611	02/01/2015.
658256 PH 9	State of North Carolina G.O.		05/01/2013.	Call 100.0000		1,500,000	1,500,000	1,589,955	1,503,928		(3,928)		(3,928)		1,500,000			0	34,688	05/01/2018.
677521 WW 2	Ohio State G. O. 4.000% 03/15/31		12/17/2013.	Citigroup Global Markets		4,909,250	5,000,000	5,224,600	5,219,340		(8,401)		(8,401)		5,210,939		(301,689)	(301,689)	252,778	03/15/2031.
837151 AM 1	South Carolina ST Pub SVC Auth Revenue B		12/01/2013.	Call 100.0000		3,000,000	3,000,000	3,000,000	3,000,000				0		3,000,000			0	24,898	06/02/2014.
927780 V9 4	VA Coll Bldg Auth Facs Revenue Bonds		03/25/2013.	Wells Fargo Advisors LLC		1,894,207	1,815,000	1,943,556	1,868,611		(10,177)		(10,177)		1,858,434		35,773	35,773	44,619	04/01/2014.
1799999.	Total - Bonds - U.S. States, Territories & Possessions					26,810,965	26,615,000	28,344,151	27,262,341	0	(107,538)	0	(107,538)	0	27,154,803	0	(343,838)	(343,838)	1,005,889	XXX
Bonds - U.S. Political Subdivisions of States																				
12677P BE 0	Cabarrus Cnty NC CTFs Partn		02/01/2013.	Call 100.0000		1,000,000	1,000,000	1,076,265	1,000,964		(964)		(964)		1,000,000			0	26,250	02/01/2016.
161037 NB 8	Charlotte NC CTFs Lease Rev Bonds		06/01/2013.	Call 100.0000		4,500,000	4,500,000	4,747,995	4,539,457		(39,457)		(39,457)		4,500,000			0	112,500	06/01/2014.
544644 QX 8	Los Angeles CA Uni Sch Dist G.O.		07/01/2013.	Call 100.0000		2,000,000	2,000,000	2,185,020	2,045,277		(45,277)		(45,277)		2,000,000			0	100,000	07/01/2015.
644802 CN 8	New Hanover Cnty CTFS PARTN G.O.		03/01/2013.	Call 101.0000		1,515,000	1,500,000	1,573,347	1,533,986		(18,986)		(18,986)		1,515,000			0	37,500	03/01/2015.
812802 AG 1	Seaway Port MINN Indl Dev Revenue Bonds		01/29/2013.	BB&T Capital Markets		1,918,107	1,900,000	2,006,704	1,920,795		(5,202)		(5,202)		1,915,593		2,514	2,514	19,950	05/01/2013.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
2499999.	Total - Bonds - U.S. Political Subdivisions of States					10,933,107	10,900,000	11,589,331	11,040,479	0	(109,886)	0	(109,886)	0	10,930,593	0	2,514	2,514	296,200	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
31283H BP 9	FHLMC Gold Pool #G00946	...	12/01/2013.	Paydown		9,616	9,616	9,337	9,435		181		181		9,616			0	220	06/01/2028.
3128M6 PB 8	FHLMC Pool #G0-4618 6.000% 08/01/38	...	12/01/2013.	Paydown		5,562	5,562	5,573	5,570		(8)		(8)		5,562			0	166	08/01/2038.
3128M6 PE 2	FHLMC Pool #G0-4621 6.000% 08/01/38	...	12/01/2013.	Paydown		11,639	11,639	11,661	11,656		(17)		(17)		11,639			0	358	08/01/2038.
3128M6 PH 5	FHLMC Pool #G0-4624 6.000% 08/01/38	...	12/01/2013.	Paydown		1,664	1,664	1,667	1,666		(2)		(2)		1,664			0	48	08/01/2038.
3128M6 PK 8	FHLMC Pool #G0-4626 6.000% 08/01/38	...	12/01/2013.	Paydown		13,488	13,488	13,514	13,508		(20)		(20)		13,488			0	344	08/01/2038.
3128M6 PM 4	FHLMC Pool #G0-4628 6.000% 08/01/38	...	12/01/2013.	Paydown		1,916	1,916	1,920	1,919		(3)		(3)		1,916			0	64	08/01/2038.
3128M6 PP 7	FHLMC Pool #G0-4630 6.000% 08/01/38	...	12/01/2013.	Paydown		5,509	5,509	5,520	5,517		(8)		(8)		5,509			0	179	08/01/2038.
3128MJ P3 8	FHLMC Goldconv #G0-8441	...	10/10/2013.	Credit Suisse First Boston		871,676	836,987	814,885	815,867		419		419		816,286		55,390	55,390	29,294	03/01/2041.
3128MJ P3 8	FHLMC Goldconv #G0-8441	...	10/01/2013.	Paydown		298,204	298,204	290,330	290,679		7,525		7,525		298,204			0	4,053	03/01/2041.
31292K 6A 0	FHLMC Goldconv #C0-3565	...	10/10/2013.	Credit Suisse First Boston		108,613	104,291	101,537	101,661		53		53		101,714		6,899	6,899	3,650	12/01/2040.
31292K 6A 0	FHLMC Goldconv #C0-3565	...	10/01/2013.	Paydown		50,195	50,195	48,869	48,929		1,266		1,266		50,195			0	719	12/01/2040.
312942 J6 3	FHLMC Goldconv #A9-3885	...	10/10/2013.	Credit Suisse First Boston		1,898,494	1,822,941	1,774,804	1,776,979		924		924		1,777,903		120,591	120,591	63,803	09/01/2040.
312942 J6 3	FHLMC Goldconv #A9-3885	...	10/01/2013.	Paydown		544,621	544,621	530,240	530,889		13,732		13,732		544,621			0	8,331	09/01/2040.
312943 3N 1	FHLMC Goldconv #A9-5305	...	10/10/2013.	Credit Suisse First Boston		276,042	265,056	258,057	258,372		134		134		258,506		17,536	17,536	9,277	12/01/2040.
312943 3N 1	FHLMC Goldconv #A9-5305	...	10/01/2013.	Paydown		73,740	73,740	71,793	71,880		1,860		1,860		73,740			0	884	12/01/2040.
312943 6J 7	FHLMC Goldconv #A9-5373	...	10/10/2013.	Credit Suisse First Boston		221,834	213,006	207,382	207,634		108		108		207,742		14,092	14,092	7,455	12/01/2040.
312943 6J 7	FHLMC Goldconv #A9-5373	...	10/01/2013.	Paydown		31,880	31,880	31,038	31,076		804		804		31,880			0	729	12/01/2040.
312945 DS 4	FHLMC Goldconv #A9-6413	...	10/10/2013.	Credit Suisse First Boston		204,546	196,406	191,220	191,452		99		99		191,551		12,995	12,995	6,874	01/01/2041.
312945 DS 4	FHLMC Goldconv #A9-6413	...	10/01/2013.	Paydown		58,056	58,056	56,523	56,592		1,464		1,464		58,056			0	888	01/01/2041.
312945 TE 8	FHLMC Goldconv #A9-6849	...	10/10/2013.	Credit Suisse First Boston		333,192	319,932	311,484	311,860		160		160		312,020		21,172	21,172	11,198	02/01/2041.
312945 TE 8	FHLMC Goldconv #A9-6849	...	10/01/2013.	Paydown		103,539	103,539	100,805	100,927		2,612		2,612		103,539			0	1,503	02/01/2041.
312945 ZD 3	FHLMC Goldconv #A9-7040	...	10/10/2013.	Credit Suisse First Boston		837,538	804,207	782,971	783,918		404		404		784,322		53,216	53,216	28,147	02/01/2041.
312945 ZD 3	FHLMC Goldconv #A9-7040	...	10/01/2013.	Paydown		253,566	253,566	246,870	247,169		6,397		6,397		253,566			0	3,762	02/01/2041.
312946 D7 8	FHLMC Goldconv #A9-7326	...	10/10/2013.	Credit Suisse First Boston		1,171,842	1,125,208	1,095,495	1,096,822		567		567		1,097,388		74,454	74,454	39,382	02/01/2041.
312946 D7 8	FHLMC Goldconv #A9-7326	...	10/01/2013.	Paydown		172,337	172,337	167,786	167,989		4,348		4,348		172,337			0	1,416	02/01/2041.
312946 T8 9	FHLMC GoldConv #A9-7775	...	10/10/2013.	Credit Suisse First Boston		185,544	178,160	173,456	173,664		89		89		173,753		11,791	11,791	6,236	03/01/2041.
312946 T8 9	FHLMC GoldConv #A9-7775	...	10/01/2013.	Paydown		17,936	17,936	17,462	17,483		453		453		17,936			0	263	03/01/2041.
312946 TP 1	FHLMC Pass Thru A97758	...	10/10/2013.	Credit Suisse First Boston		67,078	64,408	62,708	62,783		32		32		62,816		4,262	4,262	2,254	03/01/2041.
312946 TP 1	FHLMC Pass Thru A97758	...	10/01/2013.	Paydown		16,679	16,679	16,238	16,258		421		421		16,679			0	257	03/01/2041.
3133TE LJ 1	FHLMC Ser 2064 Cl PD 6.500% 06/15/28	...	12/01/2013.	Paydown		45,139	45,139	46,945	45,998		(858)		(858)		45,139			0	1,418	06/15/2028.
3133XC T6 0	FHLB Structured Note SK-2015 Cl 1	...	12/18/2013.	Paydown		674,267	674,267	671,739	673,081		1,186		1,186		674,267			0	15,724	08/18/2015.
3134A4 UM 4	FHLMC Notes 4.500% 01/15/14	...	03/25/2013.	Credit Suisse First Boston		2,069,460	2,000,000	1,996,980	1,999,583		1		1		1,999,584		69,876	69,876	62,750	01/15/2014.
31358N MY 5	FNMA Remic Tr 1992-111 cl Z	...	12/01/2013.	Paydown		6,065	6,065	5,910	5,966		99		99		6,065			0	222	06/25/2022.
31359G YZ 3	Fed Nat Mtg Assoc REMIC Ser 1994-23 Cl P	...	11/01/2013.	Paydown		296,086	296,086	287,911	294,161		1,925		1,925		296,086			0	7,822	08/25/2023.
3135G0 KM 4	FNMA Bond 0.500% 05/27/15	...	02/04/2013.	UBS		6,023,340	6,000,000	5,982,660	5,986,534		523		523		5,987,057		36,283	36,283	5,667	05/27/2015.
31364G BF 5	FNMA Notes 5.380% 10/02/13	...	10/02/2013.	Maturity		6,000,000	6,000,000	5,782,200	5,980,197		19,803		19,803		6,000,000			0	322,800	10/02/2013.
31371J 5D 2	FNMA Pass Thru Pool #253844	...	12/01/2013.	Paydown		6,984	6,984	7,108	7,000		(17)		(17)		6,984			0	201	06/01/2016.
31371K HR 5	FNMA Pass Thru Pool #254140	...	12/01/2013.	Paydown		6,286	6,286	6,400	6,307		(20)		(20)		6,286			0	174	01/01/2017.
31371K KH 3	FNMA Pass Thru Pool #254196	...	12/01/2013.	Paydown		677	677	695	681		(4)		(4)		677			0	21	02/01/2017.
31371K NX 5	FNMA Pass Thru Dwarf Pool #254306	...	12/01/2013.	Paydown		16,105	16,105	16,391	16,161		(56)		(56)		16,105			0	434	05/01/2017.
31371K XS 5	FNMA Pool # 254589 5.500% 01/01/23	...	12/01/2013.	Paydown		905	905	937	921		(16)		(16)		905			0	24	01/01/2023.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
31371M SY 4	FNMA Pass Thru Pool #256235		05/13/2013.	Citigroup Global Markets		1,479,208	1,357,072	1,369,794	1,363,956		(424)		(424)		1,363,532		115,676	115,676	31,100	05/01/2021.
31371M SY 4	FNMA Pass Thru Pool #256235		05/01/2013.	Paydown		156,139	156,139	157,602	156,931		(792)		(792)		156,139			0	1,516	05/01/2021.
3137EA DG 1	FHLMC Bond 1.750% 05/30/19		08/28/2013.	Citigroup Global Markets		4,460,365	4,550,000	4,656,330	4,648,548		(9,774)		(9,774)		4,638,774		(178,409)	(178,409)	59,498	05/30/2019.
31381K VY 2	FNMA P-T Dus #463331 5.250% 08/01/29		12/01/2013.	Paydown		34,668	34,668	40,167	39,988		(5,320)		(5,320)		34,668			0	1,006	08/01/2029.
31381L DB 0	FNMA P-T Dus #463698 5.100% 10/01/24		12/01/2013.	Paydown		13,700	13,700	15,860	15,757		(2,057)		(2,057)		13,700			0	385	10/01/2024.
31381S MU 3	FNMA P-T DUS #469371 3.250% 12/01/21		12/01/2013.	Paydown		22,412	22,412	22,719	22,684		(271)		(271)		22,412			0	401	12/01/2021.
31381S VJ 8	FNMA P - T DUS #469617		12/01/2013.	Paydown		24,194	24,194	24,213	24,206		(12)		(12)		24,194			0	444	11/01/2021.
31381T DZ 0	FNMA P-T DUS #470020 4.200% 01/01/30		12/01/2013.	Paydown		20,849	20,849	21,475	21,445		(596)		(596)		20,849			0	481	01/01/2030.
31381T QF 0	FNMA Pass Thru #470354		12/01/2013.	Paydown		22,390	22,390	22,572	22,553		(163)		(163)		22,390			0	391	01/01/2022.
31387Y YX 5	FNMA Pass Thru Dwarf Pool #598426		12/01/2013.	Paydown		2,035	2,035	2,071	2,041		(7)		(7)		2,035			0	58	02/01/2017.
31388P XY 2	FNMA Pass Thru Dwarf Pool #610995		12/01/2013.	Paydown		6,057	6,057	6,167	6,075		(18)		(18)		6,057			0	161	11/01/2016.
31388T BK 8	FNMA Pass Thru Dwarf Pool #613942		12/01/2013.	Paydown		312	312	318	313		(1)		(1)		312			0	9	11/01/2016.
31388U P6 1	FNMA Pass Thru Dwarf Pool #615245		12/01/2013.	Paydown		3,426	3,426	3,488	3,437		(10)		(10)		3,426			0	86	11/01/2016.
31388V ML 9	FNMA Pass Thru Dwarf Pool #616063		12/01/2013.	Paydown		5,484	5,484	5,584	5,501		(16)		(16)		5,484			0	160	11/01/2016.
31388W FB 7	FNMA Pass Thru Dwarf Pool #616762		12/01/2013.	Paydown		6,154	6,154	6,265	6,173		(19)		(19)		6,154			0	188	12/01/2016.
31389C 2L 2	FNMA Pass Thru Dwarf Pool #621879		12/01/2013.	Paydown		347	347	354	348		(1)		(1)		347			0	10	01/01/2017.
31389F SX 1	FNMA Pass Thru Dwarf Pool #624334		12/01/2013.	Paydown		2,094	2,094	2,132	2,101		(7)		(7)		2,094			0	53	02/01/2017.
31389H 7H 5	FNMA Pass Thru Dwarf Pool #626496		12/01/2013.	Paydown		910	910	926	913		(3)		(3)		910			0	25	01/01/2017.
31389H NR 5	FNMA Pass Thru Dwarf Pool#626000		12/01/2013.	Paydown		6,837	6,837	6,961	6,860		(22)		(22)		6,837			0	194	02/01/2017.
31389L 2E 8	FNMA Pass Thru Dwarf Pool #629073		12/01/2013.	Paydown		4,114	4,114	4,188	4,129		(15)		(15)		4,114			0	102	05/01/2017.
31389P KB 5	FNMA Pass Thru Dwarf Pool #631290		12/01/2013.	Paydown		4,376	4,376	4,454	4,390		(14)		(14)		4,376			0	110	02/01/2017.
31389P LB 4	FNMA Pass Thru Dwarf Pool #631322		12/01/2013.	Paydown		1,152	1,152	1,173	1,156		(4)		(4)		1,152			0	33	02/01/2017.
31389Q LN 6	FNMA Pass Thru Dwarf Pool #632233		12/01/2013.	Paydown		4,505	4,505	4,587	4,520		(15)		(15)		4,505			0	108	03/01/2017.
31389V 5B 9	FNMA Pass Thru Dwarf Pool #637242		12/01/2013.	Paydown		16,545	16,545	16,839	16,601		(56)		(56)		16,545			0	404	04/01/2017.
31389X 4X 8	FNMA Pass Thru Pool #639038		12/01/2013.	Paydown		32,319	32,319	32,895	32,429		(109)		(109)		32,319			0	915	04/01/2017.
3138L0 LC 3	FNMA P-T Dus #AM0322 2.440% 08/01/22		12/01/2013.	Paydown		5,336	5,336	5,345	5,344		(8)		(8)		5,336			0	72	08/01/2022.
31391N BA 8	FNMA Pass Thru Dwarf Pool #671533		12/01/2013.	Paydown		1,564	1,564	1,592	1,570		(6)		(6)		1,564			0	40	11/01/2017.
31391Q 5L 4	FNMA Pass Thru Dwarf Pool #674151		12/01/2013.	Paydown		43,383	43,383	44,169	43,562		(179)		(179)		43,383			0	1,160	11/01/2017.
31392B 5Y 8	FNMA Ser 2002-7 Cl OK 8.750% 03/25/17		12/01/2013.	Paydown		19,518	19,518	19,518	19,518				0		19,518			0	70	03/25/2017.
31398A 2S 0	FNMA Notes 1.000% 09/23/13		01/29/2013.	Credit Suisse First Boston		1,005,483	1,000,000	998,250	999,584		46		46		999,630		5,853	5,853	3,528	09/23/2013.
31398A 4M 1	FNMA Notes 1.625% 10/26/15		07/31/2013.	Deutsche Bank		102,672	100,000	99,555	99,747		51		51		99,798		2,874	2,874	1,241	10/26/2015.
31402L PB 2	FNMA ARM 732218 6.027% 06/01/43		12/01/2013.	Paydown		26,815	26,815	27,013	26,984		(169)		(169)		26,815			0	168	06/01/2043.
31406J TM 5	FNMA Pass Thru Dwarf Pool #811556		12/01/2013.	Paydown		1,418	1,418	1,411	1,412		6		6		1,418			0	43	04/01/2021.
31409D Y7 2	FNMA Pass Thru Dwarf Pool #868434		12/01/2013.	Paydown		1,953	1,953	1,944	1,944		8		8		1,953			0	54	04/01/2021.
31411N XC 6	FNMA Pass Thru Dwarf Pool # 912475		12/01/2013.	Paydown		82,764	82,764	82,401	82,420		343		343		82,764			0	1,740	03/01/2022.
31416V GC 2	FNMA Pass Thru #AB0194		12/01/2013.	Paydown		232,454	232,454	251,886	251,263		(18,809)		(18,809)		232,454			0	5,247	01/01/2039.
36202D QY 0	GNMA II SF Pool #003171X		12/01/2013.	Paydown		2,588	2,588	2,455	2,490		98		98		2,588			0	67	12/20/2031.
36202D RE 3	GNMA II SF Pool #003185X		12/01/2013.	Paydown		3,369	3,369	3,195	3,241		128		128		3,369			0	97	01/20/2032.
36202K AY 1	GNMA Arm Pool #008123 6.500% 01/20/23		12/01/2013.	Paydown		6,906	6,906	7,007	6,940		(34)		(34)		6,906			0	64	01/20/2023.
36202K T8 8	GNMA Arm Pool #P008675		12/01/2013.	Paydown		4,147	4,147	4,021	4,078		69		69		4,147			0	38	08/20/2025.
36225C DA 1	GNMA II ARM Pool 80096 Resets 10/98		12/01/2013.	Paydown		2,389	2,389	2,442	2,417		(28)		(28)		2,389			0	26	07/20/2027.
36225C NZ 5	GNMA II ARM ARM Pool #080407M		12/01/2013.	Paydown		3,966	3,966	3,894	3,913		53		53		3,966			0	38	05/20/2030.
3837H0 XX 6	GNMA REMIC Accrual Bond Series 1996-22 C		12/01/2013.	Paydown		120,225	120,225	108,813	115,723		4,502		4,502		120,225			0	4,410	10/30/2026.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
3837H4 V7 7	GNMA Ser 2000 Class FB		12/16/2013.	Paydown		658	658	658	658				0		658			0	3	08/05/2008.
454624 H3 4	Indiana Bd Bk Unrefunded - ST Revolving		02/01/2013.	Call 100.0000		670,000	670,000	699,840	670,874		(874)		(874)		670,000			0	18,006	02/01/2014.
546475 DQ 4	Louisiana St Gas & Fuel Tax Rev		01/04/2013.	BB&T Capital Markets		1,655,985	1,500,000	1,576,870	1,562,735		(126)		(126)		1,562,608		93,377	93,377	14,167	05/01/2022.
613209 AS 4	Montgomery Cnty AL Pub Hsg Revenue Bonds		01/10/2013.	Tax Free Exchange		5,445,425	5,280,000	5,500,440	5,445,681		(256)		(256)		5,445,425			0	94,600	03/01/2024.
64986A SP 7	NY State Environmental FacCorp Ser B Rev		10/21/2013.	Various		8,967,155	7,985,000	8,616,302	8,464,043		(30,425)		(30,425)		8,433,618		533,537	533,537	342,690	06/15/2023.
649902 XN 8	NY ST Dorm Auth Rev Bonds		11/21/2013.	Stephens Inc		5,783,300	5,000,000	5,592,800	5,407,024		(54,465)		(54,465)		5,352,559		430,741	430,741	336,146	02/15/2022.
658196 QY 9	NC Eastern Muni Pwr Agy Sys Revenue Bond		09/18/2013.	BB&T Capital Markets		3,594,030	3,000,000	3,479,910	3,341,758		(23,133)		(23,133)		3,318,625		275,405	275,405	221,000	01/01/2022.
658203 PH 1	NC Mun Pwr Agy #1 Catawba Elec Revenue B		01/01/2013.	Maturity		175,000	175,000	191,515	175,000				0		175,000			0	4,813	01/01/2013.
837152 GU 5	So Carolina Transit Infrastructure Bk Re		10/01/2013.	Call 100.0000		2,300,000	2,300,000	2,403,707	2,373,095		(73,095)		(73,095)		2,300,000			0	115,000	10/01/2024.
837152 SR 9	So Carolina Transit Revenue Bonds		07/17/2013.	BB&T Capital Markets		2,912,700	3,000,000	3,235,170	3,232,083		(11,637)		(11,637)		3,220,446		(307,746)	(307,746)	87,333	10/01/2029.
914353 UV 7	University of Illinois Revenue Bonds		06/21/2013.	Various		10,466,531	10,000,000	10,687,472	10,486,995		(20,464)		(20,464)		10,466,531			0	361,111	04/01/2022.
915138 KD 2	Univ of Toledo OH Build Americ Revenue B		06/27/2013.	Call 100.0000		1,600,000	1,600,000	1,855,504	1,846,775		(246,775)		(246,775)		1,600,000			0	61,800	06/01/2022.
927781 DJ 0	Virginia College Bldg Auth Revenue Bonds		12/16/2013.	Various		6,227,403	6,000,000	6,321,659	6,245,026		(17,623)		(17,623)		6,227,403			0	387,500	09/01/2023.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					80,787,589	77,120,807	80,462,913	79,763,696	0	(445,968)	0	(445,968)	0	79,317,724	0	1,469,865	1,469,865	2,809,121	XXX
Bonds - Industrial and Miscellaneous																				
025816 AY 5	American Express Co Sr Notes		10/10/2013.	JP Morgan		842,197	700,000	815,605	787,869		(12,094)		(12,094)		775,775		66,422	66,422	52,675	03/19/2018.
02660T CS 0	American Hm Mtg Inv Tr Ser 2004-4 Cl 4A		12/01/2013.	Paydown		16,641	16,641	16,373	16,446		195		195		16,641			0	225	02/25/2045.
03523T AM 0	Anheuser Busch Notes 4.125% 01/15/15		10/10/2013.	Citigroup Global Markets		1,985,158	1,900,000	2,069,214	1,984,100		(32,308)		(32,308)		1,951,792		33,366	33,366	98,186	01/15/2015.
055236 AA 1	Bank of America Re-Remic Trust 2011-07 C		09/01/2013.	Paydown		35,929	35,929	38,953	37,847		(1,918)		(1,918)		35,929			0	1,206	11/15/2016.
06051G EA 3	Bank of America Sr Notes		02/05/2013.	JP Morgan		2,024,997	1,750,000	1,845,279	1,816,199		(1,696)		(1,696)		1,814,503		210,494	210,494	59,087	08/01/2016.
07384M 7D 8	Bear Stearns Ser 2005-2 Cl A2		12/01/2013.	Paydown		153,384	153,384	150,064	151,428		1,956		1,956		153,384			0	2,333	03/25/2035.
07387A CK 9	Bear Stearns Mtg Tr Ser 2005-5 Cl A2		12/01/2013.	Paydown		550,699	550,699	537,663	538,815		11,884		11,884		550,699			0	6,685	08/25/2035.
07387Q AX 8	Bear Stearns Alt-A Tr Ser 2006-8 3A1		12/25/2013.	Paydown		29,453	29,453	26,508	26,509		2,945		2,945		29,453			0	65	02/25/2036.
126650 BQ 2	CVS Corporation Pass Thru Certs		12/10/2013.	Paydown		33,758	33,758	36,916	36,656		(2,899)		(2,899)		33,758			0	1,283	01/10/2030.
136069 DP 3	Canadian Imperial Bank Sr Notes		01/29/2013.	Barclays Capital Inc		1,006,750	1,000,000	998,860	999,723		34		34		999,756		6,994	6,994	5,558	09/13/2013.
141781 AY 0	Cargill Inc Sr Notes 4.307% 05/14/21		02/13/2013.	Stifel Nicolaus		2,364,077	2,146,000	1,999,237	2,018,169		1,601		1,601		2,019,770		344,306	344,306	24,391	05/14/2021.
161571 CP 7	Chase Issuance Trust Series 2008-A4		03/15/2013.	Call 100.0000		2,000,000	2,000,000	1,999,928	1,999,993		7		7		2,000,000			0	23,250	03/15/2013.
172967 EV 9	Citigroup Inc Sr Notes		02/05/2013.	JP Morgan		1,333,412	1,000,000	1,226,670	1,182,492		(2,534)		(2,534)		1,179,958		153,453	153,453	17,944	05/22/2019.
202795 HW 3	Commonwealth Edison Co 1st Mortgage Bond		03/25/2013.	Keybank N. A.		2,017,860	2,000,000	1,997,100	1,998,971		225		225		1,999,196		18,664	18,664	22,840	01/15/2014.
21079V AA 1	Continental Airlines Pass Thru Certs		07/12/2013.	Paydown		52,912	52,912	52,912	52,912				0		52,912			0	1,884	01/12/2021.
22545X AD 5	Credit Suisse Mortgage Capital 2007-C1		09/01/2013.	Paydown		51,328	51,328	56,328	55,976		(4,648)		(4,648)		51,328			0	1,721	02/15/2040.
24422E RA 9	John Deere Capital Sr Notes		03/25/2013.	Keybank N. A.		3,034,950	3,000,000	2,997,030	2,998,800		251		251		2,999,052		35,898	35,898	27,333	03/03/2014.
24702R AP 6	Dell Inc Sr Notes 3.100% 04/01/16		11/07/2013.	BB&T Capital Markets		3,015,000	3,000,000	2,996,970	2,997,890		545		545		2,998,435		16,565	16,565	103,850	04/01/2016.
24702R AQ 4	Dell Inc Sr Notes 4.625% 04/01/21		08/23/2013.	BB&T Capital Markets		1,897,500	2,000,000	1,990,820	1,992,006		576		576		1,992,583		(95,083)	(95,083)	84,021	04/01/2021.
247361 ZH 4	Delta Air Lines Inc Del Pass thru Certs		11/23/2013.	Paydown		47,532	47,532	47,650	47,630		(99)		(99)		47,532			0	1,759	05/23/2019.
25746U BK 4	Dominion Resources Inc VA Sr Notes		03/25/2013.	Keybank N. A.		2,023,000	2,000,000	1,998,880	1,999,528		104		104		1,999,632		23,368	23,368	19,300	03/15/2014.
260543 CD 3	Dow Chem Co Sr Notes 2.500% 02/15/16		10/10/2013.	JP Morgan		1,549,583	1,500,000	1,497,750	1,498,591		337		337		1,498,928		50,656	50,656	43,854	02/15/2016.
26442C AK 0	Duke Energy Carolinas Notes		06/27/2013.	BB&T Capital Markets		2,114,800	2,000,000	1,997,960	1,998,259		85		85		1,998,344		116,456	116,456	42,683	06/15/2021.
26875P AG 6	EOG Resources Sr Notes		07/02/2013.	BNP Paribas		1,176,098	1,100,000	1,095,336	1,096,070		220		220		1,096,290		79,808	79,808	42,219	02/01/2021.
278058 DG 4	Eaton Corp Sr Notes 5.950% 03/20/14		03/25/2013.	Various		5,256,900	5,000,000	4,998,297	4,999,001		534		534		4,999,535		257,365	257,365	155,361	03/20/2014.
278642 AA 1	Ebay, Inc Sr Notes 0.875% 10/15/13		01/29/2013.	Wells Fargo Advisors LLC		1,004,030	1,000,000	997,930	999,441		59		59		999,499		4,531	4,531	2,576	10/15/2013.
316773 CJ 7	Fifth Third Bancorp Sr Notes		03/25/2013.	Stifel Nicolaus		3,015,960	3,000,000	2,996,550	2,999,094		394		394		2,999,488		16,472	16,472	76,563	05/01/2013.

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
36962G 4V 3	GE Capital Corp Float Rate Note		01/07/2013.	Maturity		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	2,303	01/07/2013.
370334 BG 8	General Mls Inc Sr Notes		08/15/2013.	Maturity		1,000,000	1,000,000	997,840	999,640		360		360		1,000,000			0	52,500	08/15/2013.
377372 AC 1	GlaxoSmithKline Notes 4.850% 05/15/13		01/29/2013.	Keybank N. A.		3,039,210	3,000,000	2,993,670	2,999,141		20		20		2,999,162		40,049	40,049	30,717	05/15/2013.
431116 AA 0	Highmark Inc Notes 6.800% 08/15/13		01/29/2013.	Various		13,103,145	12,703,000	13,140,039	12,747,639		(5,316)		(5,316)		12,742,323		360,822	360,822	398,310	08/15/2013.
437076 AR 3	Home Depot Inc Sr Notes		01/29/2013.	Keybank N. A.		3,126,300	3,000,000	2,982,870	2,997,180		118		118		2,997,298		129,002	129,002	19,688	12/16/2013.
46625H HB 9	JP Morgan Chase & Co Sr Notes		01/29/2013.	Credit Suisse First Boston		1,010,964	1,000,000	1,000,131	999,896		(21)		(21)		999,876		11,088	11,088	11,875	05/01/2013.
46625M P2 9	JPM Chase Comm Mtg Sec Ser 2003-CB7 Cl A		10/15/2013.	Call 100.0000		8,856	8,856	8,116	8,718		137		137		8,856			0	360	01/12/2038.
46625M P2 9	JPM Chase Comm Mtg Sec Ser 2003-CB7 Cl A		09/01/2013.	Paydown		80,553	80,553	73,826	79,306		1,248		1,248		80,553			0	2,360	01/12/2038.
46629M AB 1	JP Morgan Commercial Mortgage 2006-LDP8		01/15/2013.	Call 100.0000		35,085	35,085	35,260	35,079		5		5		35,085			0	155	05/15/2045.
589331 AP 2	Merck & Co Inc Sr Notes		02/07/2013.	BB&T Capital Markets		2,165,380	2,000,000	1,991,960	1,996,426		85		85		1,996,511		168,869	168,869	9,333	06/30/2015.
593464 AA 8	Miami Fla Rent Rev Taxable Rev Bds Ser 1		07/01/2013.	Call 100.0000		45,000	45,000	48,654	46,851		(1,851)		(1,851)		45,000			0	5,625	07/01/2019.
594918 AK 0	Microsoft Corp Sr Notes		02/07/2013.	BB&T Capital Markets		2,105,260	2,000,000	1,995,060	1,996,835		133		133		1,996,969		108,291	108,291	25,556	02/08/2016.
61532X BS 4	Monumental Global Funding Notes		01/29/2013.	Barclays Capital Inc.		2,022,925	2,000,000	1,999,140	1,999,587		(2)		(2)		1,999,585		23,340	23,340	30,250	04/22/2013.
74005P AY 0	Praxair Inc Sr Notes 4.050% 03/15/21		04/22/2013.	Keybank N. A.		2,260,340	2,000,000	1,991,000	1,992,299		277		277		1,992,577		267,763	267,763	49,500	03/15/2021.
784657 AE 8	SSIF Nevada LP Float Rate Note		07/30/2013.	UBS		1,707,463	1,700,000	1,700,000	1,700,000				0		1,700,000		7,463	7,463	13,811	04/14/2014.
790849 AE 3	St Jude Med Inc Sr Notes		05/02/2013.	Call 104.0660		2,081,320	2,000,000	1,996,980	1,998,970		82,350		82,350		2,081,320			0	59,792	07/15/2014.
86359L PF 0	Structured Asset Mtg Inv Ser 2005-AR5 Cl		12/19/2013.	Paydown		8,738	8,738	8,574	8,603		135		135		8,738			0	22	07/19/2035.
87612E AT 3	Target Corp Notes 5.125% 01/15/13		01/15/2013.	Maturity		800,000	800,000	797,392	799,939		61		61		800,000			0	20,500	01/15/2013.
878055 AC 6	TCF National Bank Sub Notes		05/15/2013.	Keybank N. A.		1,610,745	1,500,000	1,499,445	1,499,712		(31)		(31)		1,499,681		111,064	111,064	66,229	02/01/2016.
882508 AP 9	Texas Instrs Inc Sr Notes		01/29/2013.	Wells Fargo Advisors LLC		1,001,840	1,000,000	999,530	999,907		19		19		999,926		1,914	1,914	1,847	05/15/2013.
887317 AC 9	Time Warner Inc Notes 5.875% 11/15/16		10/10/2013.	JP Morgan		1,245,758	1,100,000	1,094,577	1,097,431		488		488		1,097,919		147,839	147,839	59,419	11/15/2016.
931142 DA 8	Wal Mart Stores Inc Sr Note		10/08/2013.	Chase Securities Inc.		1,007,170	1,000,000	997,300	998,811		717		717		999,528		7,642	7,642	16,069	04/15/2014.
931142 DD 2	Wal Mart Stores Inc Sr Notes		02/13/2013.	BB&T Capital Markets		4,557,760	4,000,000	4,004,520	4,003,648		(26)		(26)		4,003,622		554,138	554,138	58,556	04/15/2021.
06366Q GJ 0	Bank of Montreal Sr Notes	A.	03/25/2013.	Wells Fargo Advisors LLC		1,013,440	1,000,000	999,190	999,627		69		69		999,696		13,744	13,744	7,243	04/29/2014.
3899999.	Total - Bonds - Industrial and Miscellaneous					84,671,160	81,048,868	81,837,857	81,335,660	0	42,731	0	42,731	0	81,378,397	0	3,292,763	3,292,763	1,860,872	XXX
8399997.	Total - Bonds - Part 4					251,937,690	244,689,612	251,522,646	248,649,274	0	(638,280)	0	(638,280)	0	248,010,998	0	3,926,695	3,926,695	6,713,269	XXX
8399998.	Total - Bonds - Summary Item from Part 5					52,022,524	52,122,335	52,982,432			(24,025)		(24,025)		52,958,408		(935,887)	(935,887)	357,975	XXX
8399999.	Total - Bonds					303,960,214	296,811,947	304,505,078	248,649,274	0	(662,305)	0	(662,305)	0	300,969,406	0	2,990,808	2,990,808	7,071,244	XXX
Common Stocks - Industrial and Miscellaneous																				
172862 97 1	Citadel Hldg -Big 4 Ranch Esc Com-forme		10/01/2013.	Non-Broker Trade	700.000		XXX						0					0		XXX
9099999.	Total - Common Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
Common Stocks - Mutual Funds																				
861647 10 5	Stone Harbor EMG MKT Debt Fund		08/15/2013.	Non-Broker Trade	25,143.230	269,284	XXX	292,919	300,964	(8,046)			(8,046)		292,919		(23,635)	(23,635)	5,532	XXX
861647 50 1	Stone Harbor Local Market - I		05/30/2013.	Non-Broker Trade	129,001.090	1,411,558	XXX	1,419,640	1,444,812	(25,172)			(25,172)		1,419,640		(8,082)	(8,082)	16,903	XXX
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus		08/14/2013.	Non-Broker Trade	616,828.790	83,968,904	XXX	49,203,667	68,517,342	(19,313,675)			(19,313,675)		49,203,667		34,765,237	34,765,237	16,654	XXX
922908 39 7	Vanguard Small- Cap Index Fd - Plus		12/30/2013.	Security Withdraw	74,979.310	10,000,000	XXX	4,037,231	8,387,935	(4,350,704)			(4,350,704)		4,037,231		5,962,769	5,962,769	66,834	XXX
315910 28 1	FID DIVERSIFD INTL K		10/01/2013.	Non-Broker Trade	2,570.260	81,224	XXX	79,662	76,825	2,837			2,837		79,662		1,562	1,562		XXX
31617R 30 8	FID FREEDOM INCOME		01/18/2013.	Non-Broker Trade	158.000	1,861	XXX	1,832	1,845	(14)			(14)		1,832		30	30		XXX
315792 68 9	FID FREEDOM 2005		01/18/2013.	Non-Broker Trade	1,174.980	15,040	XXX	14,666	14,840	(174)			(174)		14,666		374	374		XXX
31617R 50 6	FID FREEDOM 2010		12/27/2013.	Non-Broker Trade	12,598.050	171,167	XXX	160,329	162,263	(1,933)			(1,933)		160,329		10,838	10,838		XXX
315792 67 1	FID FREEDOM 2015		10/02/2013.	Non-Broker Trade	12,263.560	165,230	XXX	156,598	158,936	(2,337)			(2,337)		156,598		8,632	8,632		XXX
31617R 60 5	FID FREEDOM 2020		10/01/2013.	Non-Broker Trade	206.010	2,854	XXX	2,713	2,758	(46)			(46)		2,713		141	141		XXX
31617R 70 4	FID FREEDOM 2030		07/01/2013.	Non-Broker Trade	1,843.650	26,161	XXX	24,808	25,295	(487)			(487)		24,808		1,354	1,354		XXX

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
316200 85 6	FID GROWTH CO K	...	12/08/2013.	Non-Broker Trade	45.880	5,188	XXX	4,119	4,280	(161)			(161)		4,119		1,069	1,069		XXX
316345 80 0	FID LOW PRICED STK K	...	10/01/2013.	Non-Broker Trade	360.400	16,997	XXX	14,563	14,225	338			338		14,563		2,434	2,434		XXX
617440 59 9	MSIF MID CAP GRTH P	...	03/26/2013.	Non-Broker Trade	191.550	6,892	XXX	7,492	6,398	1,094			1,094		7,492		(600)	(600)		XXX
413838 40 0	OAKMARK EQ & INC I	...	03/26/2013.	Non-Broker Trade	564.320	16,992	XXX	15,878	16,083	(205)			(205)		15,878		1,113	1,113		XXX
693390 70 0	PIM TOTAL RT INST	...	12/27/2013.	Non-Broker Trade	33,392.250	363,682	XXX	368,739	375,329	(6,590)			(6,590)		368,739		(5,057)	(5,057)		XXX
921937 10 8	VANG TOT BD MKT SIG	...	12/31/2013.	Non-Broker Trade	2,490.110	26,933	XXX	26,590	27,615	(1,025)			(1,025)		26,590		342	342		XXX
922908 10 8	VANGUARD 500 IDX SIG	...	09/16/2013.	Non-Broker Trade	4,049.750	520,209	XXX	437,102	439,479	(2,377)			(2,377)		437,102		83,107	83,107		XXX
949917 36 3	WFA Sm Cap Value Inst'l	...	11/21/2013.	Non-Broker Trade	491.670	18,988	XXX	16,126	15,881	245			245		16,126		2,862	2,862		XXX
261941 10 8	DREY TR PRIME CASH I	...	10/02/2013.	Non-Broker Trade	223,084.950	223,085	XXX	223,085	223,085				0		223,085			0		XXX
9299999.	Total - Common Stocks - Mutual Funds					97,312,249	XXX	56,507,759	80,216,190	(23,708,432)	0	0	(23,708,432)	0	56,507,759	0	40,804,490	40,804,490	105,923	XXX
Common Stocks - Money Market Mutual Funds																				
316191 60 0	FID RETIRE MMKT	...	12/27/2013.	Non-Broker Trade	960,301.000	960,301	XXX	960,301	960,301				0		960,301			0		XXX
9399999.	Total - Common Stocks - Money Market Mutual Funds					960,301	XXX	960,301	960,301	0	0	0	0	0	960,301	0	0	0	0	XXX
9799997.	Total - Common Stocks - Part 4					98,272,550	XXX	57,468,060	81,176,491	(23,708,432)	0	0	(23,708,432)	0	57,468,060	0	40,804,490	40,804,490	105,923	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					2,616,311	XXX	2,765,756					0		2,765,756		(149,445)	(149,445)	16,227	XXX
9799999.	Total - Common Stocks					100,888,861	XXX	60,233,816	81,176,491	(23,708,432)	0	0	(23,708,432)	0	60,233,816	0	40,655,045	40,655,045	122,150	XXX
9899999.	Total - Preferred and Common Stocks					100,888,861	XXX	60,233,816	81,176,491	(23,708,432)	0	0	(23,708,432)	0	60,233,816	0	40,655,045	40,655,045	122,150	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					404,849,075	XXX	364,738,894	329,825,765	(23,708,432)	(662,305)	0	(24,370,737)	0	361,203,222	0	43,645,853	43,645,853	7,193,394	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
912828 UF 5	U.S. Treasury Note 1.125% 12/31/19		02/14/2013	Various	10/30/2013	Various	15,590,000	15,446,833	15,233,576	15,455,883		9,050		9,050			(222,308)	(222,308)	80,840	10,642
912828 UJ 7	U.S. Treasury Note 0.875% 01/31/18		02/13/2013	RBS Securities Inc	10/30/2013	Nomura Securities Intl Inc	2,000,000	1,997,734	1,986,328	1,998,049		315		315			(11,721)	(11,721)	13,125	677
912828 VP 2	U.S. Treasury Note 2.000% 07/31/20		10/18/2013	Various	10/21/2013	Various	1,900,000	1,902,824	1,909,219	1,902,818		(6)		(6)			6,401	6,401	8,505	3,832
912828 VQ 0	U.S. Treasury 1.375% 07/31/18		07/31/2013	Credit Suisse First Boston	12/19/2013	Various	1,900,000	1,899,406	1,883,781	1,899,418		12		12			(15,637)	(15,637)	4,151	71
0599999.	Total - Bonds - U.S. Government						21,390,000	21,246,797	21,012,904	21,256,168	0	9,371	0	9,371	0	0	(243,265)	(243,265)	106,621	15,222
Bonds - U.S. States, Territories and Possessions																				
19668Q GC 3	Colorado ST Bldg Exce SCHS Cop Certifica		01/14/2013	BB&T Capital Markets	07/19/2013	BB&T Capital Markets	2,230,000	2,368,311	2,130,899	2,361,564		(6,747)		(6,747)			(230,665)	(230,665)	56,493	9,403
1799999.	Total - Bonds - U.S. States, Territories & Possessions						2,230,000	2,368,311	2,130,899	2,361,564	0	(6,747)	0	(6,747)	0	0	(230,665)	(230,665)	56,493	9,403
Bonds - U.S. Special Revenue and Special Assessment																				
01F022 42 8	FNMA 15 Year Pairoff 2.5% Feb		02/07/2013	Various	02/07/2013	Various	2,000,000	2,077,500	2,069,063	2,077,500				0			(8,438)	(8,438)		
01F022 43 6	FNMA 15 Year Pairoff 2.5% Mar		03/08/2013	Various	03/08/2013	Various	2,000,000	2,070,234	2,075,391	2,070,234				0			5,156	5,156		
01F022 44 4	FNMA 15 Yr Pairoff 2.5% Apr		04/09/2013	Various	04/09/2013	Various	2,000,000	2,080,859	2,090,469	2,080,859				0			9,609	9,609		
01F022 46 9	FNMA 15 Pairoff 2.5% Jun		06/11/2013	Various	06/11/2013	Various	2,000,000	2,072,461	2,070,547	2,072,461				0			(1,914)	(1,914)		
01F022 47 7	FNMA 15 Yr Pairoff 2.5% Jul		07/12/2013	Various	07/12/2013	Various	2,000,000	2,038,594	2,010,625	2,038,594				0			(27,969)	(27,969)		
01F022 48 5	FNMA 15 Yr Pairoff Aug 2.5%		07/02/2013	Goldman Sachs & Co	08/12/2013	Goldman Sachs & Co	1,000,000	1,003,125	1,002,227	1,003,125				0			(898)	(898)		
01F022 49 3	FNMA 15 Yr Pairoff 2.5% Sep		09/12/2013	Various	09/12/2013	Various	2,000,000	1,984,688	1,967,578	1,984,688				0			(17,109)	(17,109)		
01F022 4A 0	FNMA Pairoff 15 Yr 2.5% Oct		09/11/2013	JP Morgan	10/10/2013	JP Morgan	1,000,000	980,781	1,000,039	980,781				0			19,258	19,258		
3135G0 GY 3	FNMA Notes 1.250% 01/30/17		02/04/2013	BNP Paribas	07/31/2013	Citigroup Global Markets	7,500,000	7,658,700	7,581,600	7,639,478		(19,222)		(19,222)			(57,878)	(57,878)	47,135	1,302
3138M8 G8 0	FNMA Pass Thtu #AP4722		11/27/2012	Goldman Sachs & Co	01/03/2013	Deutsche Bank	999,999	1,043,280	1,044,608	1,043,280				0			1,328	1,328	1,111	1,111
3138WM EQ 0	FNMA Pass Thru Dwarf #AT0142		05/05/2013	Deutsche Bank	05/13/2013	Banc of America Securities LLC	1,000,000	1,043,203	1,039,238	1,043,203				0			(3,965)	(3,965)	1,042	1,042
83703R AH 9	SC Elec & Gas Co Proj Revenue Bonds		04/23/2013	BB&T Capital Markets	10/02/2013	BB&T Capital Markets	5,000,000	5,311,350	4,925,000	5,304,137		(7,213)		(7,213)			(379,137)	(379,137)	145,556	56,111
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments						28,499,999	29,364,775	28,876,385	29,338,340	0	(26,435)	0	(26,435)	0	0	(461,957)	(461,957)	194,844	59,566
Bonds - Industrial and Miscellaneous																				
22545B AD 3	Credit Suisse Mtg Tr Ser 2006-C2 Cl A1A		10/10/2013	Guggenheim Securities LLC	12/01/2013	Paydown	2,336	2,549	2,336	2,336		(214)		(214)				0	17	6
3899999.	Total - Bonds - Industrial and Miscellaneous						2,336	2,549	2,336	2,336	0	(214)	0	(214)	0	0	0	0	17	6
8399998.	Total - Bonds						52,122,335	52,982,432	52,022,524	52,958,408	0	(24,025)	0	(24,025)	0	0	(935,887)	(935,887)	357,975	84,197
Common Stocks - Mutual Funds																				
861647 10 5	Stone Harbor EMG MKT Debt Fund		05/24/2013	Non-Broker Trade	09/04/2013	Non-Broker Trade	131,557.220	1,547,058	1,402,716	1,547,058				0			(144,342)	(144,342)	16,227	
861647 50 1	Stone Harbor Local Market - I		05/24/2013	Non-Broker Trade	05/30/2013	Non-Broker Trade	58,273.560	639,067	628,442	639,067				0			(10,625)	(10,625)		
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus		03/19/2013	Non-Broker Trade	08/14/2013	Non-Broker Trade	228.430	28,142	31,096	28,142				0			2,954	2,954		
921937 10 8	Vanguard Total Bond Market Sig		08/30/2013	Non-Broker Trade	12/31/2013	Non-Broker Trade	2,530.500	26,697	26,975	26,697				0			278	278		
922908 10 8	Vanguard 500 Index Fund Sig		08/07/2013	Non-Broker Trade	09/16/2013	Non-Broker Trade	4,103.250	524,792	527,082	524,792				0			2,290	2,290		
9299999.	Total - Common Stocks - Mutual Funds							2,765,756	2,616,311	2,765,756	0	0	0	0	0	0	(149,445)	(149,445)	16,227	0
9799998.	Total - Common Stocks							2,765,756	2,616,311	2,765,756	0	0	0	0	0	0	(149,445)	(149,445)	16,227	0
9899999.	Total - Preferred and Common Stocks							2,765,756	2,616,311	2,765,756	0	0	0	0	0	0	(149,445)	(149,445)	16,227	0
9999999.	Total - Bonds, Preferred and Common Stocks							55,748,188	54,638,835	55,724,164	0	(24,025)	0	(24,025)	0	0	(1,085,332)	(1,085,332)	374,202	84,197

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	Stock of Such Company Owned by Insurer on Statement Date	
								9	10
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code or Alien Insurer Identification Number	NAIC Valuation Method (See SVO Purposes and Procedures Manual)	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding
Common Stocks - Other Affiliates									
39947@ 10 2	Mosaic Group Services LLC			2ciB3	NO		5,622,889	600.000	100.0
655100 10 5	NobleHealth Inc			2ciB3	NO		47,729,240	372.000	100.0
00092# 10 5	ACS Benefit Services Inc			2ciB2	NO		12,641,274	8,000.000	100.0
1799999.	Total - Common Stocks - Other Affiliates					0	65,993,403	XXX	XXX
1899999.	Total - Common Stocks					0	65,993,403	XXX	XXX
1999999.	Total - Preferred and Common Stock					0	65,993,403	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest					21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Bonds - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivision - Issuer Obligations																				
	Federal Hm Ln Bks LT Discount Notes		..	12/03/2013.	HSBC Secs Inc	05/30/2014.	399,801		37			400,000	399,764			0.120	0.122	MAT		
	Fed Hm Ln Mtg Corp Long Term Discount No		..	10/28/2013.	Mizuho Securities Co Ltd	07/11/2014.	99,942		20			100,000	99,922			0.110	0.112	MAT		
2599999. U.S. Special Revenue & Special Assessment Obligations - Issuer Obligations							499,743	0	57	0	0	500,000	499,686	0	0	XXX	XXX	XXX	0	0
3199999. Total - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations							499,743	0	57	0	0	500,000	499,686	0	0	XXX	XXX	XXX	0	0
Total Bonds																				
7799999. Subtotals - Issuer Obligations							499,743	0	57	0	0	500,000	499,686	0	0	XXX	XXX	XXX	0	0
8399999. Subtotals - Bonds							499,743	0	57	0	0	500,000	499,686	0	0	XXX	XXX	XXX	0	0
Exempt Money Market Mutual Funds																				
31846V 41 9	First American Treas Oblig Instl Inv Cl	SD	..	01/02/2013.	No Broker	XXX	2,500,000						2,500,000							
8899999. Total - Exempt Money Market Mutual Funds							2,500,000	0	0	0	0	XXX	2,500,000	0	0	XXX	XXX	XXX	0	0
Class One Money Market Mutual Funds																				
825252 72 9	Invesco Liquid Assets Money Market Fund		..	09/01/2013.	No Broker	XXX													650	
996086 60 9	Dreyfus Gov't Cash Mgmt Fund Money Marke		..	12/31/2013.	Non-Broker Trade	XXX	24,884,854						24,884,854						299	
8999999. Total - Class One Money Market Mutual Funds							24,884,854	0	0	0	0	XXX	24,884,854	0	0	XXX	XXX	XXX	949	0
9199999. Total - Short-Term Investments							27,884,597	0	57	0	0	XXX	27,884,540	0	0	XXX	XXX	XXX	949	0

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule /Exhibit Identifier	4 Type(s) of Risk (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule /Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/ Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			All Other	19	20	21	22
														15	16	17	18				
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

E20

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
Brokers			
Total Net Cash Deposits	0	0	0

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjusted Basis of Hedged Item	Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book Adjusted Carrying Value > 0	Contracts With Book Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation /Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation /Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories							
Bank of America	Chapel Hill, North Carolina					10,660	XXX
BCBSNC Credit Union	Durham, North Carolina					2,511	XXX
Wachovia	Chapel Hill, North Carolina					(351,512)	XXX
Wachovia	Chapel Hill, North Carolina					(3,601,487)	XXX
Wachovia	Chapel Hill, North Carolina					(56,527)	XXX
Wachovia	Chapel Hill, North Carolina					75,953,670	XXX
Wachovia	Chapel Hill, North Carolina					1,401,845	XXX
Wachovia	Durham, North Carolina					4,642	XXX
Wachovia	Durham, North Carolina					78,718	XXX
Mellon	Chapel Hill, North Carolina					(8,857,311)	XXX
Wachovia	Chapel Hill, North Carolina					(26,270)	XXX
Wachovia	Durham, North Carolina					29,752,050	XXX
Wachovia	Durham, North Carolina					32,146	XXX
BB&T	Durham, North Carolina					11,088	XXX
Wachovia	New York, New York					(85,049,383)	XXX
JP Morgan	Durham, North Carolina					(433,050)	XXX
Wachovia	Durham, North Carolina					(9,954,169)	XXX
Wachovia	Durham, North Carolina					13,015	XXX
Wachovia	Durham, North Carolina					(2,473,484)	XXX
Wachovia	Winston Salem, North Carolina					(667,466)	XXX
Wachovia	Durham, North Carolina					(4,566,368)	XXX
BB&T	Durham, North Carolina	SD				3,543,537	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	(5,233,145)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(5,233,145)	XXX
0599999. Total Cash		XXX	XXX	0	0	(5,233,145)	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	72,134,045	4. April	(12,511,087)	7. July	(66,986,282)	10. October	36,137,969
2. February	(8,849,377)	5. May	105,521,658	8. August	7,090,485	11. November	74,827,633
3. March	(3,390,806)	6. June	(10,066,764)	9. September	20,531,828	12. December	(5,233,145)

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	O	Coll. St. Employees MM Plan (NCGS Ch 58), DOI dep., HMO-LOB dep	500,000	500,000	31,842,330	32,859,234
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	500,000	500,000	31,842,330	32,859,234
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Supplement for the year 2013 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2013
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....0
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

360.NC

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2010				Policies Issued in 2011, 2012 & 2013			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	M4	P	NO	35	02/23/1968		05/22/2000	10/01/1982	BC65 High Option	1,121,718	675,575	60.2	118			0.0	
YES	M140	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp. Plan 1	2,565	17,682	689.4	4			0.0	
YES	M141	P	NO	35	08/17/1982		05/22/2000	09/07/1986	Med. Supp. Plan 2	21,692	53,071	244.7	5			0.0	
YES	M142	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp. Plan 3	33,785	218,230	645.9	26			0.0	
YES	M143	P	NO	35	08/17/1982		05/22/2000	01/01/1992	Med. Supp. Plan 4	11,189,651	9,135,986	81.6	771			0.0	
YES	M144	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 5	3,577	25,886	723.7	7			0.0	
YES	M145	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 6	45,117	319,291	707.7	51			0.0	
YES	M146	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 7	24,585	142,190	578.4	21			0.0	
YES	M147	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 8	310	2,266	731.0	1			0.0	
YES	M148	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 9	1,952,473	1,324,453	67.8	1,016			0.0	
YES	M150	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 11	2,140	38,289	1,789.2	3			0.0	
YES	M151	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 12	686,168	623,964	90.9	505			0.0	
YES	K74A	A	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan A	4,565,522	4,729,873	103.6	841			0.0	
YES	K74B	B	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan B	9,880,292	8,324,726	84.3	1,559			0.0	
YES	K74C	C	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan C	7,082,322	7,991,771	112.8	2,217			0.0	
YES	K74D	D	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan D	4,618,575	4,643,659	100.5	888			0.0	
YES	K74E	E	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan E	2,372,141	2,420,768	102.0	428			0.0	
YES	K74F	F	YES	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan F	72,007,921	44,192,881	61.4	62,867			0.0	
YES	K74H	H	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan H	2,350,816	2,520,986	107.2	376			0.0	
YES	K74I	I	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan I	9,022,752	9,065,726	100.5	1,604			0.0	
YES	K74J	J	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan J	49,086,916	36,277,241	73.9	16,221			0.0	
YES	BMS A	A	NO	234	03/14/2011				Med. Supp. Plan A	445,930	806,266	180.8	63	1,554,774	2,506,411	161.2	260
YES	BMS B	B	NO	234	03/14/2011				Med. Supp. Plan B	2,994,358	7,343,521	245.2	2,771	2,249,361	3,541,502	157.4	355
YES	BMS C	C	NO	234	03/14/2011				Med. Supp. Plan C	258,617	458,527	177.3	33	1,236,901	816,265	66.0	191
YES	BMS D	D	NO	234	03/14/2011				Med. Supp. Plan D	242,570	167,906	69.2	525	223,478	118,299	52.9	113
YES	BMS F	F	NO	234	03/14/2011				Med. Supp. Plan F	34,151,370	29,173,045	85.4	9,878	83,153,418	42,952,732	51.7	37,025
YES	BMS HDF	F	NO	234	03/14/2011				Med. Supp. Plan HDF	418,917	80,221	19.1	709	2,622,753	581,036	22.2	337
YES	BMS G	G	NO	234	03/14/2011				Med. Supp. Plan G	3,856,656	4,525,964	117.4	1,076	4,551,858	3,915,928	86.0	1,515

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2013
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....0
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2010				Policies Issued in 2011, 2012 & 2013			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
YES	BMS K	K	NO	234	03/14/2011				Med. Supp. Plan K	18,984	11,834	62.3	90	32,349	32,693	101.1	22
YES	BMS L	L	NO	234	03/14/2011				Med. Supp. Plan L	5,250	4,302	81.9	14	86,432	43,651	50.5	154
YES	BMS M	M	NO	234	03/14/2011				Med. Supp. Plan M	18,151	11,747	64.7	23	23,954	9,767	40.8	7
YES	BMS N	N	NO	234	03/14/2011				Med. Supp. Plan N	56,239	25,491	45.3	179	373,828	255,466	68.3	167
0199999.	Total Policy Experience on Individual Policies									218,538,080	175,353,338	80.2	104,890	96,109,106	54,773,750	57.0	40,146

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... PO Box 35 Durham NC 27707
   2.2 Contact person and phone number..... Kara Taff 919-765-7344
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... PO Box 35 Durham NC 27707
   3.2 Contact person and phone number..... Kara Taff 919-765-7344
4. Explain any policies identified as policy type "O".

* 5 4 6 3 1 2 0 1 3 3 6 5 0 0 1 0 0 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....0 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	75,241,529	XXX		XXX	75,241,529
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	(1,151,092)	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	(133,342)	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable	48,229	XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	74,223,779	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	48,229	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	74,272,008	XXX	0	XXX	75,241,529
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	58,885,953	XXX		XXX	58,885,953
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	(760,908)	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	1,138,672	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	56,986,373	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	56,986,373	XXX	0	XXX	58,885,953
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	1,400,626	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	9,976,427	XXX		XXX	9,976,427
15. Expenses Incurred	9,976,427	XXX		XXX	XXX
16. Underwriting Gain/Loss	7,309,208	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	6,379,149

Blue Cross and Blue Shield of North Carolina

Consolidated Financial Statements
December 31, 2013, 2012 and 2011

With Independent Auditor's Report Thereon

McGladrey

Assurance ▪ Tax ▪ Consulting

Blue Cross and Blue Shield of North Carolina

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Consolidated Statements of Changes in Accumulated Capital 5

Consolidated Statements of Cash Flows 6

Notes to Consolidated Financial Statements 7-41

McGladrey

Independent Auditor's Report

To the Board of Trustees of
Blue Cross and Blue Shield of North Carolina
Chapel Hill, North Carolina

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Blue Cross and Blue Shield of North Carolina and its subsidiaries which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the years then ended December 31, 2013, 2012, and 2011 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Blue Cross and Blue Shield of North Carolina and its subsidiaries as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Raleigh, North Carolina
February 21, 2014

Member of the RSM International network of independent accounting, tax and consulting firms.

Blue Cross and Blue Shield of North Carolina

Consolidated Balance Sheets

(dollars in thousands)

	As of December 31,	
	2013	**2012**
Assets		
Current assets:		
Cash and cash equivalents	$63,212	$262,080
Investments available for sale, at fair value:		
Fixed income securities	34,747	48,033
Equity securities	1,226,935	1,030,504
Premiums and other receivables, net	413,597	340,886
Income tax receivable	11,069	-
Other current assets	94,369	70,528
Total current assets	1,843,929	1,752,031
Investments available for sale, at fair value, less current portion:		
Fixed income securities	1,723,068	1,795,662
Equity securities	42,325	17,930
Real estate funds	147,200	73,739
Property and equipment, net of accumulated depreciation	146,363	114,277
Goodwill	87,306	86,581
Intangible assets, net of accumulated amortization	34,949	37,603
Prepaid pension	89,599	-
Deferred acquisition cost, net of accumulated amortization	17,460	45,785
Deferred tax asset	74,267	122,510
Other assets	148,445	133,685
Total assets	$4,354,911	$4,179,803
Current liabilities:		
Medical and other benefits payable	$480,729	$444,814
Accounts payable and accrued expenses	266,437	258,138
Unearned premiums	152,599	142,957
Book overdrafts	38,570	72,061
Payable for securities	200	27,154
Contract reserves	94,968	104,550
Income tax payable	-	4,435
Deferred tax liability	95,447	14,791
Total current liabilities	1,128,950	1,068,900
Contract reserves, less current portion	353,114	380,693
Pension, postretirement and other retirement benefits	64,728	173,947
Long-term debt, less current portion	-	896
Other long-term liabilities	57,994	87,645
Total liabilities	1,604,786	1,712,081
Commitments and contingent liabilities (Notes 10 and 13)		
Accumulated capital:		
Accumulated earnings	2,495,404	2,402,771
Accumulated other comprehensive income (loss)	254,721	64,951
Total accumulated capital	2,750,125	2,467,722
Total liabilities and accumulated capital	$4,354,911	$4,179,803

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statements of Comprehensive Income

(dollars in thousands)

	For the Years Ended December 31,		
	2013	**2012**	**2011**
Revenues:			
Premiums	$5,819,050	$5,246,525	$4,970,591
Administrative fees and other revenue	431,817	435,451	453,573
Total operating revenues	6,250,867	5,681,976	5,424,164
Net investment income	99,549	92,421	88,970
Net realized gains on investments	49,269	21,802	40,524
Other-than-temporary impairment losses on investments	(1,071)	(23,201)	(16,221)
Other income (loss)	(6,052)	(10,679)	697
Total revenues	6,392,562	5,762,319	5,538,133
Expenses:			
Claims and medical expenses	4,998,755	4,516,382	4,167,852
Operating expenses	1,009,548	953,921	891,678
Broker commissions	198,180	166,063	164,765
Premium taxes	76,223	71,000	69,986
Interest expense	3,372	1,266	2,045
Total expenses	6,286,078	5,708,632	5,296,325
Income before income taxes	106,484	53,687	241,808
Income taxes	13,851	(3,968)	64,697
Net income	92,633	$57,655	$177,111
Other comprehensive income (net of tax)			
Investments available for sale:			
Unrealized gains arising during period, net of income tax expense of $32,548, $57,744, and $19,526	$60,447	$107,239	$36,263
Amounts reclassified in to earnings, net of income tax expense (benefit) of $(16,869), $490, and $(8,506)	(31,329)	909	(15,797)
Net unrealized gain on securities (investing)	29,118	108,148	20,466
Non-credit component of other-than-temporary impairment (losses) on investments, net of income tax expense of $0, $16, and $28	-	30	51
Qualified retirement plan:			
Deferred net actuarial gain (loss) net of income tax expense (benefit) of $73,776, $15,830, and $(45,388)	137,012	29,400	(85,974)
Deferred prior service costs, net of income tax expense of $898, $148, and $78	1,669	275	145
Postretirement and other benefit plans:			
Deferred net actuarial gain (loss), net of income tax expense (benefit) of $11,797, $4,173, and $(6,649)	21,883	7,749	(12,349)
Deferred prior service credit, net of income tax expense (benefit) of $48, $(127), and $(271)	88	(236)	(504)
Total other comprehensive income (loss)	189,770	145,366	(78,165)
Total comprehensive income	$282,403	$203,021	$98,946

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statement of Changes in Accumulated Capital

(dollars in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Total Accumulated Capital
Balance, December 31, 2010	2,168,005	(2,250)	2,165,755
Net income	177,111	-	177,111
Other comprehensive income (loss)	-	(78,165)	(78,165)
Balance, December 31, 2011	$2,345,116	$(80,415)	$2,264,701
Net income	57,655	-	57,655
Other comprehensive income	-	145,366	145,366
Balance, December 31, 2012	$2,402,771	$64,951	$2,467,722
Net income	92,633	-	92,633
Other comprehensive income	-	189,770	189,770
Balance, December 31, 2013	$2,495,404	$254,721	$2,750,125

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statements of Cash Flows

(dollars in thousands)

	For the years ended December 31,		
	2013	**2012**	**2011**
Cash flows from operating activities:			
Net income	$92,633	$57,655	$177,111
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,634	22,502	40,336
Donation of investments	10,000	-	35,000
Deferred income taxes	26,715	(28,893)	2,313
Net capitalization of deferred acquisition costs	28,325	11,099	2,575
Accretion of discounts and amortization of premiums, net	6,896	6,186	6,339
Net gain on sale of property and equipment	12,186	(1,386)	-
Net realized gains on disposition of investments	(49,269)	(21,802)	(40,524)
Other-than-temporary impairment losses recognized in earnings	1,071	23,201	16,221
(Gain) loss on equity affiliates	7,437	18,632	(116)
Changes in operating assets and liabilities:			
Premiums and other receivables	(72,711)	11,352	(46,360)
Prepaid pension asset	(89,599)	-	-
Other assets	(44,332)	(59,891)	(30,461)
Medical and other benefits payable	35,915	49,945	52,938
Contract reserves	(37,161)	(9,032)	7,482
Unearned premiums	9,642	(1,414)	300
Accounts payable and accrued expenses	(22,568)	98,902	65,201
Income taxes receivable/payable	(15,504)	13,608	20,534
Pension, postretirement and other retirement benefits	138,258	36,366	(30,681)
Net cash provided by operating activities	56,568	227,030	278,208
Cash flows from investing activities:			
Purchases of investments	(554,059)	(730,410)	(1,746,331)
Sales and maturities of investments	420,045	520,541	1,524,899
Net purchases of property and equipment	(59,722)	(8,025)	(22,034)
Change in receivable/payable for securities	(26,954)	16,151	(20,325)
Proceeds from sale of property and equipment	-	25,138	-
Purchase of subsidiary, net of cash received	(1,255)	(3,297)	-
Net cash used in investing activities	(221,945)	(179,902)	(263,791)
Cash flows from financing activities:			
Payments on long-term debt	-	(165)	(2,609)
Change in book overdrafts	(33,491)	152	(38,722)
Net cash provided by (used in) financing activities	(33,491)	(13)	(41,331)
Net increase (decrease) in cash and cash equivalents	(198,868)	47,115	(26,914)
Cash and cash equivalents at beginning of year	262,080	214,965	241,879
Cash and cash equivalents at end of year	$63,212	$262,080	$214,965
Supplemental disclosure of cash paid for:			
Interest	$3,372	$1,266	$2,045
Income taxes	$8,924	$11,586	$42,096

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Blue Cross and Blue Shield of North Carolina (BCBSNC; we; our; us; the Company) is a health services company domiciled in the state of North Carolina. The membership of BCBSNC and its subsidiaries (collectively the Company) totaled approximately 2.8 million members as of December 31, 2013. Including members served on behalf of other Blue plans, the Company's membership totaled approximately 3.8 million members served as of December 31, 2013. The Company's customers are located primarily in North Carolina, where the Company is licensed and operates. The Company provides a comprehensive spectrum of health benefits products and BCBSNC holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefits offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, Health Savings Account, or HSA, and Medicare Advantage plans. The Company also offers a broad range of health benefits services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical cost management and other administrative services. In addition, the Company offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, vision hardware, mental health, substance abuse, and chiropractic benefits. The Company offers these products and services to large and small employers, groups and government units as well as individuals.

BCBSNC has four wholly-owned subsidiaries, Mosaic Group, LLC (Mosaic), formerly known as Saegis, Corium, LLC (Corium), ACS Benefit Services, Inc. (ACS) and NobleHealth, Inc. (Noble). Mosaic functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Corium owns, operates, and manages office buildings of the Company. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. In 2012, ACS purchased certain assets from Penn-Western Benefits, Inc (PWB) which resulted in additional goodwill and intangibles. PWB provides third party administration services for self-funded group health plans. Noble holds strategic investments for BCBSNC including healthcare delivery systems such as Topaz Shared Services, LLC ("Topaz").

During 2013, BCBSNC purchased assets from Triangle Administrators to service student business.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles (GAAP) in the United States (US). Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred acquisition costs, deferred income taxes, fair value of investments, other-than-temporary impairments and other valuation accruals. Actual results could differ materially from those estimates.

The consolidated financial statements include the accounts of BCBSNC and all of its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Certain prior year balances have been reclassified to conform to current year presentation in the accompanying consolidated financial statements. These reclassifications resulted in no change to previously reported amounts of accumulated capital, income before taxes, or net income.

Newly Issued Accounting Standards

In July 2011, the FASB issued guidance addressing the recognition and classification of an entity's share of the annual health insurance industry assessment mandated by the Patient Protection and Affordable Care Act as well as the Health Care and Education Reconciliation Act of 2010 (collectively, health care reform). The

assessment will be levied on health insurers for each calendar year beginning on or after January 1, 2014 and is not deductible for income tax purposes. For reporting entities subject to the assessment, the guidance specifies that the liability for the assessment should be estimated and recorded in full once the entity provides qualifying health insurance during the applicable calendar year in which the assessment is payable, with a corresponding deferred cost amortized to expense. The Company anticipates that their share of this assessment will be approximately $75,000 based on 2012 levels of insurance and market share increases.

In July 2012, the FASB amended guidance related to testing indefinite-lived intangible assets for impairment. This guidance permits an entity to first assess qualitative factors to determine whether it is more likely than not that the indefinite-lived intangible asset is impaired. If an entity believes, as a result of its qualitative assessment, that it is not more-likely-than-not that the indefinite-lived intangible asset is impaired, then no further testing is required. This guidance is effective for the Company's 2013 fiscal year and is adopted in these financial statements.

In February 2013, the FASB issued guidance related to disclosures for amounts reclassified out of accumulated other comprehensive income. This guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income into net income. The financial statement presentation of this information is also specified. This standard will be effective for the Company's 2014 fiscal year. Adoption of the new standard is expected to have no material impact to the consolidated financial statements or the results of operations.

In January 2014, the FASB issued guidance that would allow for an accounting alternative for the subsequent measurement of goodwill. This standard will be effective for the Company's 2015 fiscal year. Early adoption is permitted. The Company is in the process of assessing the effect that the implementation of the new guidance will have on its financial position and results of operations.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise the vast majority of the fair value of our investments as of December 31, 2013.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating

agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. Topaz is intended to provide enrollment and claims-processing services, initially for the individual and small-group markets. A key goal of Topaz is increasing speed to market for new products and product enhancements. Completion of this project could favorably position the company to capture exchange-related business and other business from some of its national competition. However, execution risk is present and the cost of this initiative is substantial and may increase, while the business and operating cost-reduction benefits are unproven.

In addition, federal and state regulatory agencies may further restrict our ability to implement changes in premium rates or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

In addition, during a prolonged unfavorable economic environment, state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state Medicaid reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows.

During 2010, the U.S. Congress passed and the President signed into law the health care reform. The health care reform legislation is far-reaching and is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees or they will be required to pay a financial penalty [note this employer requirement to offer and report coverage was delayed until January 1, 2015]. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry which may not be deductible for income tax purposes.

The legislation also imposes new regulations on the health insurance sector, including, but not limited to, guaranteed coverage requirements, prohibitions on some annual and all lifetime limits on amounts paid on behalf of or to our members, increased restrictions on rescinding coverage, establishment of minimum medical loss ratio requirements, a requirement to cover preventive services on a first dollar basis, the establishment of insurance exchanges and essential health benefit packages and greater limitations on how we price certain of our products. Some provisions of the health care reform legislation became effective in 2010, including those that bar health insurance companies from placing lifetime limits on insurance coverage, those related to the increased restrictions on rescinding coverage and those that extend coverage of dependents to the age of 26. Provisions related to the establishment of minimum medical loss ratios were effective for certain of our businesses in 2011. In 2012, requirements to include specific women's preventive care services at no cost share and the implementation of uniform summaries of benefits and coverage went into effect. Lastly, other significant

changes, including the annual fees on health insurance companies, the excise tax on high premium insurance policies, the health insurance Exchanges (aka Marketplaces), the guaranteed coverage requirements and the requirement that individuals obtain coverage, become effective in 2014.

During the beginning of the initial annual enrollment period for Individual and Family Coverage that met the requirements of the health care reform, the Federally Facilitated Exchange had significant technical challenges that delayed or prevented some consumers from enrolling in coverage. As a result, the Centers for Medicaid and Medicare Services made several last minute changes to the requirements and related timelines including changing monthly enrollment deadlines and payment dates for January 1, 2014 effective dates. Perhaps most significantly, the Administration announced a new transitional policy option for Individuals and Small Groups (who had coverage in effect as of October 1, 2013) that enabled them to keep their prior plan. As a result many members and groups were able to stay on their 2013 plan by renewing the coverage into 2014. The changes presented many operational challenges and forced Issuers to identify new solutions in order to offer these options to consumers. The announcement of the transition policy option was made after healthcare reform rates were filed and approved. Since these transition policies will retain a large portion of the healthier, medically underwritten pool, premiums in the health care reform pool are more likely to be inadequate. If the program is extended beyond 2014, rate increases in future years will be higher to cover higher expected costs in the health care reform pool. Moving forward, it is certainly possible that Issuers will see additional changes from CMS as we approach the end of open enrollment in March 2014.

Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, the health care reform has created new reimbursement timelines for insurers as government subsidies (which are comprising over 70% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the April following the coverage year.

The Company continues to face uncertainty impacting the health insurance industry with the ultimate implementation of key provisions of the Affordable Care Act, including the timing of when certain provisions become effective and legislative challenges proposed concerning targeted provisions or the law in totality. There is also uncertainty related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which could impact our financial performance in future periods. The Company will continue to monitor any changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash equivalents totaled $26,385 and $158,085 as of December 31, 2013 and 2012, respectively. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

Included in other noncurrent assets as of both December 31, 2013 and 2012 are restricted money market funds and bonds of $32,998 and $31,765, respectively, which were on deposit with the state of North Carolina in accordance with contractual requirements.

Investments

All investments are categorized as available-for-sale and are recorded at their fair values as of the balance sheet date. The Company records purchases and sales as of the trade date. Fixed income securities are classified as either current or noncurrent assets based on their contractual maturities as well as management's expectations as to when they will be sold. If the Company does not intend to sell the fixed income security, management considers available evidence to assess whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost basis. Equity securities are primarily classified as current as they are available for use for current operations. Certain securities, which are used to satisfy contractual,

regulatory or other requirements, continue to be classified as long-term, without regard to contractual maturity. Venture capital investments, real estate funds, private equity funds and private equity securities are classified as noncurrent assets.

Realized gains and losses, including other-than-temporary impairments that are determined to be due to credit, are included in income. Unrealized gains, unrealized losses estimated to be temporary in nature and other-than-temporary impairments determined to be non-credit related, net of deferred income taxes, are reflected in accumulated capital as Accumulated Other Comprehensive Income (loss) (AOCI). Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

When an other-than-temporary impairment loss is determined to have occurred on equity securities, the losses are recognized in the Consolidated Statements of Comprehensive Income. The way in which impairment losses on fixed income securities are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the Company recognizes an other-than-temporary impairment in the Consolidated Statements of Comprehensive Income for the difference between amortized cost and fair value. If the Company does not expect to recover the amortized cost basis, does not plan to sell the security and if it is not more likely than not that the Company would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the recognition of the other-than-temporary impairment is bifurcated. The Company recognizes the credit loss portion in net income and the noncredit loss portion in AOCI.

The credit component of an other-than-temporary impairment is determined by comparing the net present value of projected future cash flows with the amortized cost basis of the fixed income security. The net present value is calculated by discounting our best estimate of projected future cash flows at the effective interest rate implicit in the fixed income security at the date of acquisition. For mortgage-backed and asset-backed securities, cash flow estimates are based on assumptions regarding the underlying collateral including expected prepayments, vintage, type of underlying asset, geographic concentrations, default rates, recoveries and changes in value of the underlying collateral. For all other fixed income securities, cash flow estimates are driven by assumptions regarding probability of default, including changes in credit ratings, and estimates regarding timing and amount of recoveries associated with a default.

Fair value is determined by quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

Fair Value Measurement

The carrying amounts reported in the Consolidated Balance Sheets for cash, cash equivalents, premiums and other receivables, income tax receivable, unearned premiums, medical and other benefits payable, accounts payable, other assets and accrued expenses, book overdrafts and payables for securities approximate fair value because of the short term nature of these items. These assets and liabilities are not listed in Note 8.

Assets and liabilities recorded at estimated fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

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

Transfers between Levels, if any, are recorded as if they had occurred at the beginning of the reporting period during which the change in method for valuing the underlying assets occurred.

Fair values of fixed income and equity securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, the pricing service uses model processes such as the Option Adjusted Spread model to assess interest rate impact and develop prepayment scenarios.

We perform monthly analysis on the prices received from third parties for our internally managed portfolios to determine whether the prices are reasonable estimates of fair value. Our analysis includes a comparison of prices received from third parties to prices obtained from other sources. There were no adjustments to quoted market prices obtained from third party pricing services during 2013 and 2012 that were material to the consolidated financial statements.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value.

Following is a description of the valuation methodologies used by the Company to value assets, including the pension and postretirement assets, measured at fair value:

Major Category	Valued at
Mutual funds	Net asset value (NAV) of shares which are provided by the administrator of the fund.
State and/or U.S. government obligations and common	Closing price reported in the active market in which the individual security is traded. If in an inactive market, based on quoted market prices, broker or

Major Category	Valued at
and/or preferred stock	dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.
Interest in collective trust funds	NAV of shares which are provided by the administrator of the fund.
Pooled separate accounts	Based on underlying value provided by the fund manager
Partnership	Based on the most recent audited financial results
Real Estate Funds	Based on underlying value provided by the fund manager
Private Equity Funds	Based on underlying value provided by the fund manager
Other investments	Dealer quotes, trade data, two-sided markets institutional bids, comparable trades and/or other news media
Privately held fixed income and equity securities, including venture capital investments	Reviewing the value ascribed to the most recent financing, comparing the security with securities of publicly traded companies in a similar line of business, and/or reviewing the underlying financial performance including estimating discounted cash flows
Fixed income securities including corporate, commercial and residential mortgage backed securities	Closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings or discounted cash flows approach that maximized observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks

The carrying value of corporate-owned life insurance policies is the cash surrender value as reported by the respective insurer.

Premiums and Other Receivables

Premiums and other receivables include the uncollected amounts due from insured and self-funded customers. Also, included in other receivables are the uncollected amounts of drug rebates, interest, certain profit sharing arrangements and other miscellaneous receivables. Premiums and other receivables are reported net of any allowance for uncollectible amounts. The allowance for uncollectible receivables is estimated each period and a valuation allowance is recorded based upon the age of unpaid amounts and other information about the customers as well as management's judgment regarding the ability of the customers to pay outstanding amounts. Estimates of uncollectible accounts receivable are revised each period, and changes are reflected in the operating expense line of the Consolidated Statements of Comprehensive Income in the period they become known.

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts.

Federal Employee Program

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and BCBSA, which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,960,423, $5,951,829 and $5,873,997, as of September 30, 2013, December 31, 2012 and 2011, respectively. The unaudited amounts being held in the contingency reserve are $9,270,691, $8,110,075 and $6,236,141 as of December 31, 2013, 2012 and 2011, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $7,626, $6,784 and $6,077 as of December 31, 2013, 2012 and 2011, respectively, and are included in other current assets and other current liabilities in the accompanying consolidated balance sheets. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $24,063, $15,199 and $14,167 as of December 31, 2013, 2012 and 2011, respectively, and are included in cash and other non-current liabilities in the accompanying consolidated balance sheets.

FEP represented approximately 24.2% and 30.4% of accounts receivable as of December 31, 2013, 2012 and 2011, respectively. FEP represented approximately 14.4%, 15.6% and 14.8% of net revenue for the years ended December 31, 2013, 2012 and 2011, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets, which are 40 to 50 years for buildings, 3 to 10 years for furniture and equipment, and 2 to 5 years for computer equipment and software. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Upon disposition or retirement, assets and related accumulated depreciation accounts are relieved and any related gain or loss is reflected in the Consolidated Statements of Comprehensive Income. Property and equipment is evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. Property and equipment retired from use

is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

The Company develops software for internal use. Certain costs associated with the development or purchase of internal-use software are capitalized and amortized over the estimated useful lives of the software. All other development costs are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost of acquisition over the fair value of net assets acquired. Intangible assets represent the values assigned to acquired subscriber relationships and provider networks. Intangible assets are recognized as assets apart from goodwill because they meet one of two criteria: the contractual-legal criterion or the separability criterion. Goodwill is evaluated for impairment on an annual basis and more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after completing this assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then proceed to a two-step impairment testing methodology using the income approach (discounted cash flow method). In the first step of this testing methodology, we compare the carrying value of the reporting unit, including goodwill, with its fair value, as determined by its estimated discounted cash flows. If the carrying value of a reporting unit exceeds its fair value, we then complete the second step of the impairment test to determine the amount of impairment to be recognized. In the second step, we estimate an implied fair value of the reporting unit's goodwill by deducting the fair value of all net assets of the reporting unit (including any unrecognized intangible assets, and excluding the goodwill) from its fair value as determined in the first step. Any remaining fair value after assigning fair value to the reporting unit's net assets represents the implied fair value of the goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference in that period. Intangible assets are amortized over their useful lives. Intangible assets are evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the intangible assets' fair value is less than its carrying amount. Based on the results of this assessment, the Company may conduct a quantitative impairment test if the fair value of the intangible assets was determined to be, more likely than not, less than its carrying amount. Recoverability of intangible assets is primarily determined by a comparison of the carrying amount of the assets to future net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no impairments of goodwill and intangible assets during the years ended December 31, 2013, 2012 and 2011.

Deferred Acquisition Costs

Acquisition costs eligible for deferral consist only of those that are directly related to the successful acquisition of new insurance contracts. Such costs include broker commissions, costs of policy issuance and underwriting and other costs the Company incurs to acquire new business. The Company's policy is to expense, as incurred, acquisition costs related to short-duration health benefit products. These short-duration health benefit policies typically have a one-year term, are billed monthly, and are subject to cancellation upon 30 days written notice by the member or the Company for certain defined reasons.

Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products, when aggregated as blocks of policies, are expected to remain in force for an extended period beyond one year because these contracts are guaranteed renewable and the Company accounts for these policies as long-duration insurance products. As a result, the Company defers acquisition costs and amortizes them over the estimated life of the policies in proportion to the premiums earned. Deferred acquisition costs are regularly reviewed to determine if they are recoverable from future income. As a result of health care reform, the future amortization periods were shortened beginning in 2011. Amortization periods range from 3 to 13 years. This shortening of the amortization period increased amortization expense. For the years ended December 31, 2013, 2012 and 2011, the Company determined deferred acquisition costs to be recoverable. Amortization expense reflected in

the Consolidated Statements of Comprehensive Income for each of the years ended December 31, 2013, 2012 and 2011 was $42,856, $27,786 and $21,041, respectively.

Medical and Other Benefits Payable

The reserve for medical and other benefits payable includes management's estimate of the ultimate cost of the claims in process of settlement, claims incurred but not yet reported, and claims adjustment expenses needed to settle these claims.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for medical and other benefits payable are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in medical cost trend and claims payment patterns used in estimating reserves would impact the balance of medical and other benefits payable. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to the Company's actuarial methods in the last three fiscal years.

Book Overdrafts

Under our cash management system, checks issued but not yet presented to banks frequently result in overdraft balances for accounting purposes and are classified as a current liability in the Consolidated Balance Sheets. Changes in book overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Contract Reserves

Contract reserves are established for policies where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include assumptions such as interest rates, claim trends, persistency, and other assumptions based upon experience modified as necessary to reflect anticipated trends. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products.

These estimates may change as actuarial methods and/or as underlying facts upon which these estimates are based, change. The current portion of contract reserves relates to the estimated amount by which the Company expects claims costs to exceed premiums collected over the next twelve months.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves. During 2013 and 2012, the Company revised the calculation of this liability so that the underlying assumptions were more consistent with the company's developing experience. These changes increased contract reserves by $25,600 and $21,000, respectively. Net of these changes, the value of the liabilities decreased

primarily due to accelerated lapses associated with expected termination of non-health care reform compliant policies by $37,161 in 2013 and $9,032 in 2012.

Premium Deficiency

Premium deficiencies are recognized when it is probable that expected future claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with the consideration of investment income. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2013 and 2012.

Revenue Recognition and Unearned Premiums

Revenue is principally derived from health benefit premiums. Generally, membership contracts have one-year terms. Group contracts are subject to cancellation upon 30 days written notice. Premiums are generally due monthly and are recognized as revenue during the period in which the Company is obligated to provide services or benefits. Amounts that are billed and received but unearned are recorded as unearned premiums. Because employer groups generally provide changes to their eligible member population one month in arrears, each billing includes an adjustment to premiums for the prior month's changes in member status that were not reflected in the original billing. Premium refunds are shown as a reduction in premium.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. In previous years, we did not believe we had the ability to estimate the value of this payment with sufficient accuracy to support an accrual. In working with our vendor, we concluded that this amount is reasonably estimable and probable such that it would be appropriate to record an accrual. The Company estimates risk adjustment revenues based upon the data submitted and expected to be submitted to CMS. The amount of the receivable is $58,950 and $0, at December 31, 2013 and 2012, respectively.

Administrative fees include revenue from those group contracts that provide for the group to be at risk for all or, in the case of stop-loss agreements, a portion of its claims experience. These self-funded groups are charged an administrative fee that is based upon the number of members in the group and the group's claims experience. In addition, administrative fees include amounts received for the administration of certain other contracts, including cost plus arrangements. Administrative fees are recognized in accordance with the terms of the Company's contractual relationship with the customer. Administrative fees are included in the administrative fees and other revenue in the Consolidated Statements of Comprehensive Income. All benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are excluded from the claims and medical expenses line of the Consolidated Statements of Comprehensive Income. Reimbursements of all medical benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are also excluded from the operating revenue in the Consolidated Statements of Comprehensive Income.

Medicare Part D Prescription Drug Program

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with the Centers for Medicare & Medicaid Services (CMS). Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Consolidated Statements of Comprehensive Income as they are reviewed and agreed to by the Company. As of December 31, 2013, years 2006 through 2013 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period. Premiums received in advance are recorded in unearned premiums. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

The Company's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company's annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS's portion of prescription drug costs which exceed the member's out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursements from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company's annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2013 and 2012, the net estimated risk sharing payable with CMS was $0 and $48, respectively. The net estimated subsidies receivable from CMS was $6,444 and $7,844 at December 31, 2013 and 2012, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in premiums and other receivables. Any estimated payables related to the CMS risk sharing or subsidies are included in accounts payable and other accrued expenses.

Accounting for Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. A valuation allowance is recorded to reduce the Company's deferred tax asset to the amount the Company believes is more likely than not to be realized. This determination is based upon a number of assumptions, including: the types of deferred tax assets; the expected reversal patterns and periods of the temporary differences; taxes paid in prior periods available for carry-back claims; estimates of future taxable income; and other significant issues or developments likely to impact the realization of the benefits from the deferred tax assets. If facts are ultimately inconsistent with the Company's expectations, an adjustment to the Company's deferred tax asset may be required in the future. Any such adjustment would be charged or credited to income tax expense in the Consolidated Statements of Comprehensive Income in the period the determination is made.

When tax returns are filed, some positions taken will be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceed the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying Consolidated Balance Sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are charged to income tax expense in the Consolidated Statements of Comprehensive Income.

Employee Benefit Programs

The funded status of the Company's defined benefit pension plans and nonpension postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on estimated compensation levels and current service. For the nonpension postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, which represents the actuarial present value of postretirement benefits attributed to employee services already rendered.

The fair value of plan assets represents the current fair value of cumulative company contributions and investment earnings on those contributions less amounts paid out. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a pension, postretirement and other retirement benefits liability equal to this excess. The current portion of the pension and nonpension postretirement benefit obligations represents the actuarial present value of benefits payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets. Net periodic pension and nonpension postretirement benefit expense (income) is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Certain events, such as changes in employee base, plan amendments and changes in actuarial assumptions, result in a change in the benefit obligation which results in corresponding changes in the gains and losses or prior service costs. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed certain thresholds which are based upon the benefit obligation or the value of plan assets. (Gains) losses and prior service costs (credits) not recognized as a component of net periodic benefit expense (income) in the Consolidated Statements of Comprehensive Income as they arise are recognized as a component of gains (losses) and prior service costs (credits) recognized in AOCI in the Consolidated Statements of Changes in Accumulated Capital. Those (gains) losses and prior service costs (credits) are subsequently recognized as a component of net periodic benefit expense (income).

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the company, essentially coinciding with the cash contributions to the plans. The expense is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Subsequent Events

Events or transactions that occur after the balance sheet date, but before the financial statements are complete and approved by the BCBSNC Audit Committee (available to be issued), are reviewed by the Company to determine if they are to be recognized.

All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, nonrecognized subsequent events are disclosed to keep the financial statements from being misleading.

The Company has evaluated subsequent events through February 18, 2014, which is the date that the financial statements were available to be issued, for recognition or disclosure in our consolidated financial statements, and no events, other than those related to Topaz as described in Note 12, have occurred that require disclosure.

3. Investments

The amortized costs and fair values of investment securities were as follows:

	December 31, 2013				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Component of Other-Than-Temporary Impairments Recognized in AOCI
Fixed income securities:					
U.S. government and agency obligations	$180,152	$3,181	$(3,641)	$179,692	-
States and political subdivisions	1,224,133	62,353	(12,963)	1,273,523	-
Corporate fixed income securities	264,150	16,394	(1,524)	279,020	-
Commercial mortgage-backed securities	11,905	611	(104)	12,412	-
Residential mortgage-backed securities	11,155	640	(224)	11,571	-
Other fixed income securities	26,581	1,972	(1)	28,552	-
	1,718,076	85,151	(18,457)	1,784,770	-
Equity securities:					
Equity index mutual funds	674,520	396,223	(9,060)	1,061,683	-
Common stock	161,640	9,819	(6,207)	165,252	-
Private equity securities	19,918	2,602	-	22,520	-
Venture capital investments	19,805	-	-	19,805	-
	875,883	408,644	(15,267)	1,269,260	-
Real Estate					
Real Estate funds	144,197	3,003	-	147,200	-
	$2,738,156	$496,798	$(33,724)	$3,201,230	-

	December 31, 2012				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Component of Other-Than-Temporary Impairments

					Recognized in AOCI
Fixed income securities:					
U.S. government and agency obligations	$188,464	$9,964	$ (365)	$198,063	$ -
States and political subdivisions	1,139,019	128,809	(43)	1,267,785	-
Corporate fixed income securities	306,053	28,880	(186)	334,747	-
Commercial mortgage-backed securities	6,320	632	-	6,952	-
Residential mortgage-backed securities	22,366	1,730	(24)	24,072	-
Other fixed income securities	37,401	3,946	(6)	41,341	-
	1,699,623	173,961	(624)	1,872,960	-
Equity securities:					
Equity index mutual funds	703,194	245,269	(219)	948,244	-
Common stock	85,022	204	(2,965)	82,261	-
Private equity securities	10,277	2,023	-	12,300	-
Venture capital investments	5,629	-	-	5,629	-
	804,122	247,496	(3,184)	1,048,434	-
Real Estate					
Real Estate funds	73,111	628	-	73,739	-
	$2,576,856	$422,085	$(3,808)	$2,995,133	$ -

Restricted bonds of $26,955 and $29,265 at December 31, 2013 and 2012, respectively, previously discussed in footnote 2, are included above although they are included in other noncurrent assets on the balance sheet.

Expected Maturities of Fixed Income Securities

The amortized cost and fair values of fixed income securities, by contractual maturity, as of December 31, 2013 are as follows:

	Amortized Cost	Fair Value
Due in one year or less	$34,171	$34,632
Due after one year through five years	364,066	380,807
Due after five years through ten years	479,224	504,387
Due after ten years	790,974	812,409
	1,668,435	1,732,235
Commercial mortgage-backed securities	11,905	12,412
Residential mortgage-backed securities	11,155	11,571
Other fixed income securities	26,581	28,552
	$1,718,076	$1,784,770

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. As of December 31, 2013 and 2012, 99.9% and 99.9%, respectively of the fixed income portfolio was held in issues with investment grade credit ratings.

The following is a summary of the sources of net investment income for the year ended December 31:

	2013	2012	2011
Fixed income securities	$69,013	$73,891	$78,979
Equity securities	27,463	19,734	11,627
Cash and cash equivalents	502	428	517
Real estate funds	4,602	498	-

Total investment income	101,580	94,551	91,123
Investment expenses	(2,031)	(2,130)	(2,153)
Net investment income	$99,549	$92,421	$88,970

The change in net realized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2013	2012	2011
Gross realized gains on sales:			
Fixed income securities	$6,732	$20,732	$19,092
Equity securities	46,474	1,885	27,959
Total	53,206	22,617	47,051
Gross realized losses on sales:			
Fixed income securities	(3,739)	(810)	(6,515)
Equity securities	(198)	(5)	(12)
Total	(3,937)	(815)	(6,527)
Net realized gains	49,269	21,802	40,524
OTTI losses recognized in operations:			
Fixed income securities	-	-	(4)
Equity securities	(1,071)	(23,201)	(16,217)
Total	(1,071)	(23,201)	(16,221)
Net realized gains (losses) including OTTI losses	$48,198	$(1,399)	$24,303

The change in net unrealized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2013	2012	2011
Change in net unrealized gains (losses) on securities:			
Fixed income securities	$(106,642)	$29,738	$93,422
Equity securities	149,066	136,061	(61,857)
Real estate funds	2,373	628	-
	44,797	166,427	31,565
Deferred federal income tax expense	(15,679)	(58,249)	(11,048)
Change in net unrealized gains losses on securities net of income tax	$29,118	$108,178	$20,517

Other-Than-Temporary Impairment

Other-than-temporary impairment losses recognized in income were $1,071, $23,201 and $16,221, for the years ended December 31, 2013, 2012 and 2011, respectively, and consisted primarily of losses on equity securities.

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

(dollars in thousands)

	2013					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	$95,259	$(3,359)	$13,709	$(282)	$108,968	$(3,641)
States and political subdivisions	242,809	(12,963)	-	-	242,809	(12,963)
Corporate fixed income securities	161,475	(1,524)	-	-	161,475	(1,524)
Commercial mortgage-backed securities	3,207	(104)	-	-	3,207	(104)
Residential mortgage-backed securities	5,224	(76)	2,065	(148)	7,289	(224)
Other fixed income securities	-	-	79	(1)	79	(1)
Equity securities:						
Equity index mutual funds	130,730	(9,060)	-	-	130,730	(9,060)
Common stock	67,730	(6,017)	1,347	(190)	69,077	(6,207)
Total	$706,434	$(33,103)	$17,200	(621)	$723,634	$(33,724)

	2012					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	$21,647	$(365)	$ -	$-	$21,647	$(365)
States and political subdivisions	9,662	(42)	135	(1)	9,797	(43)
Corporate fixed income securities	10,663	(186)	-	-	10,6630	(186)
Residential mortgage-backed securities	1,334	(9)	931	(15)	2,265	(24)
Other fixed income securities	310	(5)	88	(1)	398	(6)
Equity securities:						
Equity index mutual funds	10,837	(219)	-	-	10,837	(219)
Common stock	72,700	(2,965)	-	-	72,700	(2,965)
Total	$127,153	$(3,791)	$1,154	$(17)	$128,307	$(3,808)

Fixed Income Securities – For both 2013 and 2012, the unrealized losses on the Company's fixed income investments were not the result of any credit related problems. In 2013, the unrealized losses on the Company's fixed income investments were mostly attributable to changes in interest rates. All of the issuers have investment grade credit ratings and therefore, the Company believes each issuer will be able to meet the contractual terms of the obligation. At December 31, 2013 and 2012, the Company did not have the intent to sell and it was not more likely than not that the Company would be required to sell the investments before the recovery of its amortized cost basis. The Company therefore did not consider the investments at December 31, 2013 and 2012 to be other-than-temporarily impaired.

Equity Securities – For both 2013 and 2012, the Company's investments in equity securities primarily consists of investments in mutual funds. Various investment lots were below cost at December 31, 2013 and 2012 and were primarily in broadly diversified mutual funds, including index funds, the vast majority of which had been in a loss position less than twelve months. The unrealized losses were primarily in emerging market bond and equity mutual funds in 2013 and in international equity mutual funds in 2012. The decline in emerging market equity mutual funds in 2013 was due primarily to concerns over growth in China and to weakness in commodity prices while international equity funds declined in 2012 due to concerns regarding the European economy, together with normal market movements. The unrealized losses in emerging market bond funds in

2013 were due to rising yields for U.S. Treasury securities, uncertainty concerning tapering of Fed quantitative easing, and exposure to the slowing Chinese economy. The Company believes the declines are short term in nature and are due to the lack of clarity regarding Fed policy and to the focus on China, and not to any increased credit or political risk.

The Company continues to review its investment portfolios under its impairment review policy. Given the unpredictability of market conditions and the significant judgments involved, there is a continuing risk that declines in fair value may occur and other-than-temporary impairments may be recorded in future periods.

4. Goodwill and Intangible Assets

The gross carrying amounts and accumulated amortization for the major intangible asset classes and goodwill at December 31 are as follows:

	2013		2012	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Subscriber relationships	$66,029	$32,440	$65,499	$29,650
Provider networks	7,198	5,838	7,198	5,444
	73,227	$38,278	72,697	$35,094
Goodwill	87,306		86,581	
Total	$160,533		$159,278	

Amortization expense of intangible assets for 2013, 2012, and 2011, was $3,184, $3,189 and $3,221 respectively.

The intangibles are amortized over periods that originally range from 12 to 31 years using the undiscounted cash flow method. Estimated amortization expense for the next five years is as follows: 2014, $2,634; 2015, $2,526; 2016, $2,358, 2017, $2,131 and 2018 $2,034.

5. Property and Equipment

Property and equipment as of December 31 consists of:

	2013	2012
Land and improvements	20,742	18,139
Buildings	101,809	95,299
Furniture, equipment and leasehold improvements	36,345	29,143
Construction in progress and equipment not in service	32,510	6,945
Computer equipment and software internally developed and purchased	137,042	171,830
	328,448	321,356
Less – accumulated depreciation and amortization	(182,085)	(207,079)
	$146,363	$114,277

Depreciation and amortization expense of property and equipment, excluding amortization of intangibles for 2013, 2012 and 2011, was $15,450, $19,313, and $37,115 respectively.

Accumulated amortization for capitalized software and hardware was $128,210 and $161,235 at December 31, 2013 and 2012, respectively. Amortization expense, included in depreciation and amortization

above, for capitalized software and hardware for 2013, 2012 and 2011 was $8,193, $11,983 and $24,626, respectively.

During 2012, the Company sold its Eastowne property and its primary data center property and certain furniture, equipment, software and computer equipment (Weck). At December 31, 2011, these assets were recorded as assets held for sale and were included in Other Current Assets in the Consolidate Balance Sheet. The gain on Eastowne and Weck was $287 and $1,990, respectively.

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. The Company anticipates leaving the Headquarters building in 2015. Plans are being developed for the disposition of the building, but no decisions have been made. The original cost of the Headquarters property was $9,626 and accumulated depreciation at December 31, 2013 was $7,475.

6. Medical and Other Benefits Payable

Activity in the medical and other benefits payable liability is summarized as follows:

	2013	2012
Medical and other benefits payable at beginning of year	$436,372	$387,198
Incurred related to:		
Current year	5,040,151	4,528,963
Prior years	(7,515)	(14,777)
Total incurred	5,032,636	4,514,186
Paid related to:		
Current year	4,597,788	4,106,780
Prior years	401,701	358,200
Total paid	4,999,489	4,464,980
Medical and other benefits payable at end of year	469,519	436,372
Liability for claims processing costs	11,210	8,442
Total	$480,729	$444,814

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately settled. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claims payments becomes known. This information is compared to the originally established year end liability. The favorable development was the result of growth in membership as well as actual claim payment patterns and cost trends differing from those assumed at the time the liability was established for the year ended December 31, 2013. The favorable development in medical claims payable for the year ended December 31, 2012 is primarily attributable to actual claim payment patterns and cost trends differing from those assumed at the time the liability was established.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31:

	2013	2012
Accounts payable	$23,641	$25,731
Accrued salaries and other benefit expenses	86,872	85,100
Other accrued expenses	213,918	234,954
Total	324,431	345,785
Less non-current portion	57,994	87,647
	$266,437	$258,138

A provision for anticipated losses under a contract with a key customer of $19,000 and $66,423, for December 31, 2013 and 2012, respectively, is included in other accrued expenses.

8. Debt

In November 2013, BCBSNC established a line of credit totaling $100,000 which will expire in December 2015 with an interest rate of LIBOR plus fifty basis points and an unused fee of ten basis points quarterly on the amount undrawn. During 2013, no amounts were drawn under this line of credit and at December 31, 2013 there were no amounts outstanding.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, liens, and dispositions. As of December 31, 2013 the Company was in compliance with the covenants and requirements outlined in these agreements.

9. Fair Value Measurements

The following table summarizes fair value measurements by level at December 31 for assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
December 31, 2013	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
US government and agency obligations	$95,756	$83,936	$-	$179,692
State and political subdivisions		1,273,523	-	1,273,523
Corporate fixed income securities		279,020	-	279,020
Commercial mortgage-backed securities		12,412	-	12,412
Residential mortgage-backed securities		11,571	-	11,571
Other fixed income securities		28,552	-	28,552
Total fixed income securities	95,756	1,689,014	-	1,784,770
Investments available-for-sale:				
Equity index mutual funds	1,061,683	-	-	1,061,683
Unaffiliated common stock	165,252	-	-	165,252
Private equity securities	-	-	22,520	22,520
Venture capital investments	-	-	19,805	19,805
Total equity securities	1,226,935	-	42,325	1,269,260
Real estate trust:				
Real estate funds	-	-	147,200	147,200
Total assets	$1,322,691	$1,689,014	$189,525	$3,201,230

	Fair Value Measurements Using			
December 31, 2012	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
US government and agency obligations	$97,827	$100,236	$ -	$198,063
State and political subdivisions	-	1,267,785	-	1,267,785
Corporate fixed income securities	-	334,747	-	334,747
Commercial mortgage-backed securities	-	6,952	-	6,952
Residential mortgage-backed	-	24,072	-	24,072

securities				
Other fixed income securities	-	41,341	-	41,341
Total fixed income securities	97,827	1,775,133	-	1,872,960
Investments available-for-sale:				
Equity index mutual funds	948,244	-	-	948,244
Unaffiliated common stock	82,261	-		82,261
Private equity securities	-	-	12,300	12,300
Venture capital investments	-		5,629	5,629
Total equity securities	1,030,505	-	17,929	1,048,434
Real estate trust:				
Real estate funds	-	-	73,739	73,739
Total assets	$1,128,332	$1,775,133	$91,668	$2,995,133

There were no material transfers between Levels I, II or III during the years ended December 31, 2013 and 2012.

Non-financial assets and liabilities including long-lived assets, goodwill, asset retirement obligations, and certain investments are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

10. Employee Benefit Programs

BCBSNC has a non-contributory qualified defined benefit retirement plan covering a significant number of employees (excluding employees of ACS). Employees hired after December 31, 2005 are not eligible to participate in the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

BCBSNC also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement

BCBSNC provides certain health care and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for health care insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of health care insurance costs and life insurance benefits. BCBSNC funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution during the years 2011 to 2013 to fund the liability for eligible retired employees.

Effective December 31, 2013, the Company has elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a

remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date resulting in an increase in the funded status of the plan of $58.6 million. Additionally, the curtailment impact reduced the projected benefit obligation by $86.8 million. Also as a result of freezing the qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 are age 52 or older with ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined dates in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intend to retire in 2013 prior to the window announcement. The ERW enhancements were considered special termination benefits and they will increase the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by an estimated $25.0 million and $3.2 million, respectively.

The components of the net periodic benefit cost are as follows for the year ended December 31:

	Retirement Benefits						Other Postretirement Benefits		
	Qualified			Non-Qualified					
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Service cost	$15,752	$15,331	$12,972	$2,823	$1,812	$1,387	$2,203	$2,680	$2,272
Interest cost	25,136	25,196	24,904	2,255	2,479	2,366	3,144	3,458	3,562
Expected return on assets	(41,278)	(36,369)	(36,995)	-	-	-	(3,093)	(2,893)	(3,163)
Amortization of prior service cost	317	423	224	97	97	(62)	(461)	(461)	(714)
Amortization of net loss from past experience	10,775	23,216	12,590	1,383	2,090	1,216	999	2,015	1,695
Curtailment gain/loss recognized	2,250	-	-	500	-	-	-	-	-
Special termination	25,004	-	-	-	-	-	3,200	-	-
Net periodic benefit expense (income)	$37,956	$27,797	$13,695	$7,058	$6,478	$4,907	$5,992	$4,799	$3,652

In 2013, 2012 and 2011, the Company recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. Effective June 30, 2013, the loss is amortized over the average life expectancy.

The reconciliations of the benefit obligation as of December 31 are as follows:

	Retirement Benefits				Other Postretirement Benefits	
	Qualified		Non-Qualified			
	2013	2012	2013	2012	2013	2012
Change in benefit obligation:						
Benefit obligation at beginning of year	$629,289	$600,973	$65,733	$59,011	$77,972	$82,795
Service cost earned during the period	15,752	15,330	2,823	1,812	2,203	2,680
Interest cost on benefit obligation	25,136	25,196	2,255	2,479	3,144	3,459
Plan curtailments	(77,588)	-	(9,249)	-	-	-
Special termination benefits	25,004	-	-	-	3,200	-
Loss (gain) from past experience	(76,229)	3,197	(4,073)	3,859	(13,701)	(8,641)
Benefits paid from plan assets	(15,871)	(15,407)	(1,215)	(1,428)	(4,385)	(3,822)
Retiree contributions	-	-	-	-	1,568	1,501

Benefit obligation at end of year	$525,493	$629,289	$56,274	$65,733	$70,001	$77,972

The changes in plan assets are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2013	2012	2013	2012	2013	2012
Change in plan assets:						
Fair value of plan assets at beginning of year	$543,489	$497,316	$ -	$ -	$57,434	$53,756
Actual return on plan assets	87,474	61,580	-	-	5,187	5,928
Company contributions	-	-	1,215	1,428	72	71
Benefits paid	(15,871)	(15,407)	(1,215)	(1,428)	(4,385)	(3,822)
Retiree contributions	-	-	-	-	1,568	1,501
Fair value of plan assets at end of year	$615,092	$543,489	$ -	$ -	$59,876	$57,434

Amounts recognized in the Consolidated Balance Sheets consist of:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2013	2012	2013	2012	2013	2012
Prepaid Asset/(Unfunded liabilities)						
Noncurrent assets	$ 89,599	$ -	$ -	$ -	$ 8,216	$ -
Due within one year	-	-	(1,445)	(1,365)	(794)	(555)
Due after one year	-	(85,800)	(54,829)	(64,368)	(15,341)	(19,982)
Net amount recognized	$89,599	$(85,800)	$(56,274)	$(65,733)	$(7,919)	$(20,537)

Amounts recognized in other comprehensive income (loss) net of income tax that have not been recognized as components of net period benefit costs are as follows:

	2013	2012	2011
Net actuarial gains/(losses)	$92,491	$19,390	$(106,155)
Prior service (costs)	-	-	(2,244)
Items amortized:			
Net actuarial losses	8,552	17,759	10,075
Prior service costs/(credits)	1,757	39	(358)
Net amount recognized in other comprehensive income (loss)	$102,800	$37,188	$(98,682)

The estimated prior service credit and net actuarial loss that will be amortized from AOCI into net periodic benefit expense in 2014 are $404 and $321, respectively.

The accumulated benefit obligation was $525,493 and $547,272 at December 31, 2013 and 2012, for the qualified retirement plan and $56,274 and $55,326 for the non-qualified retirement plans, respectively.

Due to the freeze, there will not be a difference in the accumulated benefit obligation and the projected benefit obligation prospectively.

The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified and non-qualified retirement plans as of a measurement date:

	December 31, 2013	December 31, 2012	December 31, 2011
Discount rate	see detail below	see detail below	4.25%
Long-term rate of return on qualified plan assets	7.00%	7.50%	7.50%
Rate of increase in future compensation level	N/A	4.00%	4.00%

Discount Rate by Benefit Plan

	2013	2012
Qualified	4.85%	4.24%
Nonqualified:		
Partners SERP	4.43%	3.61%
ACS SERP	4.60%	3.68%
Senior SERP	3.32%	2.52%
Restoration SERP	4.70%	3.94%

As a result of the change in Actuarial Consultants, the Company has elected to move to the Mercer Yield Curve in place of the Aon Hewitt AA Only Universe Yield Curve. The Company uses separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2013 and 2012, the combined duration of all plans was 14 years and 18 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

The following table presents assumptions used in determining the accumulated postretirement benefit obligation and the subsequent year's net periodic benefit cost for the other postretirement benefit plans:

	December 31, 2013	December 31, 2012	December 31, 2011
Discount rate	4.71%	4.11%	4.25%
Rate of increase in future compensation level	4.00%	4.00%	4.00%
Expected return on plan assets net of tax	5.50%	5.50%	5.50%

To set the expected return on plan assets for the other postretirement benefit plans, historical markets are studied and long-term relationships between equities and fixed income securities indicate that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The following table presents the medical trend rate used in determining the accumulated postretirement benefit obligation at December 31 for the other postretirement benefit plans:

	2013	2012
Health care cost trend rate assumed for next year:		
Under age 65	8.0%	9.5%
Age 65 and older	8.0%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	5.0%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2027	2020
Age 65 and older	2027	2019

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies. The health care cost trend rate assumption can have a significant effect on the amounts reported. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of fiscal 2013 service and interest cost components	$409	$(316)
Effect on the December 31, 2013 postretirement benefit obligation	$3,838	$(3,139)

Future expected benefit payments and 2014 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
2014	$67,079	$1,445	$3,576
2015	$28,420	$1,524	$3,648
2016	$29,187	$17,322	$3,752
2017	$28,709	$1,806	$3,828
2018	$29,854	$1,877	$3,926
2019-2023	$150,564	$11,454	$21,651
2014 Contributions	$-	$1,445	$794

BCBSNC's benefit plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits			Other Postretirement Benefits		
	Qualified					
	Target	2013	2012	Target	2013	2012
Asset Category:						
Equity securities:						
Mutual funds	-	48%	59%	-	-	-
Common stock	-	3	4	-	51%	51%
Total	45.5%	51%	63%	50% - 60%	51%	51%
Fixed income securities:						
State and U.S. government obligations	-	8	9	-	48	48
Domestic corporate fixed income securities	-	10	14	-	-	-
International corporate fixed income securities	-	2	-	-	-	-
Total	50.0	20	23	40 - 50	48	48
Cash and cash equivalents	2.5	16	1	0 - 3	1	1
Collective trust fund - real estate	-	11	11	-	-	-

Other	2.0	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The BCBSNC Retirement Plan (Plan) was frozen effective December 31, 2013. The Plan investment strategy has switched from total return to liability matching. The Plans funding ratio exceeded 100% at year end and approximately 50% of the portfolio will be transitioned to a liability driven investment strategy (LDI) in 2014. As the Plans funding ratio grows more investments will be allocated to the LDI strategy.

The Plans investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA, employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2013				
Equity securities:				
Common stocks	$20,497	$ -	$ -	$20,497
Mutual funds	295,475	-	-	295,475
Total equity securities	315,972	-	-	315,972
Fixed income securities:				
US Treasury and Agency securities	22,921	-	-	22,921
Domestic corporate fixed income securities	-	57,202	18,911	76,113
Residential mortgage-backed securities	-	21,453	-	21,453
Other	-	9,943	-	9,943
Total fixed income securities	22,921	88,598	18,911	130,430
Cash and cash equivalents	98,724	258	1,918	100,900
Collective trust fund - real estate	-	-	66,470	66,470
Other	-	-	11,550	11,550

Total investments	437,617	88,856	98,849	625,322
Plan receivables	1,214	-	-	1,214
Total assets	438,831	88,856	98,849	626,536
Plan liabilities	(11,444)	-	-	(11,444)
Total net assets	$427,387	$88,856	$98,849	$615,092

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2012				
Equity securities:				
Common stocks	$20,417	$ -	$ -	$20,417
Mutual funds	300,083	-	-	300,083
Total equity securities	320,500	-	-	320,500
Fixed income securities:				
US Treasury and Agency securities	24,364	-	-	24,364
Domestic corporate fixed income securities	-	83,080	-	83,080
International fixed income securities	-	-	-	-
Residential mortgage-backed securities	-	17,012	-	17,012
Other	-	14,985	-	14,985
Total fixed income securities	24,364	115,077	-	139,441
Cash and cash equivalents	3,132	-	7,137	10,269
Collective trust fund - real estate	-	-	58,038	58,038
Other	23,614	-	11,820	35,434
Total investments	371,610	115,077	76,995	563,682
Plan receivables	1,663	-	-	1,663
Total assets	373,273	115,077	76,995	565,345
Plan liabilities	(21,856)	-	-	(21,856)
Total net assets	$351,417	$115,077	$76,995	$543,489

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2013 and 2012 is as follows:

	Cash & Cash Equivalents	**Fixed Income Securities**	**Collective Trust Fund – Real Estate**	**Other**	**Total**
Beginning balance at January 1, 2012	$ -	$16,530	$36,511	$12,000	$65,041
Total gains (losses)					
Realized	(1,409)	393	-	-	(1,016)
Unrealized	-	(495)	4,068	-	3,573
Purchases	82,247	-	17,459	-	99,706
Sales	(73,701)	(16,428)	-	(180)	(90,309)

Ending balance at December 31, 2012	7, 137	-	58,038	11,820	76,995
Total gains (losses)					
Realized	334	-	-	-	334
Unrealized	1,062	-	6,669	-	7,731
Purchases	117,513	19,317	1,763	-	138,593
Sales	(124,128)	(406)	-	(270)	(124,804)
Ending balance at December 31, 2013	$1,918	$18,911	$66,470	$11,550	$98,849

There were no material transfers between Levels I, II or III during the years ended December 31, 2013 and 2012. The following table summarizes fair value measurements by level at December 31 for other postretirement benefit plan assets and liabilities:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Total Fair Value**
December 31, 2013			
Equity securities	$33,336	$ -	$33,336
States and political subdivisions	-	28,428	28,428
Total investments	33,336	28,428	61,764
Plan receivables	425	-	425
Total assets	33,761	28,428	62,189
Plan liabilities	(2,313)	-	(2,313)
Total net assets	$31,448	28,428	$59,876

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Total Fair Value**
December 31, 2012			
Equity securities	$32,419	$ -	$32,419
States and political subdivisions	-	26,518	26,518
Total investments	32,419	26,518	58,937
Plan receivables	423	-	423
Total assets	32,842	26,518	59,360
Plan liabilities	(1,926)	-	(1,926)
Total net assets	$30,916	$26,518	$57,434

Other Employee Benefits

BCBSNC has two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees hired after December 31, 2005 may only participate in the 401(k) Plan. Eligible BCBSNC employees hired prior to December 31, 2005 and participating in the Retirement Savings plan were given the option to

remain in that plan or enroll in the 401(k) Plan. Each plan is nondiscriminatory. Participant pretax and Roth contributions are matched at the rate of 50% of the first 6% of compensation or 100% of the first 6% of compensation, depending upon the plan, subject to certain limitations. Under the 401(k) Plan, a profit sharing contribution is made by the Company in an amount equal to 3% of eligible compensation. The Company's contributions to the plans totaled $19,199, $16,841 and $16,710, for the years ended December 31, 2013, 2012, and 2011, respectively.

In connection with the redesign of the Company's retirement plans, the Retirement Savings Plan will be merged with the redesigned BCBSNC 401(k) Plan effective December 31, 2013. The newly designed 401(k) will be amended to include a new safe harbor matching contribution formula of 100% of the first 4% and 50% of the next 2% of compensation contributed, subject to certain limitations. A profit sharing contribution will be made by the Company in an amount equaling 2% to 5% of eligible compensation, based on the employee's years of service with the Company. Additionally, eligible employees who were participating in the defined benefit pension plan as of December 31, 2013 are also eligible to receive a non-elective contribution ranging from 1% to 8% of eligible compensation for up to 10 years, based on the employee's total years of service with the Company and based on their defined contribution plan participation choice.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $560, $514 and $271, for the years ended December 31, 2013, 2012, and 2011, respectively.

The Company maintains a rabbi trust to account for assets and liabilities under the Company's nonqualified deferred compensation plan. Certain BCBSNC employees are allowed to defer a portion of their compensation until a future date. The deferred compensation plan was amended in 2011 to prevent participation for both the 2011 and 2012 plan years. The deferrals are included in investments with an equal offsetting liability included in postretirement and other retirement benefits. The value of assets accounted for in the rabbi trust are $2,243 and $3,453, at December 31, 2013 and 2012, respectively. In addition, the Company has an arrangement for the Board of Trustees which provide for the deferral of a portion of their compensation until a future date. This deferred compensation arrangement is not included in the assets and liabilities of the rabbi trust. The Company's deferred compensation liability related to this arrangement at December 31, 2013 and 2012 was $532 and $343, respectively.

11. Income Taxes

BCBSNC files a consolidated federal income tax return with its subsidiaries. Current taxes are allocated among all affiliated companies based on a written tax sharing agreement, primarily on a separate company return basis using a wait-and-see method. These agreements have the effect of crediting each separate company within the consolidated group for the use of its net operating or other losses in the year in which the separate company could utilize the losses on a separate company return basis while charging those companies that previously benefited from use of the losses.

The significant components of income tax expense (benefit) in the Consolidated Statements of Comprehensive Income for the years ended December 31 are as follows:

	2013	2012	2011
Current tax expense (benefit):			
Federal	$(13,030)	$24,890	$62,536
State	165	84	80
	(12,865)	24,974	62,616
Deferred tax expense (benefit)	26,716	(28,942)	2,081
Total tax expense (benefit)	$13,851	$(3,968)	$64,697

The differences between taxes computed at the federal statutory rate and recorded income tax expense for the years ended December 31 are as follows:

	2013	2012	2011
Federal tax provision at statutory rate	$37,269	$18,790	$84,633
Tax exempt income	(16,891)	(16,635)	(15,730)
ACA compensation limitation	6,845	1,683	380
Treasury grant in lieu of credit	(6,681)	(6,373)	-
Tax benefit reserve release	(5,553)	-	-
Book gain on stock donated to foundations	(1,941)	-	(4,724)
Other, net	803	(1,433)	138
	$13,851	$(3,968)	$64,697

The components of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2013	2012
Deferred tax assets:		
Insurance reserves and policy acquisition costs	$158,844	$168,375
Impairment of investments	29,905	32,348
Pension transition liability	24,919	111,424
Post and supplemental retirement benefits	14,536	12,600
Charitable contributions carry forward	9,568	5,906
State ASO contract loss accrual	6,650	23,450
Accrued compensation	5,042	7,173
Other	11,740	11,495
	261,204	372,771
Less: Valuation allowance	(1,790)	(1,790)
	$259,414	$370,981
Deferred liabilities:		
Unrealized appreciation on securities	$162,075	$146,397
Pension benefits	52,493	65,778
Internally developed software costs	21,400	-
Investment in State credit funds	16,583	7,862
Acquired intangibles	11,180	12,220
Deferred acquisition cost	6,111	16,024
Depreciation	3,743	4,838
Other	7,009	10,143
	280,594	263,262
Net deferred tax asset (liability)	$(21,180)	$107,719

A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based upon all the available evidence, management recorded a valuation allowance of $1,790 as of December 31, 2013 and 2012. Management believes it is more likely than not that the Company will realize its remaining net deferred tax assets as of the respective balance sheet dates.

As of December 31, 2013, as further described below, certain tax years remain open to examination by the IRS and various state authorities. We have not recorded amounts for uncertain tax positions. The amount of unrecognized tax benefits did not materially change in 2013 and it is not anticipated to change in the next twelve months. However, the ultimate resolution of these items is dependent on a number of factors.

The Company's tax years 2010 through 2012 remain open to examination by the IRS. Mosaic tax year 2010 (disregarded entity effective 2011) remains open to examination by the North Carolina Department of Revenue. ACS tax years 2010 through 2012 remain open to examination by the North Carolina, South Carolina and

Georgia Departments of Revenue. Noble tax years 2010 to 2012 remain open to examination by various state Departments of Revenue.

12. Related Party Transaction

In November 2000, BCBSNC established the Blue Cross Blue Shield of North Carolina Foundation, formerly The North Carolina Health Foundation, (Foundation), a separate, independent, private, non-consolidated not-for-profit organization in North Carolina. The purpose of the Foundation is to provide financial support to improve the health and well being of North Carolinians. The Company received $551, $450 and $858 from the Foundation for salaries and benefits related to certain BCBSNC employees that provide services to the Foundation for the years ended 2013, 2012 and 2011, respectively. In 2013, BCBSNC contributed $10,000 in appreciated securities and donated services of $557, which were included in operating expenses. In 2012, BCBSNC contributed donated services of $558, which were included in operating expenses. In 2011, BCBSNC contributed $10,000 in appreciated securities and donated services of $531, and as a result incurred $10,560 in operating expenses. The Foundation is not a subsidiary of BCBSNC and the financial results of the Foundation are not consolidated with the Company's financial statements. We have no current legal obligations for future commitments to the Foundation, nor are we responsible for losses that may emerge in the Foundation.

In December 2011, BCBSNC established Topaz as a partnership. Its purpose is to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz will be the delivery of a shared technology solution based on The TriZetto Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz is owned by Noble and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of Noble was $5,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC are funding Topaz and its development of a software infrastructure. Once operational, the Company and BCBSKC will additionally become customers of Topaz.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, Noble owns 100% of Topaz after closing. The Company intends to continue funding the development of Topaz.

Topaz is a variable interest entity because its capital contributions are not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions are required to accomplish this endeavor. Additional funding is in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. The Company has concluded that it is not the primary beneficiary of Topaz, because it does not hold the power to direct the activities that most significantly impact Topaz, since it shares a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz is accounted for as an equity method investment. Effective January 23, 2014, with the execution of the Settlement Letter Agreement, prospectively, the Company will consolidate the operations of Topaz based on its 100% ownership. The Company has evaluated this and it does not have a material effect on the operations of the Company. The roll forward below summarizes carrying values and activity for these investments for the years ended December 31, 2013 and December 31, 2012:

	Investment in Topaz	Investment in Research and Development	Total
Balance, December 31, 2011	$5,000	$-	$5,000
Funding	3,207	34,617	37,824
Equity loss	(14,730)	-	(14,730)
Research and development expense	-	(3,291)	(3,291)
Balance, December 31, 2012	$(6,523)	$31,326	$24,803
Funding	3,582	33,569	37,151
Equity loss	(5,630)	-	(5,630)
Research and development expense	-	(2,053)	(2,053)
Balance, December 31, 2013	$(8,571)	$62,842	$54,271

Note: Classified as Noncurrent Other Assets in the Consolidated Balance Sheets.

As of December 31, 2013, the Company's total funding is $92,428 comprised of $11,789 of investments in equity, $68,186 of investments in research and development and $12,453 paid in 2011 for certain license agreements classified as expense. During 2013, an equity loss and research and development expense of $5,630 and $2,053 respectively, were recognized.

13. Commitments and Contingencies

Leases

The Company leases office space and certain computer equipment under non-cancelable operating leases. Related lease expense for 2013, 2012 and 2011 was $2,208, $2,211 and $3,196, respectively.

At December 31, 2013, future lease payments for operating leases with initial or remaining non-cancelable terms of one year or more consisted of the following: 2014, $1,090; 2015, $165; 2016, $0; 2017, $0; and 2018, $0.

Commitments

The Company has a commitment to Topaz to develop a claims processing system. Related funding for 2013, 2012 and 2011 were $37,151, $37,824 and 17,453 respectively.

At December 31, 2013, expected future costs to BCBSNC related to developing Topaz's claims processing system are estimated as follows: 2014, $50,115; 2015, $41,133; 2016, $45,310; 2017, $60,582; and 2018, $67,263.

At December 31, 2013, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2014, $75,847; 2015, $75,847; 2016, $75,847; 2017, $75,847; and 2018, $18,963.

Litigation against the Company

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) regarding a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in seven of the consolidated cases.

The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The Defendants have filed a Motion to Dismiss which is pending.. The Company intends to vigorously defend this litigation.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

Other Contingencies

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

14. Administrative Services

Claims processed for others under contract, which have been excluded from the financial statements, are summarized for the years ended December 31 as follows:

	2013	2012	2011
Claims processed for:			
State of North Carolina	$1,976,797	$1,872,920	$2,039,432
Other self-funded groups	6,301,489	5,948,572	5,632,791
	$8,278,286	$7,821,492	$7,672,223

Administrative fees received for processing these claims totaled $427,548, $427,408 and $448,894 in 2013, 2012 and 2011, respectively. All claims payments are subject to audit by the program administrators. If the program administrators determine that the claims or expenses have not been paid in accordance with the contract, the Company may be required to reimburse the program administrators.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration. As of December 31, 2013 and 2012, the Company has recorded an accrual for anticipated losses for this business of $19,000 and $66,423, respectively. The change in the accrual was the result of expected amortization of $11,900 and a reevaluation of the liability of $35,500.

15. Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) in the Consolidated Balance Sheets consists of the following:

	Unrealized Gains on Securities	Non-credit Component of Other-Than-Temporary Impairment	Qualified Retirement Plans	Post Retirement and Other Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance, December 31, 2010	$143,265	$(81)	$(121,750)	$(23,684)	$(2,250)
Change for 2011	20,466	51	(85,829)	(12,853)	(78,165)
Balance, December 31, 2011	$163,731	$(30)	$(207,579)	$(36,537)	$(80,415)
Change for 2012	108,148	30	29,675	7,513	145,366
Balance, December 31, 2012	$271,879	$-	$(177,904)	$(29,024)	$64,951
Change for 2013	29,118	-	138,681	21,971	189,770
Balance, December 31, 2013	$300,997	$-	$(39,223)	$(7,053)	$254,721

16. Supplemental Statutory Financial Information

The Company is required to file unconsolidated financial statements with, and is subject to exam by, the North Carolina Department of Insurance (NCDOI). These financial statements are presented on the basis of accounting practices prescribed or permitted by the NCDOI.

The NCDOI recognizes only Statutory Accounting Practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The NAIC's Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

A reconciliation of net income – statutory basis for the years ended December 31, 2013, 2012 and 2011 and capital and surplus – statutory basis at December 31, 2013 and 2012 to amounts reported in the accompanying consolidated financial statement follows:

	2013	2012	2011
Consolidated GAAP net income	92,633	$57,655	$177,111
Contract reserve difference	9,544	27,507	19,416
Employee benefit liabilities	(2,995)	2,085	2,047
Income tax	31,586	(24,583)	2,068
Deferred acquisition costs	28,325	11,100	2,574
Subsidiaries' net income	3,752	12,185	(2,386)
Other	17,216	3,173	136
BCBSNC SAP net income	180,061	$89,122	$200,966

(dollars in thousands)

	2013	2012
Consolidated GAAP accumulated capital	2,750,125	$2,467,722
Adjustments:		
Investment carrying value	(65,247)	(169,638)
Subsidiary carrying value	(475)	(437)
Contract reserve	79,550	97,775
Employee benefit liabilities	1,051	316,969
Non-admitted assets	(376,002)	(553,787)
Deferred income taxes	148,711	102,975
Goodwill and intangible assets	(118,179)	(121,011)
Deferred acquisition costs asset	(17,460)	(45,785)
Other	(13,541)	(13,779)
BCBSNC SAP capital and surplus	2,388,533	$2,081,004

The NAIC adopted the RBC for Health Organizations Model Act in 1998. The NCDOI subsequently adopted this act in 2001. Under this act, a company's risk-based capital (RBC) is calculated by applying certain factors to various asset, premium and reserve items. If a company's calculated RBC falls below certain thresholds, regulatory intervention or oversight is required. BCBSNC's RBC level, calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of December 31, 2013 and 2012. The Company is also subject to insurance laws and regulations of the State of North Carolina that include but are not limited to restrictions on dividends, types of investments that insurers are allowed to invest in, and the amount of capital and surplus.

Blue Cross and Blue Shield of North Carolina

Consolidated Financial Statements
December 31, 2014, 2013 and 2012

With Independent Auditor's Report Thereon

Blue Cross and Blue Shield of North Carolina

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McGladrey

Independent Auditor's Report

To the Board of Trustees of
Blue Cross and Blue Shield of North Carolina
Chapel Hill, North Carolina

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Blue Cross and Blue Shield of North Carolina and its subsidiaries which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the years ended December 31, 2014, 2013, and 2012 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Blue Cross and Blue Shield of North Carolina and its subsidiaries as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years ended December 31, 2014, 2013, and 2012 in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Raleigh, North Carolina
March 2, 2015

Member of the RSM International network of independent accounting, tax and consulting firms.

Blue Cross and Blue Shield of North Carolina
Consolidated Balance Sheets
(dollars in thousands)

	As of December 31,	
	2014	**2013**
Assets		
Current assets:		
Cash and cash equivalents	$37,752	$63,212
Investments available for sale, at fair value:		
Fixed income securities	12,587	34,747
Equity securities	1,235,742	1,226,935
Premiums and other receivables, net	538,548	413,597
Affordable Care Act receivables	294,285	-
Income tax receivable	61,969	11,069
Other current assets	99,747	94,369
Total current assets	2,280,630	1,843,929
Investments available for sale, at fair value, less current portion:		
Fixed income securities	1,729,402	1,723,068
Equity securities	126,793	42,325
Real estate funds	173,794	147,200
Property and equipment, net of accumulated depreciation	295,921	146,363
Goodwill	87,097	87,306
Intangible assets, net of accumulated amortization	31,999	34,949
Prepaid pension	36,565	89,599
Deferred acquisition cost, net of accumulated amortization	6,305	17,460
Deferred tax asset	1,861	74,267
Other assets	200,310	148,445
Total assets	$4,970,677	$4,354,911
Liabilities and Accumulated Capital		
Current liabilities:		
Medical and other benefits payable	$744,424	$480,729
Accounts payable and accrued expenses	403,601	266,437
Unearned premiums	142,131	152,599
Book overdrafts	210,834	38,570
Payable for securities	475	200
Contract reserves	70,030	94,968
Current portion of long term debt and line of credit	102,875	-
Deferred tax liability	13,331	95,447
Total current liabilities	1,687,701	1,128,950
Contract reserves, less current portion	301,278	353,114
Pension, postretirement and other retirement benefits	82,774	64,728
Long-term debt, less current portion	161,421	-
Other long-term liabilities	39,130	57,994
Total liabilities	2,272,304	1,604,786
Commitments and contingent liabilities (Notes 10 and 13)		
Accumulated capital:		
Accumulated earnings	2,444,803	2,495,404
Accumulated other comprehensive income	253,570	254,721
Total accumulated capital	2,698,373	2,750,125
Total liabilities and accumulated capital	$4,970,677	$4,354,911

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Comprehensive Income
(dollars in thousands)

	For the Years Ended December 31,		
	2014	**2013**	**2012**
Revenues:			
Premiums	$7,339,580	$5,819,050	$5,246,525
Administrative fees and other revenue	414,727	431,817	435,451
Total operating revenues	7,754,307	6,250,867	5,681,976
Net investment income	101,520	99,549	92,421
Net realized gains on investments	80,092	49,269	21,802
Other-than-temporary impairment losses on investments	-	(1,071)	(23,201)
Other income (loss)	33,107	(6,052)	(10,679)
Total revenues	7,969,026	6,392,562	5,762,319
Expenses:			
Claims and medical expenses	6,407,210	4,998,755	4,516,382
Operating expenses	1,094,160	1,009,548	953,921
Broker commissions	268,844	198,180	166,063
Affordable Care Act fees and premium taxes	251,389	76,223	71,000
Interest expense	13,256	3,372	1,266
Total expenses	8,034,859	6,286,078	5,708,632
Income (loss) before income taxes (benefits)	(65,833)	106,484	53,687
Income taxes (benefits)	(15,232)	13,851	(3,968)
Net income (loss)	(50,601)	92,633	$57,655
Other comprehensive income (net of tax)			
Investments available for sale:			
Unrealized gains arising during period, net of income tax expense of $51,168, $32,548, and $57,744	$95,027	$60,447	$107,239
Amounts reclassified in to earnings, net of income tax expense (benefit) of $(28,032), $(16,869), and $490	(52,060)	(31,329)	909
Net unrealized gain on securities (investing)	42,967	29,118	108,148
Non-credit component of other-than-temporary impairment (losses) on investments, net of income tax expense of $0, $0, and $16	-	-	30
Qualified retirement plan:			
Deferred net actuarial gain (loss) net of income tax expense (benefit) of $(18,084), $73,776, and 15,830	(33,584)	137,012	29,400
Deferred prior service costs, net of income tax expense of $0, $898, and $148	-	1,669	275
Postretirement and other benefit plans:			
Deferred net actuarial gain (loss), net of income tax expense (benefit) of $(3,093), $11,797, and $4,173	(10,272)	21,883	7,749
Deferred prior service credit, net of income tax expense (benefit) of $(142), $48 , and $(127)	(262)	88	(236)
Total other comprehensive income (loss)	(1,151)	189,770	145,366
Total comprehensive income (loss)	$(51,752)	$282,403	$203,021

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statement of Changes in Accumulated Capital
(dollars in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Total Accumulated Capital
Balance, December 31, 2011	$2,345,116	$(80,415)	$2,264,701
Net income	57,655	-	57,655
Other comprehensive income	-	145,366	145,366
Balance, December 31, 2012	$2,402,771	$64,951	$2,467,722
Net income	92,633	-	92,633
Other comprehensive income	-	189,770	189,770
Balance, December 31, 2013	$2,495,404	$254,721	$2,750,125
Net loss	(50,601)	-	(50,601)
Other comprehensive loss	-	(1,151)	(1,151)
Balance, December 31, 2014	$2,444,803	$253,570	$2,698,373

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Cash Flows
(dollars in thousands)

	For the years ended December 31,		
	2014	**2013**	**2012**
Cash flows from operating activities:			
Net income	$(50,601)	$92,633	$57,655
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,312	18,634	22,502
Donation of investments	-	10,000	-
Deferred income taxes	(9,090)	26,715	(28,893)
Net capitalization of deferred acquisition costs	11,155	28,325	11,099
Accretion of discounts and amortization of premiums, net	9,032	6,896	6,186
Net gain (loss) on sale of property and equipment	640	12,186	(1,386)
Net realized gains on disposition of investments	(80,092)	(49,269)	(21,802)
Other-than-temporary impairment losses recognized in earnings	-	1,071	23,201
(Gain) loss on equity affiliates	(22,384)	7,437	18,632
Changes in operating assets and liabilities:			
Premiums and other receivables	(124,951)	(72,711)	11,352
Affordable Care Act receivables	(352,045)	-	-
Prepaid pension asset	53,034	(89,599)	-
Other assets	60,196	(44,332)	(59,891)
Medical and other benefits payable	263,695	35,915	49,945
Contract reserves	(76,774)	(37,161)	(9,032)
Unearned premiums	(10,468)	9,642	(1,414)
Accounts payable and accrued expenses	118,300	(22,568)	98,902
Income taxes receivable/payable	(50,900)	(15,504)	13,608
Pension, postretirement and other retirement benefits	(49,828)	138,258	36,366
Net cash provided by (used in) operating activities	(288,769)	56,568	227,030
Cash flows from investing activities:			
Purchases of investments	(1,045,052)	(554,059)	(730,410)
Sales and maturities of investments	1,040,877	420,045	520,541
Net purchases of property and equipment	(169,351)	(59,722)	(8,025)
Change in receivable/payable for securities	275	(26,954)	16,151
Proceeds from sale of property and equipment	-	-	25,138
Purchase of subsidiary, net of cash received	-	(1,255)	(3,297)
Net cash used in investing activities	(173,251)	(221,945)	(179,902)
Cash flows from financing activities:			
Changes in debt	264,296	-	(165)
Changes in book overdrafts	172,264	(33,491)	152
Net cash provided by (used in) financing activities	436,560	(33,491)	(13)
Net increase (decrease) in cash and cash equivalents	(25,460)	(198,868)	47,115
Cash and cash equivalents at beginning of year	63,212	262,080	214,965
Cash and cash equivalents at end of year	$37,752	$63,212	$262,080
Supplemental disclosure of cash paid for:			
Interest	$13,256	$3,372	$1,266
Income taxes	$37,673	$8,924	$11,586

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Blue Cross and Blue Shield of North Carolina (BCBSNC; we; our; us; the Company) is a health services company domiciled in the state of North Carolina. The membership of BCBSNC and its subsidiaries (collectively the Company) totaled approximately 2.8 million members as of December 31, 2014. Including members served on behalf of other Blue plans, the Company's membership totaled approximately 3.9 million members served as of December 31, 2014. The Company's customers are located primarily in North Carolina, where the Company is licensed and operates. The Company provides a comprehensive spectrum of health benefits products and BCBSNC holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefits offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, Health Savings Account, or HSA, and Medicare Advantage plans. The Company also offers a broad range of health benefits services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical cost management and other administrative services. In addition, the Company offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, vision hardware, mental health, substance abuse, and chiropractic benefits. The Company offers these products and services to large and small employers, groups and government units as well as individuals.

As of December 31, 2014, BCBSNC had five wholly-owned subsidiaries, Mosaic Group Services, LLC ("Mosaic Group"), formerly known as Saegis; Corium, LLC ("Corium"); ACS Benefit Services, Inc. ("ACS"); Mosaic Health Solutions, Inc. ("MHSI") and Corium II, LLC ("Corium II"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Corium owns, operates, and manages office buildings of the Company. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. In 2012, ACS purchased certain assets from Penn-Western Benefits, Inc. ("PWB"), which resulted in additional goodwill and intangibles; PWB provides third party administration services for self-funded group health plans. MHSI holds strategic investments for BCBSNC including healthcare delivery systems such as Topaz Shared Services, LLC ("Topaz"). Corium II owns, operates, and manages unencumbered office buildings of the Company.

During 2013, BCBSNC purchased assets from Triangle Administrators to service student business.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles (GAAP) in the United States (US). Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred acquisition costs, deferred income taxes, fair value of investments, other-than-temporary impairments and other valuation accruals. Actual results could differ materially from those estimates.

The consolidated financial statements include the accounts of BCBSNC and all of its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Certain prior year balances have been reclassified to conform to current year presentation in the accompanying consolidated financial statements. These reclassifications resulted in no change to previously reported amounts of accumulated capital, income before taxes, or net income.

Adoption of New Accounting Pronouncements

Effective January 1, 2014, we adopted the provisions of Accounting Standards Update No. 2011-06, Other Expenses (Topic 720): Fees Paid to the Federal Government by Health Insurers (a consensus of the Financial Accounting Standards Board (FASB) Emerging Issues Task Force), or ASU 2011-06. Health Care Reform imposes a mandatory annual Health Insurance Fee on health insurers that write certain types of health insurance on U.S. risks. The annual fee is allocated to health insurers based on the ratio of the amount of an insurer's net premium revenues written during the preceding calendar year to an adjusted amount of health insurance for all U.S. health risk for those certain lines of business written during the preceding calendar year. The fee is non-deductible for federal income tax purposes. For reporting entities subject to the assessment, the guidance specifies that the liability for the assessment should be estimated and recorded in full once the entity provides qualifying health insurance during the applicable calendar year in which the assessment is payable, with a corresponding deferred cost amortized to expense. The deferred asset is recorded within prepaid expenses on the consolidated balance sheets and is $0 at December 31, 2014. The Company recorded an assessment of $79,491 for 2014, within ACA and premium taxes on the consolidated statements of comprehensive income. The Company assessment, to be paid in September 2015, is expected to be $135,200.

Effective January 1, 2014, we adopted the provisions of Accounting Standards Update No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, or ASU 2013-02. This guidance requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income into net income. The financial statement presentation of this information is also specified. This guidance is effective for the Company's 2014 fiscal year and is adopted in these financial statements.

Newly Issued Accounting Standards

In January 2014, the FASB issued guidance that would allow for an accounting alternative for the subsequent measurement of goodwill. This standard is effective for the Company's 2015 fiscal year and early adoption is permitted. The Company has assessed the effect that the implementation of the new guidance will have and does not intend to adopt the guidance.

In May 2014, the FASB issued guidance that would require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP, except those related to insurance contracts, when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In June 2014, the FASB issued guidance that would eliminate all incremental financial reporting requirements from GAAP for development-stage entities and remove an exception provided for development stage entities in determining whether an entity is a variable interest entity, which may change the consolidation analysis, consolidation decision, and disclosure requirements for a company that has an interest in a company in the development stage. The guidance impacting the consolidation analysis are required to be applied retrospectively and are effective for the Company for annual reporting periods beginning after December 15, 2015. The guidance impacting the consolidation analysis are required to be applied retrospectively and are effective for the Company for annual reporting periods beginning after December 15, 2016. The Company is currently considering the impact this amendment will have on its consolidation analysis related to its investments in certain entities.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain

health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise the vast majority of the fair value of our investments as of December 31, 2014.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of our investment.

We routinely process, store and transmit large amounts of data in our operations, including sensitive personal information as well as proprietary or confidential information relating to our business or third-parties. Some of the data we process, store and transmit may be outside of the U.S. due to third-parties' information technology systems. Notwithstanding our proactive and aggressive measures to prevent security breaches, we still face the risk and subsequent costs of these breaches. We may be subject to breaches of the information technology systems we use. Experienced computer programmers and hackers may be able to penetrate our layered security controls and misappropriate or compromise sensitive personal information or proprietary or confidential information or that of third-parties, create system disruptions or cause shutdowns. They also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our systems or otherwise exploit any security vulnerabilities. Our facilities may also be vulnerable to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs to eliminate or address the foregoing security threats and vulnerabilities before or after a cyber-incident could be significant. Our remediation efforts may not be successful and could result in interruptions, delays, or cessation of service, and loss of existing or potential customers. In addition, breaches of our security measures and the unauthorized dissemination of sensitive personal information or proprietary information or confidential information about us or our customers or other third-parties, could expose our customers' private information and our customers to the risk of financial or medical identity theft, or expose us or other third-parties to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating

agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationships with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu for the operation of our IT systems and are dependent upon them for support functions. We also have agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support as well as vendor dependencies associated with various workflow and transactional systems critical to our operations. Should these vendors be unable to provide their services, we may not be able to meet the demands of our customers and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. A new core operating platform is intended to provide enrollment and claims-processing services. Our internally developed software related to this has been placed in service for our small Group market, with membership increasing as we add new functionality. We are targeting to add functionality for our Individual and Large Group markets for January 1, 2016 effective dates. A key goal is increasing speed to market for new products and product enhancements. Completion of this project could favorably position the company to capture exchange-related business and other business from some of its national competition. However, execution risk is present and the cost of this initiative is substantial and may increase, while the business and operating cost-reduction benefits are unproven.

In addition, federal and state regulatory agencies may further restrict our ability to implement changes in premium rates or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

In addition, during a prolonged unfavorable economic environment, state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state Medicare reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services (“CMS”), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or “pay for performance”, which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed.
Additionally, accountable care organizations; practice management companies (which are companies that aggregate physician practices for administrative efficiency); and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may

change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Since 2010, with the passage of the Patient Protection and Affordable Care Act (ACA or health care reform), health insurance issuers have been feeling the far-reaching effects of subsequent guidance and regulations. The law is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees beginning in 2015 or be required to pay a financial penalty. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry, certain of which are not deductible for income tax purposes.

While many of the law's reforms became effective January 1, 2014, including the individual mandate, the establishment of federally-facilitated or state-based exchanges, and the three premium stabilization programs ("3R's"), many of the implications of the law will not be seen for years to come.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their current pre-ACA plans that are not compliant with health care reform, led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers, across many states, this could result in overall deterioration of the risk pool in ACA compliant plans because more members remain in their current health plans rather than moving to ACA plans on or off the Exchange. The 3R's programs may mitigate this deterioration to some extent.

In addition, the ACA has increased and will continue to increase federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes on all health plans and individuals beginning in 2014.

As discussed above, implementing regulations and related interpretive guidance continue to be issued on certain provisions of the ACA. Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, the ACA has and will change how we do business, with impacts on pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings could cause significant disruption in health care markets. It is possible that health care reform and related regulations, as well as future legislative changes, including legislative restrictions on issuers ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows (including the receipt of amounts due under the 3R's programs in 2015 and future years related to claims paid in 2014).

Federal Congressional activity, budget negotiations, and ongoing regulatory changes to health care reform, and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of the ACA. Examples of this uncertainty include the conflicting decisions issued by the US Courts of Appeals for the District of Columbia Circuit and for the Fourth Circuit regarding whether the IRS can provide tax credits/subsidies to individuals who purchase health insurance through the Federally Facilitated Exchanges/Marketplaces established by the federal government (Exchanges). As a result, in November 2014, the U.S. Supreme Court agreed to hear oral arguments in the King v. Burwell case regarding the current IRS guidance and a decision is expected this June.

In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the risk corridor program required by Health Care Reform will no longer be limited to the aggregate amount of the risk corridor collections received by the U.S. Department of Health and Human Services ("HHS") over the duration of the risk corridor program. However, it is possible that payments to health

plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. We cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations and the proceedings relating to tax credits for Federal Exchange members described above, will change various aspects of Health Care Reform or state level health care reform, nor can we predict the impact those changes will have on our business operations and/or financial results, but the effects could be materially adverse.

Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, health care reform has created new reimbursement timelines for insurers as government subsidies (which comprise over 90% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the third quarter following the coverage year.

As described above, the Company continues to face uncertainty impacting the health insurance industry with the ultimate implementation of the ACA, including the timing of when certain provisions become effective and legislative challenges proposed concerning targeted provisions or the law in totality. There is also uncertainty related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which could impact our financial performance in future periods. The Company will continue to monitor any changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash equivalents totaled $5,296 and $26,385 as of December 31, 2014 and 2013, respectively. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

Included in other noncurrent assets as of both December 31, 2014 and 2013 are restricted money market funds and bonds of $33,008 and $32,998, respectively, which were on deposit with the state of North Carolina in accordance with contractual requirements.

Investments

All investments are categorized as available-for-sale and are recorded at their fair values as of the balance sheet date. The Company records purchases and sales as of the trade date. Fixed income securities are classified as either current or noncurrent assets based on their contractual maturities as well as management's expectations as to when they will be sold. If the Company does not intend to sell the fixed income security, management considers available evidence to assess whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost basis. Equity securities are primarily classified as current as they are available for use for current operations. Certain securities, which are used to satisfy contractual, regulatory or other requirements, continue to be classified as long-term, without regard to contractual maturity. Venture capital investments, real estate funds, private equity funds and private equity securities are classified as noncurrent assets.

Realized gains and losses, including other-than-temporary impairments that are determined to be due to credit, are included in income. Unrealized gains, unrealized losses estimated to be temporary in nature and other-than-temporary impairments determined to be non-credit related, net of deferred income taxes, are reflected in accumulated capital as Accumulated Other Comprehensive Income (loss) (AOCI). Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable

to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

When an other-than-temporary impairment loss is determined to have occurred on equity securities, the losses are recognized in the Consolidated Statements of Comprehensive Income. The way in which impairment losses on fixed income securities are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the Company recognizes an other-than-temporary impairment in the Consolidated Statements of Comprehensive Income for the difference between amortized cost and fair value. If the Company does not expect to recover the amortized cost basis, does not plan to sell the security and if it is not more likely than not that the Company would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the recognition of the other-than-temporary impairment is bifurcated. The Company recognizes the credit loss portion in net income and the noncredit loss portion in AOCI.

The credit component of an other-than-temporary impairment is determined by comparing the net present value of projected future cash flows with the amortized cost basis of the fixed income security. The net present value is calculated by discounting our best estimate of projected future cash flows at the effective interest rate implicit in the fixed income security at the date of acquisition. For mortgage-backed and asset-backed securities, cash flow estimates are based on assumptions regarding the underlying collateral including expected prepayments, vintage, type of underlying asset, geographic concentrations, default rates, recoveries and changes in value of the underlying collateral. For all other fixed income securities, cash flow estimates are driven by assumptions regarding probability of default, including changes in credit ratings, and estimates regarding timing and amount of recoveries associated with a default.

Fair value is determined by quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

Fair Value Measurement

The carrying amounts reported in the Consolidated Balance Sheets for cash, cash equivalents, premiums and other receivables, Affordable Care Act receivables, income tax receivable, unearned premiums, medical and other benefits payable, accounts payable, other assets and accrued expenses, book overdrafts and payables for securities approximate fair value because of the short term nature of these items. These assets and liabilities are not listed in Note 9.

Assets and liabilities recorded at estimated fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

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

Transfers between Levels, if any, are recorded as if they had occurred at the beginning of the reporting period during which the change in method for valuing the underlying assets occurred.

Fair values of fixed income and equity securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, the pricing service uses model processes such as the Option Adjusted Spread model to assess interest rate impact and develop prepayment scenarios.

We perform monthly analysis on the prices received from third parties for our internally managed portfolios to determine whether the prices are reasonable estimates of fair value. Our analysis includes a comparison of prices received from third parties to prices obtained from other sources.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value.

Following is a description of the valuation methodologies used by the Company to value assets, including the pension and postretirement assets, measured at fair value:

Major Category	Valued at
Mutual funds	Net asset value (NAV) of shares which are provided by the administrator of the fund.
State and/or U.S. government obligations and common and/or preferred stock	Closing price reported in the active market in which the individual security is traded. If in an inactive market, based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.
Interest in collective trust funds	NAV of shares which are provided by the administrator of the fund.
Pooled separate accounts	Based on underlying value provided by the fund manager
Partnership	Based on the most recent audited financial results

Major Category	Valued at
Real estate funds	Based on underlying value provided by the fund manager
Private equity funds	Based on underlying value provided by the fund manager
Other investments	Dealer quotes, trade data, two-sided markets institutional bids, comparable trades and/or other news media
Privately held fixed income and equity securities, including venture capital investments	Reviewing the value ascribed to the most recent financing, comparing the security with securities of publicly traded companies in a similar line of business, and/or reviewing the underlying financial performance including estimating discounted cash flows
Fixed income securities including corporate, commercial and residential mortgage backed securities	Closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings or discounted cash flows approach that maximized observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks

The carrying value of corporate-owned life insurance policies is the cash surrender value as reported by the respective insurer.

The fair value of our long-term debt, included in liabilities on the Consolidated Balance Sheets, is based on current market observable rates estimated to be available to us for debt of similar terms and remaining maturities.

Ownership in Investee Companies

The Company had ownership in several investee companies in the amount of $74,765 and $42,778 as of December 31, 2014 and 2013, respectively. Ownership interest amounts ranged from 10% to 50%. The majority of these investments are accounted for on an equity method basis with remaining investments being accounted for using the cost method.

Premiums and Other Receivables

Premiums and other receivables include the uncollected amounts due from insured and self-funded customers and the federal government for amounts related to Medicare Advantage. Also, included in other receivables are the uncollected amounts of drug rebates, interest, certain profit sharing arrangements and other miscellaneous receivables. Premiums and other receivables are reported net of any allowance for uncollectible amounts. The allowance for uncollectible receivables is estimated each period and a valuation allowance is recorded based upon the age of unpaid amounts and other information about the customers as well as management's judgment regarding the ability of the customers to pay outstanding amounts. Estimates of uncollectible accounts receivable are revised each period, and changes are reflected in the operating expense line of the Consolidated Statements of Comprehensive Income in the period they become known.

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts.

Affordable Care Act Risk Management Programs

Beginning in 2014, as prescribed by health care reform, three programs, commonly referred to as the 3R's, went into effect to reduce the risk for participating health insurance companies selling coverage on the public exchanges.

A three-year (2014-2016) reinsurance program is designed to provide reimbursement to insurers for high cost individual business sold on or off the public exchanges. The reinsurance entity established by HHS is funded by a per-customer reinsurance fee assessed on all commercial medical plans, including self-insured group health plans. Only non-grandfathered individual plans are eligible for recoveries if claims exceed a specified threshold, up to a reinsurance cap. Reinsurance contributions associated with non-grandfathered individual plans are reported as a reduction in premium revenue, and estimated reinsurance recoveries are established with an offsetting reduction in medical claims expense. Reinsurance fee contributions for other insured business are reported in other operating expenses. After fully reflecting completed actual claims experience and sufficient claims run-out, development factors were set and used to record the reinsurance receivable. At December 31, 2014, the Company recorded a reinsurance receivable of $247,785.

A permanent risk adjustment program reallocates funds from insurers with lower risk populations to insurers with higher risk populations based on the relative risk scores of participants in non-grandfathered plans in the individual and small group markets, both on and off the exchanges. Based on the risk of our members compared to the risk of other members in the same state and market, considering data obtained from industry studies and our proprietary market data, we estimate our year-to-date risk adjustment. The Company records a risk adjustment receivable or payable, with an offsetting adjustment to premium revenue when the amounts are reasonably estimable and collection is reasonably assured. To determine this amount, consultant results were used with minor adjustments for known membership changes. These results were validated with internal actuarial models. At December 31, 2014, the Company recorded a risk adjustment receivable of $43,460.

A three year (2014-2016) risk corridor program is designed to limit insurer gains and losses by comparing allowable costs to a target amount as defined by HHS. This program applies to individual and small group qualified health plans, operating on and off the exchanges. Variances from the target amount exceeding certain thresholds may result in amounts due to or due from HHS. The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on our year-to-date experience when the amounts are reasonably estimable and collection is reasonably assured. At December 31, 2014, the Company recorded a risk corridor of $121,600.

In December, 2014, the 2015 Continuing Resolution Omnibus Bill was approved by Congress and signed into law. Due to the lack of appropriation in the budget for this program and the likelihood that payments required to be made by CMS will exceed amounts collected to fund the program, the Company has evaluated the collectability of the receivable and determined that it is probable that the 2014 amounts due from CMS will not be fully collected. As a result, the Company has recorded a reserve of $60,800 as of December 31, 2014.

The following is a summary of the 3R's as of December 31, 2014. Amounts are classified as current or long-term in the accompanying consolidated balance sheets based on the timing of expected settlement. No such amounts were recorded at December 31, 2013 as the programs were not effective until January 1, 2014.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$247,785	$43,460	$3,040
Non-current assets	-	-	57,760
Net asset (liability)	$247,785	$43,460	$60,800

In addition to the programs above, another permanent HHS program, beginning in 2014, pays the Company a portion of the health care costs for eligible low-income individual members who are enrolled on the Exchange. Receipts from HHS associated with these cost sharing subsidies exceeded claim payments reimbursable under existing program regulations by $54,789 at December 31, 2014. This obligation is recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Federal Employee Program

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and BCBSA, which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,261,908, $5,752,350 and $5,951,829 as of September 30, 2014, December 31, 2013 and 2012 respectively. The unaudited amounts being held in the contingency reserve are $10,001,371, $9,270,691 and $8,110,075 as of September 30, 2014, December 31, 2013 and 2012, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $8,129, $7,626 and $6,784 as of December 31, 2014, 2013 and 2012, respectively, and are included in other current assets and other current liabilities in the accompanying consolidated balance sheets. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $26,967, $24,063 and $15,199 as of December 31, 2014, 2013 and 2012, respectively, and are included in cash and other non-current liabilities in the accompanying consolidated balance sheets.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, investments and premium and other receivables. All cash equivalents and investments are managed within established guidelines, which provide us diversity among issuers. Concentrations of credit risk with respect to premium and other receivables are related to our large number of payers comprising our customer base and the federal government.

FEP represented approximately 16.6%, 24.2% and 30.4% of accounts receivable as of December 31, 2014, 2013 and 2012, respectively. ACA receivables represented 39.5%, 0% and 0% of accounts receivable as of December 31, 2014, 2013 and 2012, respectively. FEP and Government represented approximately 56.2%, 24.2% and 30.4% of accounts receivable for the years ended December 31, 2014, 2013 and 2012, respectively.

FEP represented approximately 13.1%, 14.4% and 15.6% of net revenue for the years ended December 31, 2014, 2013 and 2012, respectively. FEP and Government revenue represented approximately 44.9%, 32.9% and 30.4% of net revenue for the years ended December 31, 2014, 2013 and 2012, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets, which are 40 to 50 years for buildings, 3 to 10 years for furniture and equipment, and 2 to 10 years for computer equipment and software. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Upon disposition or retirement, assets and related accumulated depreciation accounts are relieved and any related gain or loss is reflected in the Consolidated Statements of Comprehensive Income. Property and equipment is evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

The Company develops software for internal use. Certain costs associated with the development or purchase of internal-use software are capitalized and amortized over the estimated useful lives of the software. All other development costs are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost of acquisition over the fair value of net assets acquired. Intangible assets represent the values assigned to acquired subscriber relationships and provider networks. Intangible assets are recognized as assets apart from goodwill because they meet one of two criteria: the contractual-legal criterion or the separability criterion. Goodwill is evaluated for impairment on an annual basis and more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after completing this assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then proceed to a two-step impairment testing methodology using the income approach (discounted cash flow method). In the first step of this testing methodology, we compare the carrying value of the reporting unit, including goodwill, with its fair value, as determined by its estimated discounted cash flows. If the carrying value of a reporting unit exceeds its fair value, we then complete the second step of the impairment test to determine the amount of impairment to be recognized. In the second step, we estimate an implied fair value of the reporting unit's goodwill by deducting the fair value of all net assets of the reporting unit (including any unrecognized intangible assets, and excluding the goodwill) from its fair value as determined in the first step. Any remaining fair value after assigning fair value to the reporting unit's net assets represents the implied fair value of the goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference in that period. Intangible assets are amortized over their useful lives. Intangible assets are evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the intangible assets' fair value is less than its carrying amount. Based on the results of this assessment, the Company may conduct a quantitative impairment test if the fair value of the intangible assets was determined to be, more likely than not, less than its carrying amount. Recoverability of intangible assets is primarily determined by a comparison of the carrying amount of the assets to future net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During 2014, a goodwill and intangible impairment occurred at ACS. Impairments of goodwill and intangible assets during the years ended December 31, 2014, 2013 and 2012 were $357, $0, and $0, respectively.

Deferred Acquisition Costs

Acquisition costs eligible for deferral consist only of those that are directly related to the successful acquisition of new insurance contracts. Such costs include broker commissions, costs of policy issuance and underwriting and other costs the Company incurs to acquire new business. The Company's policy is to expense, as incurred, acquisition costs related to short-duration health benefit products. These short-duration health benefit policies typically have a one-year term, are billed monthly, and are subject to cancellation upon 30 days written notice by the member or the Company for certain defined reasons.

Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products, when aggregated as blocks of policies, are expected to remain in force for an extended period beyond one year because these contracts are guaranteed renewable and the Company accounts for these policies as long-duration insurance products. As a result, the Company defers acquisition costs and amortizes them over the estimated life of the policies in proportion to the premiums earned. Deferred acquisition costs are regularly reviewed to determine if they are recoverable from future income. As a result of health care reform, the future amortization periods were shortened beginning in 2011. Amortization periods range from 3 to 13 years. This shortening of the amortization period increased amortization expense. For the years ended December 31, 2014, 2013 and 2012, the Company determined deferred acquisition costs to be recoverable. Amortization expense reflected in the Consolidated Statements of Comprehensive Income for each of the years ended December 31, 2014, 2013 and 2012 was $12,841, $42,856 and $27,786, respectively.

Medical and Other Benefits Payable

The reserve for medical and other benefits payable includes management's estimate of the ultimate cost of the claims in process of settlement, claims incurred but not yet reported, and claims adjustment expenses needed to settle these claims.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for medical and other benefits payable are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in medical cost trend and claims payment patterns used in estimating reserves would impact the balance of medical and other benefits payable. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to the Company's actuarial methods in the last three fiscal years.

Book Overdrafts

Under our cash management system, checks issued but not yet presented to banks frequently result in overdraft balances for accounting purposes and are classified as a current liability in the Consolidated Balance Sheets. Changes in book overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Contract Reserves

Contract reserves are established for policies where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related

expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include assumptions such as interest rates, claim trends, persistency, and other assumptions based upon experience modified as necessary to reflect anticipated trends. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA grandfathered products.

These estimates may change as actuarial methods and/or as underlying facts upon which these estimates are based, change. The current portion of contract reserves relates to the estimated amount by which the Company expects claims costs to exceed premiums collected over the next twelve months.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves. During 2014 and 2013, the Company revised the calculation of this liability so that the underlying assumptions were more consistent with the company's developing experience. These changes decreased contract reserves by $50,000 and increased by $25,600 during 2014 and 2013 respectively. The value of the liabilities decreased primarily due to accelerated lapses associated with expected termination of non-health care reform compliant policies by $76,774 in 2014 and $37,161 in 2013.

Premium Deficiency

Premium deficiencies are recognized when it is probable that expected future claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with the consideration of investment income. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2014 and 2013.

Revenue Recognition and Unearned Premiums

Revenue is principally derived from health benefit premiums. Generally, membership contracts have one-year terms. Group contracts are subject to cancellation upon 30 days written notice. Premiums are generally due monthly and are recognized as revenue during the period in which the Company is obligated to provide services or benefits. Amounts that are billed and received but unearned are recorded as unearned premiums. Because employer groups generally provide changes to their eligible member population one month in arrears, each billing includes an adjustment to premiums for the prior month's changes in member status that were not reflected in the original billing. Premium refunds are shown as a reduction in premium.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. The Company estimates Medicare Advantage risk adjustment revenues based upon the data submitted and expected to be submitted to CMS.

Beginning in 2014, HHS pays us a portion of the health care costs for low-income individual members for which we assume no risk in accordance with the Health Care Reform Law. We account for these subsidies as a deposit in our consolidated balance sheets and as a financing activity in our consolidated statements of cash flows. We do not recognize premiums revenue or benefits expense for these subsidies. Receipt and payment activity is recorded in our consolidated balance sheets in other current assets or accounts payable and accrued expenses depending on the balance at the end of the reporting period. Receipts from HHS associated with these cost sharing subsidies for which we do not assume risk were $54,789 higher than claims payments for the year ended December 31, 2014.

Administrative fees include revenue from those group contracts that provide for the group to be at risk for all or, in the case of stop-loss agreements, a portion of its claims experience. These self-funded groups are charged an administrative fee that is based upon the number of members in the group and the group's claims experience. In addition, administrative fees include amounts received for the administration of certain other contracts, including cost plus arrangements. Administrative fees are recognized in accordance with the terms of the Company's contractual relationship with the customer. Administrative fees are included in the administrative fees and other revenue in the Consolidated Statements of Comprehensive Income. All benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are excluded from the claims and medical expenses line of the Consolidated Statements of Comprehensive Income. Reimbursements of all medical benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are also excluded from the operating revenue in the Consolidated Statements of Comprehensive Income.

Medicare Part D Prescription Drug Program

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with the CMS. Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Consolidated Statements of Comprehensive Income as they are reviewed and agreed to by the Company. As of December 31, 2014, years 2006 through 2014 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period. Premiums received in advance are recorded in unearned premiums. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

The Company's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company's annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS's portion of prescription drug costs which exceed the member's out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursements from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company's annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2014 and

2013, the net estimated risk sharing payable with CMS was $0 and $0, respectively. The net estimated subsidies receivable from CMS was $22,167 and $6,444 at December 31, 2014 and 2013, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in premiums and other receivables. Any estimated payables related to the CMS risk sharing or subsidies are included in accounts payable and other accrued expenses.

Accounting for Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. A valuation allowance is recorded to reduce the Company's deferred tax asset to the amount the Company believes is more likely than not to be realized. This determination is based upon a number of assumptions, including: the types of deferred tax assets; the expected reversal patterns and periods of the temporary differences; taxes paid in prior periods available for carry-back claims; estimates of future taxable income; and other significant issues or developments likely to impact the realization of the benefits from the deferred tax assets. If facts are ultimately inconsistent with the Company's expectations, an adjustment to the Company's deferred tax asset may be required in the future. Any such adjustment would be charged or credited to income tax expense in the Consolidated Statements of Comprehensive Income in the period the determination is made.

When tax returns are filed, some positions taken will be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceed the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying Consolidated Balance Sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are charged to income tax expense in the Consolidated Statements of Comprehensive Income.

Employee Benefit Programs

The funded status of the Company's defined benefit pension plans and nonpension postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on estimated compensation levels and current service. For the nonpension postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, which represents the actuarial present value of postretirement benefits attributed to employee services already rendered.

The fair value of plan assets represents the current fair value of cumulative company contributions and investment earnings on those contributions less amounts paid out. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a pension, postretirement and other retirement benefits liability equal to this excess. The current portion of the pension and nonpension postretirement benefit obligations represents the actuarial present value of benefits payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets. Net periodic pension and nonpension postretirement benefit expense (income) is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Certain events, such as changes in employee base, plan amendments and changes in actuarial assumptions, result in a change in the benefit obligation which results in corresponding changes in the gains and losses or prior service costs. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed certain thresholds which are based upon the benefit obligation or the value of plan assets. (Gains) losses and prior service costs (credits) not recognized as a component of net periodic benefit expense (income) in the Consolidated Statements of Comprehensive Income as they arise are recognized as a component of gains (losses) and prior service costs (credits) recognized in AOCI in the Consolidated Statements of Changes in Accumulated Capital. Those (gains) losses and prior service costs (credits) are subsequently amortized and recognized as a component of net periodic benefit expense (income).

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the company, essentially coinciding with the cash contributions to the plans. The expense is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Subsequent Events

Events or transactions that occur after the balance sheet date, but before the financial statements are complete and approved by the BCBSNC Audit Committee (available to be issued), are reviewed by the Company to determine if they are to be recognized.

All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, nonrecognized subsequent events are disclosed to keep the financial statements from being misleading.

The Company has evaluated subsequent events through March 2, 2015, which is the date that the financial statements were available to be issued, for recognition or disclosure in our consolidated financial statements. Effective as of February 2, 2015, the Company underwent a corporate organizational restructuring. BCBSNC now has three wholly-owned subsidiaries: Corium; Corium II; and NobleHealth, Inc. ("Noble"), formerly known as MHSI. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Noble holds non-controlling strategic investments in certain health services companies and has three wholly owned subsidiaries: Mosaic Group; Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); and Topaz. Mosaic Health Solutions has one wholly-owned subsidiary, ACS and also holds non-controlling strategic investments in certain health services companies.

On February 13, 2015, CMS issued guidance superseding previous guidance that permit companies, including BCBSNC, who selected the simplified methodology to switch to the more accurate standard methodology for the 2014 benefit year. Cost-sharing reduction payments for benefit year 2014 will be reconciled for settlement in April 2016. The Company believes that the standard methodology will result in higher, more accurate, payments due to the Company under the program and intends to elect the standard methodology for 2014. The Company is evaluating the impact of this election on its 2015 financial results.

3. Investments

The amortized costs and fair values of investment securities were as follows:

	December 31, 2014				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Component of Other-Than-Temporary Impairments Recognized in AOCI
Fixed income securities:					
U.S. government and agency obligations	$16	$-	$-	$16	$ -
States and political subdivisions	1,206,970	101,554	(1,232)	1,307,292	-
Corporate fixed income securities	200,939	12,244	(731)	212,452	-
Commercial mortgage-backed securities	91,277	294	(213)	91,358	-
Residential mortgage-backed securities	119,953	1,344	(32)	121,265	-
Other fixed income securities	9,607	8	(9)	9,606	-
	1,628,762	115,444	(2,217)	1,741,989	-
Equity securities:					
Equity index mutual funds	668,021	375,288	(16,909)	1,026,400	-
Common stock	170,053	40,089	(800)	209,342	-
Private equity securities	41,079	2,641	(7)	43,713	-
Venture capital investments	83,080	-	-	83,080	-
	962,233	418,018	(17,716)	1,362,535	-
Real Estate					
Real Estate funds	160,841	12,953	-	173,794	-
	$2,751,836	$546,415	$(19,933)	$3,278,318	$-

	December 31, 2013				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Non-Credit Component of Other-Than-Temporary Impairments Recognized in AOCI
Fixed income securities:					
U.S. government and agency obligations	$180,152	$3,181	$(3,641)	$179,692	$ -
States and political subdivisions	1,197,834	61,572	(12,838)	1,246,568	-
Corporate fixed income securities	264,150	16,394	(1,524)	279,020	-
Commercial mortgage-backed securities	11,905	611	(104)	12,412	-
Residential mortgage-backed securities	11,155	640	(224)	11,571	-
Other fixed income securities	26,581	1,972	(1)	28,552	-
	1,691,777	84,370	(18,332)	1,757,815	-
Equity securities:					
Equity index mutual funds	674,520	396,223	(9,060)	1,061,683	-
Common stock	161,640	9,819	(6,207)	165,252	-
Private equity securities	19,918	2,602	-	22,520	-
Venture capital investments	19,805	-	-	19,805	-
	875,883	408,644	(15,267)	1,269,260	-
Real Estate					
Real Estate funds	144,197	3,003	-	147,200	-
	$2,711,857	$496,017	$(33,599)	$3,174,275	$ -

Expected Maturities of Fixed Income Securities

The amortized cost and fair values of fixed income securities, by contractual maturity, as of December 31, 2014, are as follows:

	Amortized Cost	Fair Value
Due in one year or less	$11,894	$12,094
Due after one year through five years	179,599	189,494
Due after five years through ten years	476,213	509,985
Due after ten years	740,218	808,187
	1,407,924	1,519,760
Commercial mortgage-backed securities	91,277	91,358
Residential mortgage-backed securities	119,953	121,265
Other fixed income securities	9,608	9,606
	$1,628,762	$1,741,989

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. As of December 31, 2014 and 2013, 99% and 99.9%, respectively of the fixed income portfolio was held in issues with investment grade credit ratings.

The following is a summary of the sources of net investment income for the year ended December 31:

	2014	2013	2012
Fixed income securities	$68,215	$69,013	$73,891
Equity securities	28,564	27,463	19,734
Cash and cash equivalents	261	502	428
Real estate funds	6,642	4,602	498
Total investment income	103,682	101,580	94,551
Investment expenses	(2,162)	(2,031)	(2,130)
Net investment income	$101,520	$99,549	$92,421

The change in net realized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2014	2013	2012
Gross realized gains on sales:			
Fixed income securities	$20,362	$6,732	$20,732
Equity securities	72,020	46,474	1,885
Total	92,382	53,206	22,617
Gross realized losses on sales:			
Fixed income securities	(1,882)	(3,739)	(810)
Equity securities	(10,408)	(198)	(5)
Total	(12,290)	(3,937)	(815)
Net realized gains	80,092	49,269	21,802
OTTI losses recognized in operations:			
Equity securities	-	(1,071)	(23,201)
Total	-	(1,071)	(23,201)
Net realized gains (losses) including OTTI losses	$80,092	$48,198	$(1,399)

The change in net unrealized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2014	2013	2012
Change in net unrealized gains (losses) on securities:			
Fixed income securities	$49,227	$(106,642)	$29,738
Equity securities	6,925	149,066	136,061
Real estate funds	9,952	2,373	628
	66,104	44,797	166,427
Deferred federal income tax expense	(23,137)	(15,679)	(58,249)
Change in net unrealized gains losses on securities net of income tax	$42,967	$29,118	$108,178

Other-Than-Temporary Impairment

Other-than-temporary impairment losses recognized in income were $0, $1,071 and $23,201, for the years ended December 31, 2014, 2013 and 2012, respectively, and consisted primarily of losses on equity securities.

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

	2014					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	-	-	-	-	-	-
States and political subdivisions	61,175	(946)	15,815	(286)	76,990	(1,232)
Corporate fixed income securities	46,248	(682)	2,587	(49)	48,835	(731)
Commercial mortgage-backed securities	54,835	(213)	-	-	54,835	(213)
Residential mortgage-backed securities	18,593	(32)	-	-	18,593	(32)
Other fixed income securities	3,451	(9)	-	-	3,451	(9)
Equity securities:						
Equity index mutual funds	268,344	(15,329)	9,553	(1,580)	277,897	(16,909)
Common stock	4,855	(217)	8,215	(583)	13,070	(800)
Private equity	553	(7)	-	-	553	(7)
Total	$458,054	$(17,435)	$36,170	$(2,498)	$494,224	$(19,933)

(dollars in thousands)

	2013					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	$95,259	$(3,359)	$13,709	$(282)	$108,968	$(3,641)
States and political subdivisions	242,809	(12,838)	-	-	242,809	(12,838)
Corporate fixed income securities	161,475	(1,524)	-	-	161,475	(1,524)
Commercial mortgage-backed securities	3,207	(104)	-	-	3,207	(104)
Residential mortgage-backed securities	5,224	(76)	2,065	(148)	7,289	(224)
Other fixed income securities	-	-	79	(1)	79	(1)
Equity securities:						
Equity index mutual funds	130,730	(9,060)	-	-	130,730	(9,060)
Common stock	67,730	(6,017)	1,347	(190)	69,077	(6,207)
Total	$706,434	$(32,978)	$17,200	$(621)	$723,634	$(33,599)

Fixed Income Securities – For both 2014 and 2013, the unrealized losses on the Company's fixed income investments were not the result of any credit related issues. In 2014, the unrealized losses on the Company's fixed income investments were mostly attributable to changes in interest rates. All of the issuers have investment grade credit ratings and therefore, the Company believes each issuer will be able to meet the contractual terms of the obligation. At December 31, 2014 and 2013, the Company did not have the intent to sell and it was not more likely than not that the Company would be required to sell the investments before the recovery of its amortized cost basis. The Company therefore did not consider the investments at December 31, 2014 and 2013 to be other-than-temporarily impaired.

Equity Securities – For both 2014 and 2013, the Company's investments in equity securities primarily consists of investments in mutual funds. Various investment lots were below cost at December 31, 2014 and 2013 and were primarily in broadly diversified mutual funds, including index funds, the vast majority of which had been in a loss position less than twelve months. The unrealized losses were primarily in emerging market ETF's and equity mutual funds in 2014 and in international equity mutual funds in 2013. The decline in emerging market equity mutual funds in 2014 was due primarily to concerns over growth in China and to weakness in commodity prices while international equity funds declined in 2013 due to concerns regarding the European economy, together with normal market movements. The unrealized losses in emerging market bond ETF's in 2014 were due to uncertainty concerning Fed interest rate actions and changes in commodity prices. The Company believes the declines are short term in nature and are due to the lack of clarity regarding Fed policy and commodity price changes, and not related to increased credit risk.

The Company continues to review its investment portfolios under its impairment review policy. Given the unpredictability of market conditions and the significant judgments involved, there is a continuing risk that declines in fair value may occur and other-than-temporary impairments may be recorded in future periods.

4. Goodwill and Intangible Assets

The gross carrying amounts and accumulated amortization for the major intangible asset classes and goodwill at December 31 are as follows:

	2014		2013	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Subscriber relationships	$65,881	$35,066	$66,029	$32,440
Provider networks	7,198	6,013	7,198	5,838
	$73,079	$41,079	73,227	$38,278
Goodwill	87,097		87,306	
Total	$160,176		$160,533	

Amortization expense of intangible assets for 2014, 2013, and 2012, was $3,159, $3,184 and $3,189 respectively.

The intangibles are amortized over periods that originally range from 12 to 31 years using the undiscounted cash flow method. Estimated amortization expense for the next five years is as follows: 2015, $2,525; 2016, $2,358; 2017, $2,131; 2018, $2,034 and 2019, $1,943.

The goodwill and intangible assets gross carry amount changes were a result of a valuation analysis which indicated impairment for ACS goodwill and intangible assets.

5. Property and Equipment

Property and equipment as of December 31 consists of:

	2014	2013
Land and improvements	$20,534	$20,742
Buildings	97,374	101,809
Furniture, equipment and leasehold improvements	39,069	36,345
Construction in progress and equipment not in service	35,788	32,510
Computer equipment and software internally developed and purchased	291,786	137,042
	484,551	328,448
Less – accumulated depreciation and amortization	(188,630)	(182,085)
	$295,921	$146,363

Depreciation and amortization expense of property and equipment, excluding amortization of intangibles for 2014, 2013 and 2012, was $19,153, $15,450 and $19,313 respectively.

Accumulated amortization for capitalized software and hardware was $131,020 and $128,210 at December 31, 2014 and 2013, respectively. Amortization expense, included in depreciation and amortization above, for capitalized software and hardware for 2014, 2013 and 2012 was $11,776, $8,193 and $11,983, respectively.

During 2012, the Company sold its Eastowne property and its primary data center property and certain furniture, equipment, software and computer equipment (Weck). The gain on Eastowne and Weck was $287 and $1,990, respectively.

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. The Company anticipates leaving the Headquarters building in 2016. Plans are being developed for the disposition of the building, but no decisions have been made. The original cost of the Headquarters property was $16,470 and accumulated depreciation at December 31, 2014 was $13,504.

At December 31, 2014, the Company capitalized $159,644 of internally developed software related to its core operating platform.

6. Medical and Other Benefits Payable

Activity in the medical and other benefits payable liability is summarized as follows:

	2014	2013
Medical and other benefits payable at beginning of year	$469,519	$436,372
Incurred related to:		
Current year	6,453,468	5,040,151
Prior years	52,578	(7,515)
Total incurred	6,506,046	5,032,636
Paid related to:		
Current year	5,735,535	4,597,788
Prior years	513,347	401,701
Total paid	6,248,882	4,999,489
Medical and other benefits payable at end of year	726,684	469,519
Liability for claims processing costs	17,740	11,210
Total	$744,424	$480,729

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately settled. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claims payments becomes known. This information is compared to the originally established year end liability. The unfavorable development was partially the result of an increase in claims inventories during the fourth quarter of 2013 that was subsequently paid in 2014, increases related to the FEP line which are pass-through in nature, and actual claim payment patterns and cost trends differing from those assumed at the time the liability was established for the year ended December 31, 2013.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31:

	2014	2013
Accounts payable	$22,210	$23,641
Accrued salaries and other benefit expenses	94,847	86,872
Accrued ACA cost sharing reduction	54,789	-
Other accrued expenses	270,885	213,918
Total	442,731	324,431
Less non-current portion	39,130	57,994
	$403,601	$266,437

A provision for anticipated losses under a contract with a key customer of $0 and $19,000 for December 31, 2014 and 2013, respectively, is included in other accrued expenses.

8. Line of Credit and Long-Term Debt

In November 2013, BCBSNC established a revolving line of credit to support our working capital needs. This line of credit, totaling $100,000, will expire in November 2016 with an interest rate of LIBOR plus fifty basis points and an unused fee of ten basis points quarterly on the amount undrawn. Amounts drawn under this line of credit were $100,000 and $0 at December 31, 2014 and 2013, respectively.

In September 2014, Corium entered into a $165,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender. This note is classified as long term in the accompanying consolidated balance sheets

Long-term debt consists of the following at December 31:

	2014	2013
Long-term debt	$164,296	$-
Less current portion of long-term debt	2,875	-
Long-term debt, less current portion	$161,421	$-

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, liens, and dispositions. As of December 31, 2014 the Company was not in compliance with the covenants and requirements outlined in these agreements; however, our lenders granted us a one-time waiver of the EBITDA calculation. As of December 31, 2013, the Company was in compliance with the covenants and requirements outlined in these agreements.

Future maturities of debt are as follows: 2015, $2,875; 2016, $3,010; 2017, $3,136; 2018, $3,267; 2019, $3,403 and thereafter $148,605.

9. Fair Value Measurements

The following table summarizes fair value measurements by level at December 31 for assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
December 31, 2014	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
U.S. government and agency obligations	$ -	$ 16	$ -	$ 16
State and political subdivisions	-	1,307,292	-	1,307,292
Corporate fixed income securities	-	212,452	-	212,452
Commercial mortgage-backed securities	-	91,358	-	91,358
Residential mortgage-backed securities	-	121,265	-	121,265
Other fixed income securities	-	9,606	-	9,606
Total fixed income securities	-	1,741,989	-	1,741,989
Investments available-for-sale:				
Equity index mutual funds	1,026,400	-	-	1,026,400
Unaffiliated common stock	209,342	-	-	209,342
Private equity securities	-	-	43,713	43,713
Venture capital investments	-	-	83,080	83,080
Total equity securities	1,235,742	-	126,793	1,362,535
Real estate trust:				
Real estate funds	-	-	173,794	173,794
Total assets	$1,235,742	$1,741,989	$300,587	$3,278,318

(dollars in thousands)

	Fair Value Measurements Using			
December 31, 2013	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
U.S. government and agency obligations	$95,756	$83,936	$-	$179,692
State and political subdivisions	-	1,273,523	-	1,273,523
Corporate fixed income securities	-	279,020	-	279,020
Commercial mortgage-backed securities	-	12,412	-	12,412
Residential mortgage-backed securities	-	11,571	-	11,571
Other fixed income securities	-	28,552	-	28,552
Total fixed income securities	95,756	1,689,014	-	1,784,770
Investments available-for-sale:				
Equity index mutual funds	1,061,683	-	-	1,061,683
Unaffiliated common stock	165,252	-	-	165,252
Private equity securities	-	-	22,520	22,520
Venture capital investments	-	-	19,805	19,805
Total equity securities	1,226,935	-	42,325	1,269,260
Real estate trust:				
Real estate funds	-	-	147,200	147,200
Total assets	$1,322,691	$1,689,014	$189,525	$3,201,230

There were no material transfers between Levels I, II or III during the years ended December 31, 2014 and 2013.

A reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using Level III inputs for the years ended December 31, 2014 and 2013 is as follows:

	Private Equity	**Venture Capital**	**Real Estate Trust**	**Total**
Beginning balance at January 1, 2013	$12,301	$5,629	$73,739	$91,669
Total gains (losses)				
Recognized in net income	75	178	3,701	3,954
Recognized in AOCI	579	-	2,373	2,952
Purchases, sales, maturities, calls and redemptions	9,565	13,998	67,387	90,950
Ending balance at December 31, 2013	22,520	19,805	147,200	189,525
Total gains (losses)				
Recognized in net income	814	1,066	6,642	8,522
Recognized in AOCI	32	-	9,952	9,984
Purchases, sales, maturities, calls and redemptions	20,347	62,209	10,000	92,556
Ending balance at December 31, 2014	$43,713	$83,080	$173,794	$300,587

The long-term debt, including current portion, at December 31, 2014 measured at fair market value was $173,753, categorized as Level II. The carrying amount of the line of credit in the amount of $100,000 approximates its fair value because of the variable interest rates on the debt instrument.

Non-financial assets and liabilities including long-lived assets, goodwill, asset retirement obligations, and certain investments are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

10. Employee Benefit Programs

BCBSNC has a non-contributory qualified defined benefit retirement plan covering a significant number of employees (excluding employees of ACS). Employees hired after December 31, 2005 are not eligible to participate in the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

BCBSNC also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement

BCBSNC provides certain health care and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for health care insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of health care insurance costs and life insurance benefits. BCBSNC funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution during the years 2012 to 2014 to fund the liability for eligible retired employees.

Effective December 31, 2013, the Company elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. The Company also elected to add an unlimited lump sum distribution option at termination of employment to the qualified defined benefit plan for any participants who were active as of January 1, 2014. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date and the liabilities had decreased as a result of the change in discount rate resulting in an increase in the funded status of the plan of $58.6 million. Additionally, the curtailment impact reduced the projected benefit obligation by $86.8 million. Also as a result of freezing the qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 are age 52 or older with ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined dates in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intended to retire in 2013 prior to the window announcement. The ERW enhancements were considered special termination benefits and increased the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by approximately $25.0 million and $3.2 million, respectively.

In October 2014, the Company offered a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $100.2 million were paid from the qualified retirement plan, with $35.6 million of those lump sum payments attributable to the COW. During 2014 related to the qualified retirement plan, lump sum payments of $100.2 million were paid. Because these payments exceeded the sum of estimated 2014 service and interest costs, settlement accounting was triggered. As a result, $17.6 million of unrecognized actuarial loss associated with the payments was relieved from AOCI and recognized in income.

The components of the net periodic benefit cost are as follows for the year ended December 31:

	Retirement Benefits								
	Qualified			Non-Qualified			Other Postretirement Benefits		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Service cost	$525	$15,752	$15,331	$91	$2,823	$1,812	$1,964	$2,203	$2,680
Interest cost	22,701	25,136	25,196	2,425	2,255	2,479	3,213	3,144	3,458
Expected return on assets	(39,976)	(41,278)	(36,369)	-	-	-	(3,217)	(3,093)	(2,893)
Amortization of prior service cost	-	317	423	-	97	97	(404)	(461)	(461)
Amortization of net loss from past experience	522	10,775	23,216	321	1,383	2,090	-	999	2,015
Curtailment gain/loss recognized	-	2,250	-	-	500	-	-	-	-
Special termination	-	25,004	-	-	-	-	-	3,200	-
Settlement gain/loss recognized	17,595	-	-	-	-	-	-	-	-
Net periodic benefit expense (income)	$1,367	$37,956	$27,797	$2,837	$7,058	$6,478	$1,556	$5,992	$4,799

In 2014, 2013 and 2012, the Company recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. Effective June 30, 2013, the loss is amortized over the average life expectancy.

The reconciliations of the benefit obligation as of December 31 are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2014	2013	2014	2013	2014	2013
Change in benefit obligation:						
Benefit obligation at beginning of year	$525,493	$629,289	$56,274	$65,733	$70,001	$77,972
Service cost earned during the period	525	15,752	91	2,823	1,964	2,203
Interest cost on benefit obligation	22,701	25,136	2,425	2,255	3,213	3,144
Plan curtailments	-	(77,588)	-	(9,249)	-	-
Special termination benefits	-	25,004	-	-	-	3,200
Plan settlement……	(100,220)	-	-	-	-	-
Loss (gain) from past experience	87,047	(76,229)	5,130	(4,073)	11,280	(13,701)
Benefits paid from plan assets	(18,219)	(15,871)	(1,571)	(1,215)	(4,573)	(4,385)
Retiree contributions	-	-	-	-	1,822	1,568
Benefit obligation at end of year	$517,327	$525,493	$62,349	$56,274	$83,707	$70,001

The changes in plan assets are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2014	2013	2014	2013	2014	2013
Change in plan assets:						
Fair value of plan assets at beginning of year	$615,092	$543,489	$-	$ -	$59,876	$57,434
Actual return on plan assets	57,239	87,474	-	-	5,709	5,187
Company contributions	-	-	1,571	1,215	698	72
Benefits paid	(18,219)	(15,871)	(1,571)	(1,215)	(4,573)	(4,385)
Plan settlement..	(100,220)	-	-	-	-	-
Retiree contributions	-	-	-	-	1,822	1,568
Fair value of plan assets at end of year	$553,892	$615,092	$-	$ -	$63,532	$59,876

Amounts recognized in the Consolidated Balance Sheets consist of:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2014	2013	2014	2013	2014	2013
Prepaid Asset/(Unfunded liabilities)						
Noncurrent assets	$36,565	$ 89,599	$-	$ -	$-	$ 5,740
Due within one year	-	-	(1,530)	(1,445)	(535)	(794)
Due after one year	-	-	(60,819)	(54,829)	(19,640)	(15,071)
Net amount recognized	$36,565	$89,599	$(62,349)	$(56,274)	$(20,175)	$(10,125)

Amounts recognized in other comprehensive income (loss) net of income tax that have not been recognized as components of net period benefit costs are as follows:

	2014	2013	2012
Net actuarial gains/(losses)	$(54,406)	$92,491	$19,390
Prior service (costs)	-	-	-
Items amortized:			
Net actuarial losses	11,985	8,552	17,759
Prior service costs/(credits)	(263)	1,757	39
Net amount recognized in other comprehensive income (loss)	$(42,684)	$102,800	$37,188

The estimated prior service credit and net actuarial loss that will be amortized from AOCI into net periodic benefit expense in 2015 are $(235) and $2,894, respectively.

The accumulated benefit obligation was $517,327 and $525,493 at December 31, 2014 and 2013, for the qualified retirement plan and $62,349 and $56,274 for the non-qualified retirement plans, respectively.

Due to the freeze, there will not be a difference in the accumulated benefit obligation and the projected benefit obligation prospectively.

The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified and non-qualified retirement plans as of a measurement date:

	December 31, 2014	December 31, 2013	December 31, 2012
Discount rate	see detail below	see detail below	see detail below
Long-term rate of return on qualified plan assets	6.50%	7.00%	7.50%
Rate of increase in future compensation level	N/A	N/A	4.00%

Discount Rate by Benefit Plan

	2014	2013
Qualified	3.90%	4.85%
Nonqualified:		
Partners SERP	3.56%	4.43%
ACS SERP	3.53%	4.60%
Senior SERP	2.88%	3.32%
Restoration SERP	3.93%	4.70%

As a result of the change in Actuarial Consultants, the Company elected in 2013 to move to the Mercer Yield Curve in place of the Aon Hewitt AA Only Universe Yield Curve. The Company uses separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve

corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2014 and 2013, the combined duration of all plans was 14 years and 14 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale. This change resulted in an increase of this benefit obligation in 2014.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

The following table presents assumptions used in determining the accumulated postretirement benefit obligation and the subsequent year's net periodic benefit cost for the other postretirement benefit plans:

	December 31, 2014	December 31, 2013	December 31, 2012
Discount rate	3.95%	4.71%	4.11%
Rate of increase in future compensation level	4.00%	4.00%	4.00%
Expected return on plan assets net of tax	5.50%	5.50%	5.50%

To set the expected return on plan assets for the other postretirement benefit plans, historical markets are studied and long-term relationships between equities and fixed income securities indicate that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The following table presents the medical trend rate used in determining the accumulated postretirement benefit obligation at December 31 for the other postretirement benefit plans:

	2014	2013
Health care cost trend rate assumed for next year:		
Under age 65	7.9%	8.0%
Age 65 and older	7.9%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2027	2027
Age 65 and older	2027	2027

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies. The health care cost trend rate assumption can have a significant effect on the amounts reported. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of fiscal 2014 service and interest cost components	$306	$(242)
Effect on the December 31, 2014 postretirement benefit obligation	$6,759	$(5,336)

Future expected benefit payments and 2015 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
2015	$24,768	$1,530	$2,923
2016	$25,077	$18,095	$3,138
2017	$24,720	$1,892	$3,329
2018	$25,169	$1,978	$3,542
2019	$25,543	$2,294	$3,774
2020-2024	$132,422	$12,853	$22,102
2015 Contributions	$-	$-	$535

BCBSNC's benefit plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2014	2013	Target	2014	2013
Asset Category:						
Equity securities:						
Mutual funds	-%	29%	48%	-%	-%	-%
Common stock	-	3	3	-	51%	51%
Total	35%	32%	51%	50% -60 %	51%	51%
Fixed income securities:						
State and U.S. government obligations	-	29	8	-	49	48
Domestic corporate fixed income securities	-	34	10	-	-	-
International corporate fixed income securities	-	-	2	-	-	-
Total	63	63	20	40-50	49	48
Cash and cash equivalents	2	3	16	0-3	-	1
Collective trust fund - real estate	-	-	11	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The BCBSNC Retirement Plan (Plan) was frozen effective December 31, 2013. The Plan investment strategy has switched from total return to liability matching. The Plans funding ratio exceeded 100% at year end and approximately 50% of the portfolio was transitioned to a liability driven investment strategy (LDI) in 2014. As the Plans funding ratio grows, more investments will be allocated to the LDI strategy.

The Plans investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA, employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state

allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2014				
Equity securities:				
Common stocks	$57,160	$ -	$ -	$57,160
Mutual funds	116,946	-	49,822	166,768
Total equity securities	174,106	-	49,822	223,928
Fixed income securities:				
U.S. Treasury and agency securities	73,027	22,027	-	95,054
States and political subdivisions	-	16,099	-	16,099
Corporate fixed income securities	-	184,785	-	184,785
Residential mortgage-backed securities	-	3,308	-	3,308
Total fixed income securities	73,027	226,219	-	299,246
Cash and cash equivalents	17,118	-	-	17,118
Other	-	87	11,310	11,397
Total investments	264,251	226,306	61,132	551,689
Plan receivables	2,612	-	-	2,612
Total assets	266,863	226,306	61,132	554,301
Plan liabilities	(249)	(104)	(55)	(409)
Total net assets	$266,614	$226,202	$61,077	$553,892

(dollars in thousands)

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2013				
Equity securities:				
Common stocks	$20,497	$ -	$ -	$20,497
Mutual funds	295,475	-	-	295,475
Total equity securities	315,972	-	-	315,972
Fixed income securities:				
U.S. Treasury and agency securities	22,921	-	-	22,921
Domestic corporate fixed income securities	-	57,202	18,911	76,113
International fixed income securities	-	-	-	
Residential mortgage-backed securities	-	21,453	-	21,453
Other	-	9,943	-	9,943
Total fixed income securities	22,921	88,598	18,911	130,430
Cash and cash equivalents	98,724	258	1,918	100,900
Collective trust fund - real estate	-	-	66,470	66,470
Other	-	-	11,550	11,550
Total investments	437,617	88,856	98,849	625,322
Plan receivables	1,214	-	-	1,214
Total assets	438,831	88,856	98,849	626,536
Plan liabilities	(11,444)	-	-	(11,444)
Total net assets	$427,387	$88,856	$98,849	$615,092

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2014 and 2013 is as follows:

	Cash & Cash Equivalents	**Fixed Income Securities**	**Collective Trust Fund – Real Estate**	**Other**	**Total**
Beginning balance at January 1, 2013	$ 7, 137	$-	$58,038	$11,820	$76,995
Total gains (losses)					
Realized	334	-	-	-	334
Unrealized	1,062	-	6,669	-	7,731
Purchases	117,513	19,317	1,763	-	138,593
Sales	(124,128)	(406)	-	(270)	(124,804)
Ending balance at December 31, 2013	1,918	18,911	66,470	11,550	98,849
Total gains (losses)					
Realized	-	800	6,193	-	6,993
Unrealized	-	2,394	(4,121)	-	(1,727)
Purchases	56,348	36,504	598	-	93,450
Sales	(58,266)	(8,787)	(69,140)	(240)	(136,433)
Ending balance at December 31, 2014	$-	$49,822	$-	$11,310	$61,132

There were no material transfers between Levels I, II or III during the years ended December 31, 2014 and 2013. The following table summarizes fair value measurements by level at December 31 for other postretirement benefit plan assets and liabilities:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2014			
Equity securities	$32,101	$-	$32,101
States and political subdivisions	-	31,332	31,332
Total investments	32,101	31,332	63,433
Plan receivables	465	-	465
Total assets	32,566	31,332	63,898
Plan liabilities	(366)	-	(366)
Total net assets	$32,200	$31,332	$63,532

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2013			
Equity securities	$33,336	$ -	$33,336
States and political subdivisions	-	28,428	28,428
Total investments	33,336	28,428	61,764
Plan receivables	425	-	425
Total assets	33,761	28,428	62,189
Plan liabilities	(2,313)	-	(2,313)
Total net assets	$31,448	$ 28,428	$59,876

Other Employee Benefits

Effective January 1, 2014, BCBSNC sponsors a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and transition contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Employee and Company contributions are subject to certain regulatory limits and service conditions.

Prior to January 2014, BCBSNC sponsored two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees were permitted to contribute pretax and Roth contributions that were matched at the rate of 50% of the first 6% of compensation contributed or 100% of the first 6% of compensation contributed, depending on the plan. Additional Company contributions to the 401(k) Plan included a profit sharing contribution in an amount equal to 3% of eligible compensation. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $31,249, $19,199 and $16,841, for the years ended December 31, 2014, 2013 and 2012, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $1,427, $560 and $514, for the years ended December 31, 2014, 2013 and 2012, respectively.

The Company maintains a rabbi trust to account for assets and liabilities under the Company's nonqualified deferred compensation plan. Certain BCBSNC employees are allowed to defer a portion of their compensation until a future date. The deferred compensation plan was amended in 2011 to prevent participation for both the 2011 and 2012 plan years. The deferrals are included in investments with an equal offsetting liability included in postretirement and other retirement benefits. The value of assets accounted for in the rabbi trust are $1,343 and $2,243 at December 31, 2014 and 2013, respectively. In addition, the Company has an arrangement for the Board of Trustees which provide for the deferral of a portion of their compensation until a future date. This deferred compensation arrangement is not included in the assets and liabilities of the rabbi trust. The Company's deferred compensation liability related to this arrangement at December 31, 2014 and 2013 was $483 and $532, respectively.

11. Income Taxes

BCBSNC files a consolidated federal income tax return with its subsidiaries. Current taxes are allocated among all affiliated companies based on a written tax sharing agreement, primarily on a separate company return basis using a wait-and-see method. These agreements have the effect of crediting each separate company within the consolidated group for the use of its net operating or other losses in the year in which the separate company could utilize the losses on a separate company return basis while charging those companies that previously benefited from use of the losses.

The significant components of income tax expense (benefit) in the Consolidated Statements of Comprehensive Income for the years ended December 31 are as follows:

	2014	2013	2012
Current tax expense (benefit):			
Federal	$(6,259)	$(13,030)	$24,890
State	117	165	84
	(6,142)	(12,865)	24,974
Deferred tax expense (benefit)	(9,090)	26,716	(28,942)
Total tax expense (benefit)	$(15,232)	$13,851	$(3,968)

The differences between taxes computed at the federal statutory rate and recorded income tax expense for the years ended December 31 are as follows:

	2014	2013	2012
Federal tax provision at statutory rate	$(23,041)	$37,269	$18,790
Tax exempt income	(18,459)	(16,891)	(16,635)
ACA insurer fee	27,822	-	-
ACA compensation limitation	4,786	6,845	1,683
Treasury grant in lieu of credit	(6,857)	(6,681)	(6,373)
Basis 2014 renewable energy credit	16,251	-	-
2014 renewable energy credit	(15,513)	-	-
Tax benefit reserve release	-	(5,553)	-
Book gain on stock donated to foundations	-	(1,941)	-
Other, net	(221)	803	(1,433)
	$(15,232)	$13,851	$(3,968)

The components of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2014	2013
Deferred tax assets:		
Insurance reserves and policy acquisition costs	$128,355	$158,844
NOL carryforward	59,987	-
Pension transition liability	48,675	24,919
Impairment of investments	24,800	29,905
Federal credit carryforward	17,098	-
Post and supplemental retirement benefits	14,010	14,536
Charitable contributions carry forward	9,827	9,568
Accrued compensation	3,529	5,042
Accrued ACA reinsurance fees	4,093	-
Equity method investment earnings	1,043	151
State ASO contract loss accrual	-	6,650
Other	13,028	11,589
	324,445	261,204
Less: Valuation allowance	(1,790)	(1,790)
	$322,655	$259,414
Deferred liabilities:		
Unrealized appreciation on securities	$185,212	$162,075
Internally developed software costs	61,942	21,400
Pension benefits	52,015	52,493
Investment in State credit funds	11,737	16,583
Acquired intangibles	10,285	11,180
Deferred acquisition cost	2,207	6,111
Depreciation	1,333	3,743
Other	9,394	7,009
	334,125	280,594
Net deferred tax asset (liability)	$(11,470)	$(21,180)

A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based upon all the available evidence, management recorded a valuation allowance of $1,790 as of December 31, 2014 and 2013. Management believes it is more likely than not that the Company will realize its remaining net deferred tax assets as of the respective balance sheet dates.

As of December 31, 2014, we have a federal income tax net operating loss (NOL) carryforward of $171,392 and federal credit carryforwards in the amount of $17,098, both of which will expire on December 31, 2034. In addition, we have an AMT credit carryforward in the amount of $2,435 which can be used to offset regular tax in future years without expiration.

As of December 31, 2014, as further described below, certain tax years remain open to examination by the IRS and various state authorities. We have not recorded amounts for uncertain tax positions. The amount of unrecognized tax benefits did not materially change in 2014 and it is not anticipated to change in the next twelve months. However, the ultimate resolution of these items is dependent on a number of factors.

The Company's tax years 2011 through 2013 remain open to examination by the IRS. ACS tax years 2011 through 2013 remain open to examination by the North Carolina, South Carolina and Georgia Departments of Revenue. Noble tax years 2011 to 2013 remain open to examination by various state Departments of Revenue.

12. Related Party Transactions

In November 2000, BCBSNC established the Blue Cross Blue Shield of North Carolina Foundation, formerly The North Carolina Health Foundation (Foundation), a separate, independent, private, non-consolidated not-for-profit organization in North Carolina. The purpose of the Foundation is to provide financial support to improve the health and well being of North Carolinians. The Company received $704, $551 and $450 from the Foundation for salaries and benefits related to certain BCBSNC employees that provide services to the Foundation for the years ended 2014, 2013 and 2012, respectively. In 2014, BCBSNC contributed $0 in appreciated securities and donated services of $510, which were included in operating expenses. In 2013, BCBSNC contributed $5,000 in appreciated securities and donated services of $557, which were included in operating expenses. In 2012, BCBSNC contributed $5,000 in appreciated securities and donated services of $558, which were included in operating expenses. The Foundation is not a subsidiary of BCBSNC and the financial results of the Foundation are not consolidated with the Company's financial statements. We have no current legal obligations for future commitments to the Foundation, nor are we responsible for losses that may emerge in the Foundation.

In December 2011, BCBSNC established Topaz as a partnership. Its purpose was to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz was delivery of a shared technology solution based on The TriZetto Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz was owned by MHSI and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of MHSI was $5,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC were funding Topaz and its development of a software infrastructure. The Company and BCBSKC planned to become customers of Topaz as software was placed in service. Topaz was a variable interest entity because its capital contributions were not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions were required to accomplish this endeavor. Additional funding was in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. Through January 23, 2014, the Company has concluded that it was not the primary beneficiary of Topaz, because it did not hold the power to direct the activities that most significantly impact Topaz, since it shared a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz was accounted for as an equity method investment for the years ended December 31, 2013 and December 31, 2012.

During 2013, the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, MHSI acquired the 50% voting interest from BCBSKC and prospectively, the Company consolidated the operations of Topaz based on its 100% ownership. The Company intends to continue funding the development of Topaz.

Effective January 23, 2014, the Company acquired the BCBSKC investment interest by assuming certain liabilities valued at approximately $11.5 million. As a result, the Company recognized the following assets acquired and liabilities assumed related to Topaz: cash $4.3 million, accounts receivable $31.8 million, prepaid expenses $0.2 million, internally developed software $52.9 million, prepaid software licenses $15.2 million, accounts payable $15.2 million, and research and development liability $66.1 million. Additionally, the Company's existing investment in Topaz was revalued to fair value at the date of acquisition. This resulted in the recognition of a $20.1 million gain recorded in Other income of the Consolidated Statements of Comprehensive Income. Had Topaz been consolidated with the Company for the years ended December 31, 2013 and 2012, the Topaz revenues included would have totaled $0.1 million and $0.0 million, respectively, and the net loss included would have totaled $10.9 million and $29.4 million, respectively.

13. Commitments and Contingencies

Leases

The Company leases office space and certain computer equipment under non-cancelable operating leases. Related lease expense for 2014, 2013 and 2012 was $2,591, $2,567 and $2,494, respectively.

At December 31, 2014, future lease payments for operating leases with initial or remaining non-cancelable terms of one year or more consisted of the following: 2015, $2,847; 2016, $2,653; 2017, $2,497; 2018, $2,097; and 2019, $200.

Commitments

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2014, 2013 and 2012 were $24,673, $23,521 and $23,900 respectively.

At December 31, 2014, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2015, $112,388; 2016, $112,388; 2017, $28,097; 2018, $0; and 2019, $0.

Litigation against the Company

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) regarding a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in seven of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

Other Contingencies

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

14. Administrative Services

Claims processed for others under contract, which have been excluded from the financial statements, are summarized for the years ended December 31 as follows:

	2014	2013	2012
Claims processed for:			
State of North Carolina	$1,951,133	$1,976,797	$1,872,920
Other self-funded groups	6,403,205	6,301,489	5,948,572
	$8,354,338	$8,278,286	$7,821,492

Administrative fees received for processing these claims totaled $410,846, $427,548 and $427,408 in 2014, 2013 and 2012, respectively. All claims payments are subject to audit by the program administrators. If the program administrators determine that the claims or expenses have not been paid in accordance with the contract, the Company may be required to reimburse the program administrators.

The Company's ASO business includes a multi-year agreement with a key customer. The Company had anticipated ultimate future revenues would be less than the anticipated cost of administration. As of December 31, 2014 and 2013, the Company has recorded an accrual for anticipated losses for this business of $0 and $19,000, respectively. The change in the accrual was the result of expected amortization of $19,000.

15. Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) in the Consolidated Balance Sheets consists of the following:

	Unrealized Gains on Securities	Non-credit Component of Other-Than-Temporary Impairment	Qualified Retirement Plans	Post Retirement and Other Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance, December 31, 2011	$163,731	$(30)	$(207,579)	$(36,537)	$(80,415)
Change for 2012	108,148	30	29,675	7,513	145,366
Balance, December 31, 2012	$271,879	$-	$(177,904)	$(29,024)	$64,951
Change for 2013	29,118	-	138,681	21,971	189,770
Balance, December 31, 2013	$300,997	$-	$(39,223)	$(7,053)	$254,721
Change for 2014	42,967	-	(33,584)	(10,534)	(1,151)
Balance, December 31, 2014	$343,964	$-	$(72,807)	$(17,587)	$253,570

16. Supplemental Statutory Financial Information

The Company is required to file unconsolidated financial statements with, and is subject to exam by, the North Carolina Department of Insurance (NCDOI). These financial statements are presented on the basis of accounting practices prescribed or permitted by the NCDOI.

The NCDOI recognizes only Statutory Accounting Practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The NAIC's Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

A reconciliation of net income – statutory basis for the years ended December 31, 2014, 2013 and 2012 and capital and surplus – statutory basis at December 31, 2014 and 2013 to amounts reported in the accompanying consolidated financial statement follows:

	2014	2013	2012
Consolidated GAAP net income	$(50,601)	$92,633	$57,655
Contract reserve difference	(71,886)	9,544	27,507
Employee benefit liabilities	(4,386)	(2,995)	2,085
Income tax	(11,260)	31,586	(24,583)
Deferred acquisition costs	6,056	28,325	11,100
Subsidiaries' net income	(8,177)	3,752	12,185
Other	2,677	17,216	3,173
BCBSNC SAP net income	$(137,577)	$180,061	$89,122

	2014	2013
Consolidated GAAP accumulated capital	$2,698,373	$2,750,125
Adjustments:		
Investment carrying value	(117,860)	(65,247)
Subsidiary carrying value	(1,327)	(475)
Contract reserve	91,300	79,550
Employee benefit liabilities	498	1,051
Non-admitted assets	(405,422)	(376,002)
Deferred income taxes	167,786	148,711
Goodwill and intangible assets	(115,695)	(118,179)
Deferred acquisition costs asset	(11,404)	(17,460)
Other	(7,934)	(13,541)
BCBSNC SAP capital and surplus	$2,298,315	$2,388,533

The NAIC adopted the RBC for Health Organizations Model Act in 1998. The NCDOI subsequently adopted this act in 2001. Under this act, a company's risk-based capital (RBC) is calculated by applying certain factors to various asset, premium and reserve items. If a company's calculated RBC falls below certain thresholds, regulatory intervention or oversight is required. BCBSNC's RBC level, calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of December 31, 2014 and 2013. The Company is also subject to insurance laws and regulations of the State of North Carolina that include but are not limited to restrictions on dividends, types of investments that insurers are allowed to invest in, and the amount of capital and surplus.

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ANNUAL STATEMENT

For the Year ended December 31, 2014

of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code.... , NAIC Company Code..... 54631 Employer's ID Number..... 56-0894904
(Current Period) (Prior Period)

Organized under the Laws of North Carolina State of Domicile or Port of Entry North Carolina Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 Commenced Business..... January 1, 1968

Statutory Home Office	5901 Chapel Hill Blvd….. Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	5901 Chapel Hill Blvd….. Durham ..... NC .....27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291….. Durham ..... NC ..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	5901 Chapel Hill Blvd….. Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)*
	tom.krebs@bcbsnc.com *(E-Mail Address)*	919-765-7107 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. James Bradley Wilson	President & Chief Executive Officer	2. Maureen Kelley O'Connor #	EVP, Diversified Businesses
3. Alan Hughes	EVP, Chief Operating Officer	4. Gerald Allan Petkau	SVP, Chief Financial Officer

OTHER

John Thomas Roos #	SVP, Sales, Marketing & Communications	Fara Marie Palumbo	SVP, Chief Human Resources Officer
Nathan King Prather	SVP, General Counsel & Corporate Secretary	Jogenia Harrell Abernathy	Chief Information Officer
Daniel Fulton Atherton #	VP, Federal Programs	Joseph Bastante #	VP, Enterprise Architecture & Strategy
Gary Paul Bolt #	VP, Individual Under 65/Small Group Segments	Andrew Benjamin Brynes #	VP, Business Development
Barbara Morales-Burke	VP, Health Policy & Chief Compliance Officer	Lisa Lindoe Cade #	Chief Service Operations Officer
Brian James Caveney	VP, Sales Consultation & Support	Robert Gayle Cimo, Jr	VP & Deputy General Counsel & Assistant Corporate Secretary
Kenneth Steven Crist #	VP, Group Segment	Diane Grace DeGroff	VP, Enterprise Sourcing Governance
James Patrick Emmons	VP, Expense Analysis and Workplace Resources	Robert Mark Fleming #	VP, Government Affairs
John Hock-Kong Fong #	Executive Medical Director, Healthcare Operations	Katrina Ilene Gesh #	VP, Federal Segment
Patrick Kim Getzen #	Chief Actuary	Robert Taylor Gofourth #	VP, Operational Strategy and Performance

DIRECTORS OR TRUSTEES

Lars Steven Nelson, Chairman	James Bradley Wilson	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Frank Brown Holding, Jr.	William Hardy Bryan	Harold Lee Martin, Sr., Ph.D.
Cecil Daryl Hollis	John Onslow McNairy	Jimmy Walker Phillips	Lisa Anne Carey, MD
Anita Rose Brown-Graham #			

State of..... North Carolina
County of.....Orange

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

(Signature)	(Signature)	(Signature)
James Bradley Wilson	Nathan King Prather	Gerald Allan Petkau
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	SVP, General Counsel & Corporate Secretary	SVP, Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

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 _____

OTHER (continued)

Laura Haymes Gorry	VP, Claims Administration & Membership
Susan Elizabeth Jackson #	VP, Health Delivery Redesign
Sean Michael Kerns #	VP, Specialty Markets
Lynn Sessler McNeal	VP, BCBSNC Topaz Program Executive
Robin Carole Miller	VP, People Strategies
John Michael Parkerson #	Chief Marketing & Strategy Officer
Mitchell Wade Perry #	Chief Accounting Officer and Treasurer
Maticia Cotton Sims	VP, Audit & Chief Risk Officer
Susan Tucker Weaver #	Chief Medical Officer
Latisha Hamilton-Williams	VP, Total Rewards & People Services
Kathryn Mary Higgins	VP, Corporate Affairs
Samantha Jane Bureau-Johnson	VP, Business Process Excellence & Project Management
Adrienna Yvette Maisonet-Morales	VP, Blue University
Debbie Livengood Miller	VP, Care Management Operations
Susan Lorraine Murray #	VP, State Segment
Louis Patalano IV #	VP & Deputy General Counsel
Tarsha Vanessa Rowland	VP, Service Operations
Pariyast Joeseph Sinsangkeo	VP, IS Business Applications
Mark Eric Werner #	VP, Network Management

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,643,031,358	26,237,123	1,616,794,235	1,677,627,585
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	1,354,608,200	257,168	1,354,351,032	1,296,995,784
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....69,448,935 encumbrances)	3,435,547		3,435,547	71,347,784
4.2 Properties held for the production of income (less $.....0 encumbrances)	3,206,311		3,206,311	2,996,346
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(191,536,227), Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....4,026,053, Schedule DA)	(183,918,558)	3,591,616	(187,510,174)	17,107,915
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	296,991,780		296,991,780	185,961,347
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	969,098	969,098	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,118,323,736	31,055,005	3,087,268,731	3,252,036,761
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	18,989,358		18,989,358	21,416,943
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	236,293,283	10,113,663	226,179,620	182,797,073
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	84,365,127		84,365,127	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	247,784,861		247,784,861	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	192,574,695	10,538,586	182,036,109	145,190,484
18.1 Current federal and foreign income tax recoverable and interest thereon	61,462,094		61,462,094	9,922,216
18.2 Net deferred tax asset	149,482,361		149,482,361	114,868,918
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	101,725,150	100,616,072	1,109,078	1,523,436
21. Furniture and equipment, including health care delivery assets ($.....0)	14,992,844	14,992,844	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	3,814,583		3,814,583	4,050,889
24. Health care ($.....49,551,735) and other amounts receivable	91,326,592	41,774,857	49,551,735	25,027,436
25. Aggregate write-ins for other than invested assets	290,423,984	196,331,361	94,092,623	29,953,874
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,611,558,668	405,422,388	4,206,136,280	3,786,788,030
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	4,611,558,668	405,422,388	4,206,136,280	3,786,788,030
DETAILS OF WRITE-INS				
1101. Goodwill	969,098	969,098	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	969,098	969,098	0	0
2501. Investment In Topaz R & D	85,367,304	85,367,304	0	
2502. Renewable Energy Credits	77,664,161	39,598,654	38,065,507	15,627,192
2503. Risk Adjustment Receivable	43,460,326		43,460,326	
2598. Summary of remaining write-ins for Line 25 from overflow page	83,932,193	71,365,403	12,566,790	14,326,682
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	290,423,984	196,331,361	94,092,623	29,953,874

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....1,971,609 reinsurance ceded)	719,416,522	7,266,834	726,683,356	468,999,401
2.	Accrued medical incentive pool and bonus amounts			0	520,116
3.	Unpaid claims adjustment expenses	17,562,908	177,403	17,740,311	11,209,667
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	288,136,527		288,136,527	376,158,001
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	139,319,314		139,319,314	149,524,510
9.	General expenses due or accrued	400,820,731		400,820,731	251,433,696
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))			0	
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	54,086		54,086	247,199
13.	Remittances and items not allocated	4,800,454		4,800,454	6,470,517
14.	Borrowed money (including $.....194,846,834 current) and interest thereon $.....0 (including $.....0 current)	194,846,834		194,846,834	
15.	Amounts due to parent, subsidiaries and affiliates	2,350,967		2,350,967	2,717,006
16.	Derivatives			0	
17.	Payable for securities	474,638		474,638	456,528
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	42,639,041		42,639,041	58,178,893
23.	Aggregate write-ins for other liabilities (including $.....0 current)	89,955,009	0	89,955,009	72,339,676
24.	Total liabilities (Lines 1 to 23)	1,900,377,031	7,444,237	1,907,821,268	1,398,255,210
25.	Aggregate write-ins for special surplus funds	XXX	XXX	135,202,257	0
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	789,097,678	716,071,701
31.	Unassigned funds (surplus)	XXX	XXX	1,374,015,077	1,672,461,119
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,298,315,012	2,388,532,820
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	4,206,136,280	3,786,788,030

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	81,430,319		81,430,319	67,998,657
2302.	Accounts Payable	5,155,564		5,155,564	4,041,048
2303.	Risk Adjustment Payable	3,100,000		3,100,000	
2398.	Summary of remaining write-ins for Line 23 from overflow page	269,126	0	269,126	299,971
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	89,955,009	0	89,955,009	72,339,676
2501.	Special Surplus - ACA Health Insurer Tax	XXX	XXX	135,202,257	
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	135,202,257	0
3001.	Contingency Reserve	XXX	XXX	789,097,678	716,071,701
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	789,097,678	716,071,701

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	22,427,397	20,162,345
2.	Net premium income (including $.....0 non-health premium income)	XXX	7,344,345,113	5,819,892,346
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(502,725)	(841,947)
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	299,339
7.	Aggregate write-ins for other non-health revenues	XXX	7,954,028	(3,269,970)
8.	Total revenues (Lines 2 to 7)	XXX	7,351,796,416	5,816,079,768
Hospital and Medical:				
9.	Hospital/medical benefits		4,785,681,165	3,627,871,100
10.	Other professional services	18,140,575	284,127,134	248,810,130
11.	Outside referrals			
12.	Emergency room and out-of-area	1,957,197	444,599,457	290,306,096
13.	Prescription drugs		1,221,767,559	875,306,896
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			520,116
16.	Subtotal (Lines 9 to 15)	20,097,772	6,736,175,315	5,042,814,338
Less:				
17.	Net reinsurance recoveries		252,191,484	6,898,767
18.	Total hospital and medical (Lines 16 minus 17)	20,097,772	6,483,983,831	5,035,915,571
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....161,509,289 cost containment expenses	14,154,765	460,093,279	455,081,921
21.	General administrative expenses		776,568,491	406,297,483
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(4,888,192)	(46,704,497)
23.	Total underwriting deductions (Lines 18 through 22)	34,252,537	7,715,757,409	5,850,590,478
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(363,960,993)	(34,510,710)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		118,955,943	129,929,010
26.	Net realized capital gains or (losses) less capital gains tax of $.....27,047,872		50,231,759	28,197,822
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	169,187,702	158,126,832
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	23,689,450	25,721,943
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(171,083,841)	149,338,065
31.	Federal and foreign income taxes incurred	XXX	(33,506,609)	(30,722,523)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(137,577,232)	180,060,588

DETAILS OF WRITE-INS

0601.	Reinsurance Experienced Refund	XXX		299,339
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	299,339
0701.	Loss on Fixed Assets	XXX	(1,228)	(3,556,158)
0702.	North Carolina State Tax Credits	XXX	7,955,256	286,188
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	7,954,028	(3,269,970)
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		23,689,450	25,721,943
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	23,689,450	25,721,943

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,388,532,820	2,081,004,349
34. Net income or (loss) from Line 32	(137,577,232)	180,060,588
35. Change in valuation basis of aggregate policy and claim reserves	83,636,008	(27,769,220)
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....8,006,370	16,482,364	79,106,119
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	18,218,137	(58,838,323)
39. Change in nonadmitted assets	(29,420,649)	177,785,425
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(41,556,436)	(42,816,118)
48. Net change in capital and surplus (Lines 34 to 47)	(90,217,808)	307,528,471
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,298,315,012	2,388,532,820

DETAILS OF WRITE-INS

4701. Additional Minimum Pension		12,568,139
4702. Additional Liability for Pension Benefits	(41,556,436)	(55,384,257)
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(41,556,436)	(42,816,118)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	7,198,034,880	5,765,984,241
2.	Net investment income	133,842,479	139,507,656
3.	Miscellaneous income	7,954,028	(2,970,631)
4.	Total (Lines 1 through 3)	7,339,831,387	5,902,521,266
5.	Benefit and loss related payments	6,496,667,127	4,999,488,932
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,101,304,977	772,943,791
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	18,033,269	(7,712,271)
10.	Total (Lines 5 through 9)	7,616,005,373	5,764,720,452
11.	Net cash from operations (Line 4 minus Line 10)	(276,173,986)	137,800,814
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	730,762,947	303,960,214
	12.2 Stocks	298,846,540	100,888,860
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	6,913,607	1,827,631
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	18,111	
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,036,541,205	406,676,705
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	660,355,581	346,232,229
	13.2 Stocks	284,439,246	115,479,635
	13.3 Mortgage loans		
	13.4 Real estate	6,179,930	12,393,146
	13.5 Other invested assets	106,852,231	96,494,280
	13.6 Miscellaneous applications		26,697,153
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,057,826,988	597,296,443
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(21,285,783)	(190,619,738)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	194,846,834	
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(103,957,075)	(116,467,524)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	90,889,759	(116,467,524)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(206,570,010)	(169,286,448)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	22,651,452	191,937,900
	19.2 End of year (Line 18 plus Line 19.1)	(183,918,558)	22,651,452

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

20.0001	Charitable foundation contributions		10,000,000

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	7,344,345,113	4,296,357,425	337,577,926	86,116,372	5,809,093	1,018,779,858	1,466,708,191		132,996,248	
2. Change in unearned premium reserves and reserve for rate credit	(502,725)					(502,725)				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	7,954,028	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,954,028
7. Total revenues (Lines 1 to 6)	7,351,796,416	4,296,357,425	337,577,926	86,116,372	5,809,093	1,018,277,133	1,466,708,191	0	132,996,248	7,954,028
8. Hospital/medical benefits	4,785,681,165	2,761,967,305	173,316,616			643,954,502	1,179,223,505		27,219,237	XXX
9. Other professional services	284,127,134	170,100,895	10,674,027	58,378,174	3,692,680	39,659,136			1,622,222	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	444,599,457	308,635,289	19,367,218			71,958,522	41,695,028		2,943,400	XXX
12. Prescription drugs	1,221,767,559	754,588,865	47,351,317			175,932,892	168,915,735		74,978,750	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	6,736,175,315	3,995,292,354	250,709,178	58,378,174	3,692,680	931,505,052	1,389,834,268	0	106,763,609	XXX
16. Net reinsurance recoveries	252,191,484	247,784,861							4,406,623	XXX
17. Total hospital and medical (Lines 15 minus 16)	6,483,983,831	3,747,507,493	250,709,178	58,378,174	3,692,680	931,505,052	1,389,834,268	0	102,356,986	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....161,509,289 cost containment expenses	460,093,279	293,644,810	23,974,283	7,928,067	505,568	32,175,712	93,605,220		8,259,619	
20. General administrative expenses	776,568,491	519,393,059	46,782,205	13,415,241	855,483	44,165,607	126,162,017		25,794,879	
21. Increase in reserves for accident and health contracts	(4,888,192)	(4,627,197)	(260,995)							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	7,715,757,409	4,555,918,165	321,204,671	79,721,482	5,053,731	1,007,846,371	1,609,601,505	0	136,411,484	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(363,960,993)	(259,560,740)	16,373,255	6,394,890	755,362	10,430,762	(142,893,314)	0	(3,415,236)	7,954,028
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Loss on Fixed Assets	(1,228)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(1,228)
0602. North Carolina Transferable State Tax Credits	7,955,256	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,955,256
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	7,954,028	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,954,028
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	4,296,357,425			4,296,357,425
2. Medicare supplement	337,577,926			337,577,926
3. Dental only	86,116,372			86,116,372
4. Vision only	5,809,093			5,809,093
5. Federal employees health benefits plan	1,018,779,858			1,018,779,858
6. Title XVIII - Medicare	1,466,708,191			1,466,708,191
7. Title XIX - Medicaid				0
8. Other health	142,188,710		9,192,462	132,996,248
9. Health subtotal (Lines 1 through 8)	7,353,537,575	0	9,192,462	7,344,345,113
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	7,353,537,575	0	9,192,462	7,344,345,113

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	6,500,235,326	3,861,709,409	249,139,502	57,506,452	3,746,531	889,725,355	1,331,119,467		107,288,610	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	4,088,313								4,088,313	
1.4 Net	6,496,147,013	3,861,709,409	249,139,502	57,506,452	3,746,531	889,725,355	1,331,119,467	0	103,200,297	0
2. Paid medical incentive pools and bonuses	520,116						520,116			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	728,654,965	399,816,169	30,530,695	4,528,348	139,258	129,115,513	161,925,774		2,599,208	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	1,971,609								1,971,609	
3.4 Net	726,683,356	399,816,169	30,530,695	4,528,348	139,258	129,115,513	161,925,774	0	627,599	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	22,062,276	20,467,232	1,562,915						32,129	
7. Amounts recoverable from reinsurers December 31, current year	247,784,861	247,784,861								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	470,652,700	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974		3,092,079	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	1,653,299								1,653,299	
8.4 Net	468,999,401	245,765,991	27,398,105	3,656,626	193,109	87,335,816	103,210,974	0	1,438,780	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	520,116						520,116			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	6,736,175,315	3,995,292,355	250,709,177	58,378,174	3,692,680	931,505,052	1,389,834,267	0	106,763,610	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	252,191,484	247,784,861	0	0	0	0	0	0	4,406,623	0
12.4 Net	6,483,983,831	3,747,507,494	250,709,177	58,378,174	3,692,680	931,505,052	1,389,834,267	0	102,356,987	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	127,048,551	38,382,352	11,662,726			12,395,089	64,608,384			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	127,048,551	38,382,352	11,662,726	0	0	12,395,089	64,608,384	0	0	0
2. Incurred but unreported:										
2.1 Direct	601,606,414	361,433,817	18,867,970	4,528,348	139,258	116,720,424	97,317,390		2,599,207	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	1,971,609								1,971,609	
2.4 Net	599,634,805	361,433,817	18,867,970	4,528,348	139,258	116,720,424	97,317,390	0	627,598	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	728,654,965	399,816,169	30,530,696	4,528,348	139,258	129,115,513	161,925,774	0	2,599,207	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,971,609	0	0	0	0	0	0	0	1,971,609	0
4.4 Net	726,683,356	399,816,169	30,530,696	4,528,348	139,258	129,115,513	161,925,774	0	627,598	0

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)	266,995,310	3,346,929,237	3,141,510	396,674,659	270,136,820	245,765,990
2. Medicare supplement	25,163,492	223,976,010	39,192	30,491,503	25,202,684	27,398,106
3. Dental only	3,737,032	53,769,420	19,381	4,508,967	3,756,413	3,656,626
4. Vision only	386,709	3,359,821	11	139,247	386,720	193,109
5. Federal employees health benefits plan	118,399,112	771,326,244	3,325,760	125,789,753	121,724,872	87,335,816
6. Title XVIII - Medicare	94,808,499	1,236,310,968	2,224,887	159,700,887	97,033,386	103,210,974
7. Title XIX - Medicaid					0	
8. Other health	3,336,471	99,863,826		627,599	3,336,471	1,438,780
9. Health subtotal (Lines 1 to 8)	512,826,625	5,735,535,526	8,750,741	717,932,615	521,577,366	468,999,401
10. Healthcare receivables (a)	75,962,277				75,962,277	53,900,002
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	520,116				520,116	520,116
13. Totals (Lines 9 - 10 + 11 + 12)	437,384,464	5,735,535,526	8,750,741	717,932,615	446,135,205	415,619,515

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	310,740	310,830	310,830	310,830	310,828
2. 2010	3,756,633	4,070,380	4,071,283	4,071,283	4,071,283
3. 2011	XXX	3,814,650	4,171,950	4,173,891	4,173,891
4. 2012	XXX	XXX	4,106,780	4,506,542	4,597,204
5. 2013	XXX	XXX	XXX	4,597,788	5,020,474
6. 2014	XXX	XXX	XXX	XXX	5,735,536

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	328,323	310,828	310,829	310,828	310,828
2. 2010	4,073,705	4,083,289	4,071,283	4,071,283	4,071,283
3. 2011	XXX	4,188,907	4,186,141	4,173,891	4,173,891
4. 2012	XXX	XXX	4,528,963	4,533,700	4,597,204
5. 2013	XXX	XXX	XXX	5,040,150	5,029,227
6. 2014	XXX	XXX	XXX	XXX	6,453,467

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	4,683,359	4,071,283	254,227	6.2	4,325,510	92.4			4,325,510	92.4
2. 2011	4,969,985	4,173,891	224,526	5.4	4,398,417	88.5			4,398,417	88.5
3. 2012	5,242,403	4,597,204	243,459	5.3	4,840,663	92.3			4,840,663	92.3
4. 2013	5,819,893	5,020,473	468,264	9.3	5,488,737	94.3	8,753	159	5,497,649	94.5
5. 2014	7,344,344	5,735,534	415,522	7.2	6,151,056	83.8	717,930	17,581	6,886,567	93.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	184,849	185,429	185,429	185,429	185,429
2. 2010	2,379,499	2,553,627	2,554,221	2,554,221	2,554,221
3. 2011	XXX	2,334,962	2,520,941	2,522,177	2,522,177
4. 2012	XXX	XXX	2,384,117	2,593,065	2,682,337
5. 2013	XXX	XXX	XXX	2,608,975	2,786,698
6. 2014	XXX	XXX	XXX	XXX	3,346,929

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	198,249	185,429	185,429	185,429	185,429
2. 2010	2,563,556	2,564,795	2,554,221	2,554,221	2,554,221
3. 2011	XXX	2,530,897	2,523,310	2,522,177	2,522,177
4. 2012	XXX	XXX	2,614,385	2,619,409	2,682,337
5. 2013	XXX	XXX	XXX	2,828,398	2,789,840
6. 2014	XXX	XXX	XXX	XXX	3,743,605

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	2,951,716	2,554,221	189,623	7.4	2,743,844	93.0			2,743,844	93.0
2. 2011	3,048,596	2,522,177	165,156	6.5	2,687,333	88.1			2,687,333	88.1
3. 2012	3,087,463	2,682,337	176,498	6.6	2,858,835	92.6			2,858,835	92.6
4. 2013	3,308,814	2,786,698	247,875	8.9	3,034,573	91.7	3,142	77	3,037,792	91.8
5. 2014	4,296,357	3,346,929	224,018	6.7	3,570,947	83.1	396,676	9,684	3,977,307	92.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	20,551	20,844	20,844	20,844	20,843
2. 2010	189,607	218,705	218,998	218,998	218,998
3. 2011	XXX	180,996	209,613	209,906	209,906
4. 2012	XXX	XXX	191,072	218,007	218,300
5. 2013	XXX	XXX	XXX	201,730	226,600
6. 2014	XXX	XXX	XXX	XXX	223,977

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	20,927	20,843	20,843	20,843	20,843
2. 2010	213,894	218,931	218,998	218,998	218,998
3. 2011	XXX	205,017	210,086	209,906	209,906
4. 2012	XXX	XXX	216,845	218,139	218,300
5. 2013	XXX	XXX	XXX	228,998	226,641
6. 2014	XXX	XXX	XXX	XXX	254,469

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	290,121	218,998	19,043	8.7	238,041	82.0			238,041	82.0
2. 2011	297,310	209,906	16,381	7.8	226,287	76.1			226,287	76.1
3. 2012	295,458	218,300	15,213	7.0	233,513	79.0			233,513	79.0
4. 2013	314,647	226,600	26,456	11.7	253,056	80.4	41	1	253,098	80.4
5. 2014	337,578	223,977	16,894	7.5	240,871	71.4	30,490	744	272,105	80.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	2,189	2,203	2,203	2,203	2,202
2. 2010	39,766	42,703	42,718	42,718	42,718
3. 2011	XXX	46,670	50,093	50,109	50,109
4. 2012	XXX	XXX	54,161	58,610	58,630
5. 2013	XXX	XXX	XXX	63,987	67,703
6. 2014	XXX	XXX	XXX	XXX	53,769

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	2,205	2,202	2,203	2,202	2,202
2. 2010	41,839	43,066	42,718	42,718	42,718
3. 2011	XXX	48,148	50,145	50,109	50,109
4. 2012	XXX	XXX	56,735	58,638	58,630
5. 2013	XXX	XXX	XXX	67,615	67,722
6. 2014	XXX	XXX	XXX	XXX	58,278

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	57,683	42,718	1,761	4.1	44,479	77.1			44,479	77.1
2. 2011	67,542	50,109	2,037	4.1	52,146	77.2			52,146	77.2
3. 2012	77,653	58,630	92	0.2	58,722	75.6			58,722	75.6
4. 2013	87,971	67,703	370	0.5	68,073	77.4	19		68,092	77.4
5. 2014	86,116	53,769	2,548	4.7	56,317	65.4	4,509	110	60,936	70.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	180	180	180	180	180
2. 2010	1,201	1,406	1,406	1,406	1,406
3. 2011	XXX	1,366	1,623	1,623	1,623
4. 2012	XXX	XXX	2,036	2,344	2,344
5. 2013	XXX	XXX	XXX	3,063	3,450
6. 2014	XXX	XXX	XXX	XXX	3,360

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	180	180	180	180	180
2. 2010	1,260	1,406	1,406	1,406	1,406
3. 2011	XXX	1,436	1,623	1,623	1,623
4. 2012	XXX	XXX	2,167	2,344	2,344
5. 2013	XXX	XXX	XXX	3,253	3,450
6. 2014	XXX	XXX	XXX	XXX	3,496

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	1,335	1,406	74	5.3	1,480	110.9			1,480	110.9
2. 2011	2,289	1,623	63	3.9	1,686	73.7			1,686	73.7
3. 2012	2,561	2,344	6	0.3	2,350	91.8			2,350	91.8
4. 2013	4,828	3,450	182	5.3	3,632	75.2			3,632	75.2
5. 2014	5,809	3,360	77	2.3	3,437	59.2	138	3	3,578	61.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	57,299	56,502	56,502	56,502	56,502
2. 2010	651,041	711,824	711,825	711,825	711,825
3. 2011	XXX	666,122	759,097	759,493	759,493
4. 2012	XXX	XXX	727,035	808,801	809,878
5. 2013	XXX	XXX	XXX	754,034	871,357
6. 2014	XXX	XXX	XXX	XXX	771,326

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	60,921	56,502	56,502	56,502	56,502
2. 2010	716,780	712,442	711,825	711,825	711,825
3. 2011	XXX	752,500	766,950	759,493	759,493
4. 2012	XXX	XXX	808,133	808,801	809,878
5. 2013	XXX	XXX	XXX	841,370	874,683
6. 2014	XXX	XXX	XXX	XXX	897,116

12.FE

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	755,483	711,825	15,161	2.1	726,986	96.2			726,986	96.2
2. 2011	790,118	759,493	19,887	2.6	779,380	98.6			779,380	98.6
3. 2012	872,820	809,878	17,137	2.1	827,015	94.8			827,015	94.8
4. 2013	896,883	871,356	88,995	10.2	960,351	107.1	3,326	81	963,758	107.5
5. 2014	1,018,780	771,324	70,378	9.1	841,702	82.6	125,790	3,071	970,563	95.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	41,379	41,379	41,379	41,379	41,380
2. 2010	379,458	424,571	424,571	424,571	424,571
3. 2011	XXX	473,037	518,309	518,309	518,309
4. 2012	XXX	XXX	639,565	715,751	715,751
5. 2013	XXX	XXX	XXX	860,580	955,910
6. 2014	XXX	XXX	XXX	XXX	1,236,311

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	41,548	41,380	41,379	41,380	41,380
2. 2010	418,740	425,105	424,571	424,571	424,571
3. 2011	XXX	537,734	521,753	518,309	518,309
4. 2012	XXX	XXX	719,636	716,405	715,751
5. 2013	XXX	XXX	XXX	963,658	958,135
6. 2014	XXX	XXX	XXX	XXX	1,396,012

12.XV

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	494,619	424,571	21,540	5.1	446,111	90.2			446,111	90.2
2. 2011	616,103	518,309	15,661	3.0	533,970	86.7			533,970	86.7
3. 2012	760,776	715,751	29,383	4.1	745,134	97.9			745,134	97.9
4. 2013	1,065,687	955,910	104,340	10.9	1,060,250	99.5	2,225		1,062,475	99.7
5. 2014	1,466,708	1,236,311	101,249	8.2	1,337,560	91.2	159,701	3,953	1,501,214	102.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010					
3. 2011	XXX				
4. 2012	XXX	XXX			
5. 2013	XXX	XXX	XXX		
6. 2014	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010					
3. 2011	XXX				
4. 2012	XXX	XXX			
5. 2013	XXX	XXX	XXX		
6. 2014	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010				0	0	0.0			0	0.0
2. 2011				0.0	0	0.0			0	0.0
3. 2012				0.0	0	0.0			0	0.0
4. 2013				0.0	0	0.0			0	0.0
5. 2014				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	4,293	4,293	4,293	4,293	4,292
2. 2010	116,061	117,544	117,544	117,544	117,544
3. 2011	XXX	111,497	112,274	112,274	112,274
4. 2012	XXX	XXX	108,794	109,964	109,964
5. 2013	XXX	XXX	XXX	105,419	108,756
6. 2014	XXX	XXX	XXX	XXX	99,864

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	4,293	4,292	4,293	4,292	4,292
2. 2010	117,636	117,544	117,544	117,544	117,544
3. 2011	XXX	113,175	112,274	112,274	112,274
4. 2012	XXX	XXX	111,062	109,964	109,964
5. 2013	XXX	XXX	XXX	106,858	108,756
6. 2014	XXX	XXX	XXX	XXX	100,491

12.OT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010	132,402	117,544	7,025	6.0	124,569	94.1			124,569	94.1
2. 2011	148,027	112,274	5,341	4.8	117,615	79.5			117,615	79.5
3. 2012	145,672	109,964	5,130	4.7	115,094	79.0			115,094	79.0
4. 2013	141,063	108,756	46	0.0	108,802	77.1			108,802	77.1
5. 2014	132,996	99,864	358	0.4	100,222	75.4	626	16	100,864	75.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	246,177								246,177
2. Additional policy reserves (a)	290,922,369	152,001,975	128,005,923						10,914,471
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	8,128,629					8,128,629			
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	299,297,175	152,001,975	128,005,923	0	0	8,128,629	0	0	11,160,648
7. Reinsurance ceded	11,160,648								11,160,648
8. Totals (net) (Page 3, Line 4)	288,136,527	152,001,975	128,005,923	0	0	8,128,629	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(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 ($.....15,105,857 for occupancy of own building)	3,887,229	6,154,173	6,188,199		16,229,601
2. Salaries, wages and other benefits	92,662,544	191,930,926	170,585,573	850,778	456,029,821
3. Commissions (less $.....0 ceded plus $.....0 assumed)			261,274,602		261,274,602
4. Legal fees and expenses	343,689	603,118	2,541,677		3,488,484
5. Certifications and accreditation fees	744,734	1,126,084	1,122,193		2,993,011
6. Auditing, actuarial and other consulting services	40,014,828	84,317,021	79,385,487		203,717,336
7. Traveling expenses	583,766	1,628,325	4,921,328		7,133,419
8. Marketing and advertising			35,534,900		35,534,900
9. Postage, express and telephone	2,133,716	10,515,834	12,428,143		25,077,693
10. Printing and office supplies	640,384	4,655,343	8,468,250		13,763,977
11. Occupancy, depreciation and amortization	(2,465,484)	(3,013,020)	(157,198)		(5,635,702)
12. Equipment	145,477	237,940	464,746		848,163
13. Cost or depreciation of EDP equipment and software	2,921,350	6,198,220	4,247,734		13,367,304
14. Outsourced services including EDP, claims, and other services	76,803,961	60,560,868	63,364,479	1,206,236	201,935,544
15. Boards, bureaus and association fees	469,751	646,933	4,364,847		5,481,531
16. Insurance, except on real estate	8,432	16,691	1,421,248		1,446,371
17. Collection and bank service charges	(40,377)	(70,404)	2,297,431		2,186,650
18. Group service and administration fees	24,368,810	55,995,585	8,773,930		89,138,325
19. Reimbursements by uninsured plans	(64,341,219)	(97,351,435)	(84,969,224)		(246,661,878)
20. Reimbursements from fiscal intermediaries	(23,587,978)	(59,509,307)	(65,254,372)		(148,351,657)
21. Real estate expenses	414,505	8,631,192	(2,441,028)	1,493,654	8,098,323
22. Real estate taxes	554,777	1,010,776	861,505		2,427,058
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			94,820,437		94,820,437
23.3 Regulatory authority licenses and fees	16	225	109,117		109,358
23.4 Payroll taxes	5,246,378	12,436,637	9,645,592		27,328,607
23.5 Other (excluding federal income and real estate taxes)			156,568,895		156,568,895
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	11,862,265	0	0	11,862,265
26. Total expenses incurred (Lines 1 to 25)	161,509,289	298,583,990	776,568,491	3,550,668	(a)1,240,212,438
27. Less expenses unpaid December 31, current year	1,615,700	16,124,611	400,820,731		418,561,042
28. Add expenses unpaid December 31, prior year	1,020,921	10,188,746	251,433,696		262,643,363
29. Amounts receivable relating to uninsured plans, prior year	21,493,142	38,511,420	95,718,442		155,723,004
30. Amounts receivable relating to uninsured plans, current year	26,579,472	47,625,108	118,370,114		192,574,694
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	166,000,840	301,761,813	649,833,128	3,550,668	1,121,146,449

DETAILS OF WRITE-INS

2501. Interest Expense		11,862,265			11,862,265
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	11,862,265	0	0	11,862,265

(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) 3,887,507	3,202,081
1.1	Bonds exempt from U.S. tax	(a) 50,941,475	50,568,340
1.2	Other bonds (unaffiliated)	(a) 14,809,460	13,673,958
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	31,895,703	32,051,947
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 16,329,111	16,329,111
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 7,018	7,384
7.	Derivative instruments	(f)	
8.	Other invested assets		7,740,870
9.	Aggregate write-ins for investment income	2,937,067	2,937,067
10.	Total gross investment income	120,807,341	126,510,758
11.	Investment expenses		(g) 3,550,668
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 59,056
14.	Depreciation on real estate and other invested assets		(i) 3,289,410
15.	Aggregate write-ins for deductions from investment income		655,681
16.	Total deductions (Lines 11 through 15)		7,554,815
17.	Net investment income (Line 10 minus Line 16)		118,955,943
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income	2,874,593	2,874,593
0902.	FEP Interest	62,474	62,474
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	2,937,067	2,937,067
1501.	Rental property expense		655,681
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		655,681

(a) Includes $.....1,390,121 accrual of discount less $.....10,559,660 amortization of premium and less $.....2,899,528 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 $.....366 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 $.....3,289,410 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	8,100,276		8,100,276	(1,512,516)	
1.1	Bonds exempt from U.S. tax	2,336,075		2,336,075		
1.2	Other bonds (unaffiliated)	9,757,974		9,757,974		
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	55,713,380		55,713,380	12,922,783	
2.21	Common stocks of affiliates			0	3,126,143	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	272		272		
7.	Derivative instruments			0		
8.	Other invested assets	1,371,654		1,371,654	9,952,324	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	77,279,631	0	77,279,631	24,488,734	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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)	26,237,123	26,298,793	61,670
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	257,168	257,168	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	3,591,616	5,543,537	1,951,921
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	969,098	1,114,931	145,833
12. Subtotals, cash and invested assets (Lines 1 to 11)	31,055,005	33,214,429	2,159,424
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	10,113,663	1,756,300	(8,357,363)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	10,538,586	10,532,520	(6,066)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset		2,025,138	2,025,138
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	100,616,072	39,470,954	(61,145,118)
21. Furniture and equipment, including health care delivery assets	14,992,844	15,793,809	800,965
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	41,774,857	31,084,782	(10,690,075)
25. Aggregate write-ins for other than invested assets	196,331,361	242,123,807	45,792,446
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	405,422,388	376,001,739	(29,420,649)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	405,422,388	376,001,739	(29,420,649)

DETAILS OF WRITE-INS

1101. Goodwill	969,098	1,114,931	145,833
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	969,098	1,114,931	145,833
2501. Investment in Topaz R & D	85,367,304	62,842,461	(22,524,843)
2502. Renewable Energy Credits	39,598,654	56,541,265	16,942,611
2503. Prepaid Retirement	36,565,154	89,599,319	53,034,165
2598. Summary of remaining write-ins for Line 25 from overflow page	34,800,249	33,140,762	(1,659,487)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	196,331,361	242,123,807	45,792,446

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations	108,324	138,172	140,906	143,971	144,579	1,695,040
2. Provider service organizations						
3. Preferred provider organizations	1,119,088	1,184,901	1,282,759	1,242,161	1,227,572	14,799,565
4. Point of service	1,677	1,552	1,585	1,872	2,322	21,116
5. Indemnity only	199,496	204,594	206,720	209,219	210,714	2,488,876
6. Aggregate write-ins for other lines of business	294,841	291,692	287,427	278,579	274,475	3,422,800
7. Total	1,723,426	1,820,911	1,919,397	1,875,802	1,859,662	22,427,397
DETAILS OF WRITE-INS						
0601. Dental	230,687	223,255	218,364	208,504	201,158	2,588,223
0602. Vision	64,154	68,437	69,063	70,075	73,317	834,577
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	294,841	291,692	287,427	278,579	274,475	3,422,800

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	155,583,596					155,583,596
0299997. Group subscribers subtotal	155,583,596	0	0	0	0	155,583,596
0299998. Premiums due and unpaid not individually listed	67,511,212	94,637	800	9,294,340	9,294,340	67,606,649
0299999. Total group	223,094,808	94,637	800	9,294,340	9,294,340	223,190,245
0399999. Premiums due and unpaid from Medicare entities	2,490,864	359,510	139,001	819,323	819,323	2,989,375
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	225,585,672	454,147	139,801	10,113,663	10,113,663	226,179,620

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeutics	12,699,215	12,693,252	12,320,689	38,249,122	38,249,122	37,713,156
0199999. Total Pharmaceutical Rebate Receivables	12,699,215	12,693,252	12,320,689	38,249,122	38,249,122	37,713,156
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				839,074	839,074	0
0299999. Total Claim Overpayment Receivables	0	0	0	839,074	839,074	0
Other Receivables						
Coverage GAP Discounts	817,828	3,589,676	7,431,075			11,838,579
0699998. Other Receivables Not Listed Individually				2,686,661	2,686,661	0
0699999. Total Other Receivables	817,828	3,589,676	7,431,075	2,686,661	2,686,661	11,838,579
0799999. Gross Health Care Receivables	13,517,043	16,282,928	19,751,764	41,774,857	41,774,857	49,551,735

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	53,900,002	65,561,659		75,962,278	53,900,002	53,900,002
2. Claim overpayment receivables	385,383	68,308		839,074	385,383	385,383
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	7,670,210			14,525,240	7,670,210	1,826,833
7. Totals (Lines 1 through 6)	61,955,595	65,629,967	0	91,326,592	61,955,595	56,112,218

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	3,863,156	659,572	313,766	232,166	829,339	5,897,999
0399999. Aggregate accounts not individually listed - covered	223,381,299	38,138,773	18,143,071	13,424,660	47,955,336	341,043,139
0499999. Subtotals	227,244,455	38,798,345	18,456,837	13,656,826	48,784,675	346,941,138
0599999. Unreported claim and other claim reserves						381,713,827
0799999. Total claims unpaid						728,654,965

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Mosaic Group Services, LLC	1,518,448					1,518,448	
ACS Benefit Services, Inc.	2,296,136					2,296,136	
0199999. Individually listed receivables	3,814,584	0	0	0	0	3,814,584	0
0399999. Total gross amounts receivable	3,814,584	0	0	0	0	3,814,584	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	2,019,217	2,019,217	
0199999. Individually listed payables		2,019,217	2,019,217	0
0299999. Payables not individually listed		331,751	331,751	
0399999. Total gross payables		2,350,968	2,350,968	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	1,802,463	0.0	1,859,662	100.0		1,802,463
4. Total capitation payments	1,802,463	0.0	1,859,662	100.0	0	1,802,463
Other Payments:						
5. Fee-for-service	1,915,975,291	29.5	XXX	XXX		1,915,975,291
6. Contractual fee payments	4,582,457,572	70.5	XXX	XXX		4,582,457,572
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	6,498,432,863	100.0	XXX	XXX	0	6,498,432,863
13. Total (Line 4 plus Line 12)	6,500,235,326	100.0	XXX	XXX	0	6,500,235,326

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	33,329,903		23,476,738	13,639,379	13,639,379	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	5,139,679		3,786,214	1,353,465	1,353,465	0
6. Total	38,469,582	0	27,262,952	14,992,844	14,992,844	0

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (BCBSNC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the State of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of North Carolina is show below:

		State of Domicile	2014	2013
	NET INCOME			
1.	BCBSNC state basis (Page 4, Line 32, Columns 2&3)	NC	($137,577,232)	$180,060,588
2.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
3.	State Permitted Practices that increase/(decrease) NAIC SAP:			
4.	NAIC SAP (1-2-3=4)	NC	($137,577,232)	$180,060,588
	SURPLUS			
5.	BCBSNC state basis (Page 3, Line 33, Columns 3 & 4)	NC	$2,298,315,012	$2,388,532,820
6.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
7.	State Permitted Practices that increase/(decrease) NAIC SAP:			
8.	NAIC SAP (5-6-7=8)	NC	$2,298,315,012	$2,388,532,820

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

C. Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

BCBSNC maintains a general depository account into which certain subsidiaries and BCBSNC receipts are deposited and upon which disbursements are drawn. The net activity is netted with amounts receivable from subsidiaries in the Statements of Assets, Liabilities, Capital and Surplus.

Short-Term Investments

Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

Investments

Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Common stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments. Prepayment assumptions are determined by using broker data. Common

stocks of subsidiaries are stated in accordance with SSAP 97. The Company has no preferred stocks. The Company has no derivative instruments. The Company does not have any mortgage loans.

Realized gains and losses are included in income, net of tax and net unrealized gains and losses on securities are reflected in capital and surplus, net of tax. Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

If any investment security experiences an other-than-temporary decline in fair value, a realized loss is recorded in the Statement of Revenue and Expenses. Fair value is determined by quoted market prices where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

BCBSNC's investments in its wholly-owned unconsolidated subsidiaries are recorded at BCBSNC's equity, adjusted to statutory basis if applicable, plus the remaining unamortized goodwill balance in the underlying net assets, with the net income or losses of the subsidiaries recorded directly to unassigned surplus.

Real Estate and Electronic Data Processing Equipment

Real estate and electronic data processing (EDP) equipment and software are stated at cost less accumulated depreciation and encumbrances. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets: 5 to 40 years for buildings and leasehold improvements and 3 years for data processing equipment.

Market values for real estate reported in Schedule A are based on recent appraisals. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

Revenue Recognition (Premium Income, Uncollected Premiums and Unearned Premiums)

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other Blue Cross Blue Shield plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and Blue Cross Blue Shield Association (BCBSA), which acts as an agent for the participating Blue Cross Blue Shield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating Blue Cross Blue Shield plans to provide insurance to Federal employees that enroll with the Blue Cross Blue Shield FEP. The excess of gross

premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating Blue Cross Blue Shield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,261,908,422, and $5,752,349,886 as of September 30, 2014 and December 31, 2013, respectively. The unaudited amounts being held in the contingency reserve are $10,001,370,983 and $9,270,691,177 as of September 30, 2014 and December 31, 2013, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $8,128,629 and $7,625,904 as of December 31, 2014 and 2013, respectively, and are included in assets and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $26,966,531 and $24,063,001 as of December 31, 2014 and 2013, respectively, and are included in cash and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus.

FEP represented approximately 65.8% and 58.2% of accounts receivable as of December 31, 2014 and 2013, respectively. FEP represented approximately 13.9%.and 15.4% of net revenue for the years ended December 31, 2014 and 2013, respectively.

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with the Centers for Medicare & Medicaid Services (CMS). Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Statement of Revenue and Expenses as they are reviewed and agreed to by the Company. As of December 31, 2014, years 2006 through 2014 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period for providing insurance coverage. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

Funds received as “Reinsurance Payments” and “Low Income Subsidy (cost-sharing portion)” are accounted for as reimbursements (or advance payments) for uninsured claims under a partially uninsured plan in accordance with SSAP No. 47, and hence are not recognized as premiums. These funds are amounts paid by the Government for a portion of claims above the out-of-pocket threshold or relate to the prescription drug plan (PDP) payments for all or a portion of the deductible, the coinsurance and the co-payment amounts for low-income beneficiaries.

The Company’s CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company’s annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS’s portion of prescription drug costs which exceed the member’s out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursement from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company’s annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net

balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. The Company did not have a risk sharing payable at December 31, 2014 and 2013, respectively. The net estimated subsidies receivable from CMS was $22,167,107 and $6,443,840 at December 31, 2014 and 2013, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in amounts receivable related to uninsured plans. Any estimated payables related to the CMS risk sharing or subsidies are included in liability for amounts held under uninsured plans.

Our Medicare Advantage and Medicare Part D premium revenues are subject to periodic adjustment under CMS risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. In previous years, we did not believe we had the ability to estimate the value of this payment with sufficient accuracy to support an accrual. In working with our vendor, we concluded that this amount is reasonably estimable and probable such that it would be appropriate to record an accrual. The Company estimates risk adjustment revenues based upon the data submitted and expected to be submitted to CMS. The amount of the receivable is $51,038,923 and $58,950,000, at December 31, 2014 and 2013, respectively.

Claims Payable

Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

Income Taxes

Income taxes are computed in accordance with SSAP No. 101. The amount reported in the Statement of Revenue and Expenses as income tax expense represents an estimate of taxes due or refundable after computing the current year's tax return filing. This amount may also reflect impacts from prior years, which are properly reported through the Statement of Revenue and Expenses. Also, deferred income taxes are recorded for temporary differences between the admitted basis of assets and liabilities and the respective tax basis. The change in gross deferred income tax, excluding deferred taxes related to unrealized gains (losses) and additional minimum pension is reported as a separate component of surplus. Gross deferred income tax assets are reduced by a valuation allowance if the Company determines it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, as discussed in more detail below, the gross deferred tax asset is subject to an admissibility standard, which requires an annual computation of the admitted gross deferred tax asset. All computations are made on a separate company basis.

Adjusted deferred income tax assets are limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with IRS tax loss carryback provisions, not to exceed three years, plus (2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus (subject to certain limitations), excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus (3) the amount of remaining gross deferred income tax assets that can be offset against existing deferred income tax liabilities. The remaining deferred income tax assets in excess of the above are non-admitted. Deferred income taxes do not include amounts for state taxes.

Retirement Plans

Pension costs are accrued in accordance with SSAP No. 102, Accounting for Pensions and SSAP No. 92, Accounting for Postretirement Benefits Other Than Pension. Under these SSAPs, the statutory accounting standards will be similar to U.S. GAAP accounting standards. These SSAPs will require the pension and other postretirement benefit liabilities to include the unfunded projected benefit obligation and unfunded accumulated postretirement benefit obligation, respectively, including non-vested participants. These new requirements are effective January 1, 2013.

Certain events, such as changes in employee base and changes in actuarial assumptions, result in a change in the benefit obligation which results in a corresponding change in the gains and losses. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed thresholds which are based upon the benefit obligation or the value of plan assets. Plan amendments impact prior service cost and are amortized over the average remaining lifetime of all plan participants.

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded as general administrative expense.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise the vast majority of the fair value of our investments as of December 31, 2014.
We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of our investment.

We routinely process, store and transmit large amounts of data in our operations, including sensitive personal information as well as proprietary or confidential information relating to our business or third-parties. Some of the data we process, store and transmit may be outside of the U.S. due to third-parties' information technology systems. Notwithstanding our proactive and aggressive measures to prevent security breaches, we still face the risk and subsequent costs of these breaches. We may be subject to breaches of the information technology systems we use. Experienced computer programmers and hackers may be able to penetrate our layered security controls and misappropriate or compromise sensitive personal information or proprietary or confidential information or that of third-parties, create system disruptions or cause shutdowns. They also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our systems or otherwise exploit any security vulnerabilities. Our facilities may also be vulnerable to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs to eliminate or address the foregoing security threats and vulnerabilities before or after a cyber-incident could be significant. Our remediation efforts may not be successful and could result in interruptions, delays, or cessation of service, and loss of existing or potential customers. In addition, breaches of our security measures and the unauthorized dissemination of sensitive personal information or proprietary information or confidential information about us or our customers or other third-parties, could expose our customers' private information and our customers to the risk of financial or medical identity theft, or expose us or other third-parties to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income

securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationships with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu for the operation of our IT systems and are dependent upon them for support functions. We also have agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support as well as vendor dependencies associated with various workflow and transactional systems critical to our operations. Should these vendors be unable to provide their services, we may not be able to meet the demands of our customers and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. A new core operating platform is intended to provide enrollment and claims-processing services. Our internally developed software related to this has been placed in service for our small Group market, with membership increasing as we add new functionality. We are targeting to add functionality for our Individual and Large Group markets for January 1, 2016 effective dates. A key goal is increasing speed to market for new products and product enhancements. Completion of this project could favorably position the company to capture exchange-related business and other business from some of its national competition. However, execution risk is present and the cost of this initiative is substantial and may increase, while the business and operating cost-reduction benefits are unproven.

In addition, federal and state regulatory agencies may further restrict our ability to implement changes in premium rates or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.
In addition, during a prolonged unfavorable economic environment, state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state Medicare reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services (“CMS”), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or “pay for performance”, which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

Additionally, accountable care organizations; practice management companies (which are companies that aggregate physician practices for administrative efficiency); and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Since 2010, with the passage of the Patient Protection and Affordable Care Act (ACA or health care reform), health insurance issuers have been feeling the far-reaching effects of subsequent guidance and regulations. The law is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees beginning in 2015 or be required to pay a financial penalty. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry, certain of which are not deductible for income tax purposes.

While many of the law’s reforms became effective January 1, 2014, including the individual mandate, the establishment of federally-facilitated or state-based exchanges, and the three premium stabilization programs (“3R’s”), many of the implications of the law will not be seen for years to come.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their current pre-ACA plans that are not compliant with health care reform, led to higher than previously expected retention of existing

underwritten health plans. As this was the case with many issuers, across many states, this could result in overall deterioration of the risk pool in ACA compliant plans because more members remain in their current health plans rather than moving to ACA plans on or off the Exchange. The 3R's programs may mitigate this deterioration to some extent.

In addition, the ACA has increased and will continue to increase federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes on all health plans and individuals beginning in 2014.
As discussed above, implementing regulations and related interpretive guidance continue to be issued on certain provisions of the ACA. Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, the ACA has and will change how we do business, with impacts on pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings could cause significant disruption in health care markets. It is possible that health care reform and related regulations, as well as future legislative changes, including legislative restrictions on issuers ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows (including the receipt of amounts due under the 3R's programs in 2015 and future years related to claims paid in 2014).

Federal Congressional activity, budget negotiations, and ongoing regulatory changes to health care reform, and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of the ACA. Examples of this uncertainty include the conflicting decisions issued by the US Courts of Appeals for the District of Columbia Circuit and for the Fourth Circuit regarding whether the IRS can provide tax credits/subsidies to individuals who purchase health insurance through the Federally Facilitated Exchanges/Marketplaces established by the federal government (Exchanges). As a result, in November 2014, the U.S. Supreme Court agreed to hear oral arguments in the King v. Burwell case regarding the current IRS guidance and a decision is expected this June.
In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the risk corridor program required by Health Care Reform will no longer be limited to the aggregate amount of the risk corridor collections received by the U.S. Department of Health and Human Services ("HHS") over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. We cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations and the proceedings relating to tax credits for Federal Exchange members described above, will change various aspects of Health Care Reform or state level health care reform, nor can we predict the impact those changes will have on our business operations and/or financial results, but the effects could be materially adverse.
Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, health care reform has created new reimbursement timelines for insurers as government subsidies (which comprise over 90% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the third quarter following the coverage year.

As described above, the Company continues to face uncertainty impacting the health insurance industry with the ultimate implementation of the ACA, including the timing of when certain provisions become effective and legislative challenges proposed concerning targeted provisions or the law in totality. There is also uncertainty related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which could impact our financial performance in future periods. The Company will continue to monitor any changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

Contract Reserves

Contract reserves are established for policies where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include assumptions such as interest rates, claim trends, persistency, and other assumptions based upon experience modified as necessary to reflect anticipated trends. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products.

These estimates may change as actuarial methods and/or as underlying facts upon which these estimates are based, change. The net level premium methodology is used. There were no significant changes to our actuarial methods in the last two fiscal years. Included in aggregate policy reserves are the contract reserves and unearned premiums on these policies. Aggregate policy reserves also include the liability for Federal Employee Program (FEP) rate stabilization reserve.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. . Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses. During 2014 and 2013, the Company adjusted contract reserves through capital and surplus by $83,636,008 and $27,769,220, respectively, as a result of updated experience and a refinement of assumptions.

Pharmaceutical Rebate Receivables

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on the use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed primarily quarterly. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts. Of these receivables, $38,249,122 and $28,872,566 at December 31, 2014 and 2013, respectively, were nonadmitted because they were outstanding in excess of 90 days.

Affordable Care Act Assessments

The Affordable Care Act (ACA) imposes a nondeductible assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. The liability related to the Section 9010 ACA assessment shall be estimated and recorded in full once the entity provides qualifying health insurance (typically January 1) in the applicable calendar year in which the assessment is paid (fee year) with a corresponding entry to expense. The Section 9010 ACA assessment shall be recognized in full on January 1 of the fee year, in the operating expense category of Taxes, Licenses and Fees. On January 1, 2014, the Company recognized in full $75,000,000 related to the Section 9010 ACA assessment. At September 30, 2014, the Company recorded an additional $4,491,486, based on the final fee calculation from the Internal Revenue Service for a total estimated fee of $79,491,486.

Liability recognition of the Section 9010 fee is not required in the data year. In the data year, the reporting entity is required to reclassify from unassigned surplus to special surplus an amount equal to its estimated subsequent fee year assessment. This segregation in special surplus is accrued monthly throughout the data year. The reclassification from unassigned surplus to special surplus does not reduce total surplus. On January 1 of the fee year, the prior year segregation in special surplus is reversed and the full current fee year assessment liability shall be accrued. As of December 31, 2014, the Company's segregated amount of special surplus is $135,202,257.

There was a significant change to income taxes in 2014 compared to 2013 because of the increase in nondeductible expenses due to the implementation of ACA.

2. Accounting Changes and Corrections of Errors

A. Material changes in accounting principles and/or corrections of errors:

Effective January 1, 2013, the Company adopted SSAP No. 102 Accounting for Pensions, a replacement of SSAP No. 89 and SSAP No. 92 Accounting for Postretirement Benefits Other than Pensions, a replacement of SSAP No. 14. The cumulative effect of this change in accounting principle was $19,947,064 and was recorded in the first quarter of 2013 as an adjustment to surplus.

3. Business Combinations and Goodwill

The Company did not have any material changes in Business Combinations and Goodwill at December 31, 2014 and 2013.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2014 and 2013.

5. Investments

A. Mortgage Loans, including Mezzaine Real Estate Loans

The Company did not have any mortgage loans as of December 31, 2014 and 2013.

B. Debt Restructuring

The Company did not have any debt restructuring as of December 31, 2014 and 20132.

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2014 and 2013.

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2014.

(3) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

A. The aggregate amount of unrealized losses:

1. Less than 12 Months $253,897
2. 12 Months or Longer $0

B. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months $76,879,698
2. 12 Months or Longer $0

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2014 and 2013.

F. Real Estate

(1) During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. The Company anticipates leaving the Headquarters building in 2016. Plans are being developed for the disposition of the building, but no decisions have been made. The original cost of the Headquarters property was $9,625,649 and accumulated depreciation at December 31, 2013 was $7,475,362.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

G. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2014 and 2013.

H. Restricted Assets

(1) On deposit with government authorities as required by law:

	1	2	3	4	5	6
Restricted Asset category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. On deposit with states	33,115,563	33,359,234	(243,671)	-	0.79%	-

(1) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2014.
(2) The Company does not have any other restricted assets as of December 31, 2014.

I. Working Capital Finance Investments

The Company did not have any working capital finance investments as of December 31, 2014 and 2013.

J. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities as of December 31, 2014 and 2013.

K. Structured Notes

The Company did not have joint and several liabilities as of December, 2014 and 2013.

L. Other

ACS Benefit Services, Inc, (ACS) is a wholly owned subsidiary of BCBSNC. The ACS investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88). Accordingly, adjustment has been made to report this investment on an adjusted equity method as defined in SSAP No. 97 paragraph 9. The admitted balance of ACS was $12,885,270 and $12,641,274 at December 31, 2014 and 2013, respectively.

Mosaic Health Solutions, Inc. (MHSI), formerly known as NobleHealth, Inc. (Noble) is a wholly-owned subsidiary of the Company, and was created for BCBSNC to participate in strategic investments. The MHSI investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited

Liability Companies. The investment which is Common Stock is carried at cost. Beginning as of year-end 2013, MHSI will be audited and will be admitted.

During 2013, BCBSNC purchased assets from Triangle Administrators to service student business.

In 2014 and 2013, certain securities became other-than-temporarily impaired and were written down to their fair value, resulting in a realized loss of $0 and $1,070,904, respectively.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

All investment income due and accrued at December 31, 2014 and 2013 was included in the financial statements, and had not been outstanding greater than 90 days.

8. Derivative Instruments

The Company does not hold any derivative instruments at December 31, 2014 and 2013.

9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2014 are as follows:

1.

	12/31/14			12/31/13			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	$331,628,487	$11,380,972	$343,009,459	$246,108,357	$14,748,751	$260,857,108	$85,520,130	($3,367,779)	$82,152,352
(b) Statutory valuation allowance adjustments	(1,789,849)	-	(1,789,849)	(1,789,849)	-	(1,789,849)	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	329,838,638	11,380,972	341,219,610	244,318,508	14,748,751	259,067,259	85,520,130	(3,367,779)	82,152,352
(d) Deferred tax assets nonadmitted	-	-	-	(2,025,138)	-	(2,025,138)	2,025,138	-	2,025,138
(e) Subtotal net admitted deferred tax asset (1c - 1d)	329,838,638	11,380,972	341,219,610	242,293,370	14,748,751	257,042,121	87,545,268	(3,367,779)	84,177,489
(f) Deferred tax liabilities	66,479,017	125,258,232	191,737,249	30,867,552	111,305,651	142,173,203	35,611,465	13,952,581	49,564,046
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$263,359,621	($113,877,260)	$149,482,361	$211,425,818	($96,556,900)	$114,868,918	$51,933,803	($17,320,360)	$34,613,443

2.

	12/31/14			12/31/13			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
(a) Federal income taxes paid in prior years recoverable though loss carrybacks	-	-	-	93,339,844	-	93,339,844	(93,339,844)	-	(93,339,844)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below.)	192,982,456	-	192,982,456	21,529,074	-	21,529,074	171,453,382	N/A	171,453,382
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	N/A	N/A	192,982,456	N/A	N/A	21,529,074	N/A	N/A	171,453,382
2. Adjusted gross deferred tax assets allowed per limitation threshold	N/A	N/A	288,267,448	N/A	N/A	322,161,933	N/A	N/A	(33,894,485)
(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)	136,856,182	11,380,972	148,237,155	127,424,452	14,748,751	142,173,203	9,431,730	(3,367,779)	6,063,952
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$329,838,638	$11,380,972	$341,219,610	$242,293,370	$14,748,751	$257,042,121	$87,545,268	($3,367,779)	$84,177,489

a. The ratio percentage used to determine recovery period and threshold limitation amount was 671% and 930% in 2014 and 2013, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $291,744,856 and $231,193,669 in 2014 and 2013, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

	(1)	(2)	(3) (Col 1-2)
	12/31/2014	12/31/2013	Change
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Medical and Other Benefits Payable	$98,184,276	$131,001,689	($32,817,413)
(2) Accrued Postretirement Benefits	18,425,015	12,225,574	6,199,441
(3) Fixed Assets	49,112,333	24,029,744	25,082,589
(4) Other Nonadmitted Assets	29,278,955	19,950,797	9,328,158
(5) Accrued Liabilities	11,525,186	8,732,936	2,792,250
(6) Additional Minimum Pension Liability (impact on other compr. Income)	-	-	-
(7) Additional Pension Liability (impact on OCI)	-	3,708,246	(3,708,246)
(8) State ASO Loss Accrual	-	6,650,000	(6,650,000)
(9) Investment in Topaz R&D	29,878,556	21,994,861	7,883,695
(10) Net Operating Loss Carryforward	59,987,323	-	59,987,323
(11) Federal Credit Carryforward	17,098,111	-	17,098,111
(12) Other - Ordinary	18,138,732	17,814,509	324,223
(99) Subtotal	331,628,487	246,108,357	85,520,130
(b) Statutory Valuation Allowance Adjustment	(1,789,849)	(1,789,849)	-
(c) Nonadmitted	-	(2,025,138)	2,025,138
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	329,838,638	242,293,370	87,545,268
(e) Capital:			-
(1) Investment in State Credit Funds	2,122,400	3,206,349	(1,083,950)
(2) Other - Capital	9,258,573	11,542,402	(2,283,829)
(99) Subtotal	11,380,972	14,748,751	(3,367,779)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	11,380,972	14,748,751	(3,367,779)
(i) Admitted deferred tax assets (2d + 2h)	341,219,610	257,042,121	84,177,489
			-
3. Deferred tax liabilities:			-
(a) Ordinary			-
(1) Federal NOL & Due to Subs (Tax Sharing)	33,669,187	20,944,454	12,724,733
(2) Capitalized Software	32,809,830	9,923,098	22,886,732
(99) Subtotal	66,479,017	30,867,552	35,611,465
(b) Capital:			-
(1) Stocks	118,656,826	109,207,433	9,449,393
(2) Investments in State Credit Funds	-	-	-
(3) Other	6,601,406	2,098,218	4,503,188
(99) Subtotal	125,258,232	111,305,651	13,952,581
(c) Deferred Tax Liabilities (3a99 + 3b99)	191,737,249	142,173,203	49,564,046
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	$149,482,361	$114,868,918	$34,613,443

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

	12/31/2014	12/31/2013	Change
Total deferred tax assets	343,009,459	260,857,108	82,152,352
Total deferred tax liabilities	191,737,249	142,173,203	49,564,046
Net deferred tax asset (liability)	151,272,210	118,683,905	32,588,306
Tax effect of unrealized gains (losses)			8,006,370
Pension Adjustments to Surplus			(22,376,538)
Change in net deferred income tax			18,218,137

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

	12/31/2014	Effective Tax Rate
Provision computed at statutory rate	(77,460,462)	35.0%
Change in Nonadmitted Assets	(11,006,025)	5.0%
Tax Exempt Income	(18,289,040)	8.3%
Change in Valuation Basis of Aggregate Policy and Claim Reserves	29,272,603	-13.2%
ACA Compensation Limitation	4,785,565	-2.2%
ACA Nondeductible Insurer Fee	27,822,020	-12.6%
Energy Credit and Treasury Grant	(6,118,781)	2.8%
Other	(730,624)	0.3%
Total	(51,724,744)	23.4%
Federal income taxes incurred	(33,506,607)	15.1%
Change in net deferred income taxes	(18,218,137)	8.2%
Total statutory income taxes	(51,724,744)	23.4%

E. The Company had no net capital loss or net operating loss carryforwards. As of December 31, 2014, we have a federal income tax net operating loss (NOL) carryforward of $171,392,000 and federal credit carryforwards in the amount of $17,098,000, both of which will expire on December 31, 2034. In addition, we have an AMT credit carryforward in the amount of $2,435,000 which can be used to offset regular tax in future years without expiration.

	Ordinary	Capital	Total
Year-to-date 2014	$-	$-	$-
Year ended 2013	$-	$-	$-

F. The Company's federal income tax return is consolidated with the following entities:

ACS Benefit Services, Inc. (ACS)
Corium, LLC (Corium)
Corium II, LLC (Corium II)
Mosaic Health Solutions, Inc. (MHSI)
Mosaic Group Services, LLC (Mosaic)

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

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

A., B. &
C. The Company earned management fees of $9,631,783 and $6,726,296 during 2014 and 2013, respectively, from its wholly-owned subsidiaries. The Company has agreed to provide its wholly-owned subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. The Company also paid management fees of $6,455,259 and $5,147,939 during 2014 and 2013, respectively, to its wholly-owned subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2014 and 2013, the Company reported $3,814,583 and $4,050,889 as amounts due from its wholly-owned subsidiaries, respectively. At December 31, 2014 and 2013, the Company reported $2,350,967 and $2,717,006 as amounts due to its wholly-owned subsidiaries, respectively. These inter-company transactions are settled monthly.

E. The Company had no guarantees or undertakings, written or otherwise.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the periods ended December 31, 2014 and 2013, respectively. In addition, ACS paid BCBSNC $13,843 and $14,210 as additional amounts due under an administrative services agreement and BCBSNC paid ACS $1,634,910 and $831,559 for electronic data interchange services. Also, BCBSNC paid ACS $353,837 and $1,634,806 for Health Reimbursement Account (HRA) and $94,139 and $309,537 for Flexible Spending Account (FSA) fund administration for BCBSNC's Blue branded HRA/FSA services to BCBSNC for the periods ended December 31, 2014 and 2013, respectively.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2014 and 2013.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in ACS, Corium, Mosaic and MHSI, whose carrying values are less than 10% of the Company's admitted assets. The Company carries ACS at the subsidiaries' statutory equity and Mosaic and MHSI are carried at GAAP audited equity. Corium is recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2014 and 2013.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

In November 2000, BCBSNC established the Blue Cross Blue Shield of North Carolina Foundation, formerly The North Carolina Health Foundation, (Foundation), a separate, independent, private, non-consolidated not-for-profit organization in North Carolina. The purpose of the Foundation is to provide financial support to improve the health and well being of North Carolinians. The Company received $704,243 and $550,754 from the Foundation for salaries and benefits related to certain BCBSNC employees that provide services to the Foundation for the years ended 2014 and 2013, respectively. In 2014, BCBSNC contributed $0 in appreciated securities and donated services of $510,206, which were included in operating expenses. In 2013, BCBSNC contributed $10,000,000 in appreciated securities and donated services of $557,997, which were included in operating expenses. The Foundation is not a subsidiary of BCBSNC and the financial results of the Foundation are not consolidated with the Company's financial statements. We have no current legal obligations for future commitments to the Foundation, nor are we responsible for losses that may emerge in the Foundation.

In December 2011, BCBSNC established Topaz as a partnership. Its purpose was to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz was to delivery of a shared technology solution based on The TriZetto

Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz was owned by MHSI and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of MHSI was $5,000,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC were funding Topaz and its development of a software infrastructure. The Company and BCBSKC planned to become customers of Topaz as software was placed in service. Topaz was a variable interest entity because its capital contributions were not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions were required to accomplish this endeavor. Additional funding was in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. Through January 23, 2014, the Company has concluded that it was not the primary beneficiary of Topaz, because it did not hold the power to direct the activities that most significantly impact Topaz, since it shared a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz was accounted for as an equity method investment for the years ended December 31, 2013 and December 31, 2012.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, MHSI acquired the 50% voting interest from BCBSKC and prospectively, the MHSI consolidated the operations of Topaz based on its 100% ownership. The Company intends to continue funding the development of Topaz.

Effective January 23, 2014, MHSI acquired the BCBSKC investment interest by assuming certain liabilities valued at approximately $11,500,000. As a result, MHSI recognized the following assets acquired and liabilities assumed related to Topaz: cash $4,300,000, accounts receivable $31,800,000, prepaid expenses $200,000, internally developed software $52,900,000, prepaid software licenses $15,200,000, accounts payable $15,200,000 million, and research and development liability $66,100,000 million. Additionally, MHSI's existing investment in Topaz was revalued to fair value at the date of acquisition. This resulted in the recognition of a $20,100,000 gain recorded by MHSI. Had Topaz been consolidated with MHSI for the years ended December 31, 2013 and 2012, the Topaz revenues included would have totaled $100,000 and $0, respectively, and the net loss included would have totaled $10,900,000 and $29,400,000, respectively.

11. Debt

A. In November 2013, BCBSNC established a line of credit totaling $100,000,000 which will expire in November 2016 with an interest rate of LIBOR plus fifty basis points and an unused fee of ten basis points quarterly on the amount undrawn. Amounts drawn under this line of credit were $100,000,000 and $0 at December 31, 2014 and 2013, respectively.

In September 2014, the Company entered into a $165,000,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, liens, and dispositions. As of December 31, 2014 the Company was not in compliance with the covenants and requirements outlined in these agreements; however, we are seeking a one-time waiver, from our lenders, of the EBITDA calculation. As of December 31, 2013 the Company was in compliance with the covenants and requirements outlined in these agreements.

The Company has a revolving line of credit of $100,000,000 and long-term debt of $164,000,000, $2,000,000 of which is scheduled to mature in 2015. The remaining $162,000,000 is classified as due in 2015 because the Company is awaiting waivers of a financial covenant. The Company expects to receive this waiver shortly and will reclassify the amount as long-term in future periods.

B. FHLB (Federal Home Loan Bank) Agreements

The Company did not have any FHLB Agreements at December 31, 2014 and 2013.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has a non-contributory qualified defined benefit retirement plan covering a significant number of employees. No new participants are allowed into the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

The Company also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain healthcare and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for healthcare insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of healthcare insurance costs and life insurance benefits. BCBSNC funds retiree healthcare benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution in 2012 and 2014 to fund the liability for eligible retire employees.

Effective December 31, 2013, the Company has elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date resulting in an increase in the funded status of the plan of $58,595,458. Additionally, the curtailment impact reduced the projected benefit obligation by $86,836,489. Also as a result of freezing the qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 are age 52 or older with ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined phases in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intend to retire, in 2013 prior to the window announcement. The ERW enhancements are considered special termination benefits and they will increase the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by an estimated $25,004,314 and $3,200,000, respectively.

In October 2014, the Company offered a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $100,219,684 were paid from the qualified retirement plan. Lump sum payments of $30,454 were paid from the SERP.

During 2014 related to the qualified retirement plan, lump sum payments of $100,219,684 were paid. Because these payments exceeded the sum of estimated 2014 service and interest costs, settlement accounting was triggered.
As a result, $18,135,922 of unrecognized actuarial loss associated with the payments was relieved from equity and recognized in income.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2014 and 2013:

(1) Change in Benefit Obligation

	Over Funded		Underfunded	
	2014	2013	2014	2013
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$525,492,731	$629,048,054	$ -	$ -
2 Service Cost	525,000	15,752,008	-	-
3 Interest Cost	22,701,235	25,136,209	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	87,046,647	(76,229,234)	-	-
6 Benefits Paid	-	(15,871,235)	-	-
7 Plan Amendements	(18,218,903)	240,653	-	-
8 Special Termination Benefits	-	25,004,314	-	-
9 Curtailment (Gain)/Loss	-	(77,588,038)	-	-
10 Plan Settlements	(100,219,684)	-	-	-
11 Benefit Obligation, End of Year	$517,327,026	$525,492,731	$ -	$ -

	Over Funded		Underfunded	
	2014	2013	2014	2013
b. Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$ -	$39,929,982	$125,391,391	$73,736,756
2 Service Cost	-	2,473,720	2,001,051	3,585,300
3 Interest Cost	-	1,591,610	5,596,976	2,577,388
4 Contribution by plan participants	-	1,568,331	1,821,804	-
5 Actuarial (Gain)/Loss	-	(12,005,306)	16,295,521	(5,548,606)
6 Benefits Paid	-	(4,043,939)	(6,144,170)	(1,556,108)
7 Plan Amendements	-	22,428,367	-	6,702,347
8 Special Termination Benefits	-	2,193,000	-	1,007,000
9 Curtailment (Gain)/Loss	-	-	-	(9,248,451)
10 Benefit Obligation, End of Year	$0	$54,135,765	$144,962,573	$71,255,626

(2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits	
	2014	2013	2014	2013
a Plan Assets as Fair Value, Beginning of Year	$615,092,045	$543,488,826	$ 59,876,378	$ 57,434,218
b Actual Return on Plan Assets	57,238,713	87,474,454	5,709,220	5,187,374
c Company Contributions	-	-	2,269,023	1,286,502
d Plan participants' contributions	-	-	1,821,804	1,568,331
e Benefits Paid	(18,218,903)	(15,871,235)	(6,144,170)	(5,600,047)
f Plan Settlements	(100,219,684)	-	-	-
g Plan Assets as Fair Value, End of Year	$553,892,171	$615,092,045	$63,532,255	$59,876,378

(3) Funded Status

Overfunded:				
a Assets (nonadmitted)				
1. Prepaid benefits costs	$151,256,107	$153,246,373	$ -	$16,705,116
2. Overfunded plan assets	(114,690,962)	(63,647,059)	-	(10,964,503)
3. Total assets (nonadmitted)	$36,565,145	$89,599,314	$ -	$5,740,613
Underfunded:				
b Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	($62,486,765)	($57,403,666)
2. Liability for pension benefits	-	-	(17,919,638)	(10,325,382)
3. Total liabilities recognized	$ -	$ -	($80,406,403)	($67,729,048)
c Unrecognized liabilities	$ -	$ -	($1,023,916)	($3,874,234)

	Pension Benefits		Postretirement Benefits	
(4) Components of net periodic benefit cost	2014	2013	2014	2013
a Service cost	$525,000	$15,752,008	$2,001,051	$6,059,020
b Interest cost	22,701,235	25,136,209	5,596,976	4,168,998
c Expected return on plan assets	(39,976,658)	(41,278,337)	(3,216,689)	(3,092,846)
d Expense Load	-	-	-	-
e Amortization of actuarial (gain)/loss	604,767	10,988,389	178,313	1,450,785
f Amortization of prior service cost/(credit)	-	564,367	2,968,669	3,241,077
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit.	18,135,922	27,189,548	-	3,701,756
h Total net periodic benefit cost	$1,990,266	$38,352,184	$7,528,320	$15,528,790
(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	$ -	($2,749,601)	($2,968,669)	($3,742,883)
b Net gain and (loss) recognized	($18,740,689)	($35,992,704)	($284,410)	($4,650,785)
(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	($1,877,232)	($67,447)	($125,112)	($178,313)
b Net gain and (loss) recognized	$ -	$ -	($4,227,979)	($2,968,669)
(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost				
a Net unrecognized loss included in unassigned funds	$ -	$ -	$10,818,259	$8,136,122
b Net unrecognized prior service cost included in unassigned funds	$ -	$ -	$4,899,394	$5,715,838

In 2014 and 2013, BCBSNC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. Effective June 30, 2013, the loss is amortized over the average life expectancy.

(8) As of December 31, 2014 and 2013, BCBSNC recorded additional liability for pension benefits in the amount of $149,139,517 and $85,206,550 as well as a reversal of the minimum pension liability of $19,335,599, respectively. These events resulted in charges being recorded to accumulated capital net of income tax as a component of surplus in the amount of ($41,556,436) during 2014 and ($55,384,257) and $12,568,139 during 2013.

(9) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified		Non Qualified		Other Postretirement	
	2014	2013	2014	2013	2014	2013
Discount Rate	3.90%	4.85%	See detail below	See detail below	3.95%	4.71%
Rate of Compensation Increase	n/a	n/a	n/a	n/a	4.00%	4.00%
Expected long-term rate of return on plan assets	6.50%	7.00%	n/a	n/a	5.50%	5.50%

Discount Rate for Non Qualified

Nonqualified:	**2014**	**2013**
Senior SERP	*2.88%*	*3.32%*
Partners SERP	*3.56%*	*4.43%*
Restoration SERP	*3.93%*	*4.70%*

As a result of the change in Actuarial Consultants, the Company has elected to move to the Mercer Yield Curve in place of the Aon Hewitt AA Only Universe Yield Curve. The Company will use separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2014 and 2013, the combined duration of all plans was 14 years and 14 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

In 2014 the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

(10) A measurement date of December 31, 2014 and 2013, respectively, was used for the benefit plans.

(11) The medical trend rate used in determining the accumulated postretirement benefit obligation at December 31:

	2014	**2013**
Health care cost trend rate assumed for next year:		
Under age 65	7.9%	8.0%
Age 65 and older	7.9%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2027	2027
Age 65 and older	2027	2027

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(12) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	**1-Percentage Point Decrease**
Effect on total of service and interest cost components	$306,291	$(241,521)
Effect on postretirement benefit obligation	$6,758,929	$(5,336,102)

(13) BCBSNC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			**Other Postretirement Benefits**		
	Target	**2014**	**2013**	**Target**	**2014**	**2013**
Asset Category:						
Equity securities:						
Mutual funds		29%	48%			
Common stock		3	3		51%	51%

Total	35%	32	51	50% - 60%	51%	51%
Fixed income securities:						
State and U.S. government obligations		29	8		49	48
Domestic corporate fixed income securities		34	10		-	-
International corporate fixed income securities		-	2		-	-
Total	63	63	20	40 - 50	49	48
Cash and cash equivalents	2	3	16	0 - 3	-	1
Collective trust fund - real estate	-	-	11	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The BCBSNC Retirement Plan (Plan) was frozen effective December 31, 2013. The Plan investment strategy has switched from total return to liability matching. The Plans funding ratio exceeded 100% at year end and approximately 50% of the portfolio will be transitioned to a liability driven investment strategy (LDI) in 2014. As the Plans funding ratio grows more investments will be allocated to the LDI strategy.

The Plans investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

(14) Future expected benefit payments and 2014 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
a. 2015	$24,767,891	$1,530,365	$2,923,117
b. 2016	$25,077,102	$18,095,322	$3,137,735
c. 2017	$24,720,015	$1,891,545	$3,329,372
d. 2018	$25,168,834	$1,977,728	$3,541,788
e. 2019	$25,543,266	$2,162,434	$3,774,047
f. Thereafter Total	$132,421,639	$12,196,444	$22,102,127
2015 Contributions	$-	$1,530,365	$535,376

(15) Effective June 30, 2013, the company amortizes unrecognized losses for the frozen qualified plan and two frozen nonqualified plans over the average future lifetime of all participants. The Company does not use any alternative amortization method to amortize prior service amounts.

(16) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(17) No significant special or contractual termination benefits were recognized during the period.

(18) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total Fair Value
December 31, 2014				
Equity securities:				
Common stocks	$57,159,874	$ -	$ -	$57,159,874
Mutual funds	116,946,458	-	49,821,953	166,768,411
Total equity securities	174,106,332	-	49,821,953	223,928,285
Fixed income securities:				

US Treasury and Agency securities	73,026,748	22,027,059	-	95,053,808
States and pol subdivisions	-	16,098,825	-	16,098,825
Corporate fixed income	-	184,784,575	-	184,784,575
Residential Mortgage backed	-	3,308,533	-	3,308,533
Other	-	-	-	-
Total fixed income securities.....	73,026,748	226,218,992	-	299,245,741
Cash and cash equivalents	17,118,156	-	-	17,118,156
Collective trust fund - real estate.....	-	-	-	-
Other	-	86,915	11,310,000	11,396,915
Total investments	264,251,237	226,305,907	61,131,953	551,689,097
Plan receivables	2,611,962	-	-	2,611,962
Total assets	266,863,199	266,305,907	61,131,953	554,301,059
Plan liabilities	(249,437)	(104,139)	(55,312)	(408,888)
Total net assets	$266,613,762	$226,201,768	$61,076,641	$553,892,171

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2014 is as follows:

	Cash & Cash Equivalents	Fixed Income Securities	Collective Trust Fund – Real Estate	Other	Total
Beginning balance at January 1, 2013	$7, 136,600	-	$58,038,300	$11,820,000	$76,994,899
Total gains (losses)					
Realized	334,449	-	-	-	334,449
Unrealized	1,061,709	-	6,669,128	-	7,730,837
Purchases	117,513,255	$19,316,949	1,763,026	-	138,593,230
Sales	(124,128,333)	(406,183)	-	(270,000)	(124,804,516)
Ending balance at December 31, 2013	$1,917,679	$18,910,766	$66,470,454	$11,550,000	$98,848,899
Total gains (losses)					
Realized	-	800,268	6,192,836	-	6,993,104
Unrealized	-	2,393,650	(4,121,132)	-	(1,727,482)
Purchases	56,347,794	36,504,064	598,334	-	93,450,192
Sales	(58,265,473)	(8,786,794)	(69,140,492)	(240,000)	(136,432,760)
Ending balance at December 31, 2014	$-	$48,821,953	$-	$11,310,000	$61,131,953

B. Defined Contribution Plans

BCBSNC has two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees hired after December 31, 2005 may only participate in the 401(k) Plan. Eligible BCBSNC employees hired prior to December 31, 2005 and participating in the Retirement Savings plan were given the option to remain in that plan or enroll in the 401(k) Plan. Each plan is nondiscriminatory. Participant pretax and Roth contributions are matched at the rate of 50% of the first 6% of compensation or 100% of the first 6% of compensation, depending upon the plan, subject to certain limitations. Under the 401(k) Plan, a profit sharing contribution is made by the Company in an amount equal to 3% of eligible compensation. The Company's contributions to the plans totaled $31,056,566 and $19,063,127 for the years ended December 31, 2014 and 2013, respectively.

In connection with the redesign of the Company's retirement plans, the Retirement Savings Plan will be merged with the redesigned BCBSNC 401(k) Plan effective December 31, 2013. The newly designed 401(k) will be amended to include a new safe harbor matching contribution formula of 100% of the first 4% and 50% of the next 2% of compensation contributed, subject to certain limitations. A profit sharing contribution will be made by the Company in an amount equaling 2% to 5% of eligible compensation, based on the employee's years of service with the Company. Additionally, eligible employees who were participating in the defined benefit pension plan as of December 31, 2013 are also eligible to receive a non-elective contribution ranging from 1% to 8% of eligible compensation for up to 10 years, based on the employee's total years of service with the Company and based on their defined contribution plan participation choice.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $1,427,098 and $560,400 for the years ended December 31, 2014 and 2013, respectively.

The Company maintains a rabbi trust to account for assets and liabilities under certain of the Company's deferred compensation plan. Certain BCBSNC employees are allowed to defer a portion of their compensation until a future date. The Plan was amended in 2011 to exclude all deferrals through 2012. The deferrals are included in investments with an equal offsetting liability included in accrued other retirement benefits. The value of assets accounted for in the rabbi trust are $1,343,248 and $2,242,535 at December 31, 2014 and 2013, respectively. In addition, the Company has an arrangement for the Board of Trustees which provide for the deferral of a portion of their compensation until a future date. This deferred compensation arrangement is not included in the assets and liabilities of the rabbi trust. The Company's deferred compensation liability related to this arrangement at December 31, 2014 and 2013 was approximately $483,047 and $532,003 respectively.

C. Multiemployer Plans

BCBSNC does not participate in any multiemployer plans.

D. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

E. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2014 and 2013.

(2) The Company has no preferred stock outstanding.

(3), (4) and (5) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2014 and 2013.

(7) The Company had no unpaid advances of surplus as of December 31, 2014 and 2013.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2014 and 2013.

(9) The Company does not have any special surplus funds as of December 31, 2014 and 2013.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses, including accumulated amortized goodwill of $3,759,778 and $3,759,778, were ($355,386,278) and ($327,486,099) in 2014 and 2013, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2014 and 2013.

(12) and (13) The Company does not have any quasi-reorganizations as of December 31, 2014 nor has it had any in the past 10 years.

14. Contingencies

A. Contingent Commitments

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2014 and 2013 were $24,672,878 and $23,520,869, respectively.

At December 31, 2014, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2015, $112,387,935; 2016, $112,387,935; 2017, $28,096,984; 2018, $0; and 2019, $0.

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an

updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

B. Assessments

As of December 31, 2014 and 2013, the Company is not aware of any assessments against the Company.

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2014 and 2013.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2014 and 2013.

F. All Other Contingencies

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) regarding a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in seven of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating lease agreements that expire through December 2015. Rental expense was $2,221,390 and $1,560,085 for periods ended December 31, 2014 and 2013, respectively.

c. Certain rental commitments have renewal options extending through the year 2014 and are subject to adjustments in future periods.

(2) At December 31, 2013, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2015	$2,504,786
2.	2016	$2,496,893
3.	2017	$2,496,894
4.	2018	$2,096,895
5.	2019	$200,440
6.	Total	$9,795,908

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2014 and 2013.

B.

(1) Lessor Leases

Properties that BCBSNC owns and leases to others do not represent a significant portion of BCBSNC's revenues, net income or assets.

(2) Leveraged Leases

The Company did not have any leveraged leases as of December 31, 2014 and 2013.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2014 and 2013.

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2014 and 2013.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2014 and 2013.

C. Wash Sales

The Company had no wash sales during 2014 and 2013.

No Change

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2014:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$(5,651,727)	$ -	$(5,651,727)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	(5,651,727)	-	(5,651,727)
Total claim payment volume	$1,951,132,750	$ -	$1,951,132,750

Administrative fees incurred under this plan were $78,288,748 during 2014.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration. As of December 31, 2014 and December 31, 2013, the Company has recorded a provision for anticipated losses for this business of $0 and $19,000,000, respectively. The change in the accrual was the result of expected amortization of $19,000,000.

B. ASC Plans

The income from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2014:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including other BlueCard claims)	$6,273,099,063	$ -	$6,273,099,063
Gross administrative fees accrued	318,576,362	-	318,576,362
Other income or expenses (including interest paid to or received from plans)	-	-	-
	$6,591,675,425		6,591,675,425
Gross expenses incurred (claims and administrative)	6,573,011,010	-	6,573,011,010
Total income from operations	$18,664,415	$ -	$18,664,415

C. **Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

a. Reinsurance subsidy cash receipts deposit from CMS net of claims incurred for the period ended December 31, 2014 is a receivable of $27,131,284. These cash receipts are subject to quarterly true up for actual claims incurred.

Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2014 is a payable of $4,964,177. These cash receipts are subject to quarterly true up for actual claims incurred.

b. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2014.

c. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$1,106,875

C – Claims Payment
CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value

A.

(1) Assets Measured at Fair Value on a Recurring Basis

December 31, 2014	Level I	Level II	Level III	Total
Cash Equivalents and Short Term Investments	$6,026,053	$-	$-	$6,026,053
Fixed Income Securities				
US government obligations	15,899	-	-	15,899
State and political subdivision	-	1,224,972,702	-	1,224,972,702
Corporate fixed income securities	-	191,836,415	-	191,836,415
Residential mortgage-backed securities	-	220,429,922	-	220,429,922
Other fixed income securities	-	5,776,420	-	5,776,420
Total fixed income securities	15,899	1,643,015,459	-	1,643,031,358
Investments available-for-sale				
Equity index mutual funds	909,389,881	-	-	909,389,881
Unaffiliated common stock	332,526,393	-	-	332,526,393
Total equity securities	1,241,916,274	-	-	1,241,916,274
Real estate trust:				
Real estate trust	-	-	173,794,009	173,794,009
Total assets	$1,247,958,226	1,643,015,459	173,794,009	$3,064,767,694

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2014	Tfrs into Level #	Tfrs out of Level #	Total g/l incl in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
Real Estate Trust	$147,199,906	-	-	$9,952,325	$16,641,779	-	-	-	$173,794,010
Total Investments	$147,199,906	$-	$-	$9,952,325	$16,641,779	$-	$-	$-	$173,794,010

There were no material transfers between Levels I, II or III during the years ended December 31, 2014.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2014 Financial Instrument	Aggregate Fair Value	Less Non-admitted	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash Equivalents, and Short Term Investments	6,026,053	(2,000,000)	4,026,053	6,026,053			
Bond Securities	1,643,031,358	(26,237,123)	1,616,794,235	15,899	1,643,015,459		
Equity index mutual funds	909,389,881	-	909,389,881	909,389,881			
Unaffiliated common stock	332,526,393	-	332,526,393	332,526,393			
Parents, Subsidiaries, and Affiliates	111,634,128	-	111,634,128				111,634,128
Private equity securities	4,179,583	(257,168)	3,922,415				4,179,583
Private equity funds and other alternatives	113,028,509	-	113,028,509				113,028,509
Venture capital invesments	10,169,263	-	10,169,263				10,169,263
Real Estate Trust	173,794,009	-	173,794,009			173,794,009	
Total	3,303,779,177	(28,494,291)	3,275,284,886	1,247,958,226	1,643,015,459	173,794,009	239,011,483

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturiy Date	Explanation
Parents, Subsidiaries and Affiliates	$111,634,128	-	-	Affiliates of the company
Private equity securities	$4,179,583	-	-	Investments are not actively traded
Private equity funds and other alternatives	$113,028,509	-	-	Investments are not actively traded
Venture capital investments	$10,169,263	-	-	Investments are not actively traded

21. Other Items

A. Extraordinary Items

The Company had no extraordinary events or transactions during 2014 and 2013.

B. Troubled Debt Restructuring

The Company had no troubled debt restructurings during 2014 and 2013.

C. Other Disclosures and Unusual Items

The Company had no other disclosures and unusual items during 2014 and 2013.

D. The Company had no business interruption recoveries recognized in December 31, 2014 and 2013.

E. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	$77,664,162	$177,804,201
Total		$77,664,162	$177,804,201

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$38,065,508	$39,598,654

F. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk at December 31, 2014 and 2013.

G. Retained Assets

The Company did not have any retained assets at December 31, 2014 or 2013.

22. Events Subsequent

The Company has evaluated subsequent events through February 27, 2014, which is the date that the financial statements were available to be issued, for recognition or disclosure in our statutory statements. Effective as of February 2, 2015, the Company underwent a corporate organizational restructuring. BCBSNC now has three wholly-owned subsidiaries: Corium; Corium II; and NobleHealth, Inc. (“Noble”), formerly known as MHSI. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Noble holds non-controlling strategic investments in certain health services companies and has three wholly owned subsidiaries: Mosaic Group; Mosaic Health Solutions, LLC (“Mosaic Health Solutions”); and Topaz. Mosaic Health Solutions has one wholly-owned subsidiary, ACS and also holds non-controlling strategic investments in certain health services companies.

On February 13, 2015 CMS issued guidance superseding previous guidance that permit companies, including BCBSNC, who selected the simplified methodology to switch to the more accurate standard methodology for the 2014 benefit year.

Cost-sharing reduction payments for benefit year 2014 will be reconciled for settlement in April 2016. The Company believes that the standard methodology will result in higher, more accurate, payments due to the Company under the program and intends to elect the standard methodology for 2014. The Company is evaluating the impact of this election on its 2015 financial results.

On January 1, 2014, the Company was subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be $135,202,257. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by a 4.18% reduction (or a decrease in RBC by 32 percentage points). Reporting the ACA assessment as of December 31, 2014 would not have triggered an RBC action level.

		Current Year	Prior Year
A.	ACA fee assessment payable for the upcoming year	$135,202,257	$75,000,000
B.	ACA fee assessment paid	$79,491,486	$-
C.	Premium written subject to ACA 9010 assessment	$6,941,571,756	$5,438,454,497
D.	Total Adjusted Capital before surplus adjustment	$2,298,315,012	
E.	Authorized Control Level before surplus adjustment	$291,744,856	
F.	Total Adjusted Capital after surplus adjustment	$2,210,433,545	
G.	Authorized Control level after surplus adjustment	$292,298,832	
H.	Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level	No	

23. Reinsurance

A. Ceded Reinsurance Report

No Change

B. Uncollectible Reinsurance

No Change

C. Commutation of Ceded Reinsurance

No Change

24. Retrospectively Rated 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 for the period ended December 31, 2014 that are subject to retrospective rating features was $6,781,845,474, that represented 92% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. The Company does not anticipate having to pay a rebate as of the current reporting period year to date, and as a result, there have been no rebates accrued for the Company's Individual, Small, Student, or Large Group business as of December 31, 2014.

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

(1) In 2014, the Company did write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provision.

(2) Impact of risk-Sharing Provision of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a	Permanent Risk Adjustment Program	
	Assets	
	1. Premium adjustments receivable due to ACA Risk Adjustment	$43,460,326
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	$254.913
	3. Premium adjustments payable due to ACA Risk Adjustment	$3,100,000
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment	$40,360,326
	5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$254,913
b	Transitional Reinsurance Program	

Assets

1. Amounts recoverable for claims paid to ACA Reinsurance $247,784,861
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) $0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance $0

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium $11,693,744
5. Ceded reinsurance premiums payable due to ACA Reinsurance $0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance $0

Operations

7. Ceded reinsurance premiums due to ACA Reinsurance $30,635,513
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments $247,784,861
9. ACA Reinsurance contributions – not reported as ceded premium $38,952,710

c Temporary Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors $60,800,000

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA risk Corridors $0

Operations

3. Effect of ACA Risk Corridors on net premium income (paid/received) $60,800,000
4. Effect of ACA Risk Corridors on change in reserves for rate credits $0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

	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)				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	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	To Prior Year Balances	To Prior Year Balances	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1 Premium adjustments receivable	0	0	0	0	0	0	0	0		0	0
2 Premium adustments (payable)	0	0	0	0	0	0	0	0		0	0
3 Subtotal ACA Permanent Risk Adjustment Program	0	0	0	0	0	0	0	0		0	0
b. Transitional ACA Reinsurance Program											
1 Amounts recoverable for claims paid	0	0	0	0	0	0	0	0		0	0
2 Amounts recoverable for claims unpaid (contra liability)	0	0	0	0	0	0	0	0		0	0
3 Amounts receivable relating to uninsured plans	0	0	0	0	0	0	0	0		0	0
4 Liabilities for contributions payable due to ACA Reinsurand - not reported as ceded premium	0	0	0	0	0	0	0	0		0	0
5 Ceded reinsurance premiums payable	0	0	0	0	0	0	0	0		0	0
6 Liability for amounts held under uninsured plans	0	0	0	0	0	0	0	0		0	0
7 Subtotal ACA Transitional Reinsurance Program	0	0	0	0	0	0	0	0		0	0
c. Temporary ACA Risk Corridors Program											
1 Accrued retrospective premium	0	0	0	0	0	0	0	0		0	0
2 Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0		0	0
3 Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d **Total for ACA Risk Sharing Provisions**	0	0	0	0	0	0	0	0		0	0

Explanations of Adjustments: There is no data as of December 31, 2013 to complete the required chart.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2013 were $468,999,401. As of December 31, 2014, $512,826,625 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $8,750,741 are as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of insurance. Therefore, there has been a $52,577,965 unfavorable prior-year development since December 31, 2013 to December 31, 2014, primarily a result of unfavorable claims development.

26. Intercompany Pooling Arrangements

No Change

27. Structured Settlements

No Change

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $75,962,278 and $53,900,002 as pharmaceutical rebate receivables and admitted $37,713,156 and $25,027,436 at December 31, 2014 and 2013, respectively. The Company received a pharmaceutical rebate of $35,383,838 in fourth quarter 2014 for receivables as of December of 2013 through June of 2014.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2014	$37,713,156	$37,713,156			
9/30/2014	$35,992,172	$37,849,756	$-	$-	$-
6/30/2014	$32,563,881	$34,479,671	$-	$34,080,306	$-
3/31/14	$26,873,395	$33,728,438	$-	$30,861,782	$619,571
12/31/2013	$25,248,299	$26,534,243	$-	$-	$26,534,243
9/30/2013	$23,669,045	$25,003,575	$-	$-	$25,003,574
6/30/2013	$20,771,502	$23,281,294	$-	$21,292,332	$1,988,962
3/31/13	$17,034,707	$15,175,957	$-	$14,164,605	$1,011,351
12/31/2012	$17,185,056	$20,539,433	$-	$11,651,215	$8,888,218
9/30/2012	$16,718,113	$20,242,357	$-	$-	$20,242,357
6/30/2012	$17,372,450	$19,203,263	$-	$9,356,123	$9,847,140
3/31/12	$15,346,446	$19,871,345	$-	$-	$19,871,345

B. Risk Share Receivables

The Company estimates our risk sharing receives by consulting with a 3rd party vendor with internal validation and review. As of December 31, 2014, the Company reported a receivable in the amount of $43,460,326 and a payable of 3,100,000.

Calendar Year	Evaluation Period Year Ending	Rish Sharing receivable as Estimated in the Prior Year	Rish Sharing receivable as Estimated in the Current Year	Risk Sharing receivable Billed	Risk Sharing receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing amounts Received First Year Subsequent	Actual Risk Sharing amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2014	2014	$0	$40,360,326	$0	$40,360,326	$0	$0	$0	$0

29. Participating Policies

No Change

30. Premium Deficiency Reserves

No Change

31. Anticipated Salvage and Subrogation

No Change

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$7,353,537,575
Add: Uncollected premiums PY	184,553,373
Less: Uncollected premiums CY	(236,293,283)
Premiums collected, excluding reinsurance	**$7,301,797,665**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000
Remaining amount @ 1%	$73,013,977
Total	$73,025,977

BCBSNC Contingency Reserve @ 12/31/2013	716,071,701
BCBSNC Contingency Reserve @ 12/31/2014	**$789,097,678**

33. Premium and Premium Equivalent Reporting

The information below presents BCBSNC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	92.1%
Operating expense ratio (with premium equivalents)	10.2%
Net income ratio (with premium equivalents)	-0.9%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2014 are as follows:

Premiums	
Net premium income	$7,344,345,113
Change in unearned premium reserves	($502,725)
Total premium income	7,343,842,388
Claims processed for self funded business	
ASO Plan	1,951,132,750
ASC Plan	6,273,099,063
Total claims processed for self funded business	8,224,231,813
Administrative fees	
ASO Plan	78,288,748
ASC Plan	318,576,362
Total administrative fees	396,865,110
Premium equivalents	8,621,096,923
Total premiums and premium equivalents	$15,964,939,311
Other revenues (including BlueCard Access Fees)	$23,689,450
Net investment gains or (losses)	$77,279,630
Total revenues	$16,065,908,391
Claims	
Total hospital and medical	$6,483,983,831
Increase in reserves for life and accident and health contracts	($4,888,192)
Total claims	6,479,095,639
Claims processed for self funded business	
ASO Plan	1,951,132,750
ASC Plan	6,273,099,063
Total claims processed for self funded business	8,224,231,813
Total claims (insured and self funded)	$14,703,327,452
Operating Expenses	
Claims adjustment expenses	$460,093,279
General administrative expenses	$776,568,491
Total operating expenses	1,236,661,770
Operating expenses reimbursed through administrative fees	
ASO Plan	78,288,748
ASC Plan	318,576,362
Total operating expenses reimbursed through administrative fees	396,865,110
Total operating expenses (insured and self funded)	$1,633,526,880
Net Loss	($137,577,232)

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? North Carolina

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: 07/31/2013

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2013

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [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 Co. 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 .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
McGladrey LLP , 1201 Edwards Mill Rd., Suite 300, Raleigh NC 27607-3625

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 [X] No [ ]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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 answer 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?
Patrick K. Getzen, FSA, MAAA, Vice President & Chief Actuary (Employee), Blue Cross and Blue Shield of North Carolina, 5901 Chapel Hill Blvd, Durham, NC 27707-3346

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value .....

12.2 If yes, provide explanation.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)' Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $.....0

20.12 To stockholders not officers $.....0

20.13 Trustees, supreme or grand (Fraternal only) $.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $.....0

20.22 To stockholders not officers $.....0

20.23 Trustees, supreme or grand (Fraternal only) $.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

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

21.21 Rented from others .....

21.22 Borrowed from others .....

21.23 Leased from others .....

21.24 Other .....

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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 .....

22.22 Amount paid as expenses .....

22.23 Other amounts paid .....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $.....0

PART 1 - COMMON INTERROGATORIES - 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. .....

24.06 If answer to 24.04 is no, report amount of collateral for other programs. .....

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] 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]

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. .....

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

24.103 Total payable for securities lending reported on the liability page. .....

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

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

25.21	Subject to repurchase agreements	$.....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	$.....28,237,123
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: .....

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

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
Bank of America, NA	200 N. College St. Charlotte, NC

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)
Mellon Bank, NA	One Mellon Center, Pittsburg, PA	Written to comply with provisions contained in the
		Model Custodian and Fiscal Agency Agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved by
		NCDOI.

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1 Central Registration Depository Number(s)	2 Name	3 Address
8158	RW Baird	777 E Wisconsin Ave, Milwaukee WI 53202
7452	The Vanguard Group	P.O. Box 2900 Mailstop M37, Valley Forge, PA 19482
111168	Columbia Management	227 West Monroe, Chicago, IL 60606
106482	Dimensional Fund Advisors	6300 Bee Cave Rd Building One, Austin, TX 78746
106595	Wellington Management Advisors	280 Congress St, Boston MA 02210
2269	Van Eck Securities Corp	335 Madison Ave 19th Floor, New York NY 10017
104596	Dodge & Cox	555 California St 40th Floor, San Francisco CA 94104
110297	Madison Scottsdale LC	8777 N Gainey Ctr Suite 220, Scottsdale AZ 85258

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
197199 81 3	Columbia Acorn International - Z	86,715,182
233203 58 7	DFA Emerging Markets Value Fund	72,990,175
256206 10 3	Dodge and Cox International Stock Fund	75,879,169
922040 20 9	Vanguard Large Cap Institutional Index	342,076,353
922908 39 7	Vanguard Small- Cap Index Fd - Plus	329,902,708
003021 71 4	ABDN Emerg Mkts Inst	34,169
57060U 52 2	Market Vectors Emerging Markets Bond ETF	92,964,595
921946 88 5	Vanguard Emerging Markets Gov't Bond ETF	30,220,075
315910 28 1	Fidelity Diversified International K	80,358
315911 72 7	Spartan International Index FAI	5,735
316200 85 6	Fidelity Growth Company K	25,931
316345 80 0	Fidelity Low Priced Stock Fund K	60,758
617440 50 8	MSIF MID Cap Grth P	6,336
693390 70 0	Pim Total Rt Inst	193,280
921937 60 3	Vang Total Bond Market Adm	400,367
922908 71 0	Vang 500 Idx Adm	8,017
02368A 55 4	ABF LG Cap Val Inst	8,288
04314H 30 3	Artisan Mid Cap Inv	7,393
929908 64 5	Vanguard Mid Cap Index Adm	7,758
929908 68 6	Vanguard Small Cap Index Adm	8,010
38141W 61 2	GS Small Cap Value A	21,059
413838 40 0	Oakmark Equity & Income Fund	93,603
351792 25 9	Fidelity Freedom K 2010	46,684
351792 24 2	Fidelity Freedom K 2015	234,383
351792 23 4	Fidelity Freedom K 2020	186,922
351792 21 8	Fidelity Freedom K 2030	31,154
351792 28 3	Fidelity Freedom K Income	4,017
351792 26 7	Fidelity Freedom K 2005	33,587
29.2999. TOTAL		1,032,246,066

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
Columbia Acorn International - Z	Royal Dutch Shell	3,624,695	12/31/2014
	IShares MSCI EAFE Index	2,098,507	12/31/2014
	HSBC Holdings	1,933,749	12/31/2014
	Allianz	1,907,734	12/31/2014
	AXA	1,621,574	12/31/2014
DFA Emerging Markets Value Fund	China Construction Bank	1,875,847	12/31/2014
	Bank of China	1,683,883	12/31/2014
	Gazprom Oao Spon Adr	1,316,743	12/31/2014
	Reliance Industries	1,224,775	12/31/2014
	Standart Bank Group	1,009,454	12/31/2014
Dodge and Cox International Stock Fund	Naspers	2,846,617	12/31/2014
	NovartisAG	2,554,656	12/31/2014
	Roche Holding AG	2,408,676	12/31/2014
	Sanofi	2,043,725	12/31/2014
	Samsung	2,043,725	12/31/2014
Vanguard Large Cap Institutional Index	Apple Inc.	12,075,295	12/31/2014
	Exxon Mobil Corp.	7,286,226	12/31/2014
	Microsoft Corp.	7,149,396	12/31/2014
	Johnson & Johnson	5,473,222	12/31/2014
	Wells Fargo & Co.	4,823,277	12/31/2014
Vanguard Small- Cap Index Fd - Plus	Alkermes	989,708	12/31/2014
	Snap-on Inc. (SNA)	923,728	12/31/2014
	Alaska Air	923,728	12/31/2014
	Goodyear Tire	890,737	12/31/2014
	Cooper Cos	890,737	12/31/2014
Market Vectors Emerging Markets Bond ETF	Chile Gov't Int'l Bond	2,705,270	12/31/2014
	Poland Gov't Bond	2,193,964	12/31/2014
	Mexican Bonos	1,840,699	12/31/2014
	Eskom Holdings Ltd	1,571,102	12/31/2014
	Brazil Notas do Tesouro Nacional	1,468,841	12/31/2014
Vanguard Emerging Markets Gov't Bond ETF	Russia	553,027	12/31/2014
	Republic of Turkey	290,113	12/31/2014
	Petrbras Int'l Finance Co	190,386	12/31/2014
	United Mexican States	160,166	12/31/2014
	Republic of Philippines	157,144	12/31/2014
	Anheuser-Busch InBev SA NV	1,366	12/31/2014
ABDN Emerging Markets Inst	Samsung Electronic Pfd	618	12/31/2014
	Housing Development Finance Co	484	12/31/2014
	Taiwan Semiconductor Mfg	468	12/31/2014
	China Mobile	455	12/31/2014
	PT Astra Int'l	436	12/31/2014
Fidelity Diversified International K	Novo Nordisk A/S Series B	1,366	12/31/2014
	ORIX Corp	1,286	12/31/2014
	Bayer AG	1,286	12/31/2014
	Roche Holdings AG	1,045	12/31/2014
Spartan International Index FAI	Nestle SA	109	12/31/2014
	Novartis AG	97	12/31/2014
	Roche Holding AG	86	12/31/2014
	HSBC Holdings PLC	80	12/31/2014
	Toyota Motor Corp	80	12/31/2014
Fidelity Growth Company K	Apple Inc	1,426	12/31/2014
	salesforce.com Inc	1,011	12/31/2014
	Regeneron Pharmaceruticals	596	12/31/2014
	Facebook, Inc. Cl A	596	12/31/2014
	Google, Inc. Cl A	545	12/31/2014
Fidelity Low Priced Stock Fund K	United Health Group	2,734	12/31/2014
	Seagate Technology	2,370	12/31/2014
	NEXT PLC	2,127	12/31/2014
	Microsoft Corp	1,762	12/31/2014
	Best Buy Co	1,519	12/31/2014
MSIF MID Cap Grth P	Illumina Inc	359	12/31/2014
	Linkedin Corp	323	12/31/2014
	Intuitive Surgical Inc	322	12/31/2014
	Mead Johnson Nutrition Co	241	12/31/2014
	Athenahealth Inc	231	12/31/2014
Pim Total Rt Inst	Fin Fut Euro$ Cme 6/15/15	35,486	12/31/2014
	Irs USD 1.50 3/18/15 - yr	27,794	12/31/2014
	Fin Fut Euro$ Cme 12/14/15	26,035	12/31/2014
	Fin Fut Euro$ Cme 9/14/15	23,986	12/31/2014
	Fin Fut US 10 yr CBT 12/19/13	11,172	12/31/2014

PART 1 - COMMON INTERROGATORIES - INVESTMENT

Vanguard Total Bond Market Adm	Ginnie Mae Jumbos TBA 4% 2044-12-01	2,602	12/31/2014
	Ginnie Mae Jumbos TBA 3.5% 2044-12-01	2,402	12/31/2014
	US Treasury Note 3.625%	2,322	12/31/2014
	US Treasury Note 0.25%	2,122	12/31/2014
	US Treasury Note 0.25%	2,002	12/31/2014
Vang 500 Idx Adm	Apple Inc	241	12/31/2014
	ExxonMobil Corp	216	12/31/2014
	Google Inc	152	12/31/2014
	Microsoft Corp	136	12/31/2014
	General Electric Co	136	12/31/2014
ABF Large Cap Value Institutional	JPMorgan Chase & Co	323	12/31/2014
	Citigroup	249	12/31/2014
	Wells Fargo & Co	207	12/31/2014
	Bank of America Corp	199	12/31/2014
	Oracle Corp	174	12/31/2014
Artisan Mid Cap Inv	Regeneron Pharmaceuticals Inc	318	12/31/2014
	HIS Inc	296	12/31/2014
	Applied Materials Inc	281	12/31/2014
	Illumina Inc	244	12/31/2014
	AMTEK Inc	244	12/31/2014
Vanguard Mid Cap Index Adm	Health Care REIT Inc	62	12/31/2014
	United Continental Holdings Inc	62	12/31/2014
	AvalonBay Communities Inc	54	12/31/2014
	Sherwin-Williams Co	54	12/31/2014
	Chipotle Mexican Grill Inc	54	12/31/2014
Vanguard Small Cap Index Adm	Alkermes plc	32	12/31/2014
	Alaska Air Group Inc	24	12/31/2014
	Harman International Industries	24	12/31/2014
	Isis Pharmaceuticals Inc	24	12/31/2014
	Snap-on Inc	24	12/31/2014
GS Small Cap Value A	iShares Russell 2000 Value ETF	358	12/31/2014
	Esterline Technologies	246	12/31/2014
	Spectrum Brands Holdings	227	12/31/2014
	Chesapeake Lodging Trust	221	12/31/2014
	CNO Financial Group Inc	211	12/31/2014
Oakmark Equity and Income Fund	Oracle Corp	3,651	12/31/2014
	Bank of America Corp	3,370	12/31/2014
	General Motors Co	3,089	12/31/2014
	Nestle SA	2,808	12/31/2014
	CVS Caremark Corp	2,527	12/31/2014
Fidelity Freedom 2010 Fund K	Fidelity® Series Investment Grade Bond F	14,598	12/31/2014
	Fidelity® Series Equity-Income F	2,479	12/31/2014
	Fidelity® Series International Growth F	2,124	12/31/2014
	Fidelity® Series International Value F	2,124	12/31/2014
	Fidelity® Series Growth Company F	2,101	12/31/2014
Fidelity Freedom 2015 Fund K	Fidelity® Series Investment Grade Bond F	67,010	12/31/2014
	Fidelity® Series Equity-Income F	14,368	12/31/2014
	Fidelity® Series International Value F	12,563	12/31/2014
	Fidelity® Series International Growth F	12,516	12/31/2014
	Fidelity® Series Growth Company F	12,071	12/31/2014
Fidelity Freedom 2020 Fund K	Fidelity Investment Grade Bond Fund	39,814	12/31/2014
	Fidelity® Series Equity-Income F	12,673	12/31/2014
	Fidelity® Series International Growth F	11,215	12/31/2014
	Fidelity® Series International Value F	11,010	12/31/2014
	Fidelity® Series Growth Company F	10,524	12/31/2014
Fidelity Freedom 2030 Fund K	Fidelity® Series Equity-Income F	2,844	12/31/2014
	Fidelity® Series International Growth F	2,558	12/31/2014
	Fidelity® Series International Value F	2,533	12/31/2014
	Fidelity® Series Growth Company F	2,337	12/31/2014
	Fidelity® Series All-Sector Equity F	2,199	12/31/2014
Fidelity Freedom Income Fund K	Fidelity® Series Investment Grade Bond F	1,593	12/31/2014
	Fidelity® Short-Term Bond F	407	12/31/2014
	Fidelity® Series High Income F	146	12/31/2014
	Fidelity® Series Infl-Prtct Bd Idx F	141	12/31/2014
	Fidelity® Series Equity-Income F	113	12/31/2014
Fidelity Freedom 2005 Fund K	Fidelity® Series Investment Grade Bond F	11,530	12/31/2014
	Fidelity® Short-Term Bond F	2,092	12/31/2014
	Fidelity® Series Equity-Income F	1,461	12/31/2014
	Fidelity® Series High Income F	1,370	12/31/2014
	Fidelity® Series Growth Company F	1,253	12/31/2014
Fidelity Retirement MM Fund	Various US Dollar denominated MMkt Securities	328,485	12/31/2014

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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	1,622,820,279	1,735,500,885	112,680,606
30.2 Preferred stocks			0
30.3 Totals	1,622,820,279	1,735,500,885	112,680,606

30.4 Describe the sources or methods utilized in determining the fair values:
Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $3,772,201

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

1 Name	2 Amount Paid
Blue Cross and Blue Shield Association	3,772,201

34.1 Amount of payments for legal expenses, if any? $2,894,424

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

1 Name	2 Amount Paid
Kilpatrick Stockton LLP	866,640

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $485,782

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

1 Name	2 Amount Paid
	0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only	$.....337,577,928
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.	$.....250,709,182
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	$.....96,843,923
	1.62 Total incurred claims	$.....63,120,455
	1.63 Number of covered lives	53,792
	All years prior to most current three years:	
	1.64 Total premium earned	$.....240,734,005
	1.65 Total incurred claims	$.....187,588,727
	1.66 Number of covered lives	100,809
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	7,344,345,113	5,819,892,346
2.2 Premium Denominator	7,344,345,113	5,819,892,346
2.3 Premium Ratio (2.1/2.2)	100.0	100.0
2.4 Reserve Numerator	1,014,819,883	845,677,518
2.5 Reserve Denominator	1,014,819,883	845,677,518
2.6 Reserve Ratio (2.4/2.5)	100.0	100.0

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, 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 [ ]
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	$.....1,000,000
	5.32 Medical only	$.....0
	5.33 Medicare supplement	$.....0
	5.34 Dental and 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:	
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	44,476
	8.2 Number of providers at end of reporting year	48,692
9.1	Does the reporting entity have business subject to premium rate guarantees?	Yes [X] No [ ]
9.2	If yes, direct premium earned:	
	9.21 Business with rate guarantees between 15-36 months	$.....2,536,914
	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	.....
	10.22 Amount actually paid for year bonuses	.....
	10.23 Maximum amount payable withholds	.....
	10.24 Amount actually paid for year withholds	.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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 Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. North Carolina

11.4 If yes, show the amount required. $.....789,097,678

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [X] No [ ]

11.6 If the amount is calculated, show the calculation:
See Footnote #32

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

13.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .....

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. .....

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

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 written premium..... $.....0

15.2 Total incured claims..... $.....0

15.3 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 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	4,206,136,280	3,786,788,030	3,498,552,257	3,110,002,085	2,977,997,852
2. Total liabilities (Page 3, Line 24)	1,907,821,268	1,398,255,210	1,417,547,908	1,293,829,322	1,226,407,536
3. Statutory surplus	789,097,678	716,071,701	658,380,110	605,914,156	556,946,504
4. Total capital and surplus (Page 3, Line 33)	2,298,315,012	2,388,532,820	2,081,004,349	1,816,172,763	1,751,590,316
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	7,351,796,416	5,816,079,768	5,252,299,086	4,967,295,904	4,682,768,098
6. Total medical and hospital expenses (Line 18)	6,483,983,831	5,035,915,571	4,523,997,618	4,160,054,451	4,036,342,986
7. Claims adjustment expenses (Line 20)	460,093,279	455,081,921	342,003,353	277,272,827	247,454,543
8. Total administrative expenses (Line 21)	776,568,491	406,297,483	434,256,292	429,093,564	394,736,042
9. Net underwriting gain (loss) (Line 24)	(363,960,993)	(34,510,710)	(12,835,860)	112,493,508	(27,793,039)
10. Net investment gain (loss) (Line 27)	169,187,702	158,126,832	102,026,507	113,024,892	111,791,856
11. Total other income (Lines 28 plus 29)	23,689,450	25,721,943	27,548,534	29,195,263	33,828,439
12. Net income or (loss) (Line 32)	(137,577,232)	180,060,588	89,122,788	200,966,354	94,162,527
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(276,173,986)	137,800,814	172,376,109	239,986,112	14,316,708
Risk-Based Capital Analysis					
14. Total adjusted capital	2,298,315,012	2,388,532,820	2,081,004,349	1,816,172,763	1,751,590,316
15. Authorized control level risk-based capital	291,744,856	231,193,669	199,180,619	170,574,434	159,511,914
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,859,662	1,723,426	1,584,066	1,464,695	1,429,332
17. Total member months (Column 6, Line 7)	22,427,397	20,162,345	18,395,481	17,384,915	17,305,121
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 (Line 18 plus Line 19)	88.3	86.5	86.2	83.7	86.2
20. Cost containment expenses	2.2	2.8	2.9	2.1	1.9
21. Other claims adjustment expenses	4.1	5.0	3.7	3.5	3.4
22. Total underwriting deductions (Line 23)	105.1	100.5	100.3	97.7	100.6
23. Total underwriting gain (loss) (Line 24)	(5.0)	(0.6)	(0.2)	2.3	(0.6)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	446,135,205	374,957,311	315,209,835	259,749,671	282,271,895
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	415,619,515	379,192,876	320,175,037	288,605,417	319,634,740
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	108,512,343	65,993,403	78,534,954	69,859,543	33,926,093
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	108,512,343	65,993,403	78,534,954	69,859,543	33,926,093
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 [ ]

If no, please explain:

N/A

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,723,426	363,058	582,959	145,036	64,154	230,687	160,005	123,067		54,460
2. First quarter	1,820,911	452,569	552,537	149,825	68,437	223,255	160,397	159,122		54,769
3. Second quarter	1,919,397	562,068	540,275	151,518	69,063	218,364	160,181	162,726		55,202
4. Third quarter	1,875,802	553,642	506,924	153,349	70,075	208,504	160,679	166,759		55,870
5. Current year	1,859,662	535,096	509,856	154,601	73,317	201,158	161,356	168,165		56,113
6. Current year member months	22,427,397	6,236,359	6,393,110	1,824,350	834,577	2,588,223	1,926,949	1,959,303		664,526
Total Member Ambulatory Encounters for Year:										
7. Physician	9,536,637	1,780,971	1,832,075	3,449,214		206,460	81,537	2,186,380		
8. Non-physician	0									
9. Totals	9,536,637	1,780,971	1,832,075	3,449,214	0	206,460	81,537	2,186,380	0	0
10. Hospital patient days incurred	1,017,851	156,369	110,911	344,774				405,797		
11. Number of inpatient admissions	135,398	27,909	21,772	40,270				45,447		
12. Health premiums written (b)	7,353,537,575	2,078,755,346	2,217,602,079	337,577,926	5,809,093	86,116,372	1,018,779,858	1,466,708,191		142,188,710
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,353,034,850	2,078,755,346	2,217,602,079	337,577,926	5,809,093	86,116,372	1,018,277,133	1,466,708,191		142,188,710
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,500,235,326	2,014,356,914	1,847,352,476	249,139,502	3,746,531	57,506,452	889,725,355	1,331,119,467		107,288,629
18. Amount incurred for provision of health care services	6,736,175,315	1,904,330,514	2,090,961,841	250,709,177	3,692,680	58,378,174	931,505,052	1,389,834,267		106,763,610

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,227,572 and number of persons insured under indemnity only products.....210,714.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,534,509,009

* 5 4 6 3 1 2 0 1 4 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,723,426	363,058	582,959	145,036	64,154	230,687	160,005	123,067		54,460
2. First quarter	1,820,911	452,569	552,537	149,825	68,437	223,255	160,397	159,122		54,769
3. Second quarter	1,919,397	562,068	540,275	151,518	69,063	218,364	160,181	162,726		55,202
4. Third quarter	1,875,802	553,642	506,924	153,349	70,075	208,504	160,679	166,759		55,870
5. Current year	1,859,662	535,096	509,856	154,601	73,317	201,158	161,356	168,165		56,113
6. Current year member months	22,427,397	6,236,359	6,393,110	1,824,350	834,577	2,588,223	1,926,949	1,959,303		664,526
Total Member Ambulatory Encounters for Year:										
7. Physician	9,536,637	1,780,971	1,832,075	3,449,214		206,460	81,537	2,186,380		
8. Non-physician	0									
9. Totals	9,536,637	1,780,971	1,832,075	3,449,214	0	206,460	81,537	2,186,380	0	0
10. Hospital patient days incurred	1,017,851	156,369	110,911	344,774				405,797		
11. Number of inpatient admissions	135,398	27,909	21,772	40,270				45,447		
12. Health premiums written (b)	7,353,537,575	2,078,755,346	2,217,602,079	337,577,926	5,809,093	86,116,372	1,018,779,858	1,466,708,191		142,188,710
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,353,034,850	2,078,755,346	2,217,602,079	337,577,926	5,809,093	86,116,372	1,018,277,133	1,466,708,191		142,188,710
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,500,235,326	2,014,356,914	1,847,352,476	249,139,502	3,746,531	57,506,452	889,725,355	1,331,119,467		107,288,629
18. Amount incurred for provision of health care services	6,736,175,315	1,904,330,514	2,090,961,841	250,709,177	3,692,680	58,378,174	931,505,052	1,389,834,267		106,763,610

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,227,572 and number of persons insured under indemnity only products.....210,714.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,534,509,009

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
.....	AA-9990032...	01/01/2014	U.S. Department of Health and Human Services.....	DC.....	247,784,861	.....
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates.....				247,784,861	0
2199999.	Total - Accident and Health Non-Affiliates.....				247,784,861	0
2299999.	Total - Accident and Health.....				247,784,861	0
2399999.	Total U.S.....				247,784,861	0
9999999.	Total.....				247,784,861	0

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
26921	22-2005057	.12/01/2002	Everest Reinsurance Company	DE	OTH/L/G	SL	8,085,587						
69515	34-0977231	.12/01/2002	MedAmerica Insurance Co	PA	LTC/A/G	LTC	1,106,875	246,177	10,914,471				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						9,192,462	246,177	10,914,471	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						9,192,462	246,177	10,914,471	0	0	0	0
1199999.	Total - General Account - Authorized						9,192,462	246,177	10,914,471	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						9,192,462	246,177	10,914,471	0	0	0	0
6999999.	Total - U.S.						9,192,462	246,177	10,914,471	0	0	0	0
9999999.	Total						9,192,462	246,177	10,914,471	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Provision for Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2014	2 2013	3 2012	4 2011	5 2010
A.	**OPERATIONS ITEMS**					
1.	Premiums	9,192	10,884	11,055	16,648	16,087
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	1,628	2,067	2,213	1,892	2,660
5.	Total hospital and medical expenses	4,406	6,899	7,919	8,009	9,698
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses	247,785				
9.	Experience rating refunds due or unpaid		299			721
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers				XXX	XXX
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust				XXX	XXX
18.	Funds deposited by and withheld from (F)				XXX	XXX
19.	Letters of credit (L)				XXX	XXX
20.	Trust agreements (T)				XXX	XXX
21.	Other (O)				XXX	XXX

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	3,087,268,731		3,087,268,731
2.	Accident and health premiums due and unpaid (Line 15)	310,544,747		310,544,747
3.	Amounts recoverable from reinsurers (Line 16.1)	247,784,861		247,784,861
4.	Net credit for ceded reinsurance	XXX	13,132,257	13,132,257
5.	All other admitted assets (balance)	560,537,941		560,537,941
6.	Totals assets (Line 28)	4,206,136,280	13,132,257	4,219,268,537
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	726,683,356	1,971,609	728,654,965
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)	139,319,314		139,319,314
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	1,041,818,598	11,160,648	1,052,979,246
15.	Total liabilities (Line 24)	1,907,821,268	13,132,257	1,920,953,525
16.	Total capital and surplus (Line 33)	2,298,315,012	XXX	2,298,315,012
17.	Total liabilities, capital and surplus (Line 34)	4,206,136,280	13,132,257	4,219,268,537
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	1,971,609		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	1,971,609		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	(11,160,648)		
30.	Total ceded reinsurance payables/offsets	(11,160,648)		
31.	Total net credit for ceded reinsurance	13,132,257		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	4,797,524,710	1,466,708,191		1,018,779,858			7,283,012,759	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	70,524,816	0	0	0	0	0	70,524,816	0
59. Subtotal	XXX	4,868,049,526	1,466,708,191	0	1,018,779,858	0	0	7,353,537,575	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	4,868,049,526	1,466,708,191	0	1,018,779,858	0	0	7,353,537,575	0

DETAILS OF WRITE-INS

58001. ACA Risk Corridor	60,800,000							60,800,000	
58002. ACA Risk Adjustment	40,360,329							40,360,329	
58003. ACA Reinsurance Fee	(30,635,513)							(30,635,513)	
58998. Summary of remaining write-ins for line 58	0	0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 + 58998)	70,524,816	0	0	0	0	0	0	70,524,816	0

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

Explanation of basis of allocation by states, premiums by state, etc.

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

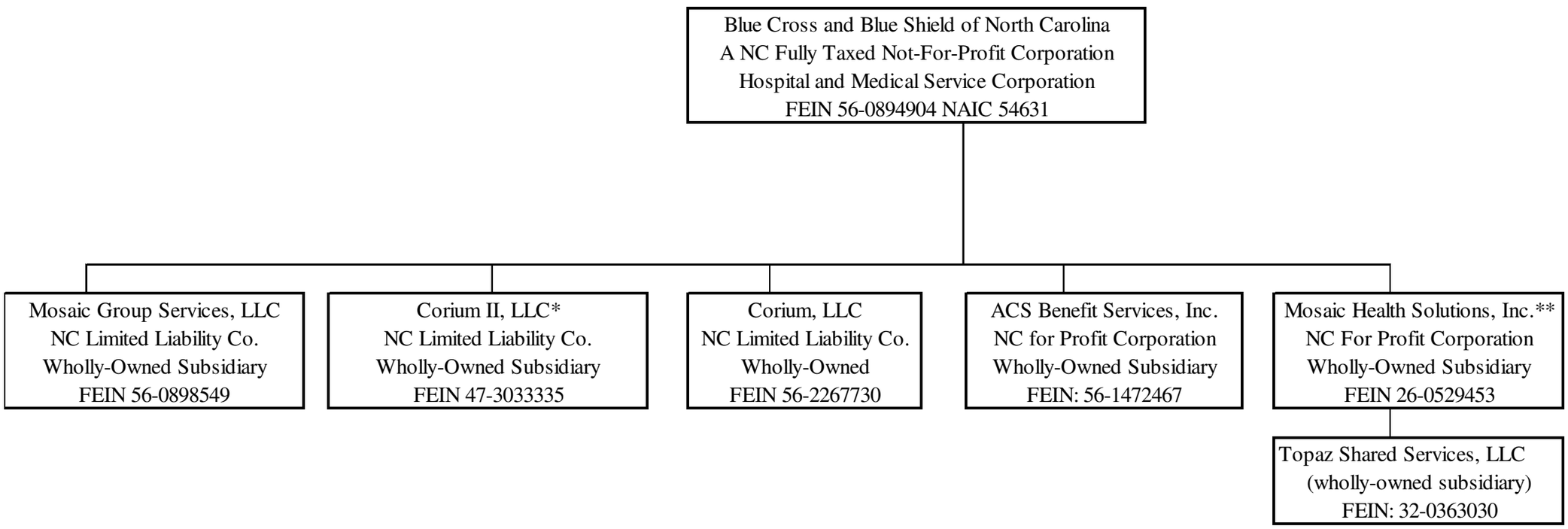
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				1,106,875		1,106,875
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	1,106,875	0	1,106,875

Corporate Structure
Blue Cross and Blue Shield of North Carolina



*Corium II, LLC was filed with the NC Secretary of State on December 16, 2014.
**Formerly known as NobleHealth Inc. - Articles of Restatement of NobleHealth, Inc. which changed its name to Mosaic Health Solutions, Inc were filed with the NC Secretary of State on July 1, 2014.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
.....	.....	54631...	56-0894904..	.....	.....	.....	Blue Cross and Blue Shield of North Carolina.....	NC.....	UDP.....	BCBSNC.....	Owership.....	...100.000	Board of Directors.....	.....
.....	.....	.....	56-0898549..	.....	.....	.....	Mosaic Group Services, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	*.....
.....	.....	.....	56-1472467..	.....	.....	.....	ACS Benefit Services, Inc.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	*.....
.....	.....	.....	26-0529453..	.....	.....	.....	Mosaic Health Solutions, Inc.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....
.....	.....	.....	56-2267730..	.....	.....	.....	Corium, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....
.....	.....	.....	47-3033335..	.....	.....	.....	Corium II, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....

Asterisk	Explanation
	BCBSNC has agreed to provide its wholly-owned subsidiaries, ACS and Mosaic Group, administrative services which include but are not limited to management duties, production of business and servicing of the subsidiaries business.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
	56-0898549	Mosaic Group Services, LLC					(9,631,783)				(9,631,783)	
	56-1472467	ACS Benefit Services, Inc.					6,960,432				6,960,432	
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina					2,671,351				2,671,351	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	Responses
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
18.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
21.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
22.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
23.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

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Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Prepaid Retirement	36,565,154	36,565,154	0	
2505. Prepaid Expenses	34,752,749	34,752,749	0	
2506. Cash Surrender Value of Life Insurance	10,513,447		10,513,447	11,851,072
2507. AR- VEBA	2,053,343		2,053,343	2,475,610
2508. Automobiles	47,500	47,500	0	
2597. Summary of remaining write-ins for Line 25	83,932,193	71,365,403	12,566,790	14,326,682

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Unearned Rent	267,500		267,500	297,499
2305. Reserve for Unclaimed Property	1,626		1,626	2,472
2397. Summary of remaining write-ins for Line 23	269,126	0	269,126	299,971

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid Expenses	34,752,749	27,354,104	(7,398,645)
2505. Automobiles	47,500	46,045	(1,455)
2506. Prepaid Post Retirement Benefits Other Than Pension		5,740,613	5,740,613
2597. Summary of remaining write-ins for Line 25	34,800,249	33,140,762	(1,659,487)

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	15,899	0.0	15,899		15,899	0.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies	2,536,198	0.1	2,536,198		2,536,198	0.1
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	996,575	0.0	996,575		996,575	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	219,512,108	8.1	219,512,108		219,512,108	7.1
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	194,812,215	7.2	194,812,215		194,812,215	6.3
1.43 Revenue and assessment obligations	807,448,282	29.8	781,211,170		781,211,170	25.3
1.44 Industrial development and similar obligations	2,203,513	0.1	2,203,513		2,203,513	0.1
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	19,375,298	0.7	19,375,298		19,375,298	0.6
1.512 Issued or guaranteed by FNMA and FHLMC	97,186,448	3.6	97,186,448		97,186,448	3.1
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	855,107	0.0	855,107		855,107	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521	100,476,872	3.7	100,476,872		100,476,872	3.3
1.523 All other		0.0			0	0.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	189,102,474	7.0	189,102,474		189,102,474	6.1
2.2 Unaffiliated non-U.S. securities (including Canada)	8,510,359	0.3	8,510,359		8,510,359	0.3
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	544,836,371	20.1	909,389,882		909,389,882	29.5
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated		0.0			0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated	293,237,927	10.8	332,526,392		332,526,392	10.8
3.4 Other equity securities:						
3.41 Affiliated	111,634,128	4.1	108,512,343		108,512,343	3.5
3.42 Unaffiliated	961,028	0.0	3,922,414		3,922,414	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company	3,645,547	0.1	3,435,547		3,435,547	0.1
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	3,206,311	0.1	3,206,311		3,206,311	0.1
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	(187,510,174)	(6.9)	(187,510,174)		(187,510,174)	(6.1)
11. Other invested assets	296,991,780	11.0	296,991,780		296,991,780	9.6
12. Total invested assets	2,710,034,266	100.0	3,087,268,731	0	3,087,268,731	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		74,344,130
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)	6,179,931	6,179,931
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13	(69,448,935)	
	3.2 Totals, Part 3, Column 11		(69,448,935)
4.	Total gain (loss) on disposals, Part 3, Column 18		(1,143,858)
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	3,289,410	
	8.2 Totals, Part 3, Column 9		3,289,410
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		6,641,858
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		6,641,858

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		185,961,347
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	38,936,868	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	67,915,363	106,852,231
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	9,952,324	
	5.2 Totals, Part 3, Column 9		9,952,324
6.	Total gain (loss) on disposals, Part 3, Column 19		1,139,486
7.	Deduct amounts received on disposals, Part 3, Column 16		6,913,608
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15		
	10.2 Totals, Part 3, Column 11		0
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		296,991,780
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		296,991,780

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		3,001,179,330
2.	Cost of bonds and stocks acquired, Part 3, Column 7		944,794,828
3.	Accrual of discount		1,390,121
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12		
	4.2 Part 2, Section 1, Column 15		
	4.3 Part 2, Section 2, Column 13	70,140,109	
	4.4 Part 4, Column 11	(55,603,464)	14,536,645
5.	Total gain (loss) on disposals, Part 4, Column 19		75,907,783
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		1,029,609,489
7.	Deduct amortization of premium		10,559,660
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14		
	9.4 Part 4, Column 13		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		2,997,639,558
11.	Deduct total nonadmitted amounts		26,494,291
12.	Statement value at end of current period (Line 10 minus Line 11)		2,971,145,267

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	22,284,973	22,493,365	22,276,715	20,831,758
Governments (Including all obligations	2. Canada	996,576	1,000,710	995,900	1,000,000
guaranteed by governments)	3. Other Countries				
	4. Totals	23,281,549	23,494,075	23,272,615	21,831,758
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	241,552,633	258,340,096	246,088,737	232,915,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	218,147,125	235,029,093	222,267,780	207,175,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	861,960,345	935,245,877	873,851,038	826,804,270
Industrial and Miscellaneous and Hybrid	8. United States	271,822,114	282,371,450	274,070,017	256,097,892
Securities (Unaffiliated)	9. Canada	6,547,702	6,586,221	6,651,257	6,455,000
	10. Other Countries	19,719,890	19,522,077	19,752,862	19,085,000
	11. Totals	298,089,706	308,479,748	300,474,136	281,637,892
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	1,643,031,358	1,760,588,889	1,665,954,306	1,570,363,920
PREFERRED STOCKS	14. United States				
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS	20. United States	1,246,095,857	1,246,095,857	839,035,324	
Industrial and Miscellaneous (Unaffiliated)	21. Canada				
	22. Other Countries				
	23. Totals	1,246,095,857	1,246,095,857	839,035,324	
Parent, Subsidiaries and Affiliates	24. Totals	108,512,343	108,512,343	111,634,128	
	25. Total Common Stocks	1,354,608,200	1,354,608,200	950,669,452	
	26. Total Stocks	1,354,608,200	1,354,608,200	950,669,452	
	27. Total Bonds and Stocks	2,997,639,558	3,115,197,089	2,616,623,758	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments**											
1.1 NAIC 1	2,965,948	2,022,073	2,912,263	7,642,410	9,242,279	24,784,973	1.5	121,674,197	7.0	24,784,973	
1.2 NAIC 2						0	0.0		0.0		
1.3 NAIC 3						0	0.0		0.0		
1.4 NAIC 4						0	0.0		0.0		
1.5 NAIC 5						0	0.0		0.0		
1.6 NAIC 6						0	0.0		0.0		
1.7 Totals	2,965,948	2,022,073	2,912,263	7,642,410	9,242,279	24,784,973	1.5	121,674,197	7.0	24,784,973	0
2. **All Other Governments**											
2.1 NAIC 1			996,576			996,576	0.1	5,070,806	0.3	996,576	
2.2 NAIC 2						0	0.0		0.0		
2.3 NAIC 3						0	0.0		0.0		
2.4 NAIC 4						0	0.0		0.0		
2.5 NAIC 5						0	0.0		0.0		
2.6 NAIC 6						0	0.0		0.0		
2.7 Totals	0	0	996,576	0	0	996,576	0.1	5,070,806	0.3	996,576	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**											
3.1 NAIC 1	5,049,006	51,526,025	127,867,414	45,032,092	12,078,096	241,552,633	14.6	359,654,152	20.8	241,552,633	
3.2 NAIC 2						0	0.0		0.0		
3.3 NAIC 3						0	0.0		0.0		
3.4 NAIC 4						0	0.0		0.0		
3.5 NAIC 5						0	0.0		0.0		
3.6 NAIC 6						0	0.0		0.0		
3.7 Totals	5,049,006	51,526,025	127,867,414	45,032,092	12,078,096	241,552,633	14.6	359,654,152	20.8	241,552,633	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 NAIC 1	1,485,385	42,456,290	102,425,099	62,211,627	6,089,136	214,667,537	13.0	238,995,433	13.8	214,667,537	
4.2 NAIC 2				3,479,588		3,479,588	0.2		0.0	3,479,588	
4.3 NAIC 3						0	0.0		0.0		
4.4 NAIC 4						0	0.0		0.0		
4.5 NAIC 5						0	0.0		0.0		
4.6 NAIC 6						0	0.0		0.0		
4.7 Totals	1,485,385	42,456,290	102,425,099	65,691,215	6,089,136	218,147,125	13.2	238,995,433	13.8	218,147,125	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 NAIC 1	3,717,113	204,354,115	360,645,096	226,404,316	64,303,556	859,424,196	52.1	695,194,135	40.1	859,424,196	
5.2 NAIC 2				2,536,149		2,536,149	0.2	6,976,069	0.4	2,536,149	
5.3 NAIC 3						0	0.0		0.0		
5.4 NAIC 4						0	0.0		0.0		
5.5 NAIC 5						0	0.0		0.0		
5.6 NAIC 6						0	0.0		0.0		
5.7 Totals	3,717,113	204,354,115	360,645,096	228,940,465	64,303,556	861,960,345	52.3	702,170,204	40.5	861,960,345	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 NAIC 1	38,913,295	103,085,344	67,438,152	4,710,037	16,890,255	231,037,083	14.0	214,928,816	12.4	231,037,083	
6.2 NAIC 2	3,037,929	23,019,942	29,286,841	10,708,835	4,525,129	70,578,676	4.3	89,317,367	5.2	70,578,676	
6.3 NAIC 3						0	0.0		0.0		
6.4 NAIC 4						0	0.0		0.0		
6.5 NAIC 5						0	0.0		0.0		
6.6 NAIC 6						0	0.0		0.0		
6.7 Totals	41,951,224	126,105,286	96,724,993	15,418,872	21,415,384	301,615,759	18.3	304,246,183	17.6	301,615,759	0
7. **Hybrid Securities**											
7.1 NAIC 1						0	0.0		0.0		
7.2 NAIC 2						0	0.0		0.0		
7.3 NAIC 3						0	0.0		0.0		
7.4 NAIC 4						0	0.0		0.0		
7.5 NAIC 5						0	0.0		0.0		
7.6 NAIC 6						0	0.0		0.0		
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 NAIC 1						0	0.0		0.0		
8.2 NAIC 2						0	0.0		0.0		
8.3 NAIC 3						0	0.0		0.0		
8.4 NAIC 4						0	0.0		0.0		
8.5 NAIC 5						0	0.0		0.0		
8.6 NAIC 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. **Total Bonds Current Year**											
9.1 NAIC 1	(d) 52,130,747	403,443,847	662,284,600	346,000,482	108,603,322	1,572,462,998	95.4	XXX	XXX	1,572,462,998	0
9.2 NAIC 2	(d) 3,037,929	23,019,942	29,286,841	16,724,572	4,525,129	76,594,413	4.6	XXX	XXX	76,594,413	0
9.3 NAIC 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 NAIC 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 NAIC 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.6 NAIC 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.7 Totals	55,168,676	426,463,789	691,571,441	362,725,054	113,128,451	(b) 1,649,057,411	100.0	XXX	XXX	1,649,057,411	0
9.8 Line 9.7 as a % of Col. 6	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	0.0
10. **Total Bonds Prior Year**											
10.1 NAIC 1	74,084,799	426,120,593	723,251,427	374,617,594	37,443,126	XXX	XXX	1,635,517,539	94.4	1,635,517,539	
10.2 NAIC 2	1,182,274	46,736,641	41,439,941	5,171,471	1,763,109	XXX	XXX	96,293,436	5.6	96,293,436	
10.3 NAIC 3						XXX	XXX	0	0.0		
10.4 NAIC 4						XXX	XXX	0	0.0		
10.5 NAIC 5						XXX	XXX	(c) 0	0.0		
10.6 NAIC 6						XXX	XXX	(c) 0	0.0		
10.7 Totals	75,267,073	472,857,234	764,691,368	379,789,065	39,206,235	XXX	XXX	(b) 1,731,810,975	100.0	1,731,810,975	0
10.8 Line 10.7 as a % of Col. 8	4.3	27.3	44.2	21.9	2.3	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 NAIC 1	52,130,747	403,443,847	662,284,600	346,000,482	108,603,322	1,572,462,998	95.4	1,635,517,539	94.4	1,572,462,998	XXX
11.2 NAIC 2	3,037,929	23,019,942	29,286,841	16,724,572	4,525,129	76,594,413	4.6	96,293,436	5.6	76,594,413	XXX
11.3 NAIC 3						0	0.0	0	0.0	0	XXX
11.4 NAIC 4						0	0.0	0	0.0	0	XXX
11.5 NAIC 5						0	0.0	0	0.0	0	XXX
11.6 NAIC 6						0	0.0	0	0.0	0	XXX
11.7 Totals	55,168,676	426,463,789	691,571,441	362,725,054	113,128,451	1,649,057,411	100.0	1,731,810,975	100.0	1,649,057,411	XXX
11.8 Line 11.7 as a % of Col. 6	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	XXX
12. **Total Privately Placed Bonds**											
12.1 NAIC 1						0	0.0	0	0.0	XXX	0
12.2 NAIC 2						0	0.0	0	0.0	XXX	0
12.3 NAIC 3						0	0.0	0	0.0	XXX	0
12.4 NAIC 4						0	0.0	0	0.0	XXX	0
12.5 NAIC 5						0	0.0	0	0.0	XXX	0
12.6 NAIC 6						0	0.0	0	0.0	XXX	0
12.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $....6,026,053; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments**											
1.1 Issuer Obligations	2,543,920			15,899		2,559,819	0.2	102,468,688	5.9	2,559,819	
1.2 Residential Mortgage-Backed Securities	465,948	2,022,073	2,912,263	7,626,511	9,198,359	22,225,154	1.3		0.0	22,225,154	
1.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities						0	0.0	19,205,509	1.1		
1.5 Totals	3,009,868	2,022,073	2,912,263	7,642,410	9,198,359	24,784,973	1.5	121,674,197	7.0	24,784,973	0
2. **All Other Governments**											
2.1 Issuer Obligations			996,576			996,576	0.1	5,070,806	0.3	996,576	
2.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
2.5 Totals	0	0	996,576	0	0	996,576	0.1	5,070,806	0.3	996,576	0
3. **U.S. States, Territories and Possessions, Guaranteed**											
3.1 Issuer Obligations	5,049,006	51,526,020	127,867,414	45,032,097	12,078,096	241,552,633	14.6	359,654,152	20.8	241,552,633	
3.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
3.5 Totals	5,049,006	51,526,020	127,867,414	45,032,097	12,078,096	241,552,633	14.6	359,654,152	20.8	241,552,633	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Issuer Obligations	1,485,385	42,456,290	102,425,099	65,691,214	6,089,137	218,147,125	13.2	238,995,433	13.8	218,147,125	
4.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
4.5 Totals	1,485,385	42,456,290	102,425,099	65,691,214	6,089,137	218,147,125	13.2	238,995,433	13.8	218,147,125	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Issuer Obligations		190,475,364	345,149,248	194,392,469	34,259,288	764,276,369	46.3	689,161,363	39.8	764,276,369	
5.2 Residential Mortgage-Backed Securities	2,791,527	10,108,963	14,936,946	34,547,996	30,044,269	92,429,701	5.6	13,008,841	0.8	92,429,701	
5.3 Commercial Mortgage-Backed Securities	925,586	3,769,788	558,901			5,254,275	0.3		0.0	5,254,275	
5.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
5.5 Totals	3,717,113	204,354,115	360,645,095	228,940,465	64,303,557	861,960,345	52.3	702,170,204	40.5	861,960,345	0
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Issuer Obligations	8,341,716	87,307,489	72,835,552	14,928,302	11,905,488	195,318,547	11.8	286,819,057	16.6	195,318,547	
6.2 Residential Mortgage-Backed Securities						0	0.0	732,719	0.0		
6.3 Commercial Mortgage-Backed Securities	33,251,724	34,166,113	23,549,138		9,553,816	100,520,791	6.1	11,907,806	0.7	100,520,791	
6.4 Other Loan-Backed and Structured Securities	313,865	4,631,683	340,303	490,570		5,776,421	0.4	4,786,601	0.3	5,776,421	
6.5 Totals	41,907,305	126,105,285	96,724,993	15,418,872	21,459,304	301,615,759	18.3	304,246,183	17.6	301,615,759	0
7. **Hybrid Securities**											
7.1 Issuer Obligations						0	0.0		0.0		
7.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 Issuer Obligations						0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. **Total Bonds Current Year**											
9.1 Issuer Obligations	17,420,027	371,765,163	649,273,889	320,059,981	64,332,009	1,422,851,069	86.3	XXX	XXX	1,422,851,069	0
9.2 Residential Mortgage-Backed Securities	3,257,475	12,131,036	17,849,209	42,174,507	39,242,628	114,654,855	7.0	XXX	XXX	114,654,855	0
9.3 Commercial Mortgage-Backed Securities	34,177,310	37,935,901	24,108,039	0	9,553,816	105,775,066	6.4	XXX	XXX	105,775,066	0
9.4 Other Loan-Backed and Structured Securities	313,865	4,631,683	340,303	490,570	0	5,776,421	0.4	XXX	XXX	5,776,421	0
9.5 Totals	55,168,677	426,463,783	691,571,440	362,725,058	113,128,453	1,649,057,411	100.0	XXX	XXX	1,649,057,411	0
9.6 Line 9.5 as a % of Col. 6	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	0.0
10. **Total Bonds Prior Year**											
10.1 Issuer Obligations	66,371,064	451,446,874	751,447,387	373,923,533	38,980,641	XXX	XXX	1,682,169,499	97.1	1,682,169,499	
10.2 Residential Mortgage-Backed Securities	1,992,256	4,914,922	4,441,671	2,168,464	224,247	XXX	XXX	13,741,560	0.8	13,741,560	
10.3 Commercial Mortgage-Backed Securities	1,706,756	7,388,400	2,812,650			XXX	XXX	11,907,806	0.7	11,907,806	
10.4 Other Loan-Backed and Structured Securities	5,197,000	9,107,038	5,989,662	3,697,066	1,344	XXX	XXX	23,992,110	1.4	23,992,110	
10.5 Totals	75,267,076	472,857,234	764,691,370	379,789,063	39,206,232	XXX	XXX	1,731,810,975	100.0	1,731,810,975	0
10.6 Line 10.5 as a % of Col. 8	4.3	27.3	44.2	21.9	2.3	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 Issuer Obligations	17,420,027	371,765,163	649,273,889	320,059,981	64,332,009	1,422,851,069	86.3	1,682,169,499	97.1	1,422,851,069	XXX
11.2 Residential Mortgage-Backed Securities	3,257,475	12,131,036	17,849,209	42,174,507	39,286,547	114,698,774	7.0	13,741,560	0.8	114,698,774	XXX
11.3 Commercial Mortgage-Backed Securities	34,177,310	37,935,901	24,108,039		9,509,897	105,731,147	6.4	11,907,806	0.7	105,731,147	XXX
11.4 Other Loan-Backed and Structured Securities	313,865	4,631,683	340,303	490,570		5,776,421	0.4	23,992,110	1.4	5,776,421	XXX
11.5 Totals	55,168,677	426,463,783	691,571,440	362,725,058	113,128,453	1,649,057,411	100.0	1,731,810,975	100.0	1,649,057,411	XXX
11.6 Line 11.5 as a % of Col. 6	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	3.3	25.9	41.9	22.0	6.9	100.0	XXX	XXX	XXX	100.0	XXX
12. **Total Privately Placed Bonds**											
12.1 Issuer Obligations						0	0.0	0	0.0	XXX	0
12.2 Residential Mortgage-Backed Securities						0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities						0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities						0	0.0	0	0.0	XXX	0
12.5 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Line 12.5 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	27,884,597	27,884,597			
2. Cost of short-term investments acquired	942,794,993	942,794,993			
3. Accrual of discount	308	308			
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	141	141			
6. Deduct consideration received on disposals	964,653,986	964,653,986			
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	6,026,053	6,026,053	0	0	0
11. Deduct total nonadmitted amounts	2,000,000	2,000,000			
12. Statement value at end of current period (Line 10 minus Line 11)	4,026,053	4,026,053	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
	2.1 Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
	2.2 Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
	3.1 Section 1, Column 17			
	3.2 Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
	6.1 Section 1, Column 19			
	6.2 Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
	7.1 Section 1, Column 20			
	7.2 Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
	8.1 Section 1, Column 18			
	8.2 Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)			
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)			
3.1	Add:			
	Change in variation margin on open contracts - highly effective hedges:			
	3.11 Section 1, Column 15, current year minus			
	3.12 Section 1, Column 15, prior year		0	
	Change in the valuation margin on open contracts - all other:			
	3.13 Section 1, Column 18, current year minus			
	3.14 Section 1, Column 18, prior year		0	0
3.2	Add:			
	Change in adjustment to basis of hedged item:			
	3.21 Section 1, Column 17, current year to date minus			
	3.22 Section 1, Column 17, prior year		0	
	Change in amount recognized:			
	3.23 Section 1, Column 19, current year to date minus			
	3.24 Section 1, Column 19, prior year		0	0
3.3	Subtotal (Line 3.1 minus Line 3.2)			0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)			
4.2	Less:			
	4.21 Amount used to adjust basis of hedged item (Section 2, Column 17)			
	4.22 Amount recognized (Section 2, Column 16)		0	
4.3	Subtotal (Line 4.1 minus Line 4.2)			0
5.	Dispositions gains (losses) on contracts terminated in prior year:			
	5.1 Total gain (loss) recognized for terminations in prior year			
	5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year			
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)			0
7.	Deduct nonadmitted assets			
8.	Statement value at end of current period (Line 6 minus Line 7)			0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

NONE

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Subtotal (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0

NONE

		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0

		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0		
2. Cost of cash equivalents acquired	69,499,821	69,499,821	
3. Accrual of discount	58	58	
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	68	68	
6. Deduct consideration received on disposals	69,499,947	69,499,947	
7. Deduct amortization of premium	0		
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Administrative																
HQ Building & Land	^	Chapel Hill	NC	01/01/1969.	12/11/2012.	16,230,014		2,742,500	39,500,000	480,607			(480,607)		12,660,593	2,252,187
CSC Building & Land	^	Durham	NC	01/01/2000.	07/06/2010.	37,746,250	20,890,216			1,027,034		(20,890,216)	(21,917,250)			1,846,724
CSC II & Commons Building	^	Durham	NC	12/31/2009.	07/06/2010.	38,665,568	17,891,293			728,047		(17,891,293)	(18,619,340)			1,193,375
CSC Vacant Land & CSC Parking Deck #2	^	Durham	NC	12/31/2009.	07/06/2010.	6,735,186	4,265,069			285,014		(4,265,069)	(4,550,083)			45,341
UP1 Building & Land	^	Durham	NC	09/30/2013.	11/12/2013.	8,394,289	6,280,376			195,518		(6,280,376)	(6,475,894)			368,754
UP2 Building & Land	^	Durham	NC	12/31/2008.	11/17/2009.	7,851,120	3,683,925			124,810		(3,683,925)	(3,808,735)			391,485
UP4 & UP5 Building & Land	^	Durham	NC	06/02/2013.	03/26/2013.	12,764,777	12,637,590					(12,637,590)	(12,637,590)			431,414
UP6 Building & Land	^	Durham	NC	03/07/2003.	11/17/2009.	5,623,605	3,800,466			209,678		(3,800,466)	(4,010,144)			447,199
98 Lakeview Drive - Brick House 1	^	Chapel Hill	NC	01/01/1971.	03/25/2009.	22,251			177,500				0			3,460
105 E Lakeview Drive - Brick House 2	^	Chapel Hill	NC	01/01/1969.	03/25/2009.	22,200			192,500				0			3,564
104 East Lakeview - Brick House 4	^	Chapel Hill	NC	12/15/2007.	03/25/2009.	183,000		150,599	190,000	4,575			(4,575)		695,209	3,547
102 E Lakeview Dr - Brick House 5	^	Chapel Hill	NC	12/15/2007.	03/25/2009.	190,062		161,157	190,000	4,752			(4,752)		743,972	3,547
100 W Lakeview Drive - Brick House 6	^	Chapel Hill	NC	01/15/2009.	03/25/2009.	201,358		171,154	200,000	5,034			(5,034)		790,126	3,616
East Lake Lots	^	Chapel Hill	NC	04/15/2008.	03/25/2009.	210,137		210,137	35,000				0		970,085	2,470
0299999. Properties Occupied by the Reporting Entity - Administrative						134,839,817	69,448,935	3,435,547	40,485,000	3,065,069	0	(69,448,935)	(72,514,004)	0	15,859,985	6,996,683
0399999. Total - Properties Occupied by the Reporting Entity						134,839,817	69,448,935	3,435,547	40,485,000	3,065,069	0	(69,448,935)	(72,514,004)	0	15,859,985	6,996,683
Properties Held for the Production of Income																
Duke Street Building	LS	Durham	NC	01/23/1970.	03/05/2010.	5,937,175		3,206,311	3,700,000	224,341			(224,341)		469,126	194,331
0499999. Total - Properties Held for the Production of Income						5,937,175	0	3,206,311	3,700,000	224,341	0	0	(224,341)	0	469,126	194,331
0699999. Totals						140,776,992	69,448,935	6,641,858	44,185,000	3,289,410	0	(69,448,935)	(72,738,345)	0	16,329,111	7,191,014

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
CSC2 & Commons Building	Durham	NC	12/31/2014	Various Vendors			10,581	10,581
Dukestreet Building	Durham	NC	03/31/2014	Various Vendors			49,495	49,495
Dukestreet Building	Durham	NC	06/30/2014	Various Vendors			60,357	60,357
Dukestreet Building	Durham	NC	09/30/2014	Various Vendors			272,427	272,427
Dukestreet Building	Durham	NC	12/31/204..	Various Vendors			92,421	92,421
UP 4 & 5 Building	Durham	NC	06/30/2014	Various Vendors			626,708	626,708
UP 4 & 5 Building	Durham	NC	09/30/2014	Various Vendors			419,794	419,794
UP 4 & 5 Building	Durham	NC	12/31/2014	Various Vendors			4,598,028	4,598,028
UP 6 Building	Durham	NC	06/30/2014	Various Vendors			50,120	50,120
0199999. Total - Acquired by Purchase					0	0	6,179,931	6,179,931
0399999. Totals					0	0	6,179,931	6,179,931

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
Property Disposed																			
CSC2 & Commons Building	Durham	NC	03/31/2014.	Various	1,785,538		1,025,013				0					(1,025,013)	(1,025,013)		
CSC Building	Durham	NC	03/31/2014.	Various	72,091		31,273				0					(31,273)	(31,273)		
Dukestreet Building	Durham	NC	03/31/2014.	Various	79,501		39,752				0					(39,752)	(39,752)		
UP6 Building	Durham	NC	03/31/2014.	Various	8,250		2,659				0					(2,659)	(2,659)		
Hq Building	Chapel Hill	NC	03/31/2014.	Various	3,129,946		45,161				0					(45,161)	(45,161)		
0199999. Total - Property Disposed					5,075,326	0	1,143,858	0	0	0	0	0	0	0	0	(1,143,858)	(1,143,858)	0	0
0399999. Totals					5,075,326	0	1,143,858	0	0	0	0	0	0	0	0	(1,143,858)	(1,143,858)	0	0

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
	Adams Street 2012 Gloabal Fund LP			DE	Adams Street Partners LLC		07/06/2012	1	8,642,609	8,642,609	8,642,609							16,152,500	3.4
	Blue Cross Blue Shield Ventures II			DE	Blue Cross Blue Shield Ventures II, Inc		06/24/2011	1	1,321,321	1,321,321	1,321,321							3,204,922	2.8
	BullCity Venture Partners Fund III			DE	Bull City Fund III GP, LLC		02/13/2013	1	114,990	114,990	114,990							380,494	2.0
	Camden Partners Strategic Fund V - A, L.P			DE	Camden Partners Strategic V, LLC		04/03/2014	1	2,725,000	2,725,000	2,725,000							2,275,000	9.2
	C.B. Healthcare Fund II Add on Commitment			DE	Cain Brothers, LLC		04/24/2001	1	164,827	164,827	164,827								6.1
	C.B. Healthcare Fund II, L.P			DE	Cain Brothers, LLC		04/24/2001	1	206,287	206,287	206,287								4.0
	Excel Medical Fund I			DE	Excel Medical Ventures, LLC		03/18/2013	1	2,142,461	2,142,461	2,142,461							907,539	2.4
	Excel Venture Fund II			DE	Excel Ventures II GP, LLC		03/28/2013	1	593,683	593,683	593,683						2,798	1,406,317	2.5
	Foundation Medical Partners			DE	Foundation Medical Managers IV, LLC		06/20/2014	1	278,922	278,922	278,922							2,721,078	2.8
	HarbourVest Partners IX -Buyout Fund LP			DE	HarbourVest Partners IX - Venture Associates LLC		06/28/2012	1	5,152,036	5,152,036	5,152,036							12,184,154	2.1
	HarbourVest Partners IX -Venture Fund LP			DE	HarbourVest Partners IX -Buyout Associates LLC		06/28/2012	1	3,606,582	3,606,582	3,606,582							3,712,500	1.0
	Hatteras Ventures Partners IV, L.P			DE	Hatteras Ventures Advisors IV, LLC		08/25/2011	1	506,999	506,999	506,999							990,000	2.4
	Health Enterprise Partners II, L.P			DE	HEP Associates II, LLC		07/10/2013	1	299,003	299,003	299,003							691,563	0.9
	Health Enterprise Partners, L.P			DE	HEP Associates, LLC		03/30/2007	1	1,911,343	1,911,343	1,911,343						42,152	336,190	3.6
	Nautic Partners VII-A, L.P			DE	Nautic Partners, LLC		10/27/2014	1	608,765	608,765	608,765							4,391,235	2.3
	Noro-Moseley Partners VII, L.P			DE	Moseley and Company VII LLC		01/02/2014	1	750,000	750,000	750,000							2,250,000	2.4
	Northgate Capital Direct Partners VII, L.P			DE	NCD Management VII, LLC		07/12/2012	1	11,982,890	11,982,890	11,982,890							7,100,000	8.0
	Northgate Venture Partners VI, LLC			DE	Northgate Venture VI, LLC		08/31/2012	1	7,400,000	7,400,000	7,400,000							12,600,000	7.0
	Southern Capital Technology Fund II, L.P			DE	So. Capital Tech. Fund II Mgmt Co		06/15/2006	1	252,784	252,784	252,784							120,000	3.3
	Synergy Life Science Partners, L.P			DE	Synergy Management, LLC		12/13/2007	1	1,626,641	1,626,641	1,626,641							249,179	2.1
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									50,287,143	50,287,143	50,287,143	0	0	0	0	0	44,950	71,672,671	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
	AEW Real Estate Trust			MD	AEW Capital Management LP		04/02/2012		44,739,000	51,438,969	51,438,969	3,698,866					2,312,707		1.6
	J.P. Morgan US Real Estate Income and Growth Domestic, L.P			DE	I&G Manager, LLC		10/01/2012		53,553,462	53,553,462	53,553,462						2,174,341		3.7
	Morgan Stanley Prime Property Fund			DE	Prime Property Fund LLC		09/30/2013		62,548,120	68,801,578	68,801,578	6,253,458					2,154,731		0.5
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									160,840,582	173,794,009	173,794,009	9,952,324	0	0	0	0	6,641,779	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
	Crescent Mezzanine Paartners VI			DE	Crescent Mezzanine VI, LLC		08/30/2013		22,217,826	22,217,826	22,217,826							11,863,966	1.0
	KKR Energy Income & Growth Fund LP			DE	KKR Associates EIGF LP		10/31/2013		7,745,010	7,745,010	7,745,010						82,230	25,927,628	3.1
	Principal Real Estate Debt Fund, L.P			DE	Principal Real Estate Debt Fund GP, LLC		05/07/2014		7,051,597	7,051,597	7,051,597						75,715	27,947,232	6.4
	Federated Project & Trade Finance Core Fund			DE	Federated Investors Inc		05/30/2014		35,896,196	35,896,196	35,896,196						896,196		7.0
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									72,910,629	72,910,629	72,910,629	0	0	0	0	0	1,054,141	65,738,826	XXX
4499999. Subtotal - Unaffiliated									284,038,354	296,991,781	296,991,781	9,952,324	0	0	0	0	7,740,870	137,411,497	XXX
4699999. Totals									284,038,354	296,991,781	296,991,781	9,952,324	0	0	0	0	7,740,870	137,411,497	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
	Adams Street 2012 Gloabal Fund LP		DE	Adams Street Partners LLC	07/06/2012	1		5,262,500		3.4
	Blue Cross Blue Shield Ventures II		DE	Blue Cross Blue Shield Ventures II, Inc	06/24/2011	1		504,291		2.8
	BullCity Venture Partners Fund III		DE	Bull City Fund III GP, LLC	02/13/2013	1		98,506		2.0
	Camden Partners Strategic Fund V - A, L.P		DE	Camden Partners Strategic V, LLC	04/03/2014	1	1,900,000	825,000		9.2
	Excel Medical Fund I		DE	Excel Medical Ventures, LLC	03/18/2013	1		139,926		2.4
	Excel Venture Fund II		DE	Excel Medical Ventures, LLC	03/28/2013	1		204,194		2.5
	Foundation Medical Partners IV, L.P		DE	Foundation Medical Managers IV, LLC	06/20/2014	1	187,500	91,422		2.8
	HarbourVest Partners IX -Buyout Fund LP		DE	HarbourVest Partners IX - Venture Associates LLC	06/28/2012	1		2,472,096		1.0
	HarbourVest Partners IX -Venture Fund LP		DE	HarbourVest Partners IX -Buyout Associates LLC	06/28/2012	1		1,762,500		2.1
	Hatteras Ventures Partners IV, L.P		DE	Hatteras Ventures Advisors IV, LLC	08/25/2011	1		127,500		2.4
	Health Enterprise Partners II, L.P		DE	HEP Associates II, LLC	07/10/2013	1		122,127		0.9
	Health Enterprise Partners, L.P		DE	HEP Associates, LLC	03/30/2007	1		145,862		3.6
	Nautic Partners VII-A, L.P		DE	Nautic Partners, LLC	10/27/2014	1	608,765			2.3
	Noro-Moseley Partners VII, L.P		DE	Moseley and Company VII LLC	01/02/2014	1	375,000	375,000		2.4
	Northgate Capital Direct Partners VII, L.P		DE	NCD Management VII, LLC	07/12/2012	1		4,900,000		8.0
	Northgate Venture Partners VI, LLC		DE	Northgate Venture VI, LLC	08/31/2012	1		4,800,000		7.0
	Southern Capital Technology Fund II		DE	So. Capital Tech. Fund II Mgmt Co	06/15/2006	1		10,000		3.3
	Synergy Life Science Partners, L.P		DE	Synergy Management, LLC	12/13/2007	1		165,000		2.1
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							3,071,265	22,005,924	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated										
	AEW Real Estate Trust		MD	AEW Capital Management LP	04/02/2012			2,312,707		1.6
	J.P. Morgan US Real Estate Income and Growth Domestic, L.P		DE	I&G Manager, LLC	10/01/2012			2,174,341		3.7
	Morgan Stanley Prime Property Fund		DE	Prime Property Fund LLC	09/30/2013			12,154,731		5.0
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							0	16,641,779	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
	Crescent Mezzanine Partners VI		DE	Crescent Mezzanine VI, LLC	08/30/2013			13,949,198		1.0
	Federated Project & Trade Finance Core Fund		DE	Federated Investors Inc	05/30/2014		35,000,000	896,196		7.0
	KKR Energy Income & Growth Fund L.P		DE	KKR Associates EIGF L.P	10/31/2013			8,090,804		3.1
	Principal Real Estate Debt Fund, L.P		DE	Principal Real Estate Debt Fund GP, LLC	05/07/2014		865,603	6,331,462		6.4
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							35,865,603	29,267,660	0	XXX
4499999. Subtotal - Unaffiliated							38,936,868	67,915,363	0	XXX
4699999. Totals							38,936,868	67,915,363	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Dispoal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
	Adams Street 2012 Gloabal Fund LP		DE...	Return of Capital Distribution		07/06/2012	204,891					0			420,512		215,620	215,620	
	Blue Cross Blue Shield Ventures II		DE...	Return of Capital Distribution		06/24/2011	423,757					0			423,757			0	
	BullCity Venture Partners Fund III		DE...	Return of Capital Distribution		02/13/2013	43,516					0			43,516			0	
	C.B. Healthcare Fund II, L.P.		DE...	Return of Capital Distribution		04/24/2001	24,860					0			36,559		11,699	11,699	
	HarbourVest Partners IX Buyout Fund, LP		DE...	Return of Capital Distribution		06/01/2012	102,514					0			199,627		97,113	97,113	
	HarbourVest Partners IX Venture Fund, LP		DE...	Return of Capital Distribution		06/01/2012	145,164					0			443,780		298,616	298,616	
	Hatteras Ventures Partners IV, L.P.		DE...	Return of Capital Distribution		08/25/2011	3,001					0			3,001			0	
	Health Enterprise Partners, LP		DE...	Return of Capital Distribution		03/30/2007	122,488					0			627,489		505,001	505,001	42,152
	Northgate Capital Direct Partners VII, LP		DE...	Return of Capital Distribution		07/12/2012	917,110					0			917,110			0	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							1,987,301	0	0	0	0	0	0	0	3,115,351	0	1,128,049	1,128,049	42,152
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
	KKR Energy Income & Growth Fund, LP		DE...	Return of Capital Distribution	10/31/2013	12/29/2014	3,641,352					0			3,652,789		11,437	11,437	82,230
	Principal Real Estate Debt Fund, L.P.		DE...	Return of Capital Distribution	05/07/2014	06/13/2014	145,468					0			145,468			0	75,715
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							3,786,820	0	0	0	0	0	0	0	3,798,257	0	11,437	11,437	157,945
4499999. Subtotal - Unaffiliated							5,774,121	0	0	0	0	0	0	0	6,913,608	0	1,139,486	1,139,486	200,097
4699999. Totals							5,774,121	0	0	0	0	0	0	0	6,913,608	0	1,139,486	1,139,486	200,097

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912810 FF 0	US Treasury Bonds				1	15,934	134.157	16,407	12,230	15,899		(35)			5.250	2.651	MN	83	320	10/31/2014	11/15/2028.
0199999.	U.S. Government - Issuer Obligations					15,934	XXX	16,407	12,230	15,899	0	(35)	0	0	XXX	XXX	XXX	83	320	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
3138Y6 4A 9	FNMA Pool #AX5316			2	1	2,536,289	108.797	2,533,018	2,328,206	2,536,198		(91)			4.500	3.733	MON	1,746		12/11/2014	01/01/2042.
36179M E4 8	GNMA Pool #0MA0155			2	1	4,533,855	107.326	4,554,985	4,244,065	4,529,899		(3,957)			4.000	3.438	MON	14,147	70,734	07/22/2014	06/20/2042.
36179M NH 9	GNMA Pool #MA0392			2	1	5,183,635	105.137	5,260,856	5,003,810	5,181,021		(2,613)			3.500	3.210	MON	14,594	72,972	07/08/2014	09/20/2042.
36179Q BH 3	GNMA Pool #0MA1840			2	1	9,672,223	109.407	9,708,338	8,873,599	9,663,882		(8,341)			4.500	3.786	MON	33,276	133,104	07/22/2014	04/20/2044.
36225C NZ 5	GNMA II ARM ARM Pool #080407M			2	1	493			502	496					6.000	6.220	MON	3	12	06/15/2000	05/20/2030.
3837H0 XX 6	GNMA REMIC Accrual Bond Series 1996-22 C			2	1	334,287	113.650	419,761	369,346	357,578		747			7.000	8.024	MON	2,155	25,854	10/24/1996	10/30/2026.
0299999.	U.S. Government - Residential Mortgage-Backed Securities					22,260,782	XXX	22,476,958	20,819,528	22,269,074	0	(14,255)	0	0	XXX	XXX	XXX	65,921	302,676	XXX	XXX
0599999.	Total - U.S. Government					22,276,716	XXX	22,493,365	20,831,758	22,284,973	0	(14,290)	0	0	XXX	XXX	XXX	66,004	302,996	XXX	XXX
All Other Governments - Issuer Obligations																					
748149 AG 6	Province of Quebec Bonds		A		1FE	995,900	100.071	1,000,710	1,000,000	996,576		371			2.625	2.672	FA	10,063	26,250	02/06/2013	02/13/2023.
0699999.	All Other Governments - Issuer Obligations					995,900	XXX	1,000,710	1,000,000	996,576	0	371	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
1099999.	Total - All Other Governments					995,900	XXX	1,000,710	1,000,000	996,576	0	371	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
040588 WU 5	Arizona State CTFs			1	1FE	1,020,209	111.506	1,115,060	1,000,000	1,008,936		(2,578)			5.000	4.691	MS	16,667	50,000	03/31/2010	09/01/2021.
040588 WV 3	Arizona State CTFs			1	1FE	5,099,500	111.341	5,567,050	5,000,000	5,061,688		(6,549)			5.000	4.805	MS	83,333	250,000	06/26/2008	09/01/2022.
040588 XP 5	Arizona State Cert Part G. O.			1	1FE	5,058,750	115.044	5,752,200	5,000,000	5,035,054		(6,449)			5.250	5.080	AO	65,625	262,500	01/18/2011	10/01/2021.
041042 KN 1	Arkansas St G.O.			1	1FE	5,056,300	108.050	5,402,500	5,000,000	5,036,112		(3,049)			4.500	4.405	JD	18,750	225,000	05/17/2007	06/01/2024.
13033L AS 6	California St Hlth Facs 6.000% Rev			1	1FE	3,594,570	118.386	3,551,580	3,000,000	3,588,674		(5,896)			6.000	4.181	MN	30,000		10/16/2014	07/01/2029.
13063B FV 9	CA ST Build America G. O. Taxable			1	1FE	2,750,095	124.330	3,108,250	2,500,000	2,666,633		(26,663)			7.950	6.406	MS	66,250	198,750	10/31/2011	03/01/2036.
13063B JB 9	CA ST Build America G. O. Taxable			1	1FE	302,178	126.350	379,050	300,000	301,878		(61)			7.700	7.629	MN	3,850	23,100	11/19/2010	11/01/2030.
19668Q GC 3	Colorado ST Bldg Exce SCHS Cop Certifica			1	1FE	1,055,030	106.267	1,062,670	1,000,000	1,044,625		(5,408)			4.000	3.298	MS	11,778	40,000	01/04/2013	03/15/2032.
196734 BQ 9	Colorado St Higher Ed CTFS PART			1	1FE	1,885,120	116.474	2,207,182	1,895,000	1,886,938		413			5.500	5.546	MN	17,371	104,225	03/31/2010	11/01/2027.
196734 BR 7	Colorado St Higher Ed CTFS PART - G. O.			1	1FE	5,078,375	116.762	5,960,700	5,105,000	5,083,276		1,114			5.500	5.546	MN	46,796	280,775	03/31/2010	11/01/2027.
20772J RC 8	Connecticut St G.O. Bonds			1	1FE	3,434,280	119.661	3,589,830	3,000,000	3,398,402		(35,879)			5.000	3.250	AO	31,667	146,250	01/22/2014	10/15/2026.
341535 VG 4	Florida St Brd Ed Pub Ed G.O.			1	1FE	5,372,050	102.944	5,147,200	5,000,000	5,223,726		(18,811)			5.000	4.414	JD	20,833	250,000	07/27/2005	06/01/2024.
34153P DT 2	Florida St Bd of Educ G.O.			1	1FE	6,004,500	114.167	6,855,728	6,005,000	6,004,637		9			5.000	5.000	JD	25,021	300,250	03/31/2010	06/01/2024.
34160P AP 4	Florida St Dept of Mgmt Svcs CTFs PARTN			1	1FE	1,068,471	103.769	1,037,690	1,000,000	1,036,861		(7,176)			5.000	4.109	FA	20,833	50,000	03/31/2010	08/01/2019.
34160P AR 0	Florida St Dept of Mgmt Svcs CTFs			1	1FE	7,844,133	103.769	7,704,848	7,425,000	7,648,256		(28,620)			5.000	4.467	FA	154,688	371,250	03/31/2010	08/01/2021.
416415 FV 4	Hartford CT Gen Obl 5.000%			1	1FE	3,594,270	116.426	3,492,780	3,000,000	3,588,250		(6,020)			5.000	3.223	AO	37,500		10/17/2014	10/01/2028.
452252 JJ 9	Illinois St Toll Hwy Auth Rev Bds			1	1FE	1,666,014	119.942	1,679,188	1,400,000	1,664,614		(1,400)			5.000	3.101	JJ	5,250		10/31/2014	01/01/2027.
49126P EC 0	Kentucky St Econ Fev Fin Auth Rev Bds				1FE	3,500,000	100.504	3,517,640	3,500,000	3,500,000					2.700	2.700	MN	12,863		11/06/2014	05/01/2039.
574192 TT 7	Maryland State G.O.				1FE	8,391,720	112.353	8,269,181	7,360,000	7,681,439		(116,553)			5.500	3.710	FA	168,667	404,800	03/31/2010	08/01/2017.
57582N UT 0	Massachusetts State G.O. Bonds				1FE	2,268,560	120.110	2,402,200	2,000,000	2,128,029		(20,126)			5.250	3.960	FA	43,750	105,000	01/08/2007	08/01/2020.
59447P L3 3	Michigan St Financial Auth Rev			1	1FE	3,591,189	114.698	3,612,987	3,150,000	3,587,871		(3,318)			5.000	3.865	AO	26,688		10/23/2014	10/01/2031.
594610 3D 7	Michigan St G.O. Unlimited			1	1FE	5,405,400	115.502	5,775,100	5,000,000	5,219,785		(52,124)			5.250	4.000	MN	43,750	262,500	03/24/2011	11/01/2022.
604129 YU 4	Minnesota St G. O. Unlimited				1FE	5,000,000	108.130	5,406,500	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011	10/01/2031.
641461 ED 6	Nevada St G.O.			1	1FE	5,283,300	112.037	5,601,850	5,000,000	5,185,110		(16,567)			5.000	4.491	JD	20,833	250,000	04/11/2008	12/01/2023.
646046 MP 4	New Jersey St CTFs			1	1FE	5,224,650	111.086	5,554,300	5,000,000	5,116,674		(18,491)			5.000	4.512	JD	11,111	250,000	05/28/2008	06/15/2020.
646133 GU 6	New Jersey St Trans Corp Cert of Partn				1FE	5,630,750	103.633	5,181,650	5,000,000	5,049,006		(67,667)			5.250	3.820	MS	77,292	262,500	10/29/2004	09/15/2015.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
64966J AS 5	NY Build Amer Bonds G. O. Unlimited - T			1	1FE	1,000,000	120.084	1,200,840	1,000,000	1,000,000					6.646	6.646	JD	5,538	66,460	12/15/2010	12/01/2031.
64971M 7J 5	NY City Transitional Fin Authq Rev Bds				1FE	3,258,555	118.912	3,240,352	2,725,000	3,255,046		(3,509)			5.500	4.102	MN	24,979	74,938	10/09/2014	11/01/2035.
65820Q BY 8	North Carolina Infrastructure Ctfs Partn			1	1FE	2,110,373	100.403	2,008,060	2,000,000	2,068,231		(9,613)			5.000	4.355	FA	41,667	100,000	03/31/2010	02/01/2021.
65820Q CA 9	North Carolina Infrastructure Ctfs Partn			1	1FE	9,544,501	100.403	9,036,270	9,000,000	9,324,118		(32,676)			5.000	4.464	FA	187,500	450,000	07/31/2013	02/01/2023.
65820Q CC 5	North Carolina Infrastructure Ctfs Partn			1	1FE	5,722,445	100.403	5,522,165	5,500,000	5,642,824		(10,903)			5.000	4.673	FA	114,583	275,000	08/13/2007	02/01/2025.
65820Q DS 9	North Carolina Infrastructure Certificat			1	1FE	1,031,696	109.288	1,092,880	1,000,000	1,019,362		(8,754)			5.000	4.020	FA	20,833	50,000	07/31/2013	02/01/2023.
65820Q DT 7	North Carolina Infrastructure CTFs Partn			1	1FE	9,690,030	109.288	9,835,920	9,000,000	9,447,649		(39,490)			5.000	4.331	FA	187,500	450,000	01/17/2008	02/01/2024.
65820Q DU 4	North Carolina Infrastructure CTFs PARTN			1	1FE	10,526,900	109.288	10,928,800	10,000,000	10,354,368		(27,176)			5.000	4.557	FA	208,333	500,000	09/12/2007	02/01/2025.
65820Q DV 2	North Carolina Infrastructure CTFs			1	1FE	5,140,750	109.288	5,464,400	5,000,000	5,039,099		(17,580)			5.000	4.600	FA	104,167	250,000	06/12/2008	02/01/2026.
65820Q EM 1	North Carolina Infrastructure Cert Partn			1	1FE	11,128,254	110.274	13,558,188	12,295,000	11,496,803		71,880			5.000	6.000	MN	102,458	614,750	03/31/2010	05/01/2023.
677521 BD 7	Ohio State Higher Education G. O				1FE	5,680,150	120.362	6,018,100	5,000,000	5,422,180		(56,017)			5.000	3.550	FA	104,167	250,000	01/22/2010	08/01/2021.
68607H H8 2	Oregon State Dept Admin Svcs Ctfs Partn			1	1FE	1,552,151	108.364	1,625,460	1,500,000	1,533,968		(4,154)			5.000	4.609	MN	12,500	75,000	03/31/2010	11/01/2021.
708692 AJ 7	Pennsylvania St Econ Dev Fing Rev Bds				1FE	2,000,000	100.483	2,009,660	2,000,000	2,000,000					2.625	2.625	MN	8,750		10/31/2014	11/01/2021.
75913T HV 9	Regional Transportation Dist CoPs			1	1FE	5,317,700	112.597	5,629,850	5,000,000	5,323,050		5,350			5.000	4.558	JD	20,833	104,167	06/12/2014	06/01/2039.
76222N HT 1	Rhode Is St & Prov Plantations G O			1	1FE	7,190,593	102.780	6,989,040	6,800,000	6,939,636		(35,322)			5.000	4.373	FA	141,667	340,000	03/31/2010	08/01/2018.
76222R KJ 0	Rhode Island ST & Providence G.O. Unlimi			1	1FE	2,186,940	118.738	2,374,760	2,000,000	2,132,564		(17,072)			5.500	4.331	FA	45,833	110,000	08/24/2011	08/01/2031.
76222R KK 7	Rhode Island ST & Providence G. O. Unlim			1	1FE	2,202,200	118.939	2,378,780	2,000,000	2,143,213		(18,506)			5.500	4.241	FA	45,833	110,000	08/24/2011	08/01/2030.
83755V XD 1	South Dakota St Hlth & Ed Facs Sanford O			1	1FE	3,473,250	115.535	3,466,050	3,000,000	3,470,338		(2,912)			5.000	3.861	MN	25,000		10/16/2014	11/01/2034.
882721 2J 1	Texas St Wtr Finl Assistance G.O			1	1FE	7,389,483	113.772	8,407,751	7,390,000	7,389,656		2			5.000	5.000	FA	153,958	369,500	09/18/2008	08/01/2023.
93974C BM 1	Washington State Ser A G.O			1	1FE	7,387,774	113.342	7,933,940	7,000,000	7,162,055		(42,057)			5.000	4.281	JJ	175,000	350,000	03/31/2010	07/01/2024.
93974C JP 6	Washington State G.O			1	1FE	4,328,640	114.566	4,582,640	4,000,000	4,153,964		(34,872)			5.000	3.950	JJ	100,000	200,000	07/14/2009	01/01/2024.
93974C Q2 9	Washington State G.O. Unlimited			1	1FE	4,157,240	106.238	4,249,520	4,000,000	4,119,208		(14,591)			4.000	3.521	FA	66,667	160,000	04/24/2012	02/01/2031.
93974C WR 7	Washington State G. O. Unlimited			1	1FE	9,031,949	116.261	10,492,555	9,025,000	9,029,230		(635)			5.000	4.990	FA	188,021	451,250	01/20/2011	02/01/2029.
93978H LE 3	Washington St Health Care FACS			1	1FE	4,621,922	114.577	4,628,911	4,040,000	4,616,931		(4,991)			5.000	3.756	MS	34,228		10/23/2014	03/01/2030.
956553 UV 1	West Virginia St G.O			1	1FE	7,420,918	108.108	7,459,452	6,900,000	7,246,705		(27,731)			5.000	4.365	MN	57,500	345,000	03/31/2010	11/01/2024.
97705L NA 1	Wisconsin State G.O. Bonds				1FE	4,410,680	115.732	4,629,280	4,000,000	4,168,174		(34,986)			5.000	3.934	MN	33,333	200,000	01/10/2007	05/01/2019.
97705L UH 8	Wisconsin State G.O			1	1FE	3,156,840	113.264	3,397,920	3,000,000	3,061,656		(16,893)			5.000	4.329	MN	25,000	150,000	09/08/2008	05/01/2024.
97712D CZ 7	Wisconsin St Health & Ed Facs Rev Bds 5			1	1FE	1,247,389	113.058	1,243,638	1,100,000	1,246,131		(1,258)			5.125	4.006	AO	11,901		10/20/2014	04/15/2031.
1199999. U.S. States, Territories & Possessions - Issuer Obligations						246,088,737	XXX	258,340,096	232,915,000	241,552,633	0	(832,335)	0	0	XXX	XXX	XXX	3,358,915	10,332,965	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						246,088,737	XXX	258,340,096	232,915,000	241,552,633	0	(832,335)	0	0	XXX	XXX	XXX	3,358,915	10,332,965	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
033161 VZ 0	Anchorage AK G.O			1	1FE	2,595,225	110.109	2,752,725	2,500,000	2,533,105		(11,872)			5.000	4.450	FA	52,083	125,000	03/09/2009	08/01/2023.
033161 WA 4	Anchorage AK G.O			1	1FE	4,307,266	110.109	4,630,083	4,205,000	4,236,094		(11,132)			5.000	4.691	FA	87,604	210,250	08/21/2007	08/01/2024.
033161 WB 2	Anchorage AK G.O			1	1FE	1,017,680	110.109	1,101,090	1,000,000	1,006,912		(2,475)			5.000	4.711	FA	20,833	50,000	03/31/2010	08/01/2025.
04048P JN 1	Arizona Board of Regents CTFs			1	1FE	4,707,672	114.100	5,054,630	4,430,000	4,673,876		(27,599)			5.000	4.130	JD	18,458	221,500	10/02/2013	06/01/2028.
09088R RR 9	Birmingham, ALA G.O			1	1FE	6,376,030	107.994	6,409,444	5,935,000	6,193,138		(29,811)			5.000	4.294	AO	74,188	296,750	03/31/2010	04/01/2022.
101565 VW 6	Boulder CO Sch Dist G.O				1FE	5,617,900	121.188	6,059,400	5,000,000	5,295,284		(42,937)			5.250	4.121	JD	11,667	262,500	03/22/2006	12/15/2020.
108151 4F 5	Bridgeport CT Gen Ob				1FE	3,632,803	117.549	3,667,529	3,120,000	3,625,701		(7,103)			5.000	2.671	AO	18,633		11/07/2014	10/01/2022.
12677P HD 6	Cabarrus Cnty NC CoPs			1	1FE	1,018,916	113.643	1,136,430	1,000,000	1,014,439		(3,218)			5.000	4.601	JJ	25,000	50,000	07/31/2013	01/01/2023.
147051 SW 7	Cary, NC G.O			1	1FE	995,290	109.619	1,096,190	1,000,000	995,756		320			4.000	4.050	JD	3,333	40,000	07/31/2013	06/01/2025.
161037 QW 9	Charlotte NC CTFs Ref-Conv Fac Proj			1	1FE	1,018,941	104.450	987,053	945,000	960,436		(7,605)			5.000	4.103	JD	3,938	47,250	12/31/2005	12/01/2016.
161037 QY 5	Charlotte NC CTFs Ref - Conv Fac Proj			1	1FE	1,065,273	104.289	1,042,890	1,000,000	1,023,705		(5,449)			5.000	4.334	JD	4,167	50,000	12/31/2005	12/01/2018.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
161037 RA 6	Charlotte NC CTFs Ref-Conv Fac Proj		..	1	1FE	1,063,139	104.243	1,042,430	1,000,000	1,030,016		(4,355)			5.000	4.417	JD	4,167	50,000	12/31/2005	12/01/2020.
161037 RF 5	Charlotte NC CTFs Ctfs Partn		..	1	1FE	2,107,640	104.223	2,110,516	2,025,000	2,078,369		(3,676)			5.000	4.688	JD	8,438	101,250	04/14/2005	12/01/2025.
161037 YG 5	Charlotte NC CTFs G. O		..	1	1FE	3,884,545	114.772	4,017,020	3,500,000	3,713,002		(43,882)			5.000	3.500	JD	14,583	175,000	11/12/2010	06/01/2021.
167505 DB 9	Chicago Ill Brd Educ G.O		..		1FE	5,457,655	112.744	5,637,200	5,000,000	5,227,447		(40,855)			5.250	4.215	JD	21,875	262,500	03/31/2010	12/01/2019.
172252 A7 3	Cincennati OH City Sch Dist G. O. Bonds		..		1FE	3,727,570	126.778	4,437,230	3,500,000	3,673,953		(10,687)			5.250	4.700	JD	15,313	183,750	06/09/2009	12/01/2026.
172252 A8 1	Cincennati OH City Sch Dist G.O. Bonds		..		1FE	5,672,450	127.628	6,381,400	5,000,000	5,498,087		(28,461)			5.250	4.240	JD	21,875	262,500	01/24/2008	12/01/2027.
180847 M4 4	Clark Cnty Nevada G. O		..	1	1FE	6,094,980	105.334	6,320,040	6,000,000	6,060,968		(5,513)			4.750	4.608	MN	47,500	285,000	12/12/2007	11/01/2023.
224616 AN 2	Craven Cnty NC CTFs		..		1FE	1,542,217	101.745	1,505,826	1,480,000	1,485,385		(12,809)			4.500	3.600	JD	5,550	66,600	03/31/2010	06/01/2015.
230582 CU 0	Cumberland Cnty NC CTFs		..		1FE	1,077,401	114.219	1,142,190	1,000,000	1,058,185		(13,672)			5.000	3.400	JD	4,167	50,000	07/31/2013	12/01/2018.
230593 AA 3	Cumberland County NC G. O. Ltd Taxable		..	1	1FE	1,000,000	118.037	1,180,370	1,000,000	1,000,000					6.100	6.100	MN	10,167	61,000	01/12/2011	11/01/2025.
239864 AP 6	Dayton Ohio Metro Library G.O. BOnds		..	1	1FE	3,728,480	113.173	3,961,055	3,500,000	3,705,200		(23,280)			5.000	4.020	JD	14,583	175,000	01/24/2014	12/01/2038.
246317 GA 3	Delaware Riv & Bay Auth Del Revenue Bds		..	1	1FE	1,564,623	100.000	1,510,000	1,510,000	1,563,123		(1,500)			5.000	4.212	JJ	37,750		11/01/2014	01/01/2020.
249174 HM 8	Denver CO Sch Dist No 1 G.O		..		1FE	5,977,400	127.747	6,387,350	5,000,000	5,561,388		(51,511)			5.500	3.991	JD	22,917	275,000	06/28/2005	12/01/2023.
24919P HT 4	Denver CO City & Cnty School D Certifica		..	1	1FE	5,639,595	114.631	5,691,429	4,965,000	5,549,497		(54,817)			5.000	3.460	JD	11,033	248,250	04/25/2013	12/15/2033.
251129 Y2 2	Detroit Mich City Sch Dist Sch Bldg & Si		..	1	1FE	5,282,400	101.263	5,063,150	5,000,000	5,139,957		(18,762)			5.000	4.486	MN	41,667	250,000	12/22/2005	05/01/2021.
362762 LB 0	Gainesville & Hall Cnty GA Hos Rev Bonds		..	1	1FE	2,300,000	100.138	2,303,174	2,300,000	2,300,000					0.990		MON			12/01/2014	08/15/2035.
387883 VS 7	Grant Cnty WA Public Util Dist Rev Bds		..	1	1FE	2,595,241	118.240	2,607,192	2,205,000	2,592,007		(3,234)			5.000	3.225	JJ	13,169		11/01/2014	01/01/2027.
403715 CM 5	Gwinnett Cnty GA Pub Schools Dev Auth CT		..		1FE	12,962,881	124.149	14,897,880	12,000,000	12,675,400		(52,317)			5.250	4.543	JJ	315,000	630,000	03/31/2010	01/01/2025.
413328 FF 7	Harnett Cnty NC CoPs		..	1	1FE	1,018,272	113.295	1,132,950	1,000,000	1,014,283		(2,860)			5.000	4.638	JD	4,167	50,000	07/31/2013	06/01/2023.
414004 3W 9	Harris County Texas G. O		..		1FE	4,939,335	127.985	5,759,325	4,500,000	4,862,648		(21,094)			5.250	4.410	FA	89,250	236,250	02/17/2011	08/15/2027.
438670 XM 8	Honolulu Hawaii City & County G. O		..		1FE	5,169,450	116.907	5,997,329	5,130,000	5,157,548		(3,957)			5.000	4.894	JD	21,375	256,500	01/12/2011	12/01/2030.
439239 HH 0	Hoover ALA Bd of Ed G.O		..	1	1FE	3,718,085	100.597	3,520,895	3,500,000	3,581,890		(17,798)			5.000	4.372	FA	66,111	175,000	12/20/2005	02/15/2019.
447025 LN 5	AL Huntsville Ref - Wts - Ser G. O. Unli		..	1	1FE	5,447,300	114.147	5,707,350	5,000,000	5,317,114		(43,453)			5.000	3.861	MN	41,667	250,000	11/09/2011	05/01/2033.
478700 A9 8	Johnson Cnty KS Sch Dist No229 G.O		..	1	1FE	1,079,463	103.576	1,056,475	1,020,000	1,043,860		(8,060)			5.000	4.090	AO	12,750	51,000	03/31/2010	10/01/2017.
48503S EJ 4	Kansas City MO Ind'l Dev Auth		..	1	1FE	2,433,343	117.252	2,456,429	2,095,000	2,425,314		(8,029)			5.500	3.909	MS	38,408	57,613	08/05/2014	09/01/2027.
503462 UB 7	La Joya TX Indep Sch Dist G. O. Unlimite		..		1FE	6,183,500	123.831	6,191,550	5,000,000	6,073,322		(65,840)			5.000	3.008	FA	94,444	250,000	04/17/2013	02/15/2031.
564096 PB 5	Manor TX Sch Dist G.O		..	1	1FE	3,493,294	107.729	3,635,854	3,375,000	3,456,937		(5,779)			5.250	4.952	FA	73,828	177,188	08/21/2007	08/01/2025.
583887 CZ 5	Mecklenburg Cnty NC CTFs		..	1	1FE	2,122,884	112.112	2,348,746	2,095,000	2,107,935		(2,820)			5.000	4.830	FA	43,646	104,750	01/30/2009	02/01/2025.
583887 DP 6	Mecklenburg Cnty NC CTFs - Prerefunded		..	1	1FE	614,153	112.720	659,412	585,000	610,280		(3,873)			5.000	3.508	FA	12,188	14,625	06/30/2014	02/01/2024.
583887 DQ 4	Mecklenburg Cnty NC CoPs		..	1	1FE	1,284,499	112.720	1,380,820	1,225,000	1,276,598		(7,901)			5.000	3.545	FA	25,521	30,625	06/30/2014	02/01/2025.
583887 EE 0	Mecklenburg Cnty NC CTFs - Unref Bal		..	1	1FE	734,961	111.263	795,530	715,000	732,334		(2,627)			5.000	4.153	FA	14,896	17,875	06/30/2014	02/01/2024.
583887 EF 7	Mecklenburg Cnty NC CoPs		..	1	1FE	1,536,372	111.103	1,666,545	1,500,000	1,535,018		(1,353)			5.000	4.706	FA	31,250	37,500	06/30/2014	02/01/2025.
586145 WZ 3	Memphis Tenn Ser D G.O		..	1	1FE	2,756,500	117.431	2,935,775	2,500,000	2,652,726		(24,561)			5.000	3.760	JJ	62,500	125,000	06/22/2010	07/01/2023.
59333F LV 0	Miami-Dade City FL G. O		..	1	1FE	5,149,400	113.405	5,670,250	5,000,000	5,105,920		(13,682)			5.000	4.619	JJ	125,000	250,000	08/02/2011	07/01/2031.
59333P L2 2	Miami Dade Cnty Aviation Rev Bond		..	1	1FE	5,568,550	113.623	5,681,150	5,000,000	5,567,611		(939)			5.000	4.094	AO	9,722		12/03/2014	10/01/2032.
602409 GP 3	Milwaukee Wis Met Swr Dist G.O		..	1	1FE	4,894,242	113.229	5,412,346	4,780,000	4,828,198		(11,579)			5.000	4.701	AO	59,750	239,000	07/29/2008	10/01/2026.
607114 P8 2	Mobile ALA G.O		..	1	1FE	5,208,250	104.933	5,246,650	5,000,000	5,126,724		(12,622)			5.000	4.621	FA	94,444	250,000	07/19/2007	02/15/2023.
607114 T3 9	Mobile ALA Ser B G.O		..	1	1FE	2,044,267	111.963	2,239,260	2,000,000	2,019,438		(5,688)			5.000	4.660	FA	37,778	100,000	03/31/2010	02/15/2020.
616108 BN 5	Mooresville, NC CTFs		..	1	1FE	3,224,370	110.150	3,447,695	3,130,000	3,178,672		(7,371)			5.000	4.683	MS	52,167	156,500	12/05/2007	09/01/2020.
616108 BP 0	Mooresville, NC CTFs		..	1	1FE	3,371,099	110.150	3,623,935	3,290,000	3,335,602		(5,717)			5.000	4.754	MS	54,833	164,500	12/05/2007	09/01/2021.
616108 BQ 8	Mooresville, NC CTFs		..	1	1FE	3,529,062	110.150	3,811,190	3,460,000	3,501,572		(4,413)			5.000	4.810	MS	57,667	173,000	12/05/2007	09/01/2022.
63968A YL 3	Nebraska Pub Pwr Dist Revenue Bds		..	1	1FE	1,113,130	113.015	1,130,150	1,000,000	1,112,804		(326)			5.000	4.137	JJ	3,750		11/05/2014	01/01/2034.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
66285W LS 3	N TX Tollway Auth Rev Bds			1	2FE	3,481,691	114.527	3,578,969	3,125,000	3,479,588		(2,104)			5.000	3.988	JJ	17,795		11/06/2014	01/01/2030.
676006 QD 4	City of Odessa Texas G.O. Bonds			1	1FE	1,880,488	113.670	2,102,895	1,850,000	1,879,065		(1,029)			5.000	4.868	MS	30,833	86,590	08/28/2013	03/01/2033.
681712 PQ 2	Omaha Nebraska G.O.				1FE	2,169,770	128.378	2,567,560	2,000,000	2,131,130		(8,794)			5.250	4.500	AO	26,250	105,000	03/31/2010	04/01/2026.
684610 BB 3	Orange County NC CTFs Partn			1	1FE	1,145,132	105.898	1,170,173	1,105,000	1,131,724		(3,051)			5.000	4.603	AO	13,813	55,250	03/31/2010	04/01/2022.
717813 QW 2	Philadelphia PA G.O. Bonds			1	1FE	2,936,973	116.620	3,207,050	2,750,000	2,923,638		(13,335)			5.250	4.396	JJ	66,573	63,766	02/18/2014	07/15/2034.
718814 J2 3	Phoenix Arizona G. O.			1	1FE	6,169,496	107.123	6,373,819	5,950,000	6,120,998		(19,568)			4.000	3.560	JJ	119,000	238,000	05/24/2012	07/01/2033.
724500 GN 7	Pitt County NC CTFs			1	1FE	2,042,371	109.509	2,146,376	1,960,000	2,011,545		(7,012)			5.000	4.511	AO	24,500	98,000	03/31/2010	04/01/2021.
796237 C9 4	San Antonio TX Ref & GEN Impt G. O.			1	1FE	5,330,100	115.189	5,759,450	5,000,000	5,283,318		(33,922)			5.000	4.071	FA	104,167	241,667	07/16/2013	02/01/2033.
83712D TF 3	South Carolina Housing Auth Rev Bonds			1	1FE	3,789,476	108.618	3,779,906	3,480,000	3,789,134		(343)			4.000	3.484	JJ	5,800		12/01/2014	07/01/2041.
901561 GS 3	Twin Falls Cnty ID School Dist G.O.			1	1FE	2,189,080	115.411	2,308,220	2,000,000	2,179,851		(9,229)			4.750	3.641	MS	27,972	27,972	05/16/2014	09/15/2037.
927734 PY 3	Virginia Beach VA Pub Impt Ser B G.O.			1	1FE	4,456,600	108.025	4,321,000	4,000,000	4,135,438		(37,401)			5.000	3.905	MN	33,333	200,000	09/22/2004	05/01/2018.
927781 Y2 4	Virginia College Bldg Auth Rev Bds - Pre			1	1FE	337,318	107.449	349,209	325,000	332,712		(4,426)			5.000	3.519	MS	5,417	16,250	12/16/2013	09/01/2023.
971673 EB 0	Wilmington NC CTFs Partn			1	1FE	5,674,291	102.031	5,723,939	5,610,000	5,654,206		(3,202)			5.000	4.902	JD	23,375	280,500	08/22/2007	06/01/2025.
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations						222,267,780	XXX	235,029,093	207,175,000	218,147,125	0	(943,970)	0	0	XXX	XXX	XXX	2,555,598	9,009,021	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions						222,267,780	XXX	235,029,093	207,175,000	218,147,125	0	(943,970)	0	0	XXX	XXX	XXX	2,555,598	9,009,021	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
010608 D6 1	Alabama St Pub Sch & Coll Auth Revs			1	1FE	3,358,776	112.433	3,603,478	3,205,000	3,263,566		(18,492)			5.000	4.325	JD	13,354	160,250	04/22/2009	12/01/2023.
011798 LB 9	Alaska St Muni Bond Bank Revenue Bond			1	1FE	5,369,700	112.767	5,638,350	5,000,000	5,342,247		(27,453)			5.000	4.000	FA	104,167	125,000	03/18/2014	02/01/2043.
02765U EK 6	American Muni Power - Ohio BAB - Taxable				1FE	408,477	163.380	490,140	300,000	407,598		(879)			8.084	5.707	FA	9,162	24,252	02/04/2014	02/15/2050.
047870 CY 4	Atlanta Wtr/Wstw Revenue Bonds				1FE	4,527,840	123.345	4,933,800	4,000,000	4,452,632		(25,896)			5.500	4.340	MN	36,667	220,000	12/15/2011	11/01/2027.
047870 FC 9	Atlanta Wtr/Wstw Revenue bonds Agm Insur				1FE	5,463,100	132.881	6,644,050	5,000,000	5,406,455		(16,534)			5.750	5.000	MN	47,917	287,500	05/10/2011	11/01/2030.
100216 FR 6	Bossier City LA Utilities Rev 5.000%			1	1FE	2,259,480	115.468	2,309,360	2,000,000	2,257,837		(1,643)			5.000	4.098	AO	25,000		10/01/2014	10/01/2036.
100216 FS 4	Bossier City LA Utilities Rev Rev Bds				1FE	1,126,140	114.879	1,148,790	1,000,000	1,125,378		(762)			5.000	4.143	AO	10,694		10/01/2014	10/01/2037.
114894 MR 6	Broward Cnty Fl Arpt Rev Sys Rev Bnds				1FE	4,757,952	115.802	4,713,141	4,070,000	4,739,583		(18,369)			5.000	1.960	AO	50,875		10/28/2014	10/01/2020.
152708 AW 3	Central Brown Cnty Wis Wtr Auth Wtr Sy			1	1FE	5,199,850	104.405	5,220,250	5,000,000	5,159,100		(6,597)			5.000	4.713	JD	20,833	250,000	12/05/2007	12/01/2030.
160131 DB 1	Charleston SC Educational Exc Revenue Bo			1	1FE	4,648,640	119.296	4,771,840	4,000,000	4,561,272		(53,667)			5.000	3.180	JD	16,667	200,000	04/04/2013	12/01/2030.
161037 QX 7	Charlotte NC CTFs Rev-Conv Fac Proj			1	1FE	1,070,088	104.450	1,044,500	1,000,000	1,020,495		(6,480)			5.000	4.244	JD	4,167	50,000	12/31/2005	12/01/2017.
167562 NN 3	Chicago IL Midway Arpt Rev Bds			1	1FE	3,431,610	115.886	3,476,580	3,000,000	3,427,547		(4,063)			5.000	3.314	JJ	83,333		11/14/2014	01/01/2025.
167593 HU 9	Chicago O'Hare Int'l Airport Rev Bnds				1FE	1,108,109	116.347	1,116,931	960,000	1,105,257		(2,851)			5.000	2.620	JJ	24,000		11/03/2014	01/01/2022.
167736 YU 5	Chicago IL Revenue Bonds				1FE	114,267	132.126	132,126	100,000	114,056		(211)			6.742	5.696	MN	1,124	6,742	02/04/2014	11/01/2040.
18610R BA 1	Cleveland-Cuyahoga Cnty OH Port Aug Leas				1FE	7,505,850	124.427	9,332,025	7,500,000	7,505,950		(192)			5.000	4.993	JJ	187,500	375,000	09/09/2013	07/01/2033.
18610R BB 9	Cleveland-Cuyahoga Cnty OH Revenue Bonds				1FE	5,140,000	125.656	6,282,800	5,000,000	5,136,667		(3,319)			5.000	4.800	JJ	125,000	250,000	12/17/2013	07/01/2037.
19464V CT 5	Collier County FL Spl Ob Revenue Bonds				1FE	5,134,800	105.695	5,284,750	5,000,000	5,113,461		(12,476)			4.000	3.660	AO	50,000	200,000	04/11/2013	10/01/2032.
196707 KW 2	Colorado ST Brd of Governors Revenue Bon				1FE	5,829,468	122.187	6,097,131	4,990,000	5,789,439		(25,846)			5.000	3.850	MS	83,167	249,500	06/04/2013	03/01/2035.
234667 JL 8	Dallas Cnty Tx Hosp Dist Revenue Bonds -				1FE	941,963	129.208	969,060	750,000	936,052		(3,148)			5.621	4.157	FA	15,926	42,158	02/01/2013	08/15/2044.
240523 UK 4	De Kalb Cnty GA Wtr & Sew Rev Bond			1	1FE	12,954,860	122.638	13,490,180	11,000,000	12,602,717		(107,202)			5.250	3.708	AO	144,375	577,500	01/25/2012	10/01/2032.
246317 FT 3	Delaware Riv & Bay Auth Del Revenue Bds			1	1FE	823,758	100.000	795,000	795,000	822,969		(790)			5.000	4.212	JJ	19,875		11/01/2014	01/01/2020.
266780 AV 7	Durham Capital Fing Corp Ltd Revenue Bon				1FE	3,061,978	107.326	3,209,047	2,990,000	3,047,491		(6,633)			4.000	3.701	JD	9,967	119,600	07/31/2013	06/01/2029.
266780 BW 4	Durham Capital Fing Corp Ltd Revenue Bon			1	1FE	9,637,640	115.299	9,800,415	8,500,000	9,468,543		(97,746)			5.000	3.430	JD	35,417	425,000	03/14/2013	06/01/2038.
302716 AM 7	FYI Properties WA Rev bonds			1	1FE	3,098,172	114.076	3,422,280	3,000,000	3,069,734		(6,561)			5.250	4.909	JD	13,125	157,500	03/31/2010	06/01/2023.
302716 AP 0	FYI Properties WA Rev bonds			1	1FE	4,388,838	113.803	4,893,529	4,300,000	4,344,997		(8,938)			5.250	4.982	JD	18,813	225,750	08/05/2009	06/01/2025.
359900 5Q 6	Fulton Cnty, GA Dev Auth Tech Facs Reven			1	1FE	2,211,920	115.161	2,303,220	2,000,000	2,203,513		(8,407)			5.000	3.700	MN	16,667	50,000	07/09/2014	05/01/2039.
385492 FF 5	Grand Forks ND Sales Tax Rev Bonds			1	1FE	2,665,070	104.449	2,616,447	2,505,000	2,550,468		(14,140)			5.000	4.338	JD	5,567	125,250	03/29/2005	12/15/2017.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
395468 FL 0	Greensboro NC Enterprise Sys Revenue Bon		..	1	1FE	2,115,627	109.641	2,231,194	2,035,000	2,081,770		(5,186)			5.000	4.630	JD	8,479	101,750	06/14/2007	06/01/2022.
452024 DF 6	Illinois Municipal Elec Agy Revenue Bond		..	1	1FE	5,171,900	109.043	5,452,150	5,000,000	5,046,844		(20,999)			5.250	4.770	FA	109,375	262,500	03/07/2008	02/01/2022.
45528S 4X 1	Indianapolis Ind Lo Pub IMPT B Revenue B		..	1	1FE	3,350,040	114.512	3,435,360	3,000,000	3,193,811		(34,512)			5.000	3.587	JJ	69,167	150,000	02/02/2010	01/15/2022.
45528S 5Q 5	Indianapolis Ind Pub Imp Bd Bk Revenue B		..	1	1FE	3,332,820	114.202	3,426,060	3,000,000	3,185,199		(32,919)			5.000	3.647	JJ	69,167	150,000	02/25/2010	01/15/2023.
45528S LX 2	Indianapolis Ind Pub Imp Bd Bk Revenue B		..	1	1FE	2,215,852	102.354	2,185,258	2,135,000	2,182,081		(4,418)			5.000	4.683	JJ	53,375	106,750	11/09/2005	07/01/2023.
45528U AP 6	Indianapolis Ind Loc Pub Impt Revenue Bo		..	1	1FE	4,821,968	115.747	5,335,937	4,610,000	4,751,998		(19,791)			5.250	4.662	FA	100,844	242,025	03/17/2011	02/01/2027.
45528U AS 0	Indianapolis Ind Loc Pub Impt Revenue Bo		..	1	1FE	2,953,050	112.851	3,385,530	3,000,000	2,958,860		1,766			5.000	5.131	FA	62,500	150,000	03/25/2011	02/01/2030.
45528U BV 2	Indianapolis Ind Loc Pub Impt Revenue Bo		..	1	1FE	3,508,002	115.747	3,871,737	3,345,000	3,455,182		(15,377)			5.250	4.622	FA	73,172	175,613	04/26/2011	02/01/2027.
46246K Y4 8	Iowa St Fin Auth Revenue Bonds		..	1	1FE	5,180,550	108.106	5,405,300	5,000,000	5,157,650		(15,409)			4.000	3.570	FA	83,333	216,111	05/31/2013	08/01/2033.
46257T AN 9	Iowa State Jobs S.O. Rev. Bonds		..	1	1FE	5,349,050	115.466	5,773,300	5,000,000	5,173,536		(35,163)			5.000	4.131	JD	20,833	250,000	07/14/2009	06/01/2023.
46257T BB 4	Iowa State Jobs S.O. Ser A Rev		..	1	1FE	7,739,970	115.192	8,063,440	7,000,000	7,405,128		(78,255)			5.000	3.641	JD	29,167	350,000	06/08/2010	06/01/2024.
469487 GB 2	Jacksonville FL Revenue Bonds		..	1	1FE	2,281,862	115.340	2,537,480	2,200,000	2,277,919		(2,766)			5.000	4.703	AO	27,500	110,000	07/19/2013	10/01/2032.
479354 AP 7	Johnston Cnty NC Rvenue Bonds		..	1	1FE	2,083,558	115.131	2,296,863	1,995,000	2,051,856		(8,461)			5.000	4.435	AO	21,058	99,750	11/19/2010	10/15/2025.
48542K RF 8	Kansas St Dev Fin Auth Revenue Bonds		..	1	1FE	3,870,836	112.035	4,150,897	3,705,000	3,811,226		(9,456)			5.250	4.846	MN	32,419	194,513	08/21/2007	11/01/2023.
486296 LM 6	Kaukauna WI Elec System Revenue Bonds		..	1	1FE	3,965,559	110.446	4,307,394	3,900,000	3,958,688		(5,948)			5.000	4.770	JD	8,667	195,000	10/22/2013	12/15/2035.
491501 AN 2	Kentucky St Muni Pwr Agy Revs		..	1	1FE	4,224,880	109.558	4,382,320	4,000,000	4,159,546		(11,265)			5.250	4.768	MS	70,000	210,000	05/21/2008	09/01/2025.
49151E U7 6	Kentucky St Ppty & Bldg Revs		..	1	1FE	4,867,500	115.159	5,757,950	5,000,000	4,908,869		7,736			5.375	5.639	MN	44,792	268,750	10/08/2008	11/01/2023.
491552 US 2	Kentucky St Turnpike Auth Revs		..		1FE	1,026,031	115.077	1,150,770	1,000,000	1,019,873		(1,430)			5.000	4.757	JJ	25,000	50,000	03/31/2010	07/01/2025.
491552 UU 7	Kentucky St Turnpike Auth Revs		..	1	1FE	1,017,591	114.877	1,148,770	1,000,000	1,009,552		(1,862)			5.000	4.762	JJ	25,000	50,000	03/31/2010	07/01/2026.
528921 DA 4	KY Lex-Fay Cnty Govt Pub Facs Revenue Bo		..	1	1FE	5,147,630	114.049	5,702,450	5,000,000	5,103,141		(13,424)			5.250	4.871	JD	21,875	262,500	07/14/2011	06/01/2031.
544712 2F 8	Los Angeles Cnty CA Met Transn Revenue B		..		1FE	1,687,284	111.843	2,013,174	1,800,000	1,718,728		8,741			4.530	5.273	JD	6,795	81,540	02/17/2011	06/01/2022.
54473E NT 7	LA Cnty CA Pub Wks Fing Lease Rev Bonds		..		1FE	243,717	133.275	266,550	200,000	242,557		(1,160)			7.488	5.627	FA	6,240	7,488	02/04/2014	08/01/2033.
545909 CG 6	VA Loudoun Cnty Indl Dev Auth Revenue Bo		..	1	1FE	8,464,750	115.112	9,208,960	8,000,000	8,321,816		(42,782)			5.000	4.276	JD	33,333	400,000	06/27/2011	06/01/2031.
546540 HT 5	Louisiana St U Ag & Mech Coll Revenue Bo		..	1	1FE	3,227,640	114.906	3,447,180	3,000,000	3,136,242		(21,688)			5.000	4.070	JJ	75,000	150,000	06/10/2010	07/01/2023.
546589 QU 9	Louisville & Jefferson Wtr&Sw Rev bonds		..	1	1FE	9,396,021	115.984	10,438,560	9,000,000	9,213,559		(38,531)			5.000	4.452	MN	57,500	450,000	03/31/2010	05/15/2023.
558459 RK 1	Madison Wis CMNTY Dev Auth Rev Bonds		..	1	1FE	5,108,441	116.139	5,330,780	4,590,000	4,865,751		(52,365)			5.000	3.611	AO	57,375	229,500	01/12/2010	10/01/2024.
56041M HJ 6	Maine Governmantal Facs Auth Lease Rent		..	1	1FE	2,160,560	103.489	2,069,780	2,000,000	2,029,531		(16,023)			5.000	4.113	AO	25,000	100,000	04/13/2005	10/01/2016.
56041M HN 7	Maine Governmantal Facs Auth Lease Rent		..	1	1FE	4,815,360	103.510	4,657,950	4,500,000	4,606,157		(25,629)			5.000	4.310	AO	56,250	225,000	03/21/2005	10/01/2018.
56041M HQ 0	Maine Governmantal Facs Auth Lease Rent		..	1	1FE	5,004,654	103.510	4,864,970	4,700,000	4,821,214		(22,544)			5.000	4.391	AO	58,750	235,000	03/21/2005	10/01/2019.
560427 GK 6	Maine HLTH & HGR EDL FACSAUTH Revenue Bo		..	1	1FE	10,469,022	112.080	11,208,000	10,000,000	10,246,669		(48,572)			5.000	4.390	JJ	250,000	500,000	03/31/2010	07/01/2026.
560459 R9 2	Maine Muni Bd Bk Revenue Bonds		..	1	1FE	1,467,250	115.709	1,573,642	1,360,000	1,419,113		(10,894)			5.000	4.001	MN	11,333	68,000	03/31/2010	11/01/2027.
57420P FX 9	Maryland ST Econ Dev Corp Leas Revenue B		..	1	1FE	11,252,800	115.493	11,549,300	10,000,000	10,890,955		(122,155)			5.000	3.440	JD	41,667	500,000	12/01/2011	06/01/2026.
575579 PZ 4	Massachusetts Bay Trnsn Auth Revenue Bon		..		1FE	5,953,229	129.677	7,184,106	5,540,000	5,887,680		(18,206)			5.250	4.620	JJ	145,425	290,850	02/15/2011	07/01/2028.
575579 QC 4	Massachusetts Bay Trnsn Auth Revenue Bon		..		1FE	11,652,630	131.030	14,413,300	11,000,000	11,572,578		(22,363)			5.250	4.790	JJ	288,750	577,500	02/16/2011	07/01/2031.
576002 BP 3	Massachusetts St Spl Oblig Rev Bonds		..	1	1FE	5,316,350	131.794	6,589,700	5,000,000	5,300,796		(12,095)			5.500	4.951	JJ	137,500	275,000	08/28/2013	01/01/2034.
576051 BN 5	Massachusetts St WTR Auth Revenue Bonds		..	1	1FE	8,169,120	116.587	9,326,960	8,000,000	8,108,459		(16,664)			5.000	4.720	FA	166,667	400,000	02/10/2011	08/01/2028.
576528 DQ 3	Matagorda Cnty TX AEP Co Proj Ser B Rev		..	1	2FE	2,511,180	102.918	3,087,540	3,000,000	2,536,149		18,721			4.000	5.500	JD	10,000	120,000	08/23/2013	06/01/2030.
58401A BD 1	Mecklenburg NC Pub Fac Corp Revenue Bond		..	1	1FE	1,060,860	114.374	1,143,740	1,000,000	1,046,574		(10,149)			5.000	3.780	MS	16,667	50,000	07/31/2013	03/01/2026.
586158 MK 0	Memphis Tenn Elec Sys Rev Bds		..		1FE	7,449,381	114.771	8,033,970	7,000,000	7,199,830		(46,074)			5.000	4.201	JD	29,167	350,000	03/31/2010	12/01/2018.
59259N ZH 9	Metropolitan Transp. Auth NY Taxable Rev		..		1FE	2,100,000	153.199	3,217,179	2,100,000	2,100,000					7.336	7.336	MN	19,685	154,056	04/23/2009	11/15/2039.
59259Y Q8 5	NY Met Transportation Auth Revenue Bonds		..	1	1FE	2,699,025	116.193	2,904,825	2,500,000	2,684,804		(14,221)			5.000	4.001	MN	15,972	89,236	03/04/2014	11/15/2031.
59259Y RE 1	NY Met Transportation Auth Revenue Bonds		..	1	1FE	5,199,750	115.634	5,781,700	5,000,000	5,173,966		(18,101)			5.000	4.470	MN	31,944	250,000	07/17/2013	11/15/2032.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
59333A GH 8	Univ of Miami Fla Fac Auth Revenue Bds		..		1FE	5,236,550	115.970	5,798,500	5,000,000	5,119,237		(19,640)			5.250	4.730	AO	65,625	262,500	03/11/2008	04/01/2020.
59333G AL 2	Miami Dade Cnty FL Indl Dev Au Rev Bds		..		1FE	1,000,000	99.525	995,250	1,000,000	1,000,000					2.125	2.125	MN	3,576		10/31/2014	11/01/2041.
593464 AA 8	Miami Fla Rent Rev Taxable Bds Ser 1988		..		1FE	340,581	116.318	366,402	315,000	324,636		(1,725)			8.650	7.830	JJ	13,624	27,248	01/04/2000	07/01/2019.
594614 B3 2	Michigan State Bldg Auth Rev		..	1	1FE	4,778,865	103.619	4,662,855	4,500,000	4,654,851		(16,323)			5.000	4.471	AO	47,500	225,000	12/27/2005	10/15/2022.
594614 W7 0	Michigan State Bldg Auth Rev	@...	..	1	1FE	3,348,733	89.523	4,476,150	5,000,000	4,185,505		191,886				4.748	N/A			03/31/2010	10/15/2018.
602248 KA 3	Milwaukee Cnty WI Arpt Rev		..	1	1FE	2,479,174	114.282	2,485,634	2,175,000	2,476,762		(2,411)			5.000	3.774	JD	16,615		10/23/2014	12/01/2029.
60534T FR 1	Mississippi State Dev BK Wtr & Swr Sys R		..	1	1FE	5,094,400	115.118	5,755,900	5,000,000	5,082,418		(8,763)			5.000	4.740	MS	83,333	250,000	08/22/2013	09/01/2030.
606092 CJ 1	Missouri Muni Elec Util Comm Pwr Proj Re		..	1	1FE	6,868,270	107.704	7,000,760	6,500,000	6,753,355		(19,661)			5.000	4.511	JJ	162,500	325,000	03/31/2010	01/01/2025.
60636W GW 9	Missouri St Hwy & Trans Revenue Bonds		..	1	1FE	7,152,670	106.182	7,432,740	7,000,000	7,107,989		(7,048)			5.000	4.821	MN	58,333	350,000	08/27/2007	05/01/2026.
613209 AT 2	Montgomery Cnty AL Pub Hsg Revenue Bonds		..	1	1FE	5,172,200	105.492	5,274,600	5,000,000	5,117,310		(8,842)			5.000	4.706	MS	83,333	250,000	11/08/2007	03/01/2025.
613209 BS 3	Montgomery Cnty AL Pub Hsg Revenue Bonds		..		1FE	3,201,631	105.480	3,222,414	3,055,000	3,111,167		(46,546)			5.000	3.376	MS	50,917	152,750	01/10/2013	03/01/2024.
613209 BV 6	Montgomery Cnty AL Pub Hsg Revenue Bond		..	1	1FE	2,294,710	105.492	2,347,197	2,225,000	2,251,809		(22,129)			5.000	3.928	MS	37,083	111,250	01/10/2013	03/01/2024.
613603 TC 3	Montgomery Cnty PA Rev 5.000%		..		1FE	1,430,806	112.808	1,421,381	1,260,000	1,426,217		(4,589)			5.000	2.521	AO	10,675		10/23/2014	10/01/2020.
613603 TD 1	Montgomery Cnty PA Hgr Ed & Hlth Sys		..		1FE	1,496,154	112.769	1,488,551	1,320,000	1,492,189		(3,965)			5.000	2.861	AO	11,183		10/23/2014	10/01/2021.
625914 HG 4	Muni Energy Agy of Nebraska Revenue Bond		..	1	1FE	3,555,840	114.324	3,429,720	3,000,000	3,451,444		(55,676)			5.000	2.700	AO	37,500	150,000	02/04/2013	04/01/2027.
626207 WT 7	GA Muni Elec Auth Revenue Bonds		..	1	1FE	4,851,990	117.142	4,919,964	4,200,000	4,560,330		(95,422)			6.000	3.380	JJ	126,000	252,000	10/31/2011	01/01/2023.
626207 ZR 8	GA Muni Elec Auth Revenue Bonds		..	1	1FE	4,310,640	115.255	4,656,302	4,040,000	4,205,384		(24,574)			5.000	4.200	MN	33,667	202,000	05/20/2010	11/01/2027.
626207 ZS 6	GA Muni Elec Auth Revenue Bonds		..	1	1FE	2,678,861	115.462	2,926,962	2,535,000	2,622,850		(13,003)			5.000	4.320	MN	21,125	126,750	05/10/2010	11/01/2028.
63968M EW 5	Nebraska St Investment Fin Aut Revenue B		..		1FE	934,050	100.631	1,006,310	1,000,000	941,572		5,319			2.750	3.500	MS	9,167	27,500	07/23/2013	03/01/2024.
63968M EX 3	Nebraska St Investment Fin Aut Revenue B		..	1	1FE	1,397,250	100.698	1,510,470	1,500,000	1,408,337		7,840			2.750	3.500	MS	13,750	41,250	07/23/2013	09/01/2024.
64465P MH 8	New Hampshire Mun Bd Bk Revenue Bonds		..	1	1FE	3,755,610	115.858	4,014,480	3,465,000	3,641,319		(27,495)			5.000	3.980	FA	65,450	173,250	06/17/2010	08/15/2028.
64465P MS 4	New Hampshire Mun Bd Bk Revenue Bonds		..	1	1FE	2,153,980	115.742	2,314,840	2,000,000	2,000,000					5.000	(99.999)	FA	37,778	100,000	06/17/2010	08/15/2029.
64465P TT 5	New Hampshire Mun Bd Bk Revenue Bonds		..		1FE	1,817,370	118.845	1,782,675	1,500,000	1,758,475		(22,946)			5.000	2.931	FA	28,333	75,000	04/18/2012	08/15/2024.
646136 R8 6	New Jersey St Transn Tr Df Revenue Bonds		..	1	1FE	2,639,300	108.419	2,710,475	2,500,000	2,636,695		(2,605)			5.000	4.596	JD	5,556	125,000	04/02/2014	06/15/2036.
646139 W3 5	New Jersey St Turnpie Auth Taxable Serie		..		1FE	1,700,000	151.148	2,569,516	1,700,000	1,700,000					7.414	7.414	JJ	63,019	126,038	04/20/2009	01/01/2040.
64711M 5W 3	New Mexico Fin Auth Rev Bds		..	1	1FE	7,171,960	110.686	7,460,236	6,740,000	6,881,255		(53,449)			5.250	4.340	JD	15,727	353,850	03/31/2010	06/15/2020.
64711M 6B 8	New Mexico Fin Auth Revenue Bonds		..	1	1FE	4,318,167	110.299	4,582,923	4,155,000	4,268,030		(8,108)			5.250	4.914	JD	9,695	218,138	08/22/2007	06/15/2025.
64971M 5F 5	NY City Transitional Fin Authq Revenue B		..		1FE	2,292,370	109.356	2,187,120	2,000,000	2,238,968		(31,803)			4.325	2.417	MN	14,417	86,500	04/17/2013	11/01/2021.
64971Q 6R 9	New York City Trans Fin Auth Revenue Bon		..	1	1FE	3,214,320	114.131	3,423,930	3,000,000	3,199,694		(14,626)			5.000	4.050	MN	25,000	150,000	04/03/2014	05/01/2042.
64971Q T9 4	New York City Trans Fin Auth Revenue Bon		..	1	1FE	73,095	116.329	81,430	70,000	72,193		(453)			5.000	4.200	MN	583	3,500	12/19/2012	05/01/2023.
64971Q XW 8	New York City Trans Fin Auth Revenue Bon		..	1	1FE	5,372,200	118.895	5,944,750	5,000,000	5,333,100		(35,588)			5.000	4.000	MN	41,667	250,000	11/21/2013	11/01/2031.
64972F 4K 9	New York City Mun Wtr Fin Auth Revenue B		..	1	1FE	3,158,910	115.139	3,454,170	3,000,000	3,140,152		(5,603)			5.000	4.592	JD	6,667	150,000	06/15/2011	06/15/2031.
64972H SY 9	New York City NY TransFinAuth Revenue Bo		..	1	1FE	8,409,040	115.547	9,243,760	8,000,000	8,355,255		(45,875)			5.250	4.459	JJ	193,667	420,000	10/21/2013	07/15/2037.
64983S FU 4	New York St Dorm Scdly Insured Revenue B		..		1FE	3,263,081	130.255	3,360,579	2,580,000	3,193,183		(26,860)			5.500	3.580	JJ	70,950	141,900	04/19/2012	07/01/2031.
658196 PK 0	NC Eastern Muni Pwr Agy Sys Revenue Bond		..		1FE	3,577,170	130.171	3,905,130	3,000,000	3,529,717		(37,674)			6.000	4.000	JJ	90,000	180,000	09/18/2013	01/01/2026.
658196 QS 2	NC Eastern Muni Pwr Agy Sys Prerefunded		..	1	1	1,048,930	104.704	1,047,040	1,000,000	1,015,961		(7,501)			5.000	4.160	JJ	25,000	50,000	03/31/2010	01/01/2017.
658196 QY 9	NC Eastern Muni Pwr Agy Sys Revenue Bond		..		1FE	2,319,940	124.418	2,488,360	2,000,000	2,184,704		(22,041)			6.000	4.450	JJ	60,000	120,000	01/04/2008	01/01/2022.
658196 Z2 9	NC Eastern Muni Pwr Agy Sys Revenue Bond		..	1	1FE	5,984,640	115.494	6,929,640	6,000,000	5,987,734		792			5.500	5.525	JJ	165,000	330,000	01/13/2011	01/01/2026.
658203 M8 4	NC Mun Pwr Agy #1 Catawba Elec Revenue B		..	1	1FE	5,730,960	112.030	6,721,800	6,000,000	5,767,298		9,883			5.000	5.380	JJ	150,000	300,000	01/13/2011	01/01/2030.
65820A AJ 7	NC Capi FACS FIN AGY WAS DISP Revenue Bo		..	1	1FE	10,448,000	107.894	11,328,870	10,500,000	10,454,465		1,781			4.375	4.411	AO	114,844	459,375	08/09/2011	10/01/2031.
65821D CY 5	NC Med Care Comm Duke Univer Revenue Bo		..	1	1FE	987,147	112.656	1,126,560	1,000,000	989,197		461			4.750	4.850	JD	3,958	47,500	03/31/2010	06/01/2030.
65821D DW 8	NC Med Care Comm Duke Univer Revenue Bo		..	1	1FE	2,030,000	110.798	2,215,960	2,000,000	2,017,865		(2,837)			5.000	4.810	JD	8,333	100,000	04/22/2010	06/01/2035.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
65821D DX 6	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	1,119,880	109.744	1,097,440	1,000,000	1,091,959		(15,349)			5.000	3.140	JD	4,167	50,000	02/22/2013	06/01/2042.
65821D FW 6	NC Med Care Comm Duke Univer Revenue Bo				1FE	5,179,050	112.046	5,602,300	5,000,000	5,113,803		(16,728)			5.000	4.550	MN	41,667	250,000	10/22/2010	11/01/2030.
65821D LH 2	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	9,165,865	113.742	9,668,070	8,500,000	9,118,318		(23,364)			5.000	4.396	JD	35,417	425,000	06/27/2013	06/01/2032.
65821D NE 7	NC Med Care Comm Duke Univer Revenue Bo			1	1FE	5,327,000	103.080	5,154,000	5,000,000	5,270,576		(29,576)			4.000	3.220	JD	16,667	200,000	01/15/2013	12/01/2033.
65825P CA 6	NC State Capital Improvements LTD Oblig			1	1FE	1,066,858	115.915	1,159,150	1,000,000	1,034,939		(7,237)			5.000	4.110	MN	8,333	50,000	03/31/2010	05/01/2023.
65825P CB 4	NC State Capital Improvements LTD Oblig			1	1FE	1,056,760	115.915	1,159,150	1,000,000	1,029,737		(6,140)			5.000	4.240	MN	8,333	50,000	03/31/2010	05/01/2024.
65825P DD 9	NC State Capital Improvements Revenue Bo			1	1FE	4,909,100	113.300	5,665,000	5,000,000	4,924,006		4,020			4.500	4.654	MN	37,500	225,000	03/22/2011	05/01/2028.
658268 AX 5	North Carolina State Grant Antic Rev Bon			1	1FE	3,552,329	109.398	3,725,002	3,405,000	3,463,252		(25,265)			5.000	4.163	MS	56,750	170,250	07/31/2013	03/01/2019.
658289 XS 7	N C St University NC Raleigh Revenue Bon			1	1FE	4,044,340	103.649	3,938,662	3,800,000	3,885,168		(20,549)			5.000	4.344	AO	47,500	190,000	10/26/2005	10/01/2018.
664754 Y5 1	North AZ Uni Edu Dev Revenue Bonds			1	1FE	3,061,543	115.074	3,187,550	2,770,000	3,024,188		(24,654)			5.000	3.740	FA	57,708	154,274	06/05/2013	08/01/2029.
677632 PA 3	Ohio State University Revenue Bonds - Ta				1FE	1,484,895	109.463	1,641,945	1,500,000	1,484,790		7			4.800	4.849	JD	6,000	72,000	10/20/2011	06/01/2111.
684618 AN 1	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	1,135,640	117.591	1,175,910	1,000,000	1,096,355		(12,512)			5.000	3.390	AO	12,500	50,000	09/14/2011	10/01/2024.
684618 AP 6	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	1,123,000	116.856	1,168,560	1,000,000	1,087,546		(11,306)			5.000	3.530	AO	12,500	50,000	09/14/2011	10/01/2025.
684618 AQ 4	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	2,226,380	116.279	2,325,580	2,000,000	2,161,371		(20,752)			5.000	3.640	AO	25,000	100,000	09/14/2011	10/01/2026.
684618 BH 3	Orange Cnty NC Pub Facs Com Revenue Bond			1	1FE	2,748,900	112.274	2,806,850	2,500,000	2,692,746		(21,224)			4.750	3.600	AO	29,688	118,750	03/30/2012	10/01/2032.
709222 CN 1	Pennsylvania St Turnpike Revenue Bonds				1FE	3,937,220	118.296	4,140,360	3,500,000	3,693,962		(30,594)			5.250	4.120	JJ	84,729	183,750	08/02/2005	07/15/2020.
717893 YU 9	Philadelphia PA Wtr & Wstwtr Revenue Bds			1	1FE	10,310,000	112.940	11,294,000	10,000,000	10,289,021		(20,979)			5.000	4.621	JJ	250,000	219,444	02/11/2014	07/01/2043.
71883R GW 7	Phoenix Ariz Civic Impt Corp Wtr Sys Rev			1	1FE	2,078,673	102.286	2,045,720	2,000,000	2,057,714		(4,807)			4.750	4.375	JJ	47,500	95,000	03/31/2010	07/01/2024.
720175 VA 3	Piedmont Mun Pwr Agy SC Revenue bonds				1FE	1,193,760	111.588	1,210,730	1,085,000	1,134,114		(15,298)			5.000	3.400	JJ	27,125	54,250	11/17/2010	01/01/2018.
720175 XD 5	Piedmont Mun Pwr Agy SC Revenue Bonds			1	1FE	5,065,600	117.427	5,871,350	5,000,000	5,045,187		(5,626)			5.750	5.582	JJ	143,750	287,500	02/24/2011	01/01/2034.
725304 SL 4	Pittsburgh PA Water & Sewer Revenue Bond			1	1FE	3,632,685	114.462	4,006,170	3,500,000	3,621,374		(11,311)			5.000	4.511	MS	58,333	122,986	01/07/2014	09/01/2031.
751120 BD 7	Raleigh NC Ltd Ob Revenue Bonds			1	1FE	3,085,560	115.745	3,472,350	3,000,000	3,076,695		(6,992)			5.000	4.640	AO	37,500	149,167	09/19/2013	10/01/2038.
76218T NK 6	Rhode Island Clean Wtr Fin Agy Revenue B			1	1FE	2,140,483	118.815	2,257,485	1,900,000	2,045,002		(22,395)			5.000	3.521	AO	23,750	95,000	06/10/2010	10/01/2023.
79765R SU 4	San Francisco CA City & Cnty Revenue Bon				1FE	1,740,546	116.399	2,095,182	1,800,000	1,751,641		3,115			5.500	5.837	MN	16,500	99,000	02/17/2011	11/01/2025.
798111 GG 9	San Juaquin Hills CA Transport Rev			1	1FE	1,526,153	112.694	1,543,908	1,370,000	1,524,821		(1,332)			5.000	3.944	JJ	10,465		10/23/2014	01/15/2029.
800618 AD 2	Sanford NC BAB's Revenue Bonds - Taxable			1	1FE	3,820,000	114.039	4,356,290	3,820,000	3,820,000					5.920	5.920	JD	18,845	226,144	12/08/2010	06/01/2024.
829594 EV 8	Sioux Falls, SD Revenue Bonds			1	1FE	2,770,500	111.283	2,893,358	2,600,000	2,721,966		(11,058)			5.000	4.356	MN	16,611	130,000	03/31/2010	11/15/2023.
829594 EW 6	Sioux Falls, SD Revenue Bonds			1	1FE	2,911,865	111.102	3,016,419	2,715,000	2,843,922		(10,240)			5.000	4.401	MN	17,346	135,750	05/09/2007	11/15/2024.
829594 EX 4	Sioux Falls, SD Revenue Bonds			1	1FE	3,035,605	111.012	3,147,190	2,835,000	2,971,826		(9,620)			5.000	4.435	MN	18,113	141,750	05/09/2007	11/15/2025.
837151 CC 1	South Carolina ST Pub SVC Auth Revenue B			1	1FE	10,822,700	113.643	11,364,300	10,000,000	10,656,324		(79,573)			5.000	3.904	JD	41,667	500,000	01/27/2014	12/01/2036.
837152 MW 4	So Carolina Transit Rev. Bonds			1	1FE	7,490,421	107.911	7,559,166	7,005,000	7,256,622		(37,902)			5.000	4.287	AO	87,563	350,250	03/31/2010	10/01/2020.
847184 SM 1	Spartanburg SC Revenue Bonds			1	1FE	2,041,020	108.445	2,168,900	2,000,000	2,021,451		(2,855)			4.500	4.306	JD	7,500	90,000	02/08/2007	06/01/2021.
847184 SN 9	Spartanburg SC Wtrwks Revenue Bonds			1	1FE	2,031,725	108.445	2,168,900	2,000,000	2,021,264		(2,392)			4.500	4.330	JD	7,500	90,000	03/31/2010	06/01/2022.
847184 SQ 2	Spartanburg SC Ser A Rev			1	1FE	2,864,344	108.050	3,025,400	2,800,000	2,840,737		(3,449)			4.500	4.310	JD	10,500	126,000	03/09/2007	06/01/2024.
851018 HW 4	Springfield MO Pub Util Rev Bds			1	1FE	3,010,770	106.600	3,198,000	3,000,000	3,007,041		(579)			4.750	4.719	FA	59,375	142,500	08/15/2007	08/01/2024.
860820 DM 8	Stillwater OK Utilities Auth Revenue			1	1FE	2,831,354	119.171	2,967,358	2,490,000	2,842,641		11,287			5.000	3.888	FA	31,125	16,946	07/29/2014	10/01/2032.
860820 DQ 9	Stillwater OK Utilities Auth Revenue			1	1FE	2,232,340	116.564	2,331,280	2,000,000	2,243,489		11,149			5.000	4.204	FA	25,000	13,611	07/29/2014	10/01/2039.
870487 CG 8	Sweetwater Cnty WY Pollu Ctl Revenue Bon			1	1FE	13,000,000	115.175	14,972,750	13,000,000	13,000,000					5.250	5.249	FA	284,375	682,500	12/16/2010	07/15/2026.
880557 6V 0	TN State School Board Revenue Bonds			1	1FE	5,970,834	110.177	5,933,031	5,385,000	5,659,369		(76,595)			5.000	3.370	MN	44,875	269,250	09/02/2010	05/01/2030.
88283L GW 0	Texas St Transn Comm Revs				1FE	11,338,011	127.853	13,437,350	10,510,000	11,075,140		(48,286)			5.250	4.531	AO	137,944	551,775	03/31/2010	04/01/2024.
882854 PX 4	Texas Water Development Board Revenue Bo			1	1FE	7,468,349	110.100	8,422,650	7,650,000	7,510,109		7,738			5.000	5.200	JJ	176,375	382,500	03/31/2010	07/15/2027.
882854 RC 8	Texas Water Development Board Rev Bds			1	1FE	5,238,055	111.257	5,562,850	5,000,000	5,085,317		(31,068)			5.250	4.530	JJ	121,042	262,500	03/31/2010	07/15/2022.
882854 RF 1	Texas Water Development Board Ser B Revs			1	1FE	5,218,550	110.885	5,544,250	5,000,000	5,070,947		(25,788)			5.250	4.650	JJ	121,042	262,500	06/25/2008	07/15/2025.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
899676 KU 3	Tulsa, OK Univ ofTulsa Revenue Bonds		..	1	1FE	999,975	106.243	1,062,430	1,000,000	999,917		1			4.500	4.500	AO	11,250	45,000	03/31/2010	10/01/2026.
913366 DF 4	Univ CA Regts Med Ctr Pooled Revenue Bon		..		1FE	2,000,000	137.994	2,759,880	2,000,000	2,000,000					6.583	6.583	MN	16,823	131,660	12/04/2009	05/15/2049.
914072 PK 3	Univ of Arkansas AR Revenue Bonds		..	1	1FE	4,589,600	115.541	4,621,640	4,000,000	4,510,534		(49,004)			5.000	3.320	MN	33,333	200,000	04/18/2013	11/01/2037.
91412F 7X 9	University California Rev Bonds - Taxabl		..	1	1FE	999,290	114.072	1,140,720	1,000,000	999,547		12			6.270	6.274	MN	8,012	62,700	08/19/2009	05/15/2031.
91417K SF 9	University of Co Revenue Bonds		..	1	1FE	3,236,640	114.830	3,444,900	3,000,000	3,168,214		(22,589)			5.000	4.000	JD	12,500	150,000	10/26/2011	06/01/2032.
914353 A8 0	University of Illinois Revenue Bonds		..	1	1FE	8,713,387	105.885	8,814,926	8,325,000	8,503,829		(138,318)			5.000	3.229	AO	104,063	416,250	06/21/2013	04/01/2022.
914353 C4 7	University of Illinois Revenue Bonds		..	1	1FE	1,753,144	105.276	1,763,373	1,675,000	1,710,981		(27,830)			5.000	3.229	AO	20,938	83,750	06/21/2013	04/01/2022.
914692 J4 1	Univ of New Mexico Sys Impt Ser A Revs		..	1	1FE	3,117,270	109.566	3,286,980	3,000,000	3,036,267		(13,955)			5.000	4.465	JD	12,500	150,000	06/16/2008	06/01/2023.
914714 CN 8	University NC Chapel Hill Revenue Bonds		..	1	1FE	2,500,000	115.347	2,883,675	2,500,000	2,500,000					6.329	6.329	FA	65,927	158,225	11/10/2010	02/01/2031.
914716 B2 0	Universitiy of NC at Charlotte Revenue B		..	1	1FE	3,186,750	114.094	3,422,820	3,000,000	3,175,096		(11,654)			5.000	4.230	AO	37,500	75,000	03/11/2014	04/01/2043.
914720 AR 8	Univ NC System Pool Revenue Bonds		..	1	1FE	111,824	100.263	115,302	115,000	113,429		371			4.500	4.901	AO	1,294	5,175	03/31/2010	10/01/2018.
914720 JC 2	Univ NC System Pool Revenue Bonds		..		1FE	4,799,660	115.361	5,018,204	4,350,000	4,515,444		(34,869)			5.250	4.260	AO	57,094	228,375	03/23/2005	04/01/2019.
914720 YH 4	Univ NC System Pool UNC Greensboro-Ser B		..	1	1FE	1,600,644	117.412	1,702,474	1,450,000	1,557,664		(18,286)			5.250	3.680	AO	19,031	76,125	07/31/2013	04/01/2022.
91472R BG 2	UNC-Wilmington Student Hsg Proj CTFs		..	1	1FE	1,023,060	105.881	1,058,810	1,000,000	1,018,862		(3,008)			5.000	4.602	JD	4,167	50,000	07/31/2013	06/01/2020.
914760 N2 5	University Okla Revenue Bonds		..	1	1FE	5,962,330	106.505	6,198,591	5,820,000	5,916,490		(7,860)			5.000	4.781	JJ	145,500	291,000	03/31/2010	07/01/2024.
917565 ET 6	Utah Tran Auth Sales Tax Revenue Bonds		..		1FE	5,783,450	127.111	6,355,550	5,000,000	5,673,412		(33,810)			5.250	4.013	JD	11,667	262,500	07/27/2011	06/15/2029.
917565 GR 8	Utah Tran Auth Sales Tax Revenue Bonds		..		1FE	3,182,850	123.104	3,693,120	3,000,000	3,172,982		(6,975)			5.000	4.500	JD	6,667	150,000	07/17/2013	06/15/2031.
919061 EY 3	Valdez Ak Marine Terminal Revenue Bonds		..		1FE	1,122,700	116.422	1,164,220	1,000,000	1,084,485		(12,480)			5.000	3.430	JJ	25,000	50,000	10/21/2011	01/01/2021.
924211 3M 5	Vermont Mun Bd Bk Revenue Bonds		..	1	1FE	1,459,472	104.424	1,425,388	1,365,000	1,423,186		(4,579)			5.000	4.463	JD	5,688	68,250	07/13/2005	12/01/2024.
927781 VQ 4	Virginia College Bldg Auth Revenue Bonds		..		1FE	2,004,400	109.994	2,199,880	2,000,000	2,002,604		(416)			4.000	3.973	MS	26,667	80,000	10/28/2010	09/01/2020.
927781 Z8 0	Virginia College Bldg Auth Revenue Bds -		..	1	1FE	5,890,085	107.449	6,097,731	5,675,000	5,809,669		(77,280)			5.000	3.519	MS	94,583	283,750	12/16/2013	09/01/2023.
927793 WM 7	Virginia State CMWITH Transprt Revenue B		..	1	1FE	5,129,700	105.651	5,282,550	5,000,000	5,119,251		(4,099)			4.000	3.824	MN	25,556	200,000	06/05/2012	05/15/2034.
928075 DT 4	Virginia Port Auth Comm Pt Fd Revenue Bo		..	1	1FE	2,767,372	102.535	3,132,444	3,055,000	2,848,834		15,533			5.250	6.201	JJ	80,194	160,388	11/24/2008	07/01/2024.
928172 LJ 2	Virginia St Pub Bldg Auth Revenue Bonds		..	1	1FE	2,098,710	102.786	2,055,720	2,000,000	2,046,729		(11,840)			5.000	4.289	FA	41,667	142,222	03/31/2010	08/01/2018.
928172 RH 0	Virginia St Pub Bldg Auth Revs		..	1	1FE	8,887,161	113.379	10,238,124	9,030,000	8,924,666		7,244			5.125	5.270	FA	192,828	462,788	03/31/2010	08/01/2025.
92818A LN 4	Virginia St Resources Auth Revenue Bonds		..	1	1FE	5,365,750	115.033	5,751,650	5,000,000	5,333,108		(32,642)			5.000	4.000	MN	41,667	250,000	01/29/2014	11/01/2042.
930868 BX 1	Wake County, NC Revenue Bonds		..	1	1FE	3,997,000	103.284	4,131,360	4,000,000	3,996,989		(11)			4.000	4.005	JD	13,333	80,000	06/02/2014	06/01/2041.
930876 AZ 0	Wake County NC Revenue Bonds		..	1	1FE	3,862,929	114.772	4,017,020	3,500,000	3,718,693		(45,101)			5.000	3.461	JD	14,583	175,000	07/31/2013	06/01/2023.
930876 BB 2	Wake County NC Hammond RD Rev Bonds		..	1	1FE	1,179,722	114.772	1,262,492	1,100,000	1,161,871		(12,709)			5.000	3.610	JD	4,583	55,000	07/31/2013	06/01/2024.
930876 BY 2	Wake County NC Revenue Bonds		..	1	1FE	6,556,794	115.624	6,827,597	5,905,000	6,260,759		(63,713)			5.000	3.670	JJ	147,625	295,250	12/11/2009	01/01/2025.
958697 JV 7	Western MN Municipal Power Agy Revenue B		..	1	1FE	3,333,420	115.545	3,466,350	3,000,000	3,330,297		(3,123)			5.000	4.279	JJ	75,000		07/02/2014	01/01/2040.
961017 PF 1	Westmoreland Cnty PA Wtr & Swr Revenue B		..	1	1FE	5,173,050	113.024	5,651,200	5,000,000	5,158,719		(14,331)			5.000	4.550	FA	94,444	250,000	01/08/2014	08/15/2031.
967338 UB 8	Wichita Kansas Wtr & Swr Revenue Bonds		..	1	1FE	3,642,963	118.038	3,783,118	3,205,000	3,563,779		(26,707)			5.000	3.726	AO	40,063	160,250	11/15/2011	10/01/2025.
967338 UC 6	Wichita Kansas Wtr & Swr Revenue Bonds		..	1	1FE	4,819,840	117.215	4,981,638	4,250,000	4,660,190		(53,269)			5.000	3.388	AO	53,125	212,500	11/02/2011	10/01/2026.
967338 UD 4	Wichita Kansas Wtr & Swr Revenue Bonds		..	1	1FE	4,941,079	116.397	5,115,648	4,395,000	4,788,751		(50,917)			5.000	3.497	AO	54,938	219,750	11/02/2011	10/01/2027.
977100 BU 9	Wisconsin ST GEN Rev Bonds		..	1	1FE	9,213,397	119.435	9,554,800	8,000,000	8,630,270		(130,826)			6.000	4.000	MN	80,000	480,000	03/31/2010	05/01/2026.
977100 BZ 8	Wisconsin ST GEN Revenue Bonds		..	1	1FE	10,363,500	116.554	11,655,400	10,000,000	10,210,095		(42,363)			5.750	5.200	MN	95,833	575,000	02/03/2011	05/01/2033.
977229 AB 9	Wise Cnty VA Indl Dev Pub Facs Revenue B		..	1	1FE	3,979,440	99.797	3,991,880	4,000,000	3,989,404		4,935			1.700	1.830	FA	28,333	68,000	12/04/2012	02/01/2017.
982674 GW 7	Wyandotte Cnty KS Govt Utility Revenue B		..	1	1FE	5,780,900	114.450	5,722,500	5,000,000	5,625,398		(71,098)			5.000	3.150	MS	83,333	250,000	10/03/2012	09/01/2032.
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations						776,099,132	XXX	836,457,523	733,170,000	764,276,368	0	(3,450,652)	0	0	XXX	XXX	XXX	9,964,741	34,821,988	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
3128MJ S6 8	FHLMC Pool #GO-8540		..	2	1	2,861,996	101.156	2,930,800	2,897,307	2,862,386		389			3.000	3.109	MON	7,243	36,216	07/28/2014	08/01/2043.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
3128MJ TA 8	FHLMC Giant Pool #8544			2	1	2,902,658	101.146	2,992,977	2,959,066	2,903,295		636			3.000	3.166	MON	7,398	29,591	07/16/2014	09/01/2043.
3128MJ UV 0	FHLMC Giant Pool #8595			2	1	10,501,054	106.724	10,609,530	9,941,091	10,494,033		(7,020)			4.000	3.566	MON	33,137	165,685	07/18/2014	07/01/2044.
3128MJ UX 6	FHLMC Giant Pool #8597			2	1	9,995,673	104.088	10,159,825	9,760,804	9,992,596		(3,077)			3.500	3.322	MON	28,469	142,345	07/18/2014	07/01/2044.
312936 6F 9	FHLMC Pool #A8-9870			2	1	7,988,742	108.408	8,005,024	7,384,163	7,978,675		(10,066)			4.500	3.765	MON	27,691	138,453	07/08/2014	11/01/2039.
312939 RG 8	FHLMC Pool #A9-1387			2	1	5,062,775	110.707	5,048,700	4,560,417	5,054,711		(8,064)			5.000	4.014	MON	19,002	95,009	07/09/2014	03/01/2040.
312943 UJ 0	FHLMC Goldconv #A95085			2	1	9,829,057	106.761	9,939,180	9,309,748	9,820,640		(8,417)			4.000	3.521	MON	31,032	155,162	07/08/2014	11/01/2040.
3133XC T6 0	FHLB Structured Note SK-2015 Cl 1			2	1	480,971	102.193	493,369	482,781	482,520		323			5.140	5.369	MON	896	24,815	11/22/2005	08/18/2015.
31371K XS 5	FNMA Pool # 254589			2	1	1,392	111.743	1,502	1,344	1,363		(3)			5.500	5.090	MON	6	74	05/15/2003	01/01/2023.
3138E0 RA 9	FNMA Pool #AJ7680			2	1	7,607,257	104.454	7,736,357	7,406,472	7,603,930		(3,327)			3.500	3.273	MON	21,602	108,011	07/10/2014	12/01/2041.
3138WT RW 8	FNMA Pool #AT5900			2	1	9,140,910	101.303	9,378,716	9,258,083	9,142,194		1,284			3.000	3.106	MON	23,145	115,726	07/18/2014	06/01/2043.
3138X0 Y3 6	FNMA Pool #AU1629			2	1	2,782,876	101.294	2,855,924	2,819,441	2,783,246		370			3.000	3.109	MON	7,049	28,194	07/22/2014	07/01/2043.
31392B 5Y 8	FNMA Ser 2002-7 Cl OK			2	1	15,010	100.387	15,068	15,010	15,010					8.750	8.837	MON	109	98	01/29/2002	03/25/2017.
31403D BY 4	FNMA Pool #0745355			2	1	2,616,794	110.537	2,605,145	2,356,808	2,611,519		(5,275)			5.000	3.856	MON	9,820	49,100	07/10/2014	03/01/2036.
31418A M3 9	FMNA Pool #0MA1277			2	1	7,691,281	102.088	7,739,412	7,581,118	7,687,039		(4,242)			2.500	2.260	MON	15,794	78,970	07/15/2014	12/01/2027.
31418M GG 1	FNMA Mega Pool #0AD0198			2	1	7,835,041	112.140	7,862,385	7,011,223	7,823,005		(12,037)			5.500	4.366	MON	32,135	128,539	07/22/2014	09/01/2038.
31418U EL 4	FNMA Pool #AD6438			2	1	5,181,706	110.589	5,166,884	4,672,150	5,173,539		(8,167)			5.000	4.021	MON	19,467	97,336	07/08/2014	06/01/2040.
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						92,495,193	XXX	93,540,798	88,417,026	92,429,701	0	(66,693)	0	0	XXX	XXX	XXX	283,995	1,393,324	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Commercial Mortgage-Backed Securities																					
3137B5 J8 7	FHLMC			2	1	5,256,713	100.581	5,247,556	5,217,244	5,254,276		(2,437)			0.719	0.470	MON	729	13,230	10/01/2014	07/25/2020.
2799999. U.S. Special Revenue - Commercial Mortgage-Backed Securities						5,256,713	XXX	5,247,556	5,217,244	5,254,276	0	(2,437)	0	0	XXX	XXX	XXX	729	13,230	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						873,851,038	XXX	935,245,877	826,804,270	861,960,345	0	(3,519,782)	0	0	XXX	XXX	XXX	10,249,465	36,228,542	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00184A AC 9	AOL Time Warner Inc Bonds				2FE	2,718,960	139.742	2,794,840	2,000,000	2,705,545		(13,415)			7.625	4.537	AO	32,194	76,250	07/10/2014	04/15/2031.
00206R BD 3	AT&T Inc Sr Notes				1FE	2,733,015	98.076	2,697,090	2,750,000	2,734,225		1,210			3.000	3.090	FA	31,167	41,250	07/10/2014	02/15/2022.
025816 AY 5	American Express Co Sr Notes				1FE	1,494,255	115.595	1,733,925	1,500,000	1,497,480		616			7.000	7.054	MS	29,750	105,000	03/12/2008	03/19/2018.
03523T AV 0	Anheuser Busch Notes				1FE	993,810	112.184	1,121,840	1,000,000	996,297		584			5.000	5.079	AO	10,556	50,000	03/24/2010	04/15/2020.
03523T BP 2	Anheuser Busch Sr. Notes				1FE	1,625,208	97.939	1,713,933	1,750,000	1,640,333		12,534			2.500	3.451	JJ	20,174	43,750	10/10/2013	07/15/2022.
03524B AE 6	Anheuser-Busch InBev Fin Notes				1FE	999,750	104.114	1,041,140	1,000,000	999,749		(1)			3.700	3.703	FA	15,417	18,911	01/22/2014	02/01/2024.
037833 AR 1	Apple Computer Inc Sr. Notes				1FE	748,155	101.424	760,680	750,000	748,327		172			2.850	2.886	MN	13,953	10,688	04/29/2014	05/06/2021.
04650N AB 0	AT&T Inc. Sr. Notes				1FE	1,286,375	108.450	1,355,625	1,250,000	1,285,829		(546)			5.350	5.147	MS	22,292	33,438	03/25/2014	09/01/2040.
059165 DZ 0	Baltimore Gas & Elec Co Sr Notes				2FE	1,496,460	108.226	1,623,390	1,500,000	1,499,050		416			5.900	5.932	AO	22,125	88,500	10/11/2006	10/01/2016.
06050T JZ 6	Bank of America Sub Notes				2FE	1,771,077	125.609	2,135,353	1,700,000	1,761,703		(1,406)			6.000	5.706	AO	21,533	102,000	12/26/2006	10/15/2036.
06051G DZ 9	Bank of America Sr Notes				1FE	1,852,215	122.041	1,830,615	1,500,000	1,820,714		(31,501)			7.625	2.483	JD	9,531	57,188	07/10/2014	06/01/2019.
06051G FF 1	Bank of America Sr. Notes				1FE	996,250	104.766	1,047,660	1,000,000	996,432		182			4.000	4.046	AO	10,000	20,000	03/27/2014	04/01/2024.
07330N AJ 4	BB&T Sr Notes				1FE	2,997,480	99.685	2,990,550	3,000,000	2,997,719		239			2.850	2.863	AO	21,375	49,163	02/27/2014	04/01/2021.
073902 RU 4	Bear Stearns Cos Inc Sr Notes				1FE	2,723,338	115.228	2,650,244	2,300,000	2,501,550		(60,062)			7.250	4.189	FA	69,479	166,750	01/27/2011	02/01/2018.
097014 AL 8	Boeing Capital Corp Sr Notes				1FE	2,997,870	111.504	3,345,120	3,000,000	2,998,662		208			4.700	4.709	AO	25,067	141,000	10/22/2009	10/27/2019.
101137 AM 9	Boston Scientific Corp Sr. Notes				2FE	998,790	100.443	1,004,430	1,000,000	999,089		246			2.650	2.675	AO	6,625	30,033	10/02/2013	10/01/2018.
10513K AA 2	B B & T Sub Notes				1FE	2,994,300	107.414	3,222,420	3,000,000	2,998,509		656			5.625	5.650	MS	49,688	168,750	09/06/2006	09/15/2016.
12189L AH 4	Burlington North Santa Fe Sr Notes				1FE	997,500	101.033	1,010,330	1,000,000	998,108		228			3.050	3.079	MS	8,981	30,500	02/28/2012	03/15/2022.
12572Q AE 5	CME Group Inc. Sr. Notes				1FE	1,484,370	102.108	1,531,620	1,500,000	1,485,577		1,207			3.000	3.141	MS	13,250	22,500	03/25/2014	09/15/2022.
13034V AA 2	California Institute Sr Notes				1FE	1,783,530	109.273	1,966,914	1,800,000	1,783,367		8			4.700	4.744	MN	14,100	84,600	11/29/2011	11/01/2111.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
166764 AG 5	Chevrontexaco Corp Sr Notes			1	1FE	753,371	101.534	761,505	750,000	753,030		(341)			2.427	2.347	JD	354	18,203	04/24/2014	06/24/2020.
172967 EM 9	Citigroup Inc Notes				1FE	2,128,513	111.846	2,125,074	1,900,000	2,001,759		(32,545)			6.125	4.137	MN	12,931	116,375	11/03/2010	11/21/2017.
172967 EV 9	Citigroup Inc Sr Notes				1FE	2,446,075	125.174	2,498,473	1,996,000	2,257,214		(51,821)			8.500	5.131	MN	18,380	169,660	01/27/2011	05/22/2019.
200340 AP 2	Comerica Inc Sr Notes			1	1FE	1,000,000	99.375	993,750	1,000,000	1,000,000					2.125	2.125	MN	2,243	10,625	05/20/2014	05/23/2019.
202795 HV 5	Commonwealth Edison Co First Morgage				1FE	1,342,597	107.316	1,341,450	1,250,000	1,332,789		(9,808)			4.000	2.660	FA	20,833	25,000	04/21/2014	08/01/2020.
20825C AR 5	ConocoPhillips Notes				1FE	2,979,780	114.114	3,423,420	3,000,000	2,990,139		2,045			5.750	5.840	FA	71,875	172,500	01/29/2009	02/01/2019.
233851 BG 8	Diamler Finance NA LLC Sr Notes 144A				1FE	1,001,510	99.718	997,180	1,000,000	1,001,300		(210)			0.572	0.528	FMAN	969	1,513	07/28/2014	08/01/2017.
244199 BE 4	Deere & Co Sr Notes				1FE	1,166,007	98.565	1,182,780	1,200,000	1,168,599		2,591			2.600	2.995	JD	1,993	31,200	04/16/2014	06/08/2022.
25746U BL 2	Dominion Resources Inc VA Sr Notes				2FE	1,995,020	109.012	2,180,240	2,000,000	1,996,557		455			4.450	4.481	MS	26,206	89,000	03/02/2011	03/15/2021.
26441C AD 7	Duke Energy Sr notes				2FE	996,230	111.374	1,113,740	1,000,000	997,937		365			5.050	5.098	MS	14,869	50,500	08/25/2009	09/15/2019.
26882P BB 7	ERAC USA Finance Co Sr. Notes				2FE	873,263	112.413	843,098	750,000	836,531		(29,834)			6.375	2.093	AO	10,094	47,813	10/02/2013	10/15/2017.
29365T AB 0	Energy Texas Inc First Mortgage Bonds				1FE	999,130	101.066	1,010,660	1,000,000	999,877		160			3.600	3.619	JD	3,000	36,000	05/18/2010	06/01/2015.
29379V AZ 6	Enterprise Productes Oper Sr Notes				2FE	1,563,883	98.548	1,576,768	1,600,000	1,567,821		3,251			3.350	3.632	MS	15,782	53,600	10/15/2013	03/15/2023.
302508 AQ 9	FMR Corp Priv Placement 144A				1FE	2,699,639	137.900	2,689,050	1,950,000	2,683,469		(16,169)			7.570	4.096	JD	6,561	73,808	07/18/2014	06/15/2029.
319477 AF 2	First Citizens Bank & Trust Sub Notes				2FE	1,947,280	101.625	2,032,500	2,000,000	1,997,027		6,826			5.125	5.488	MS	25,910	102,500	01/12/2006	06/01/2015.
337738 AM 0	Fiserv Inc Sr Notes				2FE	2,004,960	101.086	2,021,720	2,000,000	2,004,713		(247)			3.500	3.465	AO	17,500	35,000	07/11/2014	10/01/2022.
345397 VU 4	Ford Motor Cred Sr Notes				2FE	2,520,540	116.129	2,612,903	2,250,000	2,483,988		(30,431)			5.875	4.059	FA	54,711	132,188	10/10/2013	08/02/2021.
35671D AU 9	Freeport-Mcmoran Copper & Go Sr Notes				2FE	1,983,420	94.788	1,895,760	2,000,000	1,984,306		886			3.550	3.675	MS	23,667	35,500	07/08/2014	03/01/2022.
36962G 2T 0	GE Capital Corp Sr Notes				1FE	2,906,750	115.681	2,892,025	2,500,000	2,875,879		(30,871)			5.550	2.523	MN	21,969	69,375	07/08/2014	05/04/2020.
369668 AA 6	GECC/LJ VP Hldg LLC Sr Unsecured Note				1FE	2,497,000	106.005	2,650,125	2,500,000	2,497,942		409			3.800	3.820	JD	3,431	95,000	04/25/2012	06/18/2019.
373298 CF 3	Georgia Pac Corp Sr Notes				2FE	969,915	132.742	995,565	750,000	948,848		(17,562)			8.000	4.411	JJ	27,667	60,000	10/10/2013	01/15/2024.
373334 JK 8	Georgia Pwr Co Sr Notes				1FE	1,991,020	111.621	2,232,420	2,000,000	1,996,266		943			5.400	5.459	JD	9,000	108,000	05/27/2008	06/01/2018.
378272 AF 5	Glencore Funding LLC 144A				2FE	2,510,075	97.359	2,433,975	2,500,000	2,509,635		(440)			4.125	4.070	MN	8,880	51,563	07/07/2014	05/30/2023.
38141E A2 5	Goldman Sachs Group Sr Notes				1FE	3,332,097	118.722	3,383,577	2,850,000	3,120,394		(57,868)			7.500	4.926	FA	80,750	213,750	01/27/2011	02/15/2019.
4042Q1 AA 5	HSBC Bank USA Sub Notes				1FE	2,031,260	126.696	2,533,920	2,000,000	2,026,568		(709)			5.875	5.761	MN	19,583	117,500	12/26/2006	11/01/2034.
4042Q1 AC 1	HSBC Bank USA Sub Notes				1FE	595,824	111.344	668,064	600,000	598,615		461			6.000	6.094	FA	14,200	36,000	08/02/2007	08/09/2017.
406216 AX 9	Halliburton Co Notes				1FE	996,560	116.234	1,162,340	1,000,000	998,075		322			6.150	6.195	MS	18,108	61,500	03/10/2009	09/15/2019.
45167R AF 1	Idex Sr Notes				2FE	1,496,235	105.034	1,575,510	1,500,000	1,497,197		337			4.200	4.231	JD	2,800	63,000	12/08/2011	12/15/2021.
46625H JT 8	JP Morgan Chase & Co Sr. Notes				1FE	1,508,730	104.600	1,569,000	1,500,000	1,508,189		(541)			3.875	3.803	FA	24,219	29,547	03/25/2014	02/01/2024.
476556 CR 4	New Jersey Pwr & Lgt Notes				2FE	4,663,000	109.720	5,486,000	5,000,000	4,877,269		31,334			4.800	5.590	JD	10,667	240,000	09/19/2006	06/15/2018.
494550 BL 9	Kinder Morgan Energy Partners Notes				2FE	745,868	98.984	742,380	750,000	746,334		397			3.950	4.024	MS	9,875	29,625	10/22/2013	09/01/2022.
50188F AB 1	LG&E & KU Energy LLC Notes				2FE	996,096	100.632	1,006,320	1,000,000	999,182		906			2.125	2.219	MN	2,715	21,250	07/01/2011	11/15/2015.
50188F AD 7	LG&E & KU Energy LLC Notes				2FE	1,985,105	104.421	2,088,420	2,000,000	1,990,034		1,476			3.750	3.845	MN	9,583	75,000	07/01/2011	11/15/2020.
52206A AB 6	Leaseplan Corp 144A				2FE	2,634,086	100.370	2,609,620	2,600,000	2,630,115		(3,971)			2.500	2.142	MN	8,125	32,500	07/09/2014	05/16/2018.
548661 CQ 8	Lowes Cos Inc Notes				1FE	998,180	109.892	1,098,920	1,000,000	998,869		174			4.625	4.648	AO	9,764	46,250	04/12/2010	04/15/2020.
575767 AG 3	Massachusetts Mutual Life 144A				1FE	2,404,905	162.841	2,442,615	1,500,000	2,396,734		(8,171)			8.875	4.723	JD	11,094	66,563	07/24/2014	06/01/2039.
585055 AV 8	Medtronic Inc Sr Notes				1FE	2,983,710	107.823	3,234,690	3,000,000	2,988,956		1,507			4.125	4.192	MS	36,438	123,750	03/10/2011	03/15/2021.
59156R AX 6	Metlife Sr Notes				1FE	1,671,975	111.734	1,676,010	1,500,000	1,654,595		(17,380)			4.750	2.895	FA	28,302	35,625	03/25/2014	02/08/2021.
595620 AJ 4	Midamerican Enegy Notes				1FE	756,683	101.675	762,563	750,000	755,715		(967)			2.400	2.209	MS	5,300	9,000	03/31/2014	03/15/2019.
61744Y AD 0	Morgan Stanley Sr Notes				1FE	754,743	111.132	889,056	800,000	781,255		5,470			5.950	6.829	JD	397	47,600	05/15/2009	12/28/2017.
617482 V9 2	Morgan Stanley Senior Note				1FE	1,919,698	133.417	2,334,798	1,750,000	1,914,427		(2,427)			6.375	5.695	JJ	48,654	111,563	09/14/2012	07/24/2042.
637432 LR 4	National Rural Utilities Notes				1FE	2,977,110	130.664	3,919,920	3,000,000	2,987,536		2,345			10.375	10.500	MN	51,875	311,250	10/23/2008	11/01/2018.
65473Q AV 5	Nisource Finance Corp Bonds				2FE	497,845	119.273	596,365	500,000	498,459		161			6.125	6.177	MS	10,208	30,625	12/01/2009	03/01/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
67021C AG 2	NSTAR Electric Co Sr Notes		..		1FE	997,260	96.326	963,260	1,000,000	997,793		253			2.375	2.406	AO	5,014	23,750	10/08/2012	10/15/2022.
670346 AG 0	Nucor Corp Notes		..		2FE	1,991,160	110.746	2,214,920	2,000,000	1,996,763		956			5.750	5.809	JD	9,583	115,000	11/28/2007	12/01/2017.
68268N AJ 2	Oneok Partners Sr Notes		..		2FE	2,194,743	92.980	2,079,033	2,236,000	2,199,284		3,853			3.375	3.616	AO	18,866	50,389	07/18/2014	10/01/2022.
693476 BJ 1	PNC Fund Corp Notes		..		1FE	1,959,738	112.634	1,971,095	1,750,000	1,922,605		(30,846)			5.125	3.024	FA	35,626	89,688	10/10/2013	02/08/2020.
693476 BM 4	PNC Fund Corp Sr Notes		..		1FE	998,790	102.513	1,025,130	1,000,000	999,544		244			2.700	2.726	MS	7,650	27,000	09/14/2011	09/19/2016.
694308 GT 8	Pacific Gas & Elec Co Sr Notes		..		1FE	1,799,384	103.935	1,922,798	1,850,000	1,818,219		4,841			3.500	3.835	AO	16,188	64,750	11/15/2010	10/01/2020.
694308 HE 0	Pacific Gas & Elec Co Sr Notes		..		1FE	1,996,380	105.212	2,104,240	2,000,000	1,996,660		313			3.850	3.872	MN	9,839	77,642	11/06/2013	11/15/2023.
695114 CK 2	Pacificorp Bond		..		1FE	2,121,392	113.212	2,151,028	1,900,000	2,022,268		(27,540)			5.500	3.767	JJ	48,186	104,500	03/11/2011	01/15/2019.
713448 BJ 6	Pepsico Inc Sr Notes		..		1FE	1,249,658	121.575	1,215,750	1,000,000	1,213,329		(36,329)			7.900	2.080	MN	13,167	79,000	04/22/2014	11/01/2018.
723787 AJ 6	Pioneer Nat Res Co Sr. Notes		..		2FE	923,085	117.330	879,975	750,000	892,396		(25,520)			7.500	3.371	JJ	25,938	56,250	10/10/2013	01/15/2020.
726505 AL 4	Plains Exploration & Productio Sr Notes		..		2FE	1,137,500	110.500	1,105,000	1,000,000	1,130,967		(6,533)			6.750	4.564	FA	28,125		07/29/2014	02/01/2022.
737662 BU 9	Potomac Edison 1st Mtg Bonds		..		2FE	3,069,240	105.445	3,163,350	3,000,000	3,016,368		(8,632)			5.800	5.470	AO	36,733	174,000	10/30/2007	10/15/2016.
740816 AB 9	Pres & Fellows Harvard College Bonds		..		1FE	1,143,542	106.310	1,084,362	1,020,000	1,090,176		(53,366)			6.300	0.758	AO	16,065	64,260	01/13/2014	04/01/2016.
744533 BK 5	Public Service of Oklahoma Sr Notes		..		2FE	997,170	112.316	1,123,160	1,000,000	998,408		270			5.150	5.186	JD	4,292	51,500	11/09/2009	12/01/2019.
80589M AD 4	Scana Corp Notes		..		2FE	997,390	107.775	1,077,750	1,000,000	998,145		237			4.750	4.783	MN	6,465	47,500	05/05/2011	05/15/2021.
808513 AG 0	Schwab Charles Corp Sr Notes		..		1FE	900,638	102.045	918,405	900,000	900,588		(51)			3.225	3.215	MS	9,675	14,513	04/16/2014	09/01/2022.
835495 AK 8	Sonoco Prods Co Sr Notes		..		2FE	2,762,396	107.204	2,787,304	2,600,000	2,753,637		(8,759)			4.375	3.398	MN	18,958	56,875	07/17/2014	11/01/2021.
857477 AG 8	State Street Corp Sr Notess		..		1FE	2,989,650	109.929	3,297,870	3,000,000	2,992,911		954			4.375	4.418	MS	41,563	131,250	03/02/2011	03/07/2021.
89837L AA 3	Princeton University Notes		..		1FE	2,191,640	111.976	2,463,472	2,200,000	2,195,840		846			4.950	4.999	MS	36,300	108,900	01/13/2009	03/01/2019.
90521A PJ 1	Union Bank NA Sr Notes		..		1FE	999,770	101.606	1,016,060	1,000,000	999,804		44			2.625	2.630	MS	6,927	26,250	09/19/2013	09/26/2018.
908906 AC 4	UnionBanCal Corp Sr. Notes		..		1FE	760,155	101.280	759,600	750,000	759,346		(809)			3.500	3.310	JD	948	26,250	03/25/2014	06/18/2022.
91159H HH 6	US Bancorp Sr Notes		..	1	1FE	1,748,425	100.504	1,758,820	1,750,000	1,748,607		182			2.200	2.219	AO	7,058	19,357	04/21/2014	04/25/2019.
913017 BQ 1	United Technologies Corp Sr Notes		..		1FE	998,380	116.426	1,164,260	1,000,000	999,225		149			6.125	6.145	FA	25,521	61,250	12/15/2008	02/01/2019.
92343V BS 2	Verizon Communications Sr Notes		..		2FE	4,882,200	123.344	4,933,760	4,000,000	4,868,490		(13,710)			6.400	4.649	MS	75,378	128,000	07/08/2014	09/15/2033.
927804 FF 6	Virginia Electric Power Sr Notes		..		1FE	1,097,525	111.680	1,228,480	1,100,000	1,098,950		257			5.400	5.429	AO	10,065	59,400	04/14/2008	04/30/2018.
931142 DH 3	Wal Mart Stores Inc Sr Notes		..		1FE	955,319	98.635	986,350	1,000,000	958,321		3,002			2.550	3.125	AO	5,667	12,750	04/16/2014	04/11/2023.
931422 AE 9	Walgreen Co Notes		..		2FE	994,770	111.016	1,110,160	1,000,000	997,532		529			5.250	5.318	JJ	24,208	52,500	01/08/2009	01/15/2019.
94974B EV 8	Wells Fargo & Company Notes		..		1FE	1,630,395	111.807	1,677,105	1,500,000	1,611,266		(15,807)			4.600	3.277	AO	17,250	69,000	10/09/2013	04/01/2021.
94974B FC 9	Wells Fargo & Company Sr. Notes		..		1FE	1,781,450	104.626	1,830,955	1,750,000	1,778,632		(2,756)			3.500	3.242	MS	19,226	39,375	03/25/2014	03/08/2022.
94980V AF 5	Wells Fargo Bank NA Subordinated		..		1FE	1,924,649	99.950	1,926,037	1,927,000	1,925,194		545			0.442	0.507	FMAN	1,065	4,339	07/29/2014	05/16/2016.
958254 AC 8	Western Gas Parnters Sr. Notes		..		2FE	1,000,300	100.421	1,004,210	1,000,000	1,000,225		(62)			2.600	2.593	FA	9,822	26,072	10/02/2013	08/15/2018.
962166 BV 5	Weyerhaeuser Co Sr. Notes		..		2FE	916,118	119.851	898,883	750,000	884,920		(25,873)			7.375	3.255	AO	13,828	55,313	10/10/2013	10/01/2019.
98458P AC 9	Yale University MTN		..		1FE	1,500,000	100.659	1,509,885	1,500,000	1,500,000					2.086	2.086	AO	6,606	16,080	04/03/2014	04/15/2019.
064159 CU 8	Bank of Nova Scotia Sr Notes		A		1FE	1,998,580	100.275	2,005,500	2,000,000	1,998,876		273			2.050	2.065	AO	6,947	41,000	10/24/2013	10/30/2018.
136385 AV 3	Canadian Ntl Resources Sr Notes		A	1	2FE	2,644,213	98.724	2,640,867	2,675,000	2,644,231		17			3.900	4.040	FA	43,469		12/30/2014	02/01/2025.
29250N AK 1	Enbridge Inc Sr Notes		A		1FE	781,833	99.580	776,724	780,000	781,560		(273)			0.685	0.595	MJSD	445	2,668	07/25/2014	06/02/2017.
893526 8Y 2	Trans-Canada Pipelines Ltd Sr Notes		A		1FE	1,226,631	116.313	1,163,130	1,000,000	1,123,036		(27,681)			7.125	3.809	JJ	32,854	71,250	01/13/2011	01/15/2019.
00084D AH 3	ABN AMRO Bank NV Sr Notes		R		1FE	2,625,194	100.900	2,623,400	2,600,000	2,621,154		(4,040)			1.033	0.592	JAJO	4,850	6,878	08/21/2014	10/28/2016.
05565Q CS 5	BP Capital Markets PLC Sr Notes		F		1FE	1,275,000	98.605	1,257,214	1,275,000	1,275,000					3.535	3.535	MN	7,136		10/30/2014	11/04/2024.
05578Q AA 1	BPCE SA 144A		R		2FE	2,754,875	108.605	2,715,125	2,500,000	2,744,217		(10,658)			5.700	4.352	AO	27,313	71,250	07/08/2014	10/22/2023.
064255 AK 8	Bank of Tokyo-Mitsubishi		R		1FE	711,924	100.470	713,337	710,000	711,577		(347)			0.684	0.498	FMAN	486	1,243	09/25/2014	02/26/2016.
064255 AY 8	Bank of Tokyo-Mitsubishi Priv Placement		F		1FE	948,946	100.040	950,380	950,000	949,033		87			0.548	0.582	MJSD	332	1,304	10/01/2014	09/08/2017.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
25152R WZ 2	Deutsche Bank AG London Sr Notes		R		1FE	3,006,150	100.400	3,012,000	3,000,000	3,005,263		(887)			0.704	0.625	FMAN.	1,818	10,633	07/29/2014	05/30/2017.
44920U AD 0	Hyundai Capital Services Sr Notes 144A		F		2FE	2,093,220	103.351	2,067,020	2,000,000	2,086,723		(6,497)			3.500	1.846	MS	21,000		10/24/2014	09/13/2017.
50064Y AB 9	Korea Hydro & Nuclear Power Sr Notes 144		R		1FE	871,403	101.219	860,362	850,000	863,497		(7,906)			3.125	0.870	MS	7,747	13,281	07/29/2014	09/16/2015.
60688X AK 6	Mizuho Bank Ltd Sr. Notes		R		1FE	2,700,000	100.270	2,707,290	2,700,000	2,700,000					0.705	0.684	MJSD.	370	4,720	09/18/2014	09/25/2017.
91911T AH 6	Vale Overseas Ltd		R		2FE	2,766,150	104.638	2,615,950	2,500,000	2,763,426		(2,724)			6.875	6.003	MN	19,097	85,938	07/07/2014	11/21/2036.
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						192,932,727	XXX	201,322,754	184,569,000	191,836,415	0	(637,671)	0	0	XXX	XXX	XXX	2,034,405	6,869,960	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
059513 AE 1	Banc of America Ser 2007-4 Tr A4		..	2	1FM	457,987	109.628	456,047	415,995	453,902		(4,085)			5.754	(1.140)	MON	1,396	4,056	10/22/2014	02/10/2051.
07387J AE 6	Bear Stearns Ser 2006-PW12		..	2	1FM	2,429,086	104.936	2,400,546	2,287,629	2,401,910		(27,176)			5.704	(1.288)	MON	7,249	22,104	10/10/2014	09/11/2038.
07388N AE 6	Bear Stearns Commercial Ser 2006-T24		..	2	1FM	5,572,747	106.073	5,519,043	5,203,061	5,514,033		(58,714)			5.537	(1.165)	MON	15,205	53,905	10/20/2014	10/12/2041.
12514A AE 1	CD Commercial Mortgage Trust Ser 2007-CD		..	2	1FM	5,231,603	109.463	5,206,179	4,756,109	5,179,732		(51,871)			5.886	(0.575)	MON	12,442	42,661	11/01/2014	11/15/2044.
126171 AF 4	Comm Mortgage Trust		..	2	1FM	3,641,365	101.016	3,615,501	3,579,137	3,620,722		(20,643)			5.116	0.906	MON	10,681	30,518	10/27/2014	06/10/2044.
12624B AC 0	COMM Mortgage Trust 2012-CR1		..	2	1FM	5,170,313	104.169	5,208,450	5,000,000	5,156,346		(13,966)			3.391	2.709	MON	7,536	70,646	07/10/2014	05/15/2045.
12626B AC 8	Commercial Mortgage Trust 2013-CR10		..	2	1FM	3,193,359	106.641	3,199,230	3,000,000	3,189,901		(3,458)			3.923	2.375	MON	6,865	9,808	11/13/2014	07/10/2023.
161571 GL 2	Chase Issuance Trust 2014-A3		..	2	1FE	4,903,742	99.921	4,896,129	4,900,000	4,902,722		(1,021)			0.362	0.322	MON	838	6,011	12/22/2014	05/15/2018.
17313K AF 8	Citigroup Commercial Mortgage Ser 2008-7		..	2	1FM	1,827,054	110.157	1,811,966	1,644,894	1,807,054		(20,001)			6.133	(0.848)	MON	5,885	17,106	10/09/2014	09/10/2017.
20047Q AE 5	Citigroup Comm Mtg Trust Ser 2008-C7		..	2	1FM	4,723,278	104.544	4,657,370	4,454,938	4,671,524		(51,755)			6.133	(0.738)	MON	15,938	43,446	10/10/2014	09/10/2017.
225470 AP 8	Credit Suisse First Boston 2005-C5		..	2	1FM	3,495,877	101.326	3,462,302	3,416,993	3,465,556		(30,321)			5.100	0.225	MON	14,522	58,812	08/12/2014	08/15/2038.
46639Y AQ 0	JP Morgan Chase Commercial Mtg LC11 A5		..	2	1FM	4,929,688	99.208	4,960,400		4,297,069		(632,618)			2.960	(24.236)	MON	6,578	61,665	07/08/2014	04/15/2023.
46643P BF 6	JPMBB Commercial Mtg 2014-C25		..	2	1FM	3,089,994	103.918	3,117,540	3,000,000	3,088,823		(1,171)			3.407	2.955	MON	4,543	8,519	11/04/2014	08/15/2024.
50180L AC 4	LB-UBS Comm'l Mtg Trust 2008-C1		..	2	1FM	2,916,106	110.298	2,896,425	2,626,000	2,916,106					6.150		MON	7,178	10,437	12/22/2014	04/15/2041.
52109R BM 2	LB-UBS Commercial Mtg Trust 2007-C7		..	2	1FM	3,550,228	109.565	3,499,642	3,194,124	3,519,760		(30,468)			5.866	(0.861)	MON	8,327	42,892	10/15/2014	09/15/2045.
55312V AD 0	ML-CFC Comm Mtg Trust Ser 2006-4		..	2	1FM	6,674,702	105.755	6,659,029	6,296,657	6,634,311		(40,392)			5.172	(0.358)	MON	17,188	27,139	10/31/2014	12/12/2049.
60688C AE 6	ML-CFC Comm Mtg Ser 2007-9		..	2	1FM	4,589,687	108.024	4,526,206	4,190,000	4,559,042		(30,644)			5.700	(0.530)	MON	12,605	19,903	10/31/2014	09/12/2049.
617451 CL 1	Morgan Stanley Capital 2005-HQ7		..	2	1FM	1,915,395	101.519	1,877,175	1,849,088	1,915,395					5.217		MON	4,555	44,289	07/15/2014	11/14/2042.
61751X AE 0	Morgan Stanley Capital Ser 2007-T25		..	2	1FM	5,742,552	106.665	5,663,783	5,309,879	5,675,431		(67,120)			5.514	(1.213)	MON	15,453	48,798	10/07/2014	11/12/2049.
61754J AF 5	Morgan Stanley Capital Finance Ser 2007-		..	2	1FM	6,012,133	109.122	5,963,510	5,464,993	5,937,428		(74,705)			5.651	(0.387)	MON	17,157	52,274	10/07/2014	06/11/2042.
61759L AA 6	Morgan Stanley Reremic Trust 2010-GG10		..	2	1FE	4,678,395	107.342	4,636,978	4,319,817	4,678,395					5.990		MON	13,656	20,864	11/18/2014	08/15/2045.
61761D AD 4	Morgan Stanley Bk of America		..	2	1FM	1,938,686	100.179	1,954,542	1,951,050	1,939,209		524			2.858	2.965	MON	2,478	14,481	12/01/2014	11/15/2045.
92936Q AG 3	WFRBS Commercial Mortgage Series 2012-C6		..	2	1FM	5,193,359	104.367	5,218,350	5,000,000	5,181,755		(11,604)			3.440	2.846	MON	7,644	71,667	07/09/2014	04/15/2045.
92939F AU 3	WF-RBS Commercial Mortgage Tru 2014-C21		..	2	1FM	5,149,695	104.244	5,212,200	5,000,000	5,144,508		(5,187)			3.678	3.330	MON	8,173	61,300	07/18/2014	08/15/2047.
92976B BN 1	Wachovia Bk Comm Mtg Tr 2005-C22		..	2	1FM	4,719,790	102.296	4,617,483	4,513,845	4,626,237		(93,553)			5.279	(0.141)	MON	10,590	102,952	07/09/2014	12/15/2044.
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						101,746,821	XXX	101,236,026	91,374,209	100,476,871	0	(1,269,949)	0	0	XXX	XXX	XXX	234,682	946,253	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
126650 BQ 2	CVS Corporation Pass Thru Certs		..	2	2FE	1,087,756	121.799	1,211,514	994,683	1,071,605		(4,295)			6.943	5.836	MON	4,029	69,061	02/14/2011	01/10/2030.
247361 ZH 4	Delta Air Lines Inc Del Pass thru Certs		..	2	1FE		107.116								4.950	4.946	MN			12/20/2010	11/23/2019.
34528Q CE 2	Ford Credit Floorplan Master 2013-1		..	2	1FE	3,457,143	100.003	3,450,104	3,450,000	3,455,087		(2,055)			0.542	0.402	MON	883	7,825	07/29/2014	01/15/2018.
34530M AA 7	Ford Credit Auto Owner Trust Series 2014		..	2	1FE	1,249,688	100.748	1,259,350	1,250,000	1,249,728		40			2.260	2.281	MON	1,256	16,479	05/06/2014	05/15/2019.
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						5,794,587	XXX	5,920,968	5,694,683	5,776,420	0	(6,310)	0	0	XXX	XXX	XXX	6,168	93,365	XXX	XXX
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						300,474,135	XXX	308,479,748	281,637,892	298,089,706	0	(1,913,930)	0	0	XXX	XXX	XXX	2,275,255	7,909,578	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						1,438,400,210	XXX	1,532,166,583	1,358,841,230	1,416,825,016	0	(5,864,292)	0	0	XXX	XXX	XXX	17,923,805	61,060,504	XXX	XXX

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
7899999. Total - Residential Mortgage-Backed Securities						114,755,975	XXX	116,017,756	109,236,554	114,698,775	0	(80,948)	0	0	XXX	XXX	XXX	349,916	1,696,000	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						107,003,534	XXX	106,483,582	96,591,453	105,731,147	0	(1,272,386)	0	0	XXX	XXX	XXX	235,411	959,483	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						5,794,587	XXX	5,920,968	5,694,683	5,776,420	0	(6,310)	0	0	XXX	XXX	XXX	6,168	93,365	XXX	XXX
8399999. Grand Total - Bonds						1,665,954,306	XXX	1,760,588,889	1,570,363,920	1,643,031,358	0	(7,223,936)	0	0	XXX	XXX	XXX	18,515,300	63,809,352	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig-nation	Date Acquired

NONE

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
001204 10 6	AGL Res Inc Com formerly Atlanta Gas Lt			235,011.000	12,810,450	54.510	12,810,450	9,542,113		456,408		1,698,354		1,698,354		L	12/02/2014.
025537 10 1	American Elec Pwr Inc Com			213,995.000	12,993,776	60.720	12,993,776	9,527,160		430,537		2,968,433		2,968,433		L	12/10/2014.
05536J 10 0	BCS Financial (BCSI Hdgs) Com			27,375.000	3,193,075	116.642	3,193,075	250,028				49,166		49,166		A	01/28/2007.
09610# 10 9	BCBS Venture II, Inc. Common Stock			50.000	50,000	1,000.000	50,000	50,000						0		L	06/22/2011.
209115 10 4	Consolidated Edison Inc Com			160,966.000	10,625,366	66.010	10,625,366	9,466,652		401,698		1,713,093		1,713,093		L	12/15/2014.
000000 00 0	Consortium Health Plans Inc Com Class A			750.000	257,168	342.890	257,168	100,000						0		L	01/12/2000.
22025Y 40 7	Corrections Corp of America Com			337.000	12,247	36.340	12,247		172	677		1,439		1,439		L	10/01/2013.
25746U 10 9	Dominion Resources Inc VA Com New			175,397.000	13,488,029	76.900	13,488,029	9,514,743		417,691		2,125,143		2,125,143		L	12/23/2014.
26441C 20 4	Duke Energy New Com (formerly Duke Pwr)			172,207.000	14,386,173	83.540	14,386,173	11,658,393		537,204		2,481,628		2,481,628		L	12/16/2014.
281020 10 7	Edison Int'l Com formerly SCE Corp			200,550.000	13,132,014	65.480	13,132,014	9,412,562	83,730	284,781		3,846,549		3,846,549		L	03/28/2013.
30161N 10 1	Exelon Corp Com (formerly Peco Energy)			286,234.000	10,613,557	37.080	10,613,557	9,355,584		351,931		2,751,902		2,751,902		L	12/10/2014.
337932 10 7	Firstenergy Corp Com			222,645.000	8,680,929	38.990	8,680,929	9,224,821		317,529		1,329,263		1,329,263		L	12/02/2014.
552690 10 9	MDU Resources Com			404,175.000	9,498,113	23.500	9,498,113	9,442,046	73,762	286,964		(2,849,434)		(2,849,434)		L	03/28/2013.
57060U 52 2	Market Vectors EM Bond ETF			4,148,020.000	92,964,595	22.412	92,964,595	92,964,595						0		L	12/01/2014.
65339F 10 1	Nextera Energy Inc			61,433.000	6,529,714	106.290	6,529,714	6,204,533		88,450		325,180		325,180		L	12/15/2014.
664397 10 6	Northeast Utils Com			236,437.000	12,654,108	53.520	12,654,108	9,508,630		368,559		2,610,894		2,610,894		L	12/31/2014.
69331C 10 8	PG&E Corp(Holding Co) Com(Formerly Pacif			219,510.000	11,686,712	53.240	11,686,712	9,410,684	99,877	399,508		2,844,850		2,844,850		L	03/28/2013.
69351T 10 6	PP&L Corp Com (formerly 693499105)			312,102.000	11,338,666	36.330	11,338,666	9,277,706	116,258	463,471		1,947,516		1,947,516		L	03/28/2013.
72724* 10 4	Plan Liability Ins Co Common Stock			8.350	679,340	81,358.075	679,340	561,000				(193,851)		(193,851)		A	02/28/1994.
744573 10 6	Public Svc Enterprise Group Com			296,564.000	12,280,715	41.410	12,280,715	9,531,819		435,133		2,751,913		2,751,913		L	12/31/2014.
773111 10 9	Rocket Fuel Inc			77,959.000	1,256,699	16.120	1,256,699	917,110				339,589		339,589		L	12/01/2014.
842587 10 7	Southern Co Com			210,319.000	10,328,766	49.110	10,328,766	9,524,412		433,233		1,667,251		1,667,251		L	12/08/2014.
921946 88 5	Vanguard EM Gov't Bond ETF			382,357.000	30,220,075	79.036	30,220,075	30,220,075		220,140				0		L	12/30/2014.
969457 10 0	Williams Cos Inc Com			272,583.000	12,249,880	44.940	12,249,880	9,557,879		527,041		1,711,772		1,711,772		L	12/29/2014.
976657 10 6	Wisconsin Energy Corp Com			241,729.000	12,748,787	52.740	12,748,787	9,548,585		374,174		2,739,669		2,739,669		L	12/02/2014.
98389B 10 0	Xcel Energy Inc Com			334,828.000	12,027,022	35.920	12,027,022	9,427,824	100,448	395,097		2,671,927		2,671,927		L	03/28/2013.
9099999.	Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				336,705,976	XXX	336,705,976	294,198,954	474,247	7,190,226	0	35,532,246	0	35,532,246	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
00092# 10 5	ACS Benefit Services, Inc. Com			8,000.000	12,885,270	1,610.659	12,885,270	4,552,066				243,996		243,996		K	03/31/2010.
39947@ 10 2	Mosaic Group Services, LLC Common Stock			600.000	4,440,193	7,400.322	4,440,193	30,000				(1,182,696)		(1,182,696)		K	07/30/1954.
655100 10 5	NobleHealth Inc Com			372.000	91,186,880	245,126.022	91,186,880	107,052,062				4,064,843		4,064,843		K	12/31/2014.
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates				108,512,343	XXX	108,512,343	111,634,128	0	0	0	3,126,143	0	3,126,143	0	XXX	XXX
Common Stocks - Mutual Funds																	
197199 81 3	Columbia Acorn International - Z			2,078,005.810	86,715,182	41.730	86,715,182	77,799,614		5,866,940		(9,742,597)		(9,742,597)		L	12/09/2014.
233203 58 7	DFA Emerging Markets Value Fund			2,834,569.890	72,990,175	25.750	72,990,175	76,315,608		1,880,053		(5,250,834)		(5,250,834)		L	12/16/2014.
256206 10 3	Dodge and Cox International Stock Fund			1,801,927.550	75,879,169	42.110	75,879,169	82,708,786		1,708,786		(6,829,617)		(6,829,617)		L	12/19/2014.
922040 20 9	Vanguard Large Cap Institutional Index			1,812,997.420	342,076,353	188.680	342,076,353	167,420,426		6,463,715		34,960,665		34,960,665		L	12/22/2014.
922908 39 7	Vanguard Small- Cap Index Fd - Plus			2,045,654.540	329,902,708	161.270	329,902,708	138,803,015		4,752,434		18,375,302		18,375,302		L	12/22/2014.
003021 71 4	ABDN Emerg Mkts Inst			2,533.000	34,169	13.490	34,169	38,545		1,563		(3,813)		(3,813)		L	05/22/2014.
315910 28 1	Fidelity Diversified International K			2,337.000	80,358	34.390	80,358	72,967		3,066		(5,591)		(5,591)		L	12/05/2014.
315911 72 7	Spartan International Index FAI			154.000	5,735	37.220	5,735	4,783		197		(519)		(519)		L	12/19/2014.
316200 85 6	Fidelity Growth Company K			197.000	25,931	131.720	25,931	18,324		1,036		2,286		2,286		L	12/05/2014.
316345 80 0	Fidelity Low Priced Stock Fund K			1,210.000	60,758	50.200	60,758	49,750		4,507		889		889		L	12/12/2014.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
617440 50 8	MSIF MID Cap Grth P			161.000	6,336	39.340	6,336	7,340		867		(1,004)		(1,004)		L	12/04/2014.
693390 70 0	Pim Total Rt Inst			18,131.000	193,280	10.660	193,280	198,832		10,782		(655)		(655)		L	12/31/2014.
921937 60 3	Vang Total Bond Market Adm			36,832.000	400,367	10.870	400,367	400,363		4,834		4		4		L	12/31/2014.
922908 71 0	Vang 500 Idx Adm			42.000	8,017	189.890	8,017	7,636		80		380		380		L	12/17/2014.
02368A 55 4	ABF LG Cap Val Inst			285.000	8,288	29.120	8,288	6,099		699		91		91		L	12/22/2014.
04314H 30 3	Artisan Mid Cap Inv			300.000	7,393	24.630	7,393	8,179		769		(786)		(786)		L	12/30/2014.
929908 64 5	Vanguard Mid Cap Index Adm			51.000	7,758	152.970	7,758	7,701		97		58		58		L	12/19/2014.
929908 68 6	Vanguard Small Cap Index Adm			143.000	8,010	55.870	8,010	7,978		113		32		32		L	12/19/2014.
38141W 61 2	GS Small Cap Value A			403.000	21,059	52.320	21,059	22,355		1,652		(300)		(300)		L	12/04/2014.
413838 40 0	Oakmark Equity & Income Fund			2,933.000	93,603	31.910	93,603	93,072		8,018		(1,954)		(1,954)		L	12/18/2014.
351792 25 9	Fidelity Freedom K 2010			3,537.000	46,684	13.200	46,684	45,213		4,835		(2,640)		(2,640)		L	12/29/2014.
351792 24 2	Fidelity Freedom K 2015			17,234.000	234,383	13.600	234,383	228,834		27,979		(7,920)		(7,920)		L	12/29/2014.
351792 23 4	Fidelity Freedom K 2020			13,127.000	186,922	14.240	186,922	178,155		17,671		(7,493)		(7,493)		L	12/29/2014.
351792 21 8	Fidelity Freedom K 2030			2,054.000	31,154	15.170	31,154	27,939		5,077		(1,106)		(1,106)		L	12/29/2014.
351792 28 3	Fidelity Freedom K Income			339.000	4,017	11.840	4,017	3,939		192		(39)		(39)		L	12/29/2014.
351792 26 7	Fidelity Freedom K 2005			2,590.000	33,587	12.970	33,587	32,433		2,586		(1,119)		(1,119)		L	12/29/2014.
9299999. Total - Common Stocks - Mutual Funds					909,061,396	XXX	909,061,396	544,507,886	0	20,768,548	0	31,481,720	0	31,481,720	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																	
316191 60 0	Fidelity Retire MMKT			328,485.000	328,485	1.000	328,485	328,484		50				0		L	12/31/2014.
9399999. Total - Common Stocks - Money Market Mutual Funds					328,485	XXX	328,485	328,484	0	50	0	0	0	0	0	XXX	XXX
9799999. Total - Common Stock					1,354,608,200	XXX	1,354,608,200	950,669,452	474,247	27,958,824	0	70,140,109	0	70,140,109	0	XXX	XXX
9899999. Total Common and Preferred Stock					1,354,608,200	XXX	1,354,608,200	950,669,452	474,247	27,958,824	0	70,140,109	0	70,140,109	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....0, the total $ value (included in Column 8) of all such issues $.....0.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
3138Y6 4A 9	FNMA Pool #AX5316 4.500% 01/01/42		12/11/2014	JP Morgan		2,536,289	2,328,206	4,365
36179M E4 8	GNMA Pool #0MA0155 4.000% 06/20/42		07/22/2014	Credit Suisse, New York		4,533,855	4,244,065	11,318
36179M NH 9	GNMA Pool #MA0392 3.500% 09/20/42		07/08/2014	Credit Suisse, New York		5,183,635	5,003,810	9,730
36179Q BH 3	GNMA Pool #0MA1840 4.500% 04/20/44		07/22/2014	JP Morgan		9,672,223	8,873,599	22,184
912810 FF 0	US Treasury Bonds 5.250% 11/15/28		10/31/2014	Wells Fargo Securities		15,934	12,230	302
0599999.	Total - Bonds - U.S. Government					21,941,936	20,461,910	47,899
Bonds - U.S. States, Territories and Possessions								
13033L AS 6	California St Hlth Facs 6.000% Rev		10/16/2014	Guggenheim Securities LLC		3,594,570	3,000,000	55,000
20772J RC 8	Connecticut St G.O. Bonds		01/22/2014	BB&T Capital Markets		3,434,280	3,000,000	38,750
416415 FV 4	Hartford CT Gen Obl 5.000%		10/17/2014	Wachovia		3,594,270	3,000,000	
452252 JJ 9	Illinois St Toll Hwy Auth Rev Bds		10/31/2014	Morgan Stanley & Co		1,666,014	1,400,000	
49126P EC 0	Kentucky St Econ Fev Fin Auth Rev Bds		11/06/2014	JP Morgan		3,500,000	3,500,000	
59447P L3 3	Michigan St Financial Auth Rev		10/23/2014	JP Morgan		3,591,189	3,150,000	
64971M 7J 5	NY City Transitional Fin Authq Rev Bds		10/09/2014	Piper Jaffrey & Hopwood Inc		3,258,555	2,725,000	68,276
708692 AJ 7	Pennsylvania St Econ Dev Fing Rev Bds		10/31/2014	Merrill Lynch Pierce Fenner Sm		2,000,000	2,000,000	
75913T HV 9	Regional Transportation Dist CoPs		06/12/2014	BB&T Capital Markets		5,317,700	5,000,000	
83755V XD 1	South Dakota St Hlth & Ed Facs Sanford O		10/16/2014	CBI		3,473,250	3,000,000	
93978H LE 3	Washington St Health Care FACS		10/23/2014	Merrill Lynch Pierce Fenner Sm		4,621,922	4,040,000	
97712D CZ 7	Wisconsin St Health & Ed Facs Rev Bds 5		10/20/2014	Baird, Robert W & Co		1,247,389	1,100,000	1,253
1799999.	Total - Bonds - U.S. States, Territories & Possessions					39,299,139	34,915,000	163,279
Bonds - U.S. Political Subdivisions of States								
108151 4F 5	Bridgeport CT Gen Ob 5.000% 10/01/22		11/07/2014	Raymond James Assoc		3,632,803	3,120,000	
239864 AP 6	Dayton Ohio Metro Library G.O. BOnds		01/24/2014	BB&T Capital Markets		3,728,480	3,500,000	28,194
246317 GA 3	Delaware Riv & Bay Auth Del Revenue Bds		11/01/2014	Tax Free Exchange		1,564,623	1,510,000	25,167
362762 LB 0	Gainesville & Hall Cnty GA Hos Rev Bonds		12/01/2014	Merrill Lynch Pierce Fenner Sm		2,300,000	2,300,000	
387883 VS 7	Grant Cnty WA Public Util Dist Rev Bds		11/01/2014	Citigroup Global Markets		2,595,241	2,205,000	
48503S EJ 4	Kansas City MO Ind'l Dev Auth		08/05/2014	BB&T Capital Markets		2,433,343	2,095,000	50,251
583887 DP 6	Mecklenburg Cnty NC CTFs - Prerefunded		06/30/2014	Tax Free Exchange		614,153	585,000	12,106
583887 DQ 4	Mecklenburg Cnty NC CoPs		06/30/2014	Tax Free Exchange		1,284,499	1,225,000	25,351
583887 EE 0	Mecklenburg Cnty NC CTFs - Unref Bal		06/30/2014	Tax Free Exchange		734,961	715,000	14,797
583887 EF 7	Mecklenburg Cnty NC CoPs		06/30/2014	Tax Free Exchange		1,536,372	1,500,000	31,042
59333P L2 2	Miami Dade Cnty Aviation Rev Bond		12/03/2014	First Union Capital Mkts		5,568,550	5,000,000	
63968A YL 3	Nebraska Pub Pwr Dist Revenue Bds		11/05/2014	JP Morgan		1,113,130	1,000,000	
66285W LS 3	N TX Tollway Auth Rev Bds		11/06/2014	Merrill Lynch Pierce Fenner Sm		3,481,691	3,125,000	
717813 QW 2	Philadelphia PA G.O. Bonds		02/18/2014	Montgomery Securities		2,936,973	2,750,000	6,016
83712D TF 3	South Carolina Housing Auth Rev Bonds		12/01/2014	Citigroup Global Markets		3,789,476	3,480,000	
901561 GS 3	Twin Falls Cnty ID School Dist G.O.		05/16/2014	Piper Jaffrey & Hopwood Inc		2,189,080	2,000,000	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					39,503,375	36,110,000	192,924
Bonds - U.S. Special Revenue and Special Assessment								
011798 LB 9	Alaska St Muni Bond Bank Revenue Bond		03/18/2014	BB&T Capital Markets		5,369,700	5,000,000	34,722
02765U EK 6	American Muni Power - Ohio BAB - Taxable		02/04/2014	Mellon Securities		408,477	300,000	11,587
100216 FR 6	Bossier City LA Utilities Rev 5.000%		10/01/2014	Stephens Inc		2,259,480	2,000,000	
100216 FS 4	Bossier City LA Utilities Rev Rev Bds		10/01/2014	Stephens, Inc		1,126,140	1,000,000	
114894 MR 6	Broward Cnty Fl Arpt Rev Sys Rev Bnds		10/28/2014	Baird, Robert W & Co		4,757,952	4,070,000	16,958
167562 NN 3	Chicago IL Midway Arpt Rev Bds		11/14/2014	Merrill Lynch Pierce Fenner Sm		3,431,610	3,000,000	65,833
167593 HU 9	Chicago O'Hare Int'l Airport Rev Bnds		11/03/2014	Samuel A Ramirez & Co Brooklyn		1,108,109	960,000	16,667
167736 YU 5	Chicago IL Revenue Bonds		02/04/2014	Mellon Securities		114,267	100,000	1,798

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
246317 FT 3	Delaware Riv & Bay Auth Del Revenue Bds		11/01/2014	Tax Free Exchange		823,758	795,000	13,250
3128MJ S6 8	FHLMC Pool #GO-8540 3.000% 08/01/43		07/28/2014	Cantor Fitzgerald & Co.		2,861,996	2,897,307	6,760
3128MJ TA 8	FHLMC Giant Pool #8544		07/16/2014	Wells Fargo Securities		2,902,658	2,959,066	2,712
3128MJ UV 0	FHLMC Giant Pool #8595		07/18/2014	Citigroup Global Markets		10,501,054	9,941,091	24,300
3128MJ UX 6	FHLMC Giant Pool #8597		07/18/2014	Citigroup Global Markets		9,995,673	9,760,804	20,877
312936 6F 9	FHLMC Pool #A8-9870 4.500% 11/01/39		07/08/2014	Credit Suisse, New York		7,988,742	7,384,163	11,999
312939 RG 8	FHLMC Pool #A9-1387 5.000% 03/01/40		07/09/2014	Credit Suisse, New York		5,062,775	4,560,417	8,234
312943 UJ 0	FHLMC Goldconv #A95085		07/08/2014	Goldman Sachs & Co.		9,829,057	9,309,748	13,447
3137B5 J8 7	FHLMC 0.719% 07/25/20		10/01/2014	Wells Fargo Securities		5,256,713	5,217,244	869
3138E0 RA 9	FNMA Pool #AJ7680 3.500% 12/01/41		07/10/2014	Merrill Lynch Pierce Fenner Sm		7,607,257	7,406,472	9,361
3138WT RW 8	FNMA Pool #AT5900 3.000% 06/01/43		07/18/2014	Citigroup Global Markets		9,140,910	9,258,083	16,973
3138X0 Y3 6	FNMA Pool #AU1629 3.000% 07/01/43		07/22/2014	Cantor Fitzgerald & Co.		2,782,876	2,819,441	2,585
31403D BY 4	FNMA Pool #0745355 5.000% 03/01/36		07/10/2014	Wells Fargo Securities		2,616,794	2,356,808	4,255
31418A M3 9	FMNA Pool #0MA1277 2.500% 12/01/27		07/15/2014	Goldman Sachs & Co.		7,691,281	7,581,118	8,423
31418M GG 1	FNMA Mega Pool #0AD0198		07/22/2014	Wells Fargo Securities		7,835,041	7,011,223	11,783
31418U EL 4	FNMA Pool #AD6438 5.000% 06/01/40		07/08/2014	Nomura Securities Intl Inc		5,181,706	4,672,150	8,436
359900 5Q 6	Fulton Cnty, GA Dev Auth Tech Facs Reven		07/09/2014	BB&T Capital Markets		2,211,920	2,000,000	20,278
54473E NT 7	LA Cnty CA Pub Wks Fing Lease Rev Bonds		02/04/2014	Mellon Securities		243,717	200,000	250
59259Y Q8 5	NY Met Transportation Auth Revenue Bonds		03/04/2014	BB&T Capital Markets		2,699,025	2,500,000	3,125
59333G AL 2	Miami Dade Cnty FL Indl Dev Au Rev Bds		10/31/2014	Merrill Lynch Pierce Fenner Sm		1,000,000	1,000,000	
602248 KA 3	Milwaukee Cnty WI Arpt Rev		10/23/2014	Merrill Lynch Pierce Fenner Sm		2,479,174	2,175,000	
613603 TC 3	Montgomery Cnty PA Rev 5.000%		10/23/2014	Baird, Robert W & Co.		1,430,806	1,260,000	
613603 TD 1	Montgomery Cnty PA Hgr Ed & Hlth Sys		10/23/2014	Baird, Robert W & Co.		1,496,154	1,320,000	
646136 R8 6	New Jersey St Transn Tr Df Revenue Bonds		04/02/2014	Janney Montgomery Scott		2,639,300	2,500,000	38,889
64971Q 6R 9	New York City Trans Fin Auth Revenue Bon		04/03/2014	BB&T Capital Markets		3,214,320	3,000,000	65,417
717893 YU 9	Philadelphia PA Wtr & Wstwtr Revenue Bds		02/11/2014	BB&T Capital Markets		10,310,000	10,000,000	29,167
725304 SL 4	Pittsburgh PA Water & Sewer Revenue Bond		01/07/2014	Montgomery Securities		3,632,685	3,500,000	10,694
798111 GG 9	San Juaquin Hills CA Transport Rev		10/23/2014	Goldman Sachs & Co.		1,526,153	1,370,000	
837151 CC 1	South Carolina ST Pub SVC Auth Revenue B		01/27/2014	BB&T Capital Markets		5,230,450	5,000,000	40,972
860820 DM 8	Stillwater OK Utilities Auth Revenue		07/29/2014	JP Morgan		2,831,354	2,490,000	
860820 DQ 9	Stillwater OK Utilities Auth Revenue		07/29/2014	JP Morgan		2,232,340	2,000,000	
914716 B2 0	Universitiy of NC at Charlotte Revenue B		03/11/2014	Wells Fargo Securities		3,186,750	3,000,000	
92818A LN 4	Virginia St Resources Auth Revenue Bonds		01/29/2014	Piper Jaffrey & Hopwood Inc		5,365,750	5,000,000	62,500
930868 BX 1	Wake County, NC Revenue Bonds		06/02/2014	BB&T Capital Markets		3,997,000	4,000,000	1,556
958697 JV 7	Western MN Municipal Power Agy Revenue B		07/02/2014	Montgomery Securities		3,333,420	3,000,000	
961017 PF 1	Westmoreland Cnty PA Wtr & Swr Revenue B		01/08/2014	BB&T Capital Markets		5,173,050	5,000,000	102,778
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					180,887,394	170,675,135	687,455
Bonds - Industrial and Miscellaneous								
00184A AC 9	AOL Time Warner Inc Bonds		07/10/2014	Credit Suisse, New York		2,718,960	2,000,000	38,125
00206R BD 3	AT&T Inc Sr Notes 3.000% 02/15/22		07/10/2014	Various		2,733,015	2,750,000	29,188
03524B AE 6	Anheuser-Busch InBev Fin Notes		01/22/2014	Banc of America Securities LLC		999,750	1,000,000	
037833 AR 1	Apple Computer Inc Sr. Notes		04/29/2014	Goldman Sachs & Co.		748,155	750,000	
04650N AB 0	AT&T Inc. Sr. Notes 5.350% 09/01/40		03/25/2014	Banc of America Securities LLC		1,286,375	1,250,000	5,016
059513 AE 1	Banc of America Ser 2007-4 Tr A4		10/22/2014	Various		457,987	415,995	1,720
06051G DZ 9	Bank of America Sr Notes		07/10/2014	Merrill Lynch Pierce Fenner Sm		1,852,215	1,500,000	13,979
06051G FF 1	Bank of America Sr. Notes		03/27/2014	Banc of America Securities LLC		996,250	1,000,000	
07330N AJ 4	BB&T Sr Notes 2.850% 04/01/21		02/27/2014	BB&T Capital Markets		2,997,480	3,000,000	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
07387J AE 6	Bear Stearns Ser 2006-PW12		10/10/2014	RBS Securities Inc.		2,429,086	2,287,629	5,615
07388N AE 6	Bear Stearns Commercial Ser 2006-T24		10/20/2014	Various		5,572,747	5,203,061	12,592
12514A AE 1	CD Commercial Mortgage Trust Ser 2007-CD		11/01/2014	Various		5,231,603	4,756,109	6,333
12572Q AE 5	CME Group Inc. Sr. Notes		03/25/2014	Citigroup Global Markets		1,484,370	1,500,000	1,625
126171 AF 4	Comm Mortgage Trust 5.116% 06/10/44		10/27/2014	Morgan Stanley & Co.		3,641,365	3,579,137	5,651
12624B AC 0	COMM Mortgage Trust 2012-CR1		07/10/2014	Deutsche Bank		5,170,313	5,000,000	6,594
12626B AC 8	Commercial Mortgage Trust 2013-CR10		11/13/2014	Wells Fargo Securities		3,193,359	3,000,000	5,558
161571 GL 2	Chase Issuance Trust 2014-A3		12/22/2014	Various		4,903,742	4,900,000	725
166764 AG 5	Chevrontexaco Corp Sr Notes		04/24/2014	Bank of New York		753,371	750,000	6,320
17313K AF 8	Citigroup Commercial Mortgage Ser 2008-7		10/09/2014	Various		1,827,054	1,644,894	3,942
200340 AP 2	Comerica Inc Sr Notes 2.125% 05/23/19		05/20/2014	JP Morgan		1,000,000	1,000,000	
20047Q AE 5	Citigroup Comm Mtg Trust Ser 2008-C7		10/10/2014	Morgan Stanley & Co.		4,723,278	4,454,938	10,684
202795 HV 5	Commonwealth Edison Co First Morgage		04/21/2014	Bank of New York		1,342,597	1,250,000	11,528
225470 AP 8	Credit Suisse First Boston 2005-C5		08/12/2014	Morgan Stanley & Co.		3,495,877	3,416,993	6,777
233851 BG 8	Diamler Finance NA LLC Sr Notes 144A		07/28/2014	Wells Fargo Securities		1,001,510	1,000,000	
244199 BE 4	Deere & Co Sr Notes 2.600% 06/08/22		04/16/2014	Bank of New York		1,166,007	1,200,000	11,613
302508 AQ 9	FMR Corp Priv Placement 144A		07/18/2014	First Tennessee Bank-Bd Div.		2,699,639	1,950,000	15,582
337738 AM 0	Fiserv Inc Sr Notes 3.500% 10/01/22		07/11/2014	CIBC World Markets		2,004,960	2,000,000	20,417
34528Q CE 2	Ford Credit Floorplan Master 2013-1		07/29/2014	Various		3,457,143	3,450,000	837
34530M AA 7	Ford Credit Auto Owner Trust Series 2014		05/06/2014	Merrill Lynch Pierce Fenner Sm		1,249,688	1,250,000	
35671D AU 9	Freeport-Mcmoran Copper & Go Sr Notes		07/08/2014	Barclays Capital Inc.		1,983,420	2,000,000	25,639
36962G 2T 0	GE Capital Corp Sr Notes		07/08/2014	Citigroup Global Markets		2,906,750	2,500,000	25,823
378272 AF 5	Glencore Funding LLC 144A		07/07/2014	JP Morgan		2,510,075	2,500,000	11,458
46625H JT 8	JP Morgan Chase & Co Sr. Notes		03/25/2014	First Tennessee Bank		1,508,730	1,500,000	9,688
46639Y AQ 0	JP Morgan Chase Commercial Mtg LC11 A5		07/08/2014	Morgan Stanley & Co.		4,929,688		4,111
46643P BF 6	JPMBB Commercial Mtg 2014-C25		11/04/2014	JP Morgan		3,089,994	3,000,000	6,531
50180L AC 4	LB-UBS Comm'l Mtg Trust 2008-C1		12/22/2014	Various		2,916,106	2,626,000	4,193
52109R BM 2	LB-UBS Commercial Mtg Trust 2007-C7		10/15/2014	Various		3,550,228	3,194,124	12,461
52206A AB 6	Leaseplan Corp 144A 2.500% 05/16/18		07/09/2014	JP Morgan		2,634,086	2,600,000	10,472
55312V AD 0	ML-CFC Comm Mtg Trust Ser 2006-4		10/31/2014	Wells Fargo Securities		6,674,702	6,296,657	3,618
575767 AG 3	Massachusetts Mutual Life 144A		07/24/2014	Wells Fargo Securities		2,404,905	1,500,000	21,448
59156R AX 6	Metlife Sr Notes 4.750% 02/08/21		03/25/2014	U.S. Bancorp Investments		1,671,975	1,500,000	9,896
595620 AJ 4	Midamerican Enegy Notes		03/31/2014	Wells Fargo Securities		756,683	750,000	900
60688C AE 6	ML-CFC Comm Mtg Ser 2007-9		10/31/2014	Nomura Securities Intl Inc.		4,589,687	4,190,000	2,654
617451 CL 1	Morgan Stanley Capital 2005-HQ7		07/15/2014	JP Morgan		1,915,395	1,849,088	4,695
61751X AE 0	Morgan Stanlely Capital Ser 2007-T25		10/07/2014	Merrill Lynch Pierce Fenner Sm		5,742,552	5,309,879	7,320
61754J AF 5	Morgan Stanley Capital Finance Ser 2007-		10/07/2014	Merrill Lynch Pierce Fenner Sm		6,012,133	5,464,993	7,967
61759L AA 6	Morgan Stanley Reremic Trust 2010-GG10		11/18/2014	Credit Suisse, New York		4,678,395	4,319,817	14,375
61761D AD 4	Morgan Stanley Bk of America		12/01/2014	Various		1,938,686	1,951,050	3,481
68268N AJ 2	Oneok Partners Sr Notes		07/18/2014	CIBC World Markets		1,484,365	1,486,000	15,603
713448 BJ 6	Pepsico Inc Sr Notes 7.900% 11/01/18		04/22/2014	Bank of New York		1,249,658	1,000,000	38,183
726505 AL 4	Plains Exploration & Productio Sr Notes		07/29/2014	CIBC World Markets		1,137,500	1,000,000	
740816 AB 9	Pres & Fellows Harvard College Bonds		01/13/2014	BB&T Capital Markets		1,143,542	1,020,000	18,743
808513 AG 0	Schwab Charles Corp Sr Notes		04/16/2014	Bank of New York		900,638	900,000	4,112
835495 AK 8	Sonoco Prods Co Sr Notes		07/17/2014	FTN Financial Securities Corp.		2,762,396	2,600,000	25,594
908906 AC 4	UnionBanCal Corp Sr. Notes		03/25/2014	Mitsubishi UFJ Securities		760,155	750,000	7,292
91159H HH 6	US Bancorp Sr Notes 2.200% 04/25/19		04/21/2014	U.S. Bancorp Investments		1,748,425	1,750,000	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
92343V BS 2	Verizon Communications Sr Notes		07/08/2014	Merrill Lynch Pierce Fenner Sm		4,882,200	4,000,000	82,489
92936Q AG 3	WFRBS Commercial Mortgage Series 2012-C6		07/09/2014	Citigroup Global Markets		5,193,359	5,000,000	6,211
92939F AU 3	WF-RBS Commercial Mortgage Tru 2014-C21		07/18/2014	RBS Securities Inc		5,149,695	5,000,000	5,619
92976B BN 1	Wachovia Bk Comm Mtg Tr 2005-C22		07/09/2014	Morgan Stanley & Co		4,719,790	4,513,845	8,891
931142 DH 3	Wal Mart Stores Inc Sr Notes		04/16/2014	Bank of New York		955,319	1,000,000	779
94974B FC 9	Wells Fargo & Company Sr. Notes		03/25/2014	Wells Fargo Securities		1,278,750	1,250,000	2,431
94980V AF 5	Wells Fargo Bank NA Subordinated		07/29/2014	Goldman Sachs & Co		1,924,649	1,927,000	1,794
98458P AC 9	Yale University MTN 2.086% 04/15/19		04/03/2014	Barclays Capital Inc		1,500,000	1,500,000	
136385 AV 3	Canadian Ntl Resources Sr Notes	A	12/30/2014	Barclays Capital Inc		2,644,213	2,675,000	12,147
29250N AK 1	Enbridge Inc Sr Notes 0.685% 06/02/17	A	07/25/2014	Mizuho Securities Co Ltd		781,833	780,000	807
00084D AH 3	ABN AMRO Bank NV Sr Notes	R	08/21/2014	Citigroup Global Markets		2,625,194	2,600,000	2,168
05565Q CS 5	BP Capital Markets PLC Sr Notes	F	10/30/2014	Morgan Stanley & Co		1,275,000	1,275,000	
05578Q AA 1	BPCE SA 144A 5.700% 10/22/23	R	07/08/2014	SG Americas Securities Corp		2,754,875	2,500,000	31,271
064255 AK 8	Bank of Tokyo-Mitsubishi	R	09/25/2014	RBC Capital Markets		711,924	710,000	473
064255 AY 8	Bank of Tokyo-Mitsubishi Priv Placement	F	10/01/2014	Wells Fargo Securities		948,946	950,000	358
25152R WZ 2	Deutsche Bank AG London Sr Notes	R	07/29/2014	Goldman Sachs & Co		3,006,150	3,000,000	3,662
44920U AD 0	Hyundai Capital Services Sr Notes 144A	F	10/24/2014	Various		2,093,220	2,000,000	6,417
50064Y AB 9	Korea Hydro & Nuclear Power Sr Notes 144	R	07/29/2014	Merrill Lynch Pierce Fenner Sm		871,403	850,000	9,961
60688X AK 6	Mizuho Bank Ltd Sr. Notes	R	09/18/2014	Mizuho Securities Co Ltd		2,700,000	2,700,000	
91911T AH 6	Vale Overseas Ltd 6.875% 11/21/36	R	07/07/2014	Citigroup Global Markets		2,766,150	2,500,000	23,394
3899999.	Total - Bonds - Industrial and Miscellaneous					193,521,435	177,547,209	715,550
8399997.	Total - Bonds - Part 3					475,153,279	439,709,254	1,807,107
8399998.	Total - Bonds - Summary Item from Part 5					185,202,303	177,821,753	1,092,421
8399999.	Total - Bonds					660,355,582	617,531,007	2,899,528
Common Stocks - Industrial and Miscellaneous								
001204 10 6	AGL Res Inc Com formerly Atlanta Gas Lt		12/02/2014	Mellon Securities	2,150.000	114,070	XXX	
025537 10 1	American Elec Pwr Inc Com		12/10/2014	Mellon Securities	1,908.000	112,397	XXX	
209115 10 4	Consolidated Edison Inc Com		12/15/2014	Mellon Securities	1,562.000	100,420	XXX	
25746U 10 9	Dominion Resources Inc VA Com New		12/23/2014	Mellon Securities	1,359.000	104,368	XXX	
26441C 20 4	Duke Energy New Com (formerly Duke Pwr)		12/16/2014	Mellon Securities	1,666.000	135,511	XXX	
30161N 10 1	Exelon Corp Com (formerly Peco Energy)		12/10/2014	Mellon Securities	2,419.000	87,962	XXX	
337932 10 7	Firstenergy Corp Com		12/02/2014	Mellon Securities	2,139.000	79,377	XXX	
57060U 52 2	Market Vectors EM Bond ETF		12/01/2014	Mellon Securities	4,148,020.000	92,964,595	XXX	
65339F 10 1	Nextera Energy Inc		12/15/2014	Various	61,433.000	6,204,533	XXX	
664397 10 6	Northeast Utils Com		12/31/2014	Mellon Securities	1,686.000	92,120	XXX	
744573 10 6	Public Svc Enterprise Group Com		12/31/2014	Mellon Securities	2,555.000	108,754	XXX	
773111 10 9	Rocket Fuel Inc		12/01/2014	Non-Broker Trade	77,959.000	917,110	XXX	
842587 10 7	Southern Co Com		12/08/2014	Mellon Securities	2,284.000	109,196	XXX	
921946 88 5	Vanguard EM Gov't Bond ETF		12/30/2014	Various	382,357.000	30,220,075	XXX	
969457 10 0	Williams Cos Inc Com		12/29/2014	Mellon Securities	3,341.000	153,444	XXX	
976657 10 6	Wisconsin Energy Corp Com		12/02/2014	Mellon Securities	1,874.000	93,513	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					131,597,445	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
655100 10 5	NobleHealth Inc Com		12/31/2014	Capital Contribution		39,392,797	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					39,392,797	XXX	0
Common Stocks - Mutual Funds								
197199 81 3	Columbia Acorn International - Z		12/09/2014	Non-Broker Trade	137,328.000	5,866,940	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
233203 58 7	DFA Emerging Markets Value Fund		12/16/2014	Non-Broker Trade	68,870.660	1,880,053	XXX	
256206 10 3	Dodge and Cox International Stock Fund		12/19/2014	Non-Broker Trade	1,801,927.550	82,708,786	XXX	
922040 20 9	Vanguard Large Cap Institutional Index		12/22/2014	Non-Broker Trade	10,008.710	1,905,759	XXX	
922908 39 7	Vanguard Small- Cap Index Fd - Plus		12/22/2014	Non-Broker Trade	29,348.130	4,726,222	XXX	
003021 71 4	ABDN Emerg Mkts Inst		12/19/2014	Non-Broker Trade	1,477.000	22,696	XXX	
315910 28 1	Fidelity Diversified International K		12/05/2014	Non-Broker Trade	87.000	3,066	XXX	
315911 72 7	Spartan International Index FAI		12/19/2014	Non-Broker Trade	5.000	197	XXX	
316200 85 6	Fidelity Growth Company K		12/05/2014	Non-Broker Trade	8.000	1,036	XXX	
316345 80 0	Fidelity Low Priced Stock Fund K		12/12/2014	Non-Broker Trade	90.000	4,507	XXX	
617440 50 8	MSIF MID Cap Grth Cl I		12/16/2014	Non-Broker Trade	161.000	7,340	XXX	
693390 70 0	Pim Total Rt Inst		12/31/2014	Non-Broker Trade	998.000	10,782	XXX	
921938 60 3	Vang Total Bond Market Adm		08/15/2014	Non-Broker Trade	36,832.000	400,363	XXX	
922908 71 0	Vang 500 Index Adm		12/17/2014	Non-Broker Trade	42.000	7,636	XXX	
02368A 55 4	ABF LG Cap Val Inst		12/22/2014	Non-Broker Trade	24.000	699	XXX	
04314H 30 3	Artisan Mid Cap Inv		11/14/2014	Non-Broker Trade	300.000	8,179	XXX	
922908 64 5	Vanguard Mid Cap Index Adm		12/19/2014	Non-Broker Trade	51.000	7,701	XXX	
922908 68 6	Vanguard Small Cap Index Adm		12/19/2014	Non-Broker Trade	143.000	7,978	XXX	
38141W 61 2	GS Small Cap Value A		12/04/2014	Non-Broker Trade	32.000	1,652	XXX	
351792 28 3	Fidelity Freedom K Income		12/29/2014	Non-Broker Trade	16.000	192	XXX	
351792 26 7	Fidelity Freedom K 2005		12/29/2014	Non-Broker Trade	200.000	2,586	XXX	
351792 25 9	Fidelity Freedom K 2010		12/29/2014	Non-Broker Trade	366.000	4,835	XXX	
351792 24 2	Fidelity Freedom K 2015		12/29/2014	Non-Broker Trade	7,029.000	96,979	XXX	
351792 23 4	Fidelity Freedom K 2020		12/29/2014	Non-Broker Trade	1,249.000	17,671	XXX	
351792 21 8	Fidelity Freedom K 2030		12/29/2014	Non-Broker Trade	340.000	5,077	XXX	
413838 40 0	Oakmark Equity & Income Fund		12/18/2014	Non-Broker Trade	252.000	8,018	XXX	
9299999.	Total - Common Stocks - Mutual Funds					97,706,950	XXX	0
Common Stocks - Money Market Mutual Funds								
316191 60 0	Fidelity Retire MMKT		12/31/2014	Non-Broker Trade	380.000	380	XXX	
9399999.	Total - Common Stocks - Money Market Mutual Funds					380	XXX	0
9799997.	Total - Common Stocks - Part 3					268,697,572	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					15,741,674	XXX	
9799999.	Total - Common Stocks					284,439,246	XXX	0
9899999.	Total - Preferred and Common Stocks					284,439,246	XXX	0
9999999.	Total - Bonds, Preferred and Common Stocks					944,794,828	XXX	2,899,528

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
31331X FJ 6	Federal Farm Cr Bk Bonds	..	07/17/2014.	Morgan Stanley & Co		4,627,040	4,000,000	4,179,840	4,110,897		(8,624)		(8,624)		4,102,273		524,767	524,767	173,889	03/05/2020.
31331Y N5 5	Fed Farm Cr Bk Bonds 5.220% 05/15/23	..	07/17/2014.	Merrill Lynch Pierce Fenner Sm		5,960,200	5,000,000	5,307,600	5,237,153		(11,318)		(11,318)		5,225,836		734,364	734,364	176,175	05/15/2023.
3133XD VS 7	Federal Home Loan Bank Notes	..	07/17/2014.	Morgan Stanley & Co		5,911,550	5,000,000	5,337,400	5,221,392		(15,175)		(15,175)		5,206,217		705,333	705,333	158,229	12/11/2020.
3133XN 4B 2	Federal Hm Ln Bk Bonds	..	07/17/2014.	Wells Fargo Securities		8,364,510	7,000,000	7,506,140	7,376,058		(19,105)		(19,105)		7,356,953		1,007,557	1,007,557	223,563	12/09/2022.
31359M EL 3	Federal National Mtg Assoc Global Notes	..	07/17/2014.	Morgan Stanley & Co		1,456,965	1,500,000	1,428,720	1,435,348		9,728		9,728		1,445,076		11,889	11,889		06/01/2017.
3135G0 MZ 3	FNMA Note 0.875% 08/28/17	..	07/17/2014.	Nomura Securities Intl Inc		6,957,699	7,000,000	6,997,900	6,998,463		233		233		6,998,696		(40,997)	(40,997)	55,125	08/28/2017.
36202D QY 0	GNMA II SF Pool #003171X	..	07/09/2014.	Citigroup Global Markets		6,004	5,559	5,274	5,357		4		4		5,361		643	643	195	12/20/2031.
36202D QY 0	GNMA II SF Pool #003171X	..	07/01/2014.	Paydown		650	650	617	627		24		24		650		0	0	11	12/20/2031.
36202D RE 3	GNMA II SF Pool #003185X	..	07/09/2014.	Citigroup Global Markets		8,184	7,578	7,188	7,301		6		6		7,307		877	877	266	01/20/2032.
36202D RE 3	GNMA II SF Pool #003185X	..	07/01/2014.	Paydown		882	882	837	850		32		32		882		0	0	15	01/20/2032.
36202K AY 1	GNMA Arm Pool #008123 6.500% 01/20/23	..	07/09/2014.	Wells Fargo Securities		27,012	26,646	27,037	26,758		(11)		(11)		26,747		265	265	279	01/20/2023.
36202K AY 1	GNMA Arm Pool #008123 6.500% 01/20/23	..	07/01/2014.	Paydown		3,465	3,465	3,516	3,480		(15)		(15)		3,465		0	0	18	01/20/2023.
36202K T8 8	GNMA Arm Pool #P008675	..	07/09/2014.	Wells Fargo Securities		23,604	23,148	22,446	22,788		12		12		22,800		803	803	242	08/20/2025.
36202K T8 8	GNMA Arm Pool #P008675	..	07/01/2014.	Paydown		1,231	1,231	1,193	1,211		19		19		1,231		0	0	7	08/20/2025.
36225C DA 1	GNMA II ARM Pool 80096 Resets 10/98	..	07/09/2014.	Wells Fargo Securities		28,283	27,343	27,954	27,641		(13)		(13)		27,628		655	655	352	07/20/2027.
36225C DA 1	GNMA II ARM Pool 80096 Resets 10/98	..	07/01/2014.	Paydown		1,940	1,940	1,983	1,961		(21)		(21)		1,940		0	0	10	07/20/2027.
36225C NZ 5	GNMA II ARM ARM Pool #080407M	..	07/09/2014.	Wells Fargo Securities		32,393	31,546	30,973	31,141		8		8		31,149		1,244	1,244	805	05/20/2030.
36225C NZ 5	GNMA II ARM ARM Pool #080407M	..	07/01/2014.	Paydown		2,822	2,822	2,771	2,786		36		36		2,822		0	0	31	05/20/2030.
3837H0 XX 6	GNMA REMIC Accrual Bond Series 1996-22 C	..	12/01/2014.	Paydown		73,203	73,203	66,255	70,723		2,480		2,480		73,203		0	0	2,667	10/30/2026.
3837H4 V7 7	GNMA Ser 2000 Class FB	..	12/16/2014.	Paydown		2,306	2,306	2,306	2,306				0		2,306		0	0	13	10/16/2030.
83162C KK 8	Small Business Admin Prtn Ctfs - Deb Ser	..	06/25/2014.	Oppenheimer & Co		208,320	189,059	189,059	189,059				0		189,059		19,260	19,260	7,892	12/01/2019.
83162C KK 8	Small Business Admin Prtn Ctfs - Deb Ser	..	06/01/2014.	Paydown		16,568	16,568	16,568	16,568				0		16,568		0	0	596	12/01/2019.
83162C MT 7	Small Business Admin 2203-20A Ptn CTFs	..	06/25/2014.	Suntrust Robinson Humphrey		92,910	87,625	91,596	89,741		(194)		(194)		89,547		3,363	3,363	4,282	01/01/2023.
83162C MT 7	Small Business Admin 2203-20A Ptn CTFs	..	01/01/2014.	Paydown		17,429	17,429	18,219	17,850		(421)		(421)		17,429		0	0	427	01/01/2023.
83162C PE 7	Small Business Admin Ser 2004-20L Cl 1	..	06/25/2014.	Pershing LLC		1,126,077	1,036,516	1,036,516	1,036,516				0		1,036,516		89,561	89,561	29,607	12/01/2024.
83162C PE 7	Small Business Admin Ser 2004-20L Cl 1	..	06/01/2014.	Paydown		109,141	109,141	109,141	109,141				0		109,141		0	0	2,689	12/01/2024.
83162C PK 3	Small Business Admin Ser 2005-20C Cl 1	..	06/25/2014.	Raymond James Assoc		1,278,566	1,181,124	1,181,124	1,181,124				0		1,181,124		97,443	97,443	49,447	03/01/2025.
83162C PK 3	Small Business Admin Ser 2005-20C Cl 1	..	03/01/2014.	Paydown		149,502	149,502	149,502	149,502				0		149,502		0	0	3,813	03/01/2025.
83162C PL 1	Small Business Admin Ser 2005 - 20D Cl 1	..	06/25/2014.	Pershing LLC		719,329	661,167	661,167	661,167				0		661,167		58,162	58,162	25,700	04/01/2025.
83162C PL 1	Small Business Admin Ser 2005 - 20D Cl 1	..	04/01/2014.	Paydown		73,312	73,312	73,312	73,312				0		73,312		0	0	1,924	04/01/2025.
83162C PR 8	Small Business Admin Ser 2005-20G Cl 1 P	..	06/25/2014.	Southwest Securities Inc		897,487	841,052	841,052	841,052				0		841,052		56,435	56,435	40,908	07/01/2025.
83162C PR 8	Small Business Admin Ser 2005-20G Cl 1 P	..	01/01/2014.	Paydown		181,133	181,133	181,133	181,133				0		181,133		0	0	4,532	07/01/2025.
83162C RR 6	Small Business Admin Prtn CTFs Ser 2008-	..	06/25/2014.	Stephens, Inc		1,491,663	1,331,656	1,331,656	1,331,656				0		1,331,656		160,007	160,007	61,940	03/01/2028.
83162C RR 6	Small Business Admin Prtn CTFs Ser 2008-	..	03/01/2014.	Paydown		99,369	99,369	99,369	99,369				0		99,369		0	0	2,819	03/01/2028.
83162C RS 4	Small Business Admin Ser 2008-20D Cl 1 P	..	06/25/2014.	Raymond James Assoc		3,439,930	3,083,410	3,083,410	3,083,410				0		3,083,410		356,519	356,519	126,445	04/01/2028.
83162C RS 4	Small Business Admin Ser 2008-20D Cl 1 P	..	04/01/2014.	Paydown		241,120	241,120	241,120	241,120				0		241,120		0	0	6,687	04/01/2028.
83162C RU 9	Small Business Admin 2008-20E Cl 1	..	06/25/2014.	Pershing LLC		3,263,697	2,906,615	2,906,615	2,906,615				0		2,906,615		357,082	357,082	110,162	05/01/2028.
83162C RU 9	Small Business Admin 2008-20E Cl 1	..	05/01/2014.	Paydown		273,867	273,867	273,867	273,867				0		273,867		0	0	7,916	05/01/2028.
83162C RV 7	Small Business Admin Ser 2008-20F Cl 1	..	06/25/2014.	Stephens, Inc		1,477,744	1,312,092	1,312,092	1,312,092				0		1,312,092		165,652	165,652	44,362	06/01/2028.
83162C RV 7	Small Business Admin Ser 2008-20F Cl 1	..	06/01/2014.	Paydown		90,926	90,926	90,926	90,926				0		90,926		0	0	2,658	06/01/2028.
83162C SG 9	Small Business Admin Ser 2009-20A Cl 1 P	..	06/25/2014.	Southwest Securities Inc		858,321	768,933	768,933	768,933				0		768,933		89,388	89,388	45,538	01/01/2029.
83162C SG 9	Small Business Admin Ser 2009-20A Cl 1 P	..	01/01/2014.	Paydown		94,238	94,238	94,238	94,238				0		94,238		0	0	2,901	01/01/2029.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
83162C SN 4	Small Business Admin Ser 2009-20E Cl 1	..	06/25/2014.	Pershing LLC		1,278,269	1,172,724	1,172,724	1,172,724				0		1,172,724		105,545	105,545	35,070	05/01/2029.
83162C SN 4	Small Business Admin Ser 2009-20E Cl 1	..	05/01/2014.	Paydown		65,579	65,579	65,579	65,579				0		65,579			0	1,485	05/01/2029.
831641 DV 4	Small Business Administration Ser 2004-1	..	03/10/2014.	Call 100.0000		112,579	112,579	112,579	112,579				0		112,579			0	2,615	09/10/2014.
831641 DX 0	Small Business Administration Ser 2005-1	..	06/25/2014.	Raymond James Assoc		631,313	622,559	622,559	622,559				0		622,559		8,755	8,755	25,951	03/10/2015.
831641 DX 0	Small Business Administration Ser 2005-1	..	03/01/2014.	Paydown		626,221	626,221	626,221	626,221				0		626,221			0	15,645	03/10/2015.
831641 EK 7	Small Business Administration Ser 2008-1	..	06/25/2014.	Suntrust Robinson Humphrey		933,696	864,534	864,534	864,534				0		864,534		69,163	69,163	33,690	02/01/2018.
831641 EK 7	Small Business Administration Ser 2008-1	..	05/01/2014.	Paydown		126,742	126,742	126,742	126,742				0		126,742			0	2,641	02/01/2018.
831641 EL 5	Small Business Administration Ser 2008-1	..	06/25/2014.	Southwest Securities Inc		523,155	492,816	492,816	492,816				0		492,816		30,339	30,339	22,308	03/10/2018.
831641 EL 5	Small Business Administration Ser 2008-1	..	03/01/2014.	Paydown		373,366	373,366	373,366	373,366				0		373,366			0	10,129	03/10/2018.
880591 CJ 9	Tennessee Valley Authority Bond	..	07/17/2014.	Morgan Stanley & Co		1,597,944	1,190,000	1,679,019	1,620,225		(16,662)		(16,662)		1,603,563		(5,619)	(5,619)	57,343	11/01/2025.
880591 EA 6	Tennessee Valley Authority Notes	..	07/10/2014.	Morgan Stanley & Co		9,907,363	8,750,000	10,137,525	9,523,505		(111,062)		(111,062)		9,412,443		494,919	494,919	471,892	07/18/2017.
912810 PZ 5	US Treasury Inflation Protected Bonds	..	07/21/2014.	Various		6,598,824	4,800,000	7,285,434	7,213,963	(114,721)	(54,772)		(169,493)		7,044,470		(445,646)	(445,646)	116,125	01/15/2029.
912828 CA 6	U.S. Treasury Notes 4.000% 02/15/14	..	02/15/2014.	Maturity		2,300,000	2,300,000	2,282,031	2,299,557		444		444		2,300,000			0	46,000	02/15/2014.
912828 DH 0	U.S. Treasury Inflation Indexed Nt	..	07/21/2014.	Barclays Capital Inc		7,558,895	6,000,000	6,029,829	7,335,874	(1,288,491)	1,223		(1,287,268)		6,048,607		1,510,288	1,510,288	122,832	01/15/2015.
912828 NM 8	U.S. Treasury Inflation Prot Bd	..	04/17/2014.	RBS Securities Inc		2,328,545	2,000,000	2,453,428	2,426,114	(38,845)	(13,183)		(52,028)		2,374,086		(45,541)	(45,541)	20,502	07/15/2020.
912828 RC 6	U.S. Treasury Bond 2.125% 08/15/21	..	04/22/2014.	Various		14,748,926	15,000,000	14,864,562	14,893,084		3,329		3,329		14,896,413		(147,488)	(147,488)	201,640	08/15/2021.
912828 SA 9	U.S. Treasury Inflation Prot Bond	..	07/21/2014.	Citigroup Global Markets		3,865,418	3,650,000	3,939,088	3,969,434	(70,459)	(14,148)		(84,607)		3,884,826		(19,408)	(19,408)	4,849	01/15/2022.
912828 TS 9	U.S. Treasury 0.625% 09/30/17	..	07/21/2014.	Various		13,776,739	14,000,000	13,987,969	13,990,931		1,023		1,023		13,991,955		(215,215)	(215,215)	59,606	09/30/2017.
912828 UF 5	U.S. Treasury Note 1.125% 12/31/19	..	07/21/2014.	RBS Securities Inc		4,824,980	5,000,000	4,919,288	4,929,307		6,345		6,345		4,935,653		(110,673)	(110,673)	31,641	12/31/2019.
912828 UJ 7	U.S. Treasury Note 0.875% 01/31/18	..	07/21/2014.	Nomura Securities Intl Inc		2,962,959	3,000,000	2,996,602	2,997,191		381		381		2,997,572		(34,613)	(34,613)	25,670	01/31/2018.
912828 VJ 6	U.S. Treasury Note 1.875% 06/30/20	..	07/21/2014.	Various		10,482,579	10,500,000	10,495,078	10,495,417		308		308		10,495,725		(13,145)	(13,145)	106,877	06/30/2020.
912828 VP 2	U.S. Treasury Note 2.000% 07/31/20	..	07/21/2014.	RBS Securities Inc		7,035,519	7,000,000	7,003,664	7,003,588		(259)		(259)		7,003,329		32,190	32,190	136,906	07/31/2020.
912828 VQ 0	U.S. Treasury 1.375% 07/31/18	..	07/21/2014.	Various		20,967,305	21,000,000	20,977,479	20,978,882		2,394		2,394		20,981,276		(13,970)	(13,970)	258,777	07/31/2018.
0599999.	Total - Bonds - U.S. Government					163,317,508	153,101,293	159,216,681	159,466,824	(1,512,516)	(236,954)	0	(1,749,470)	0	157,717,356	0	5,600,153	5,600,153	3,185,331	XXX
Bonds - All Other Government																				
11070T AA 6	British Columbia Prov of Canada Sr Notes	A	07/07/2014.	Societe Generale		2,412,576	2,400,000	2,398,248	2,398,816		182		182		2,398,998		13,578	13,578	20,400	04/25/2017.
68323A BM 5	Ontario Province Sr Unsecured Note	A	07/08/2014.	Bank of America, NY		1,688,219	1,700,000	1,673,225	1,675,786		3,266		3,266		1,679,052		9,167	9,167	13,298	10/25/2017.
1099999.	Total - Bonds - All Other Government					4,100,795	4,100,000	4,071,473	4,074,602	0	3,448	0	3,448	0	4,078,050	0	22,745	22,745	33,698	XXX
Bonds - U.S. States, Territories and Possessions																				
04057P CZ 9	Arizona Sch Facs Ctfs Partn	..	09/01/2014.	Call 100.0000		5,000,000	5,000,000	5,451,350	5,035,827		(35,827)		(35,827)		5,000,000			0	262,500	09/01/2016.
13062T N9 1	California St G.O. Unrefunded Bal	..	12/30/2014.	Various		581,740	580,000	597,087	582,963		(2,767)		(2,767)		580,196		1,544	1,544	39,029	02/01/2015.
341150 G4 6	Florida Dept of Transportation Bond	..	12/16/2014.	Citigroup Global Markets		2,401,700	2,000,000	2,435,700	2,357,919		(42,541)		(42,541)		2,315,378		86,322	86,322	146,389	07/01/2024.
341535 J6 0	Florida St Brd Ed G.O	..	01/22/2014.	Banc of America Securities LLC		5,445,450	5,000,000	5,111,150	5,084,101		(467)		(467)		5,083,633		361,817	361,817	36,944	06/01/2026.
626207 ZN 7	GA Muni Elec Auth Comb Cycle Ser A	..	07/09/2014.	BB&T Capital Markets		2,294,600	2,000,000	2,155,500	2,108,609		(7,497)		(7,497)		2,101,112		193,488	193,488	70,278	11/01/2024.
65820Q AR 4	North Carolina Infrastructure NC Corr CT	..	02/01/2014.	Maturity		1,500,000	1,500,000	1,570,642	1,501,562		(1,562)		(1,562)		1,500,000			0	37,500	02/01/2014.
65820Q AS 2	North Carolina Infrastructure Ctfs Partn	..	02/01/2014.	Call 100.0000		2,950,000	2,950,000	3,195,676	2,981,028		(31,028)		(31,028)		2,950,000			0	73,750	02/01/2015.
65820Q AZ 6	North Carolina Infrastructure CoPs	..	02/01/2014.	Call 100.0000		3,000,000	3,000,000	3,192,090	3,102,462		(102,462)		(102,462)		3,000,000			0	75,000	02/01/2020.
65820Q BT 9	North Carolina Infrastructure Ser A CTFs	..	12/16/2014.	Various		6,537,245	6,500,000	6,980,650	6,657,541		(71,525)		(71,525)		6,586,016		(48,771)	(48,771)	448,681	02/01/2016.
65820Q BV 4	North Carolina Infrastructure Ser A Ctf	..	12/16/2014.	Various		11,558,567	11,495,000	11,860,942	11,655,633		(35,599)		(35,599)		11,620,035		(61,467)	(61,467)	795,071	02/01/2018.
658256 C6 7	State of North Carolina G. O. - Unref Ba	..	03/01/2014.	Various		555,000	555,000	567,291	555,432		(432)		(432)		555,000			0	13,181	03/01/2014.
709141 3S 2	Pennsylvania State G.O	..	02/11/2014.	Barclays Capital Inc		5,322,250	5,000,000	4,982,450	4,988,686		(121)		(121)		4,988,565		333,685	333,685	139,375	01/01/2024.
1799999.	Total - Bonds - U.S. States, Territories & Possessions					47,146,552	45,580,000	48,100,528	46,611,763	0	(331,828)	0	(331,828)	0	46,279,935	0	866,618	866,618	2,137,698	XXX
Bonds - U.S. Political Subdivisions of States																				

E14.1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
230593 AA 3	Cumberland County NC G. O. Ltd Taxable		06/27/2014	BB&T Capital Markets		1,161,340	1,000,000	1,000,000	1,000,000				0		1,000,000		161,340	161,340	40,497	11/01/2025
346604 FJ 5	Forsyth Cnty GA Sch Dist G.O		12/16/2014	Various		5,028,650	5,000,000	5,331,061	5,181,961		(25,803)		(25,803)		5,156,158		(127,508)	(127,508)	345,139	02/01/2020
346641 EF 6	Forsyth Cnty NC Ctfs Partn		12/16/2014	Citigroup Global Markets		1,960,920	1,950,000	2,035,996	2,017,725		(5,254)		(5,254)		2,012,471		(51,551)	(51,551)	134,604	02/01/2024
495098 UC 7	King Co., WA S.D #405 Bellevue G. O		01/22/2014	BB&T Capital Markets		5,429,200	5,000,000	4,946,350	4,954,064		104		104		4,954,167		475,033	475,033	34,635	12/01/2026
583887 BD 5	Mecklenburg Cnty NC CTFs		06/30/2014	Tax Free Exchange		1,349,114	1,300,000	1,364,990	1,351,137		(2,023)		(2,023)		1,349,114			0	59,403	02/01/2024
583887 BE 3	Mecklenburg Cnty NC CTFs		06/30/2014	Tax Free Exchange		2,820,871	2,725,000	2,860,187	2,824,348		(3,478)		(3,478)		2,820,871			0	124,517	02/01/2025
76541V CT 2	Richmond VA Ser A G.O		07/15/2014	Call 100.0000		2,000,000	2,000,000	2,114,960	2,019,428		(19,428)		(19,428)		2,000,000			0	100,000	07/15/2015
76541V CU 9	Richmond VA Ser A G.O		07/15/2014	Call 100.0000		2,000,000	2,000,000	2,098,280	2,025,244		(25,244)		(25,244)		2,000,000			0	100,000	07/15/2016
972315 BQ 7	Wilson Cnty NC Pub Facs Proj CTFs		12/16/2014	Goldman Sachs & Co		1,016,970	1,000,000	1,098,370	1,031,215		(22,495)		(22,495)		1,008,720		8,250	8,250	56,528	05/01/2015
2499999. Total - Bonds - U.S. Political Subdivisions of States						22,767,065	21,975,000	22,850,194	22,405,122	0	(103,621)	0	(103,621)	0	22,301,501	0	465,564	465,564	995,323	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
13067J BH 3	California St Econ Recovery Series A Bon		09/04/2014	Call 100.0000		5,000,000	5,000,000	5,293,350	5,048,188		(48,188)		(48,188)		5,000,000			0	272,706	07/01/2015
16104P BZ 7	Charlotte NC Storm Wtr Fee Revenue Bds		11/04/2014	Call 100.0000		1,000,000	1,000,000	1,100,714	1,017,448		(17,448)		(17,448)		1,000,000			0	46,250	06/01/2015
196707 MQ 3	Colorado ST Brd of Governors Revenue Bon		12/16/2014	BB&T Capital Markets		6,158,700	5,000,000	6,233,850	6,199,782		(44,095)		(44,095)		6,155,687		3,013	3,013	324,306	03/01/2033
246317 DF 5	Delaware Riv & Bay Auth Del Revenue Bond		11/01/2014	Tax Free Exchange		2,388,381	2,305,000	2,500,003	2,400,379		(11,998)		(11,998)		2,388,381			0	153,667	01/01/2020
246387 PA 6	Delaware State Eco Dev Auth Revenue Bond		07/18/2014	BB&T Capital Markets		1,105,210	1,000,000	1,120,420	1,116,966		(2,589)		(2,589)		1,114,377		(9,167)	(9,167)	52,800	02/01/2031
250145 FW 4	Des Moines Iowa Swr Rev Ser H		06/01/2014	Call 100.0000		1,500,000	1,500,000	1,570,772	1,541,308		(41,308)		(41,308)		1,500,000			0	37,500	06/01/2018
31283H BP 9	FHLMC Gold Pool #G00946		06/23/2014	Morgan Stanley & Co		19,075	16,955	16,464	16,652		7		7		16,659		2,416	2,416	574	06/01/2028
31283H BP 9	FHLMC Gold Pool #G00946		06/01/2014	Paydown		3,439	3,439	3,339	3,377		62		62		3,439			0	55	06/01/2028
3128M6 PB 8	FHLMC Pool #G0-4618 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		11,932	10,606	10,626	10,621		(1)		(1)		10,620		1,312	1,312	359	08/01/2038
3128M6 PB 8	FHLMC Pool #G0-4618 6.000% 08/01/38		06/01/2014	Paydown		1,213	1,213	1,215	1,215		(2)		(2)		1,213			0	21	08/01/2038
3128M6 PE 2	FHLMC Pool #G0-4621 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		23,043	20,483	20,521	20,510		(1)		(1)		20,509		2,534	2,534	693	08/01/2038
3128M6 PE 2	FHLMC Pool #G0-4621 6.000% 08/01/38		06/01/2014	Paydown		2,578	2,578	2,583	2,582		(3)		(3)		2,578			0	43	08/01/2038
3128M6 PH 5	FHLMC Pool #G0-4624 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		3,357	2,984	2,990	2,988				0		2,988		369	369	101	08/01/2038
3128M6 PH 5	FHLMC Pool #G0-4624 6.000% 08/01/38		06/01/2014	Paydown		384	384	385	385		(1)		(1)		384			0	7	08/01/2038
3128M6 PK 8	FHLMC Pool #G0-4626 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		20,752	18,446	18,481	18,471		(1)		(1)		18,470		2,282	2,282	624	08/01/2038
3128M6 PK 8	FHLMC Pool #G0-4626 6.000% 08/01/38		06/01/2014	Paydown		2,039	2,039	2,043	2,042		(3)		(3)		2,039			0	33	08/01/2038
3128M6 PM 4	FHLMC Pool #G0-4628 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		10,405	9,249	9,267	9,262				0		9,261		1,144	1,144	313	08/01/2038
3128M6 PM 4	FHLMC Pool #G0-4628 6.000% 08/01/38		06/01/2014	Paydown		457	457	458	458		(1)		(1)		457			0	8	08/01/2038
3128M6 PP 7	FHLMC Pool #G0-4630 6.000% 08/01/38		06/23/2014	Morgan Stanley & Co		24,294	21,595	21,635	21,624		(1)		(1)		21,623		2,671	2,671	731	08/01/2038
3128M6 PP 7	FHLMC Pool #G0-4630 6.000% 08/01/38		06/01/2014	Paydown		2,317	2,317	2,322	2,320		(3)		(3)		2,317			0	43	08/01/2038
3133TE LJ 1	FHLMC Ser 2064 Cl PD 6.500% 06/15/28		06/23/2014	JP Morgan		134,968	120,105	124,909	122,346		(12)		(12)		122,334		12,634	12,634	4,446	06/15/2028
3133TE LJ 1	FHLMC Ser 2064 Cl PD 6.500% 06/15/28		06/01/2014	Paydown		13,776	13,776	14,327	14,033		(257)		(257)		13,776			0	297	06/15/2028
3133XC T6 0	FHLB Structured Note SK-2015 Cl 1		07/23/2014	BB&T Capital Markets		550,519	530,620	528,631	529,978		191		191		530,169		20,349	20,349	16,667	08/18/2015
3133XC T6 0	FHLB Structured Note SK-2015 Cl 1		12/18/2014	Paydown		210,832	210,832	210,042	210,577		255		255		210,832			0	4,674	08/18/2015
31358N MY 5	FNMA Remic Tr 1992-111 cl Z		06/23/2014	G.X. Clarke & Co		32,951	29,686	28,926	29,221		11		11		29,232		3,719	3,719	1,268	06/25/2022
31358N MY 5	FNMA Remic Tr 1992-111 cl Z		06/01/2014	Paydown		6,346	6,346	6,183	6,246		99		99		6,346			0	116	06/25/2022
31359G YZ 3	Fed Nat Mtg Assoc REMIC Ser 1994-23 Cl P		02/01/2014	Non-Broker Trade									0					0		08/25/2023
3135G0 YM 9	FNMA Global Nts 1.875% 09/18/18		07/17/2014	Barclays Capital Inc		5,117,594	5,050,000	5,049,344	5,049,313		79		79		5,049,392		68,202	68,202	79,958	09/18/2018
31371J 5D 2	FNMA Pass Thru Pool #253844		06/23/2014	Credit Suisse, New York		5,563	5,248	5,342	5,252		(4)		(4)		5,248		315	315	163	06/01/2016
31371J 5D 2	FNMA Pass Thru Pool #253844		06/01/2014	Paydown		2,384	2,384	2,426	2,386		(2)		(2)		2,384			0	36	06/01/2016
31371K HR 5	FNMA Pass Thru Pool #254140		06/23/2014	Credit Suisse, New York		6,968	6,573	6,693	6,584		(5)		(5)		6,579		389	389	204	01/01/2017

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
31371K HR 5	FNMA Pass Thru Pool #254140		06/01/2014.	Paydown		2,255	2,255	2,296	2,259		(4)		(4)		2,255			0	36	01/01/2017.
31371K KH 3	FNMA Pass Thru Pool #254196		06/23/2014.	BNP Paribas		926	880	903	883		(1)		(1)		882		44	44	30	02/01/2017.
31371K KH 3	FNMA Pass Thru Pool #254196		06/01/2014.	Paydown		258	258	265	259		(1)		(1)		258			0	5	02/01/2017.
31371K NX 5	FNMA Pass Thru Dwarf Pool #254306		06/23/2014.	Credit Suisse, New York		19,592	18,483	18,812	18,519		(13)		(13)		18,505		1,087	1,087	573	05/01/2017.
31371K NX 5	FNMA Pass Thru Dwarf Pool #254306		06/01/2014.	Paydown		6,376	6,376	6,489	6,388		(12)		(12)		6,376			0	97	05/01/2017.
31371K XS 5	FNMA Pool # 254589 5.500% 01/01/23		12/01/2014.	Paydown		443	443	458	450		(7)		(7)		443			0	12	01/01/2023.
3137EA DC 0	FHLMC Unsecured Notes 1.000% 03/08/17		02/27/2014.	Merrill Lynch Pierce Fenner Sm		20,903,343	20,750,000	20,515,110	20,596,951		7,519		7,519		20,604,470		298,872	298,872	97,986	03/08/2017.
3137EA DG 1	FHLMC Bond 1.750% 05/30/19		07/10/2014.	Morgan Stanley & Co		5,477,446	5,450,000	5,535,782	5,517,386		(6,456)		(6,456)		5,510,929		(33,483)	(33,483)	59,344	05/30/2019.
31381K VY 2	FNMA P-T Dus #463331 5.250% 08/01/29		06/24/2014.	Merrill Lynch Pierce Fenner Sm		1,126,410	971,436	1,125,530	1,111,920		(4,578)		(4,578)		1,107,342		19,068	19,068	29,467	08/01/2029.
31381K VY 2	FNMA P-T Dus #463331 5.250% 08/01/29		06/01/2014.	Paydown		18,264	18,264	21,161	20,905		(2,641)		(2,641)		18,264			0	284	08/01/2029.
31381L DB 0	FNMA P-T Dus #463698 5.100% 10/01/24		06/24/2014.	Barclays Capital Inc		1,081,965	941,799	1,090,279	1,071,171		(6,449)		(6,449)		1,064,722		17,243	17,243	27,752	10/01/2024.
31381L DB 0	FNMA P-T Dus #463698 5.100% 10/01/24		06/01/2014.	Paydown		7,251	7,251	8,394	8,247		(996)		(996)		7,251			0	109	10/01/2024.
31381S MU 3	FNMA P-T DUS #469371 3.250% 12/01/21		06/24/2014.	Morgan Stanley & Co		1,410,230	1,343,601	1,361,971	1,357,825		(983)		(983)		1,356,842		53,388	53,388	24,171	12/01/2021.
31381S MU 3	FNMA P-T DUS #469371 3.250% 12/01/21		06/01/2014.	Paydown		12,762	12,762	12,936	12,897		(135)		(135)		12,762			0	114	12/01/2021.
31381S VJ 8	FNMA P - T DUS #469617		06/24/2014.	Barclays Capital Inc		1,410,653	1,338,252	1,339,297	1,338,521		(218)		(218)		1,338,303		72,350	72,350	25,748	11/01/2021.
31381S VJ 8	FNMA P - T DUS #469617		06/01/2014.	Paydown		12,563	12,563	12,573	12,566		(3)		(3)		12,563			0	124	11/01/2021.
31381T DZ 0	FNMA P-T DUS #470020 4.200% 01/01/30		06/24/2014.	Morgan Stanley & Co		2,253,285	2,100,124	2,163,128	2,156,718		(1,876)		(1,876)		2,154,842		98,443	98,443	50,963	01/01/2030.
31381T DZ 0	FNMA P-T DUS #470020 4.200% 01/01/30		06/01/2014.	Paydown		11,013	11,013	11,343	11,310		(297)		(297)		11,013			0	137	01/01/2030.
31381T QF 0	FNMA Pass Thru #470354		06/24/2014.	Barclays Capital Inc		1,508,610	1,446,854	1,458,610	1,455,979		(788)		(788)		1,455,191		53,419	53,419	25,340	01/01/2022.
31381T QF 0	FNMA Pass Thru #470354		06/01/2014.	Paydown		12,896	12,896	13,001	12,977		(81)		(81)		12,896			0	112	01/01/2022.
31381U 6P 7	FNMA 3.260% 06/01/27		06/24/2014.	Barclays Capital Inc		401,578		415,422	317,027		(27,887)		(27,887)		289,140		112,438	112,438	7,533	06/01/2027.
31381U RW 9	FNMA Mortgage Pool #471301		06/24/2014.	Barclays Capital Inc		713,727		734,289	436,933		(68,764)		(68,764)		368,169		345,557	345,557	11,891	06/01/2022.
31381U RY 5	FNMA P-T DUS #471303 2.940% 06/01/22		06/24/2014.	Barclays Capital Inc		764,648		787,588	468,549		(73,766)		(73,766)		394,783		369,866	369,866	12,740	06/01/2022.
31387Y YX 5	FNMA Pass Thru Dwarf Pool #598426		07/08/2014.	Credit Suisse First Boston		2,847	2,686	2,734	2,690		(2)		(2)		2,688		159	159	90	02/01/2017.
31387Y YX 5	FNMA Pass Thru Dwarf Pool #598426		07/01/2014.	Paydown		846	846	861	847		(1)		(1)		846			0	16	02/01/2017.
31388P XY 2	FNMA Pass Thru Dwarf Pool #610995		07/08/2014.	Credit Suisse First Boston		6,728	6,347	6,462	6,356		(5)		(5)		6,351		377	377	213	11/01/2016.
31388P XY 2	FNMA Pass Thru Dwarf Pool #610995		07/01/2014.	Paydown		2,559	2,559	2,605	2,562		(3)		(3)		2,559			0	50	11/01/2016.
31388T BK 8	FNMA Pass Thru Dwarf Pool #613942		07/08/2014.	Credit Suisse First Boston		688	650	661	650				0		650		39	39	22	11/01/2016.
31388T BK 8	FNMA Pass Thru Dwarf Pool #613942		07/01/2014.	Paydown		191	191	194	191				0		191			0	4	11/01/2016.
31388U P6 1	FNMA Pass Thru Dwarf Pool #615245		07/08/2014.	Credit Suisse First Boston		3,535	3,334	3,395	3,339		(3)		(3)		3,336		198	198	112	11/01/2016.
31388U P6 1	FNMA Pass Thru Dwarf Pool #615245		07/01/2014.	Paydown		1,649	1,649	1,679	1,651		(2)		(2)		1,649			0	36	11/01/2016.
31388V ML 9	FNMA Pass Thru Dwarf Pool #616063		07/08/2014.	Credit Suisse First Boston		6,549	6,179	6,291	6,187		(5)		(5)		6,182		367	367	208	11/01/2016.
31388V ML 9	FNMA Pass Thru Dwarf Pool #616063		07/01/2014.	Paydown		2,805	2,805	2,856	2,809		(4)		(4)		2,805			0	51	11/01/2016.
31388W FB 7	FNMA Pass Thru Dwarf Pool #616762		07/08/2014.	Credit Suisse First Boston		11,407	10,762	10,957	10,777		(8)		(8)		10,769		638	638	362	12/01/2016.
31388W FB 7	FNMA Pass Thru Dwarf Pool #616762		07/01/2014.	Paydown		3,452	3,452	3,515	3,457		(5)		(5)		3,452			0	62	12/01/2016.
31389C 2L 2	FNMA Pass Thru Dwarf Pool #621879		07/08/2014.	Credit Suisse First Boston		1,039	989	1,007	990		(1)		(1)		990		49	49	33	01/01/2017.
31389C 2L 2	FNMA Pass Thru Dwarf Pool #621879		07/01/2014.	Paydown		212	212	216	213				0		212			0	4	01/01/2017.
31389F SX 1	FNMA Pass Thru Dwarf Pool #624334		07/08/2014.	Credit Suisse First Boston		2,721	2,591	2,637	2,595		(2)		(2)		2,593		128	128	87	02/01/2017.
31389F SX 1	FNMA Pass Thru Dwarf Pool #624334		07/01/2014.	Paydown		1,193	1,193	1,215	1,195		(2)		(2)		1,193			0	24	02/01/2017.
31389H 7H 5	FNMA Pass Thru Dwarf Pool #626496		07/08/2014.	Credit Suisse First Boston		1,258	1,198	1,220	1,200		(1)		(1)		1,199		59	59	40	01/01/2017.
31389H 7H 5	FNMA Pass Thru Dwarf Pool #626496		07/01/2014.	Paydown		362	362	369	363		(1)		(1)		362			0	7	01/01/2017.
31389H NR 5	FNMA Pass Thru Dwarf Pool#626000		07/08/2014.	Credit Suisse First Boston		7,973	7,591	7,729	7,604		(6)		(6)		7,598		375	375	255	02/01/2017.
31389H NR 5	FNMA Pass Thru Dwarf Pool#626000		07/01/2014.	Paydown		2,902	2,902	2,955	2,907		(5)		(5)		2,902			0	59	02/01/2017.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
31389L 2E 8	FNMA Pass Thru Dwarf Pool #629073	..	07/08/2014.	Credit Suisse First Boston		5,721	5,447	5,546	5,458		(4)		(4)		5,454		267	267	183	05/01/2017.
31389L 2E 8	FNMA Pass Thru Dwarf Pool #629073	..	07/01/2014.	Paydown		1,702	1,702	1,733	1,706		(3)		(3)		1,702			0	30	05/01/2017.
31389P KB 5	FNMA Pass Thru Dwarf Pool #631290	..	07/08/2014.	Credit Suisse First Boston		6,111	5,818	5,922	5,828		(4)		(4)		5,823		288	288	196	02/01/2017.
31389P KB 5	FNMA Pass Thru Dwarf Pool #631290	..	07/01/2014.	Paydown		1,575	1,575	1,604	1,578		(3)		(3)		1,575			0	27	02/01/2017.
31389P LB 4	FNMA Pass Thru Dwarf Pool #631322	..	07/08/2014.	Credit Suisse First Boston		1,224	1,166	1,187	1,168		(1)		(1)		1,167		58	58	39	02/01/2017.
31389P LB 4	FNMA Pass Thru Dwarf Pool #631322	..	07/01/2014.	Paydown		460	460	468	461		(1)		(1)		460			0	8	02/01/2017.
31389Q LN 6	FNMA Pass Thru Dwarf Pool #632233	..	07/08/2014.	Credit Suisse First Boston		8,610	8,198	8,346	8,212		(6)		(6)		8,206		404	404	275	03/01/2017.
31389Q LN 6	FNMA Pass Thru Dwarf Pool #632233	..	07/01/2014.	Paydown		1,762	1,762	1,794	1,765		(3)		(3)		1,762			0	32	03/01/2017.
31389V 5B 9	FNMA Pass Thru Dwarf Pool #637242	..	07/08/2014.	Credit Suisse First Boston		20,558	19,573	19,922	19,608		(15)		(15)		19,594		964	964	658	04/01/2017.
31389V 5B 9	FNMA Pass Thru Dwarf Pool #637242	..	07/01/2014.	Paydown		10,510	10,510	10,697	10,529		(19)		(19)		10,510			0	204	04/01/2017.
31389X 4X 8	FNMA Pass Thru Pool #639038	..	07/08/2014.	Credit Suisse First Boston		28,152	26,804	27,281	26,852		(20)		(20)		26,832		1,320	1,320	901	04/01/2017.
31389X 4X 8	FNMA Pass Thru Pool #639038	..	07/01/2014.	Paydown		7,423	7,423	7,555	7,436		(13)		(13)		7,423			0	133	04/01/2017.
3138L0 LC 3	FNMA P-T Dus #AM0322 2.440% 08/01/22	..	06/24/2014.	Citigroup Global Markets		287,004	290,591	291,045	290,923		(43)		(43)		290,880		(3,876)	(3,876)	4,096	08/01/2022.
3138L0 LC 3	FNMA P-T Dus #AM0322 2.440% 08/01/22	..	06/01/2014.	Paydown		2,763	2,763	2,767	2,766		(3)		(3)		2,763			0	20	08/01/2022.
31391N BA 8	FNMA Pass Thru Dwarf Pool #671533	..	07/08/2014.	Credit Suisse First Boston		1,090	1,038	1,056	1,040		(1)		(1)		1,040		50	50	35	11/01/2017.
31391N BA 8	FNMA Pass Thru Dwarf Pool #671533	..	07/01/2014.	Paydown		159	159	162	159				0		159			0	3	11/01/2017.
31391Q 5L 4	FNMA Pass Thru Dwarf Pool #674151	..	07/08/2014.	Credit Suisse First Boston		63,586	60,540	61,637	60,698		(44)		(44)		60,654		2,932	2,932	2,035	11/01/2017.
31391Q 5L 4	FNMA Pass Thru Dwarf Pool #674151	..	07/01/2014.	Paydown		25,907	25,907	26,376	25,974		(68)		(68)		25,907			0	427	11/01/2017.
31392B 5Y 8	FNMA Ser 2002-7 Cl OK 8.750% 03/25/17	..	12/01/2014.	Paydown		14,312	14,312	14,312	14,312				0		14,312			0	47	03/25/2017.
31402L PB 2	FNMA ARM 732218 6.027% 06/01/43	..	07/09/2014.	Wells Fargo Securities		115,496	114,423	115,269	115,121		(14)		(14)		115,107		389	389	981	06/01/2043.
31402L PB 2	FNMA ARM 732218 6.027% 06/01/43	..	07/01/2014.	Paydown		6,667	6,667	6,716	6,708		(41)		(41)		6,667			0	31	06/01/2043.
31406J TM 5	FNMA Pass Thru Dwarf Pool #811556	..	07/09/2014.	Credit Suisse First Boston		2,838	2,677	2,665	2,666				0		2,666		171	171	92	04/01/2021.
31406J TM 5	FNMA Pass Thru Dwarf Pool #811556	..	07/01/2014.	Paydown		1,784	1,784	1,777	1,777		7		7		1,784			0	16	04/01/2021.
31409D Y7 2	FNMA Pass Thru Dwarf Pool #868434	..	07/09/2014.	Credit Suisse First Boston		2,447	2,309	2,299	2,299				0		2,299		148	148	80	04/01/2021.
31409D Y7 2	FNMA Pass Thru Dwarf Pool #868434	..	07/01/2014.	Paydown		280	280	279	279		1		1		280			0	5	04/01/2021.
31411N XC 6	FNMA Pass Thru Dwarf Pool # 912475	..	07/09/2014.	Credit Suisse First Boston		75,066	70,817	70,507	70,526		2		2		70,528		4,537	4,537	2,445	03/01/2022.
31411N XC 6	FNMA Pass Thru Dwarf Pool # 912475	..	07/01/2014.	Paydown		7,354	7,354	7,321	7,323		30		30		7,354			0	132	03/01/2022.
31416V GC 2	FNMA Pass Thru #AB0194	..	07/09/2014.	Credit Suisse First Boston		319,178	286,098	310,014	308,525		(371)		(371)		308,154		11,024	11,024	9,747	01/01/2039.
31416V GC 2	FNMA Pass Thru #AB0194	..	07/01/2014.	Paydown		24,388	24,388	26,426	26,300		(1,912)		(1,912)		24,388			0	517	01/01/2039.
373541 HS 3	Georgia State Muni Elec Auth Revenue Bon	..	12/16/2014.	MF Global Inc		2,139,300	1,800,000	2,077,020	2,067,247		(19,480)		(19,480)		2,047,767		91,533	91,533	138,338	01/01/2025.
45200B CY 2	Illinois Fin Auth Rev Bds	..	09/01/2014.	Call 102.0000		3,060,000	3,000,000	3,318,180	3,125,048		(65,048)		(65,048)		3,060,000			0	157,500	09/01/2017.
54811B NF 4	Lower Colorado River Auth Revenue Bonds	..	06/12/2014.	Merrill Lynch		4,937,500	5,000,000	5,018,800	5,017,612		(793)		(793)		5,016,819		(79,319)	(79,319)	117,778	05/15/2036.
576049 W4 8	MA St Wtr Resources Auth Revenue Bonds	..	12/17/2014.	First Union Capital Mkts		6,517,200	5,000,000	6,618,100	6,528,378		(64,912)		(64,912)		6,463,465		53,735	53,735	363,125	08/01/2031.
593464 AA 8	Miami Fla Rent Rev Taxable Bds Ser 1988	..	07/01/2014.	Call 100.0000		50,000	50,000	54,061	51,803		(1,803)		(1,803)		50,000			0	4,325	07/01/2019.
594614 YB 9	Michigan State Bldg Auth Rev Bonds	..	04/02/2014.	Stephens, Inc		3,074,670	3,000,000	3,230,430	3,043,299		(6,219)		(6,219)		3,037,080		37,590	37,590	83,313	10/01/2015.
61212L EH 8	Montana St Brd Regents Higher Ed Revs	..	11/15/2014.	Call 100.0000		1,000,000	1,000,000	1,052,170	1,038,119		(38,119)		(38,119)		1,000,000			0	50,000	11/15/2021.
61212L EQ 8	Montana St Brd Regents Higher Ed Rev	..	11/15/2014.	Call 100.0000		2,000,000	2,000,000	2,148,980	2,076,721		(76,721)		(76,721)		2,000,000			0	100,000	11/15/2020.
62889K AE 1	NCUA Guaranteed Notes 3.450% 06/12/21	..	07/17/2014.	Raymond James Assoc		2,131,000	2,000,000	2,168,280	2,136,128		(9,391)		(9,391)		2,126,736		4,264	4,264	42,167	06/12/2021.
646136 VV 0	New Jersey St Transn Tr Df Revs	..	05/08/2014.	Barclays Capital Inc		4,032,315	3,500,000	3,464,580	3,472,775		589		589		3,473,363		558,952	558,952	77,340	12/15/2024.
64971Q U3 5	New York City Trans Fin Auth Revenue Bon	..	04/04/2014.	BB&T Capital Markets		3,366,482	2,930,000	3,059,606	3,040,789		(4,952)		(4,952)		3,035,838		330,644	330,644	63,890	05/01/2023.
76116F AA 5	Resolution Funding Corp PO Strip	..	07/17/2014.	Wells Fargo Securities		6,736,200	7,500,000	6,674,250	6,696,479		71,488		71,488		6,767,967		(31,767)	(31,767)		10/15/2019.
800618 AB 6	Sanford NC BAB's Revenue Bonds - Taxable	..	07/17/2014.	BB&T Capital Markets		1,118,780	1,000,000	1,000,000	1,000,000				0		1,000,000		118,780	118,780	32,853	06/01/2020.
800618 AD 2	Sanford NC BAB's Revenue Bonds - Taxable	..	06/27/2014.	BB&T Capital Markets		1,127,770	1,000,000	1,000,000	1,000,000				0		1,000,000		127,770	127,770	34,369	06/01/2024.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
913366 DF 4	Univ CA Regts Med Ctr Pooled Revenue Bon		07/22/2014.	FTN Financial Securities Corp		4,119,040	3,200,000	3,208,168	3,207,802		(56)		(56)		3,207,746		911,294	911,294	146,289	05/15/2049.
914084 UY 2	University of Arkansas Revenue Bonds		11/01/2014.	Call 100.0000		2,000,000	2,000,000	2,093,016	2,076,161		(76,161)		(76,161)		2,000,000			0	100,000	11/01/2025.
914714 CB 4	University NC Chapel Hill Revenue Bonds		07/17/2014.	BB&T Capital Markets		505,085	500,000	500,000	500,000				0		500,000		5,085	5,085	11,958	02/01/2015.
914761 BA 8	Univ Oklahoma Student Hsg Rev Bonds		07/01/2014.	Call 100.0000		2,000,000	2,000,000	2,089,320	2,022,807		(22,807)		(22,807)		2,000,000			0	100,000	07/01/2016.
917547 VS 7	Utah St Bldg Ownership Auth Revenue Bond		05/15/2014.	Call 100.0000		1,140,000	1,140,000	1,196,094	1,166,369		(26,369)		(26,369)		1,140,000			0	28,500	05/15/2016.
917547 VZ 1	Utah St Bldg Ownership Auth Revenue Bond		05/15/2014.	Call 100.0000		1,860,000	1,860,000	1,951,522	1,903,023		(43,023)		(43,023)		1,860,000			0	46,500	05/15/2016.
928172 KA 2	Virginia St Pub Bldg Auth Pub Fac Rev		10/17/2014.	Call 100.0000		4,000,000	4,000,000	4,400,800	4,068,830		(68,830)		(68,830)		4,000,000			0	200,000	08/01/2015.
92817A GJ 0	Virginia State Res Auth Arpt Revenue Bon		08/01/2014.	Maturity		985,000	985,000	1,027,897	993,654		(8,654)		(8,654)		985,000			0	29,550	08/01/2014.
95639R BR 9	West VA Higher Ed Pol Commn Revenue Bond		04/01/2014.	Call 100.0000		3,000,000	3,000,000	3,213,900	3,116,679		(116,679)		(116,679)		3,000,000			0	75,000	04/01/2021.
977228 AB 1	Wise Cnty VA Indl Dev Auth Waste & Sew R		07/17/2014.	BB&T Capital Markets		4,092,600	4,000,000	3,978,200	3,979,640		296		296		3,979,937		112,663	112,663	68,875	11/01/2040.
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments						126,613,956	118,864,868	126,179,513	123,765,097	0	(933,905)	0	(933,905)	0	122,831,190	0	3,782,763	3,782,763	3,470,031	XXX
Bonds - Industrial and Miscellaneous																				
00206R AW 2	AT&T Inc Sr Note 2.950% 05/15/16		07/23/2014.	BB&T Capital Markets		2,075,600	2,000,000	1,996,360	1,998,189		406		406		1,998,595		77,005	77,005	41,464	05/15/2016.
00206R BR 2	AT&T Inc Note 0.900% 02/12/16		07/10/2014.	Wells Fargo Securities		2,005,460	2,000,000	1,998,700	1,999,077		234		234		1,999,310		6,150	6,150	16,650	02/12/2016.
02580E CC 5	American Express Bk FSB Sr Notes		07/10/2014.	Citigroup Global Markets		2,166,190	1,900,000	2,187,128	2,063,525		(22,537)		(22,537)		2,040,988		125,202	125,202	95,633	09/13/2017.
02660T CS 0	American Hm Mtg Inv Tr Ser 2004-4 Cl 4A		06/25/2014.	Barclays Capital Inc		109,073	109,005	107,251	107,797		36		36		107,832		1,241	1,241	1,477	02/25/2045.
02660T CS 0	American Hm Mtg Inv Tr Ser 2004-4 Cl 4A		06/02/2014.	Paydown		8,891	8,891	8,748	8,792		99		99		8,891			0	62	02/25/2045.
026874 BT 3	American Intl Group Inc Sr Notes		10/27/2014.	Call 123.5464		3,706,392	3,000,000	3,547,500	3,360,532		345,860		345,860		3,706,392			0	297,000	08/15/2018.
037680 AA 3	Appalachian Consumer Rate Rel Series 201		07/10/2014.	Nomura Securities Intl Inc		1,002,969	1,000,000	999,998	999,989		(5)		(5)		999,984		2,985	2,985	13,384	02/01/2024.
055236 AA 1	Bank of America Re-Remic Trust 2011-07 C		06/24/2014.	Credit Suisse, New York		804,262	762,955	827,150	793,465		(4,879)		(4,879)		788,586		15,676	15,676	23,273	11/15/2016.
055236 AA 1	Bank of America Re-Remic Trust 2011-07 C		06/01/2014.	Paydown		201,116	201,116	218,038	209,158		(8,042)		(8,042)		201,116			0	3,772	11/15/2016.
05531F AA 1	BB&T Corporation Sr Notes		04/30/2014.	Maturity		5,000,000	5,000,000	4,997,450	4,998,909		1,091		1,091		5,000,000			0	142,500	04/30/2014.
06050T KN 1	Bank of America Sub Notes		07/22/2014.	Various		8,224,425	7,500,000	7,493,547	7,496,736		515		515		7,497,252		727,173	727,173	338,611	03/15/2017.
06050T KW 1	Bank of America Sub Notes		07/24/2014.	Merrill Lynch Pierce Fenner Sm		2,131,952	1,900,000	1,969,274	1,929,652		(4,665)		(4,665)		1,924,986		206,966	206,966	72,116	06/15/2017.
06051G EA 3	Bank of America Sr Notes		07/10/2014.	Susguehanna Financial Group		1,216,490	1,100,000	1,097,239	1,098,759		260		260		1,099,019		117,471	117,471	68,322	08/01/2016.
07384M 7D 8	Bear Stearns Ser 2005-2 Cl A2		06/25/2014.	Barclays Capital Inc		304,732	308,981	302,294	305,080		19		19		305,099		(367)	(367)	4,544	03/25/2035.
07384M 7D 8	Bear Stearns Ser 2005-2 Cl A2		06/02/2014.	Paydown		36,626	36,626	35,833	36,163		462		462		36,626			0	245	03/25/2035.
07387A CK 9	Bear Stearns Mtg Tr Ser 2005-5 Cl A2		05/09/2014.	Nomura Securities Intl Inc		1,711,183	1,692,149	1,652,092	1,655,878		11		11		1,655,889		55,294	55,294	17,260	08/25/2035.
07387A CK 9	Bear Stearns Mtg Tr Ser 2005-5 Cl A2		05/01/2014.	Paydown		133,776	133,776	130,609	130,908		2,867		2,867		133,776			0	783	08/25/2035.
07387Q AX 8	Bear Stearns Alt-A Tr Ser 2006-8 3A1		06/25/2014.	Southwest Securities Inc		178,079	200,018	180,017	180,022				0		180,022		(1,943)	(1,943)	276	02/25/2036.
07387Q AX 8	Bear Stearns Alt-A Tr Ser 2006-8 3A1		06/25/2014.	Paydown		15,884	15,884	14,296	14,296		1,588		1,588		15,884			0	65	02/25/2036.
09247X AC 5	Blackrock Notes 6.250% 09/15/17		07/14/2014.	Susguehanna Financial Group		3,446,190	3,000,000	2,975,880	2,988,900		1,461		1,461		2,990,362		455,828	455,828	157,292	09/15/2017.
097014 AK 0	Boeing Capital Corp Sr Notes		07/23/2014.	Wells Fargo Securities		5,036,700	5,000,000	4,989,000	4,997,913		1,165		1,165		4,999,078		37,622	37,622	122,326	10/27/2014.
12527X AA 4	Citigroup Comm Mtge Trust CMBS 2010-RR3		06/24/2014.	Credit Suisse, New York		1,410,348	1,300,000	1,380,184	1,342,104		(5,779)		(5,779)		1,336,326		74,022	74,022	40,208	05/14/2017.
12621R AA 2	Commercial Mortgage Pass Thru Cert 2010-		06/24/2014.	Credit Suisse, New York		1,478,859	1,400,000	1,308,686	1,355,751		5,997		5,997		1,361,747		117,112	117,112	43,974	02/11/2017.
126650 BQ 2	CVS Corporation Pass Thru Certs		12/10/2014.	Paydown		36,178	36,178	39,563	39,132		(2,954)		(2,954)		36,178			0	1,375	01/10/2030.
134429 AV 1	Campbell Soup Co Sr Notes		07/22/2014.	Piper Jaffrey & Hopwood Inc		2,094,660	2,000,000	1,994,220	1,996,922		473		473		1,997,395		97,265	97,265	62,694	07/15/2017.
144141 CX 4	Carolina Pwr & Lt Co Notes		07/10/2014.	Citigroup Global Markets		1,065,370	1,000,000	996,580	999,166		194		194		999,360		66,010	66,010	30,625	12/15/2015.
149123 BU 4	Caterpillar Inc Sr Notes		05/27/2014.	Maturity		2,000,000	2,000,000	1,998,480	1,999,776		224		224		2,000,000			0	13,750	05/27/2014.
17252M AJ 9	Cintas Corporation Notes		07/23/2014.	Piper Jaffrey & Hopwood Inc		1,033,560	1,000,000	999,950	999,963		(3)		(3)		999,961		33,599	33,599	18,763	06/01/2016.
191216 AK 6	Coca Cola Co Notes 5.350% 11/15/17		07/10/2014.	Merrill Lynch Pierce Fenner Sm		2,266,800	2,000,000	1,997,020	1,998,552		144		144		1,998,696		268,104	268,104	71,333	11/15/2017.
20825C AS 3	ConocoPhillips Notes 4.750% 02/01/14		02/01/2014.	Maturity		800,000	800,000	797,752	799,894		106		106		800,000			0	19,000	02/01/2014.
21079V AA 1	Continental Airlines Pass Thru Certs		06/23/2014.	PNC Bank, NA		789,942	731,428	731,428	731,428				0		731,428		58,514	58,514	33,199	01/12/2021.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
21079V AA 1	Continental Airlines Pass Thru Certs		01/12/2014	Paydown		26,853	26,853	26,853	26,853				0		26,853			0	638	01/12/2021
22545B AD 3	Credit Suisse Mtg Tr Ser 2006-C2 Cl A1A		06/25/2014	Deutsche Bank		1,100,092	1,029,025	1,123,124	1,113,222		(19,298)		(19,298)		1,093,925		6,167	6,167	36,567	03/15/2039
22545B AD 3	Credit Suisse Mtg Tr Ser 2006-C2 Cl A1A		06/01/2014	Paydown		32,696	32,696	35,685	35,371		(2,675)		(2,675)		32,696			0	567	03/15/2039
22545X AD 5	Credit Suisse Mortgage Capital 2007-C1		06/24/2014	Credit Suisse, New York		1,799,335	1,661,364	1,823,217	1,772,730		(19,507)		(19,507)		1,753,223		46,112	46,112	51,175	02/15/2040
22545X AD 5	Credit Suisse Mortgage Capital 2007-C1		06/01/2014	Paydown		287,308	287,308	315,298	306,567		(19,259)		(19,259)		287,308			0	5,388	02/15/2040
22546Q AE 7	Credit Suisse New York Notes		07/08/2014	Banque Paribas, London		5,106,900	5,000,000	4,992,050	4,997,727		891		891		4,998,617		108,283	108,283	140,000	03/23/2015
247361 ZH 4	Delta Air Lines Inc Del Pass thru Certs		06/23/2014	Bank of New York		397,446	362,551	363,457	363,204		(46)		(46)		363,158		34,288	34,288	10,618	11/23/2019
247361 ZH 4	Delta Air Lines Inc Del Pass thru Certs		05/23/2014	Paydown		24,584	24,584	24,645	24,628		(44)		(44)		24,584			0	608	11/23/2019
250847 EC 0	Detroit Edison Secured Notes		07/23/2014	Call 102.5692		7,179,847	7,000,000	6,576,640	6,931,630		248,217		248,217		7,179,847			0	315,467	02/15/2015
263534 BV 0	Du Pont E I De Nemours & Co Notes		01/15/2014	Maturity		1,024,000	1,024,000	1,019,197	1,023,893		107		107		1,024,000			0	30,080	01/15/2014
264399 EQ 5	Duke Energy Co Notes 6.300% 02/01/14		02/01/2014	Maturity		1,000,000	1,000,000	998,120	999,825		175		175		1,000,000			0	31,500	02/01/2014
26441C AE 5	Duke Energy Sr Notes 3.350% 04/01/15		07/08/2014	JP Morgan		1,020,820	1,000,000	999,450	999,821		61		61		999,881		20,939	20,939	26,056	04/01/2015
26875P AJ 0	EOG Resources Sr Notes		02/03/2014	Maturity		1,100,000	1,100,000	1,100,000	1,100,000				0		1,100,000			0	2,789	02/03/2014
278642 AB 9	Ebay, Inc Sr Notes 1.625% 10/15/15		07/23/2014	BB&T Capital Markets		2,028,260	2,000,000	1,992,600	1,997,243		872		872		1,998,114		30,146	30,146	25,549	10/15/2015
29364G AE 3	Entergy Corp New Sr Notes		07/10/2014	Barclays Capital Inc		617,964	600,000	599,538	599,809		54		54		599,863		18,101	18,101	18,125	09/15/2015
34528Q AQ 7	Ford Credit Floorplan Master Series 2010		07/10/2014	Wells Fargo Securities		2,042,813	2,000,000	1,999,293	1,999,826		88		88		1,999,914		42,899	42,899	49,000	02/15/2015
35671D BD 6	Freeport-Mcmoran Copper & Go Sr. Notes		07/29/2014	JP Morgan		486,859	480,000	476,890	477,005		398		398		477,403		9,457	9,457	10,007	03/15/2018
36962G 2G 8	GE Capital Corp Sr Notes		07/08/2014	HSBC Secs Inc		2,213,480	2,000,000	2,018,700	2,006,866		(1,082)		(1,082)		2,005,784		207,696	207,696	97,800	02/15/2017
36962G 4C 5	GE Capital Corp Sr Notes		05/13/2014	Maturity		7,000,000	7,000,000	6,992,230	6,998,176		1,824		1,824		7,000,000			0	206,500	05/13/2014
36962G 4W 1	GE Capital Corp Float Rate Note		01/07/2014	Maturity		1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	2,793	01/07/2014
38141G EE 0	Goldman Sachs Group Inc Sr Notes		07/23/2014	FTN Financial Securities Corp		958,500	900,000	971,181	931,631		(8,695)		(8,695)		922,936		35,564	35,564	49,889	01/15/2016
38259P AA 0	Google Inc Sr Note 1.250% 05/19/14		05/19/2014	Maturity		2,000,000	2,000,000	1,999,540	1,999,926		74		74		2,000,000			0	12,500	05/19/2014
427866 AS 7	Hershey Foods Corp Sr Notes		07/23/2014	Piper Jaffrey & Hopwood Inc		1,016,850	1,000,000	997,670	998,641		269		269		998,910		17,940	17,940	11,125	11/01/2016
428236 BP 7	Hewlett Packard Co Sr Notes		07/23/2014	Citigroup Global Markets		2,080,820	2,000,000	1,995,680	1,997,519		510		510		1,998,029		82,791	82,791	52,167	09/15/2016
431116 AB 8	Highmark Inc Notes 4.750% 05/15/21		07/29/2014	FTN Financial Securities Corp		14,639,780	14,500,000	14,861,600	14,799,808		(20,793)		(20,793)		14,779,015		(139,235)	(139,235)	489,778	05/15/2021
437076 AP 7	Home Depot Inc Sr Notes		07/10/2014	Various		3,256,050	3,000,000	2,987,910	2,996,470		601		601		2,997,071		258,979	258,979	114,450	03/01/2016
45138L AX 1	Idaho Power Corp Morgtage Notes		07/22/2014	Wells Fargo Securities		1,042,720	1,000,000	995,010	996,404		261		261		996,665		46,055	46,055	24,933	11/01/2020
45866F AA 2	Intercontinentalexchange Sr. Notes		07/24/2014	UBS		1,052,160	1,000,000	996,720	996,735		165		165		996,900		55,260	55,260	32,333	10/15/2023
461070 AH 7	Interstate Pwr & Lgt Notes		07/24/2014	Wells Fargo Securities		1,025,060	1,000,000	996,940	999,045		355		355		999,400		25,660	25,660	20,533	06/15/2015
465685 AG 0	ITC Holdings Sr Notes 4.050% 07/01/23		07/29/2014	Wells Fargo Securities		1,040,290	1,000,000	997,150	997,263		111		111		997,375		42,915	42,915	43,650	07/01/2023
46625H HW 3	JP Morgan Chase & Co Notes		07/24/2014	Wells Fargo Securities		2,050,800	2,000,000	1,998,100	1,999,235		209		209		1,999,444		51,356	51,356	54,022	01/15/2016
46635T AK 8	JP Morgan Chase Comm Mort Series 2011-C3		06/24/2014	Jefferies & Co		1,308,563	1,200,000	1,210,552	1,206,699		(715)		(715)		1,205,984		102,578	102,578	29,836	02/15/2046
476556 CR 4	New Jersey Pwr & Lgt Notes		07/24/2014	Piper Jaffrey & Hopwood Inc		2,083,712	1,950,000	1,818,570	1,889,914		6,912		6,912		1,896,826		186,886	186,886	58,240	06/15/2018
48121C YK 6	JP Morgan Chase Bank Sub Notes		07/09/2014	First Tennessee Bank		1,159,531	1,025,000	1,184,234	1,177,989		(21,231)		(21,231)		1,156,759		2,773	2,773	48,346	10/01/2017
491674 BC 0	Kentucky Utilities PPL 144A		07/24/2014	BB&T Capital Markets		1,012,890	1,000,000	996,915	998,663		414		414		999,077		13,813	13,813	12,097	11/01/2015
494368 BB 8	Kimberly Clark Corp Notes		07/09/2014	Nomura Securities Intl Inc		4,572,560	4,000,000	3,987,880	3,994,539		808		808		3,995,347		577,213	577,213	233,431	08/01/2017
542514 HN 7	Long Beach Mtg Ln Tr Ser 2004-4 Cl 1A1		06/25/2014	Credit Resh & Trading LLC		11,515	13,915	13,931	13,928				0		13,928		(2,413)	(2,413)	44	10/25/2034
542514 HN 7	Long Beach Mtg Ln Tr Ser 2004-4 Cl 1A1		06/25/2014	Paydown									0					0	8	10/25/2034
55660C AA 6	Madison Avenue Tr Ser 2013-650M Cl A		06/24/2014	Bank of New York		1,324,756	1,250,000	1,287,438	1,287,946		(2,215)		(2,215)		1,285,732		39,024	39,024	27,221	10/12/2032
58013M EA 8	McDonalds Corp Bonds 5.300% 03/15/17		07/09/2014	Citigroup Global Markets		2,771,175	2,500,000	2,491,675	2,496,636		507		507		2,497,142		274,033	274,033	110,049	03/15/2017
585055 AU 0	Medtronic Inc Sr Notes		07/24/2014	BB&T Capital Markets		5,163,150	5,000,000	4,977,450	4,989,569		2,668		2,668		4,992,237		170,913	170,913	114,479	03/15/2016
59018Y TZ 4	Merrill Lynch & Co Notes		07/15/2014	Maturity		2,000,000	2,000,000	1,996,060	1,999,675		325		325		2,000,000			0	109,000	07/15/2014

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
60688B AD 0	Merrill Lynch/Countrywide Comm Mtg Ser 2		06/24/2014.	Deutsche Bank		1,673,203	1,500,000	1,417,441	1,462,314		4,604		4,604		1,466,919		206,285	206,285	51,060	07/12/2017.
61746S BR 9	Morgan Stanley Notes 5.375% 10/15/15		07/24/2014.	Citigroup Global Markets		2,109,740	2,000,000	1,989,283	1,996,023		1,187		1,187		1,997,210		112,530	112,530	84,806	10/15/2015.
637432 MN 2	National Rural Utilities Notes		07/25/2014.	Merrill Lynch Pierce Fenner Sm		5,185,650	5,000,000	4,990,250	4,995,495		1,191		1,191		4,996,685		188,965	188,965	139,368	03/01/2016.
64952W BF 9	New York Life Secured Note		07/10/2014.	FTN Financial Securities Corp		2,025,880	2,000,000	1,996,420	1,997,641		364		364		1,998,005		27,875	27,875	22,000	05/15/2017.
64952W BQ 5	New York Life Med Term Note		07/30/2014.	Merrill Lynch Pierce Fenner Sm		1,503,645	1,500,000	1,498,275	1,498,284		197		197		1,498,482		5,163	5,163	20,300	01/02/2019.
744533 BL 3	Public Service of Oklahoma Sr Notes		06/23/2014.	Bank of New York		1,311,720	1,200,000	1,190,952	1,193,182		395		395		1,193,577		118,143	118,143	47,667	02/01/2021.
857477 AH 6	State Street Corp Sr Notes		07/25/2014.	Piper Jaffrey & Hopwood Inc		3,109,560	3,000,000	2,987,550	2,994,264		1,492		1,492		2,995,756		113,804	113,804	77,385	03/07/2016.
86359L PF 0	Structured Asset Mtg Inv Ser 2005-AR5 Cl		06/25/2014.	Barclays Capital Inc		56,701	61,299	60,149	60,389		18		18		60,407		(3,706)	(3,706)	112	07/19/2035.
86359L PF 0	Structured Asset Mtg Inv Ser 2005-AR5 Cl		06/25/2014.	Paydown		6,345	6,345	6,226	6,251		94		94		6,345			0	31	07/19/2035.
863667 AC 5	Stryker Corp Sr Notes 2.000% 09/30/16		07/25/2014.	BB&T Capital Markets		1,024,370	1,000,000	998,140	998,952		215		215		999,167		25,203	25,203	16,667	09/30/2016.
87612E AP 1	Target Corp Notes 5.375% 05/01/17		07/10/2014.	Susguehanna Financial Group		3,344,010	3,000,000	2,888,720	2,953,296		6,889		6,889		2,960,185		383,825	383,825	113,771	05/01/2017.
883556 AY 8	Thermo Electron Corp Sr Notes		07/25/2014.	Piper Jaffrey & Hopwood Inc		1,036,260	1,000,000	999,390	999,700		81		81		999,781		36,479	36,479	29,244	03/01/2016.
91830C AA 6	VNO Mortgage Trust 2012 - 6 Ave Class A		06/24/2014.	Bank of New York		988,008	1,000,000	1,024,996	1,022,477		(1,142)		(1,142)		1,021,335		(33,327)	(33,327)	16,975	11/15/2022.
92343V AC 8	Verizon Communications Notes		07/08/2014.	Wells Fargo Securities		2,151,360	2,000,000	1,983,980	1,995,674		1,019		1,019		1,996,692		154,668	154,668	100,517	02/15/2016.
92343V BP 8	Verizon Communications Senior Notes		07/08/2014.	Wells Fargo Securities		2,399,243	2,250,000	2,249,910	2,249,824		8		8		2,249,832		149,410	149,410	66,841	09/14/2018.
92928Q AA 6	Westfield Finance Senior Nts		07/23/2014.	Call 119.5360		358,608	300,000	326,823	315,703		42,905		42,905		358,608			0	16,508	04/15/2018.
931142 CR 2	Wal Mart Stores Inc Sr Notes		07/25/2014.	Wells Fargo Securities		2,035,040	2,000,000	1,986,180	1,996,294		1,685		1,685		1,997,979		37,061	37,061	47,757	04/01/2015.
931142 CT 8	Wal Mart Stores Inc Sr Notes		07/25/2014.	Wells Fargo Securities		2,036,840	2,000,000	1,993,900	1,998,067		720		720		1,998,787		38,053	38,053	47,750	07/08/2015.
949746 QU 8	Wells Fargo & Co Bond 3.676% 06/15/16		07/25/2014.	Wells Fargo Securities		1,053,570	1,000,000	1,006,741	1,003,262		(737)		(737)		1,002,525		51,045	51,045	32,165	06/15/2016.
06415C AC 3	Bank of Nova Scotia Medium Term Note	A	07/23/2014.	RBC Capital Markets		716,555	700,000	721,280	721,001		(3,871)		(3,871)		717,129		(574)	(574)	13,574	01/30/2017.
13643E AF 2	Canadian Oil Sands PP 144A	A	07/29/2014.	Marketaxess Corp, NJ		2,324,669	1,900,000	2,366,830	2,213,499		(30,751)		(30,751)		2,182,748		141,921	141,921	104,711	05/15/2019.
63307E AB 3	National Bank of Canada Medium Term Note	A	07/23/2014.	Citigroup Global Markets		1,337,804	1,300,000	1,348,100	1,347,403		(9,642)		(9,642)		1,337,761		53	53	22,165	10/19/2016.
775109 AK 7	Rogers Communications Inc Notes	I.	07/24/2014.	Wells Fargo Securities		839,490	710,000	854,798	803,045		(10,771)		(10,771)		792,274		47,216	47,216	46,134	08/15/2018.
78011D AC 8	Royal Bank of Canada Secured Note	A	07/24/2014.	SG Americas Securities Corp		1,492,095	1,500,000	1,499,850	1,499,881		18		18		1,499,899		(7,804)	(7,804)	15,500	09/19/2017.
3899999. Total - Bonds - Industrial and Miscellaneous						179,672,212	171,031,947	172,597,644	172,500,980	0	471,832	0	471,832	0	172,972,813	0	6,699,410	6,699,410	5,594,342	XXX
8399997. Total - Bonds - Part 4						543,618,088	514,653,108	533,016,033	528,824,388	(1,512,516)	(1,131,028)	0	(2,643,544)	0	526,180,845	0	17,437,253	17,437,253	15,416,423	XXX
8399998. Total - Bonds - Summary Item from Part 5						187,144,868	177,821,753	185,202,303			(814,575)		(814,575)		184,387,728		2,757,139	2,757,139	2,481,748	XXX
8399999. Total - Bonds						730,762,956	692,474,861	718,218,336	528,824,388	(1,512,516)	(1,945,603)	0	(3,458,119)	0	710,568,573	0	20,194,392	20,194,392	17,898,171	XXX
Common Stocks - Mutual Funds																				
72201F 51 6	Pimco Emerging Market Local Bond Fund		11/19/2014.	Non-Broker Trade	6,520,622.330	58,359,570	XXX	65,607,731	60,837,406	4,770,324			4,770,324		65,607,731		(7,248,161)	(7,248,161)	2,504,961	XXX
861647 10 5	Stone Harbor EMG MKT Debt Fund		11/21/2014.	Non-Broker Trade	2,929,550.570	31,448,580	XXX	32,019,824	30,467,326	1,552,498			1,552,498		32,019,824		(571,244)	(571,244)	908,161	XXX
861647 50 1	Stone Harbor Local Market - I		11/21/2014.	Non-Broker Trade	3,163,985.350	29,522,721	XXX	31,898,701	30,057,861	1,840,840			1,840,840		31,898,701		(2,375,980)	(2,375,980)	53,978	XXX
885215 56 6	Thornburg International Value Fund		05/30/2014.	Non-Broker Trade	1,920,058.340	59,310,602	XXX	48,497,221	61,557,070	(13,059,849)			(13,059,849)		48,497,221		10,813,380	10,813,380		XXX
922040 20 9	Vanguard Large Cap Institutional Index		11/19/2014.	Non-Broker Trade	94,772.880	17,851,420	XXX	13,031,108	16,043,153	(3,012,045)			(3,012,045)		13,031,108		4,820,311	4,820,311	239,586	XXX
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus		04/02/2014.	Non-Broker Trade	430,545.130	66,837,827	XXX	21,661,306	63,879,981	(42,218,675)			(42,218,675)		21,661,306		45,176,522	45,176,522	13,347	XXX
922908 39 7	Vanguard Small- Cap Index Fd - Plus		11/19/2014.	Non-Broker Trade	112,401.550	17,959,520	XXX	13,208,724	17,103,020	(3,894,296)			(3,894,296)		13,208,724		4,750,795	4,750,795	1,461	XXX
315910 28 1	Fidelity Diversified International K		10/01/2014.	Non-broker Trade	1,613.260	60,535	XXX	50,123	59,433	(9,310)			(9,310)		50,123		10,412	10,412		XXX
316200 85 6	Fidelity Growth Company K		10/01/2014.	Non-broker Trade	50.480	6,239	XXX	4,628	6,043	(1,415)			(1,415)		4,628		1,611	1,611		XXX
316345 80 0	Fidelity Low Priced Stock Fund K		12/18/2014.	Non-broker Trade	438.460	21,228	XXX	17,988	21,669	(3,681)			(3,681)		17,988		3,240	3,240		XXX
617440 59 9	MSIF MID Cap Grth A		11/14/2014.	Non-broker Trade	144.570	6,472	XXX	5,802	6,267	(465)			(465)		5,802		684	684		XXX
693390 70 0	Pim Total Rt Inst		12/18/2014.	Non-broker Trade	11,724.100	127,571	XXX	128,489	125,331	3,159			3,159		128,489		(918)	(918)		XXX
885215 36 8	Thornburg INT Val R5		05/22/2014.	Non-broker Trade	690.620	21,133	XXX	20,772	22,114	(1,342)			(1,342)		20,772		361	361		XXX
921937 10 8	Vang Total Bond Market Sig		08/15/2014.	Non-broker Trade	40,885.970	444,218	XXX	431,791	431,756	36			36		431,791		12,426	12,426	7,216	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
922908 10 8	Vang 500 Idx Sig	.	08/15/2014	Non-broker Trade	50.130	7,487	XXX	5,618	7,119	(1,435)			(1,435)		5,618		1,869	1,869	66	XXX
04314H 30 3	Artisan Mid Cap Inv	.	11/14/2014	Non-broker Trade	269.680	7,411	XXX	6,007	7,281	(1,275)			(1,275)		6,007		1,404	1,404		XXX
19765J 50 9	COL MID Cap Idx Z	.	11/14/2014	Non-broker Trade	469.390	7,482	XXX	5,806	7,174	(1,248)			(1,248)		5,806		1,676	1,676	119	XXX
19765J 82 2	COL SM Cap Idx Z	.	11/14/2014	Non-broker Trade	324.790	7,636	XXX	5,993	7,872	(1,653)			(1,653)		5,993		1,643	1,643	227	XXX
351792 25 9	Fidelity Freedom K 2010	.	04/01/2014	Non-broker Trade	3,873.320	55,052	XXX	49,322	54,343	(5,021)			(5,021)		49,323		5,730	5,730		XXX
351792 24 2	Fidelity Freedom K 2015	.	12/18/2014	Non-broker Trade	21,305.860	303,362	XXX	272,870	303,395	(30,525)			(30,525)		272,870		30,491	30,491		XXX
351792 21 8	Fidelity Freedom K 2030	.	07/01/2014	Non-broker Trade	1,988.360	31,058	XXX	26,955	31,535	(4,580)			(4,580)		26,955		4,103	4,103		XXX
351792 26 7	Fidelity Freedom K 2005	.	01/17/2014	Non-broker Trade	1,522.910	20,514	XXX	19,029	20,468	(1,438)			(1,438)		19,029		1,484	1,484		XXX
351792 28 3	Fidelity Freedom K Income	.	01/17/2014	Non-broker Trade	161.670	1,942	XXX	1,875	1,934	(59)			(59)		1,875		67	67		XXX
351792 23 4	Fidelity Freedom K 2020	.	10/10/2014	Non-broker Trade	5,932.040	89,178	XXX	78,776	88,269	(9,493)			(9,493)		78,776		10,402	10,402		XXX
9299999.	Total - Common Stocks - Mutual Funds					282,508,758	XXX	227,056,459	281,147,820	(54,090,948)	0	0	(54,090,948)	0	227,056,460	0	55,452,308	55,452,308	3,729,122	XXX
Common Stocks - Money Market Mutual Funds																				
316191 60 0	Fidelity Retire MMKT	.	12/03/2014	Non-broker Trade	335,025.690	335,016	XXX	335,016	335,016				0		335,016			0		XXX
9399999.	Total - Common Stocks - Money Market Mutual Funds					335,016	XXX	335,016	335,016	0	0	0	0	0	335,016	0	0	0	0	XXX
9799997.	Total - Common Stocks - Part 4					282,843,774	XXX	227,391,475	281,482,836	(54,090,948)	0	0	(54,090,948)	0	227,391,476	0	55,452,308	55,452,308	3,729,122	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					16,002,759	XXX	15,741,674					0		15,741,674		261,083	261,083	207,756	XXX
9799999.	Total - Common Stocks					298,846,533	XXX	243,133,149	281,482,836	(54,090,948)	0	0	(54,090,948)	0	243,133,150	0	55,713,391	55,713,391	3,936,878	XXX
9899999.	Total - Preferred and Common Stocks					298,846,533	XXX	243,133,149	281,482,836	(54,090,948)	0	0	(54,090,948)	0	243,133,150	0	55,713,391	55,713,391	3,936,878	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,029,609,489	XXX	961,351,485	810,307,224	(55,603,464)	(1,945,603)	0	(57,549,067)	0	953,701,723	0	75,907,783	75,907,783	21,835,049	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
3137BC QG 6	FHLMC 0.000% 06/25/21	..	08/06/2014	JP Morgan	11/06/2014	Merrill Lynch Pierce Fenner Sm	6,294,750	6,294,750	6,296,718	6,294,750				0			1,967	1,967	6,446	
3137BC QG 6	FHLMC 0.000% 06/25/21	..	08/06/2014	JP Morgan	10/25/2014	Paydown	5,250	5,250	5,250	5,250				0				0	3	
36179M E4 8	GNMA Pool #0MA0155 4.000% 06/20/42	..	07/22/2014	Credit Suisse, New York	12/01/2014	Paydown	417,788	446,315	417,788	417,788		(28,527)		(28,527)				0	4,062	1,114
36179M NH 9	GNMA Pool #MA0392 3.500% 09/20/42	..	07/08/2014	Credit Suisse, New York	12/01/2014	Paydown	346,316	358,761	346,316	346,316		(12,446)		(12,446)				0	3,014	673
36179Q BH 3	GNMA Pool #0MA1840 4.500% 04/20/44	..	07/22/2014	JP Morgan	12/01/2014	Paydown	831,997	906,877	831,997	831,997		(74,880)		(74,880)				0	8,795	2,080
912810 EQ 7	US Treasury Bond 6.250% 08/15/23	..	07/21/2014	Merrill Lynch Pierce Fenner Sm	12/29/2014	Barclays Capital Inc	5,000,000	6,609,395	6,636,699	6,539,315		(70,080)		(70,080)			97,384	97,384	272,588	136,395
912810 FF 0	US Treasury Bonds 5.250% 11/15/28	..	11/28/2014	Various	12/29/2014	JP Morgan	6,950,000	9,137,362	9,286,095	9,115,748		(21,614)		(21,614)			170,348	170,348	161,850	100,325
912810 QA 9	US Treasury Notes 3.500% 02/15/39	..	07/17/2014	Merrill Lynch Pierce Fenner Sm	12/29/2014	Barclays Capital Inc	20,000,000	20,953,205	22,862,420	20,941,704		(11,501)		(11,501)			1,920,716	1,920,716	610,598	303,591
912828 NT 3	U.S. Treasury Bond 2.625% 08/15/20	..	10/01/2014	Credit Suisse First Boston	12/29/2014	Various	11,000,000	11,381,607	11,453,050	11,369,150		(12,456)		(12,456)			83,900	83,900	96,911	38,448
912828 ST 8	US Treasury Bond 1.250% 04/30/19	..	07/29/2014	Various	12/29/2014	Various	55,000,000	54,037,294	54,293,593	54,110,276		72,982		72,982			183,317	183,317	422,434	166,440
912828 VQ 0	U.S. Treasury 1.375% 07/31/18	..	05/27/2014	Various	07/21/2014	Banc of America Securities LLC	7,200,000	7,187,935	7,186,757	7,188,605		670		670			(1,848)	(1,848)	47,312	28,772
0599999. Total - Bonds - U.S. Government							113,046,101	117,318,751	119,616,683	117,160,899	0	(157,852)	0	(157,852)	0	0	2,455,784	2,455,784	1,634,013	777,838
Bonds - All Other Government																				
135087 C7 7	Canada Government Global Bonds	A	02/20/2014	Royal Bank of Canada	07/08/2014	Societe Generale	1,750,000	1,747,235	1,748,740	1,747,422		187		187			1,318	1,318	10,585	
683234 8K 7	Ontario-Prov Sr Notes 4.400% 04/14/20	A	04/23/2014	TD Securities	07/10/2014	Societe Generale	750,000	835,295	838,560	832,417		(2,877)		(2,877)			6,143	6,143	8,342	1,283
748148 RU 9	Quebec-Prov 3.500% 07/29/20	A	04/23/2014	Royal Bank of Canada	07/29/2014	Marketaxess Corp, NJ	1,100,000	1,163,250	1,174,987	1,160,854		(2,396)		(2,396)			14,133	14,133	19,464	9,518
1099999. Total - Bonds - All Other Government							3,600,000	3,745,780	3,762,287	3,740,693	0	(5,086)	0	(5,086)	0	0	21,594	21,594	38,391	10,801
Bonds - U.S. Special Revenue and Special Assessment																				
249182 CH 7	Denver City & Cnty Co Rev Bnd 5.250%	..	10/21/2014	Suntrust Robinson Humphrey	12/16/2014	BB&T Capital Markets	1,100,000	1,281,445	1,290,047	1,278,828		(2,617)		(2,617)			11,219	11,219	34,169	25,506
3128MJ S3 5	FHLMC Giant Pooll #8537	..	07/23/2014	Cantor Fitzgerald & Co	07/28/2014	Cantor Fitzgerald & Co	2,971,226	2,935,014	2,935,014	2,935,032		18		18			(18)	(18)	6,933	5,942
3128MJ S6 8	FHLMC Pool #GO-8540 3.000% 08/01/43	..	07/28/2014	Cantor Fitzgerald & Co	12/01/2014	Paydown	73,918	73,017	73,918	73,918		901		901				0	531	172
3128MJ TA 8	FHLMC Giant Pool #8544	..	07/16/2014	Wells Fargo Securities	12/01/2014	Paydown	62,402	61,213	62,402	62,402		1,190		1,190				0	387	57
3128MJ UV 0	FHLMC Giant Pool #8595	..	07/18/2014	Citigroup Global Markets	12/01/2014	Paydown	308,909	326,310	308,909	308,909		(17,400)		(17,400)				0	3,740	755
3128MJ UX 6	FHLMC Giant Pool #8597	..	07/18/2014	Citigroup Global Markets	12/01/2014	Paydown	239,197	244,952	239,197	239,197		(5,756)		(5,756)				0	2,511	512
312936 6F 9	FHLMC Pool #A8-9870 4.500% 11/01/39	..	07/08/2014	Credit Suisse, New York	12/01/2014	Paydown	760,959	823,263	760,959	760,959		(62,304)		(62,304)				0	8,520	1,237
312939 RG 8	FHLMC Pool #A9-1387 5.000% 03/01/40	..	07/09/2014	Credit Suisse, New York	12/01/2014	Paydown	439,377	487,777	439,377	439,377		(48,400)		(48,400)				0	5,535	793
312943 UJ 0	FHLMC Goldconv #A95085	..	07/08/2014	Goldman Sachs & Co	12/01/2014	Paydown	637,452	673,010	637,452	637,452		(35,558)		(35,558)				0	6,068	921
3137B5 J8 7	FHLMC 0.719% 07/25/20	..	10/01/2014	Wells Fargo Securities	12/25/2014	Paydown	1,836,449	1,850,666	1,836,449	1,836,449		(14,217)		(14,217)				0	4,038	300
3137EA DG 1	FHLMC Bond 1.750% 05/30/19	..	02/27/2014	Various	07/10/2014	Morgan Stanley & Co	21,000,000	21,006,810	21,105,756	21,006,386		(424)		(424)			99,370	99,370	228,667	89,833
3138E0 RA 9	FNMA Pool #AJ7680 3.500% 12/01/41	..	07/10/2014	Merrill Lynch Pierce Fenner Sm	12/01/2014	Paydown	344,455	353,793	344,455	344,455		(9,338)		(9,338)				0	2,935	435
3138WT RW 8	FNMA Pool #AT5900 3.000% 06/01/43	..	07/18/2014	Citigroup Global Markets	12/01/2014	Paydown	271,713	268,274	271,713	271,713		3,439		3,439				0	1,961	498
3138X0 Y3 6	FNMA Pool #AU1629 3.000% 07/01/43	..	07/22/2014	Cantor Fitzgerald & Co	12/01/2014	Paydown	56,738	56,002	56,738	56,738		736		736				0	337	52
31403D BY 4	FNMA Pool #0745355 5.000% 03/01/36	..	07/10/2014	Wells Fargo Securities	12/01/2014	Paydown	283,755	315,056	283,755	283,755		(31,302)		(31,302)				0	3,443	512
31418A M3 9	FMNA Pool #0MA1277 2.500% 12/01/27	..	07/15/2014	Goldman Sachs & Co	12/01/2014	Paydown	447,643	454,148	447,643	447,643		(6,505)		(6,505)				0	2,643	497
31418A SU 3	FMNA Pool #MA1430 3.000% 04/01/43	..	07/22/2014	Cantor Fitzgerald & Co	07/23/2014	Cantor Fitzgerald & Co	2,942,466	2,908,904	2,908,904	2,908,904				0				0	5,885	5,885
31418M GG 1	FNMA Mega Pool #0AD0198	..	07/22/2014	Wells Fargo Securities	12/01/2014	Paydown	653,799	730,620	653,799	653,799		(76,821)		(76,821)				0	7,307	1,099
31418U EL 4	FNMA Pool #AD6438 5.000% 06/01/40	..	07/08/2014	Nomura Securities Intl Inc	12/01/2014	Paydown	548,056	607,829	548,056	548,056		(59,772)		(59,772)				0	6,673	990
646136 E3 1	New Jersey St Transn Tr Df Revenue Bonds	..	05/08/2014	BB&T Capital Markets	12/16/2014	Morgan Stanley & Co	3,500,000	3,688,825	3,718,890	3,675,041		(13,784)		(13,784)			43,849	43,849	176,458	71,944
915115 4A 4	University of Tex Perm Univ Fd Revenue B	..	01/07/2014	JP Morgan	01/09/2014	BB&T Capital Markets	2,000,000	2,111,900	2,122,420	2,111,900				0			10,520	10,520		
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments							40,478,514	41,258,828	41,045,853	40,880,913	0	(377,914)	0	(377,914)	0	0	164,940	164,940	508,741	207,940
Bonds - Industrial and Miscellaneous																				

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
059513 AE 1	Banc of America Ser 2007-4 Tr A4		10/22/2014	Various	12/10/2014	Paydown	965	1,062	965	965		(97)		(97)				0	7	4
07387J AE 6	Bear Stearns Ser 2006-PW12		10/10/2014	RBS Securities Inc.	12/11/2014	Paydown	10,822	11,491	10,822	10,822		(669)		(669)				0	80	27
07387M AE 9	Bear Stearns 2006-PW11		10/20/2014	Various	12/16/2014	JP Morgan	4,077,207	4,270,291	4,212,583	4,270,291				0			(57,708)	(57,708)	48,578	9,541
07387M AE 9	Bear Stearns 2006-PW11		10/20/2014	Various	12/11/2014	Paydown	22,418	23,479	22,418	22,418		(1,062)		(1,062)				0	157	52
07388N AE 6	Bear Stearns Commercial Ser 2006-T24		10/20/2014	Various	12/12/2014	Paydown	85,120	91,168	85,120	85,120		(6,048)		(6,048)				0	526	206
12514A AE 1	CD Commercial Mortgage Trust Ser 2007-CD		11/01/2014	Various	12/15/2014	Paydown	877,201	965,057	877,201	877,201		(87,856)		(87,856)				0	4,324	1,290
126171 AF 4	Comm Mortgage Trust 5.116% 06/10/44		10/27/2014	Morgan Stanley & Co.	12/10/2014	Paydown	350,175	356,263	350,175	350,175		(6,088)		(6,088)				0	2,951	553
17313K AF 8	Citigroup Commercial Mortgage Ser 2008-7		10/09/2014	Various	11/10/2014	Paydown	130,106	144,514	130,106	130,106		(14,408)		(14,408)				0	687	312
20047Q AE 5	Citigroup Comm Mtg Trust Ser 2008-C7		10/10/2014	Morgan Stanley & Co.	12/10/2014	Paydown	23,428	24,839	23,428	23,428		(1,411)		(1,411)				0	181	56
225470 AP 8	Credit Suisse First Boston 2005-C5		08/12/2014	Morgan Stanley & Co.	12/01/2014	Paydown	1,159,239	1,186,001	1,159,239	1,159,239		(26,762)		(26,762)				0	7,864	2,299
36252W AY 4	GS Mortgage Sec Corp 3.655% 04/10/47		03/27/2014	Goldman Sachs & Co.	06/24/2014	Goldman Sachs & Co.	1,500,000	1,544,985	1,563,750	1,543,748		(1,237)		(1,237)			20,002	20,002	12,793	2,132
369604 BD 4	General Elec Co Sr. Notes		03/25/2014	Hapoalim Securities USA Inc.	07/08/2014	Goldman Sachs & Co.	1,250,000	1,209,563	1,225,988	1,210,727		1,164		1,164			15,261	15,261	25,500	15,844
36962G 3H 5	GE Capital Corp Sr Notes		03/25/2014	Mellon Securities	07/08/2014	Citigroup Global Markets	1,000,000	1,135,422	1,129,780	1,124,497		(10,925)		(10,925)			5,283	5,283	18,125	2,031
38259P AD 4	Google Inc Sr Notes 3.375% 02/25/24		02/20/2014	Banc of America Securities LLC	07/24/2014	Wells Fargo Securities	2,000,000	1,999,660	2,038,900	1,999,637		(23)		(23)			39,263	39,263	28,875	
38406H AA 0	Grace Mortgage Trust COMMERCIAL MORTGAGE		05/21/2014	Deutsche Bank	06/24/2014	Bank of New York		1,287,494	1,285,547	1,255,133		(32,361)		(32,361)			30,414	30,414	2,807	1,287
45866F AA 2	Intercontinentalexchange Sr. Notes		03/25/2014	Citigroup Global Markets	07/24/2014	UBS	1,250,000	1,300,025	1,315,200	1,298,498		(1,527)		(1,527)			16,702	16,702	40,417	23,611
46625Y XT 5	JP Morgan Chase Comm Mgtg Series 2005-LD		03/26/2014	Banc of America Securities LLC	06/25/2014	Barclays Capital Inc.	1,500,000	1,605,000	1,588,418	1,589,488		(15,512)		(15,512)			(1,070)	(1,070)	26,596	6,602
52109R BM 2	LB-UBS Commercial Mtg Trust 2007-C7		10/15/2014	Various	12/15/2014	Paydown	4,737	5,261	4,737	4,737		(524)		(524)				0	45	20
55312V AD 0	ML-CFC Comm Mtg Trust Ser 2006-4		10/31/2014	Wells Fargo Securities	12/12/2014	Paydown	363,343	385,158	363,343	363,343		(21,815)		(21,815)				0	1,566	209
617451 CL 1	Morgan Stanley Capital 2005-HQ7		07/15/2014	JP Morgan	12/14/2014	Paydown	182,997	189,559	182,997	182,997		(6,562)		(6,562)				0	2,519	465
61751X AE 0	Morgan Stanley Capital Ser 2007-T25		10/07/2014	Merrill Lynch Pierce Fenner Sm	12/12/2014	Paydown	14,458	15,636	14,458	14,458		(1,178)		(1,178)				0	93	20
61758F AA 0	Morgan Stanley Reremic Trust 2009-GG10		04/01/2014	Morgan Stanley & Co.	06/24/2014	Credit Suisse, New York	653,453	723,955	720,228	717,439		(6,515)		(6,515)			2,788	2,788	8,954	327
61758F AA 0	Morgan Stanley Reremic Trust 2009-GG10		04/01/2014	Morgan Stanley & Co.	06/01/2014	Paydown	3,044	3,372	3,044	3,044		(328)		(328)				0	16	2
61759L AA 6	Morgan Stanley Reremic Trust 2010-GG10		11/18/2014	Credit Suisse, New York	12/12/2014	Paydown	2,272	2,460	2,272	2,272		(189)		(189)				0	11	8
64952W BQ 5	New York Life Med Term Note		04/22/2014	Bank of New York	07/30/2014	Merrill Lynch Pierce Fenner Sm	750,000	748,492	751,823	748,583		91		91			3,240	3,240	10,150	5,819
75951A AA 6	Reliance Stand Life Ins. Secured Note		04/16/2014	Deutsche Bank	07/29/2014	UBS	750,000	748,253	755,265	748,320		67		67			6,945	6,945	5,052	
90932P AA 6	United Air EETC 14-1 A PTT SEC		03/24/2014	Morgan Stanley & Co.	06/23/2014	Various	1,250,000	1,250,000	1,282,813	1,250,000				0			32,813	32,813	10,972	
91324P AW 2	United Health Group Sr Notes		04/23/2014	Bank of New York	07/14/2014	Wells Fargo Securities	1,000,000	1,142,149	1,133,270	1,132,382		(9,767)		(9,767)			888	888	35,333	22,167
92976B BN 1	Wachovia Bk Comm Mtg Tr 2005-C22		07/09/2014	Morgan Stanley & Co.	12/15/2014	Paydown	486,155	508,335	486,155	486,155		(22,181)		(22,181)				0	5,424	958
3899999. Total - Bonds - Industrial and Miscellaneous							20,697,138	22,878,944	22,720,045	22,605,223	0	(273,723)	0	(273,723)	0	0	114,821	114,821	300,603	95,842
8399998. Total - Bonds							177,821,753	185,202,303	187,144,868	184,387,728	0	(814,575)	0	(814,575)	0	0	2,757,139	2,757,139	2,481,748	1,092,421
Common Stocks - Mutual Funds																				
72201F 51 6	Pimco Emerging Market Local Bond Fund		10/31/2014	Non-Broker Trade	11/19/2014	Non-Broker Trade	272,521.770	2,551,817	2,439,070	2,551,817				0			(112,747)	(112,747)	46,856	
861647 10 5	Stone Harbor EMG MKT Debt Fund		09/03/2014	Various	11/21/2014	Non-Broker Trade	509,972.430	5,333,701	5,473,603	5,333,701				0			139,902	139,902	137,540	
861647 50 1	Stone Harbor Local Market - I		11/12/2014	Non-Broker Trade	11/21/2014	Non-Broker Trade	309,931.670	2,942,818	2,897,861	2,942,818				0			(44,957)	(44,957)	29	
922040 20 9	Vanguard Large Cap Institutional Index		09/30/2014	Non-Broker Trade	11/19/2014	Non-Broker Trade	27,070.120	4,820,872	5,098,928	4,820,872				0			278,056	278,056	23,331	
922908 38 9	Vanguard Mid-Cap Index Fund Instl Plus		03/24/2014	Non-Broker Trade	04/02/2014	Non-Broker Trade	87.760	13,347	13,624	13,347				0			277	277		
922908 39 7	Vanguard Small- Cap Index Fd - Plus		03/24/2014	Non-Broker Trade	11/19/2014	Non-Broker Trade	177.450	27,673	28,353	27,673				0			680	680		
921938 60 3	Vang Total Bond Market Adm		08/15/2014	Non-Broker Trade	10/02/2014	Non-Broker Trade	4,031.150	43,818	43,617	43,818				0			(201)	(201)		
921937 10 8	Vanguard Total Bond Market Sig		08/15/2014	Non-Broker Trade	08/15/2014	Non-Broker Trade	670.290	7,216	7,283	7,216				0			66	66		
922908 10 8	Vanguard 500 Index Fund Sig		08/15/2014	Non-Broker Trade	08/15/2014	Non-Broker Trade	0.460	66	69	66				0			2	2		
19765J 50 9	COL MID Cap Idx Z		06/24/2014	Non-Broker Trade	11/14/2014	Non-Broker Trade	7.620	119	121	119				0			2	2		

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
19765J 82 2	COL SM Cap Idx Z	.	06/24/2014	Non-Broker Trade	11/14/2014	Non-Broker Trade	9.770	227	230	227				0		0	3	3		
9299999.	Total - Common Stocks - Mutual Funds							15,741,674	16,002,759	15,741,674	0	0	0	0	0	0	261,083	261,083	207,756	0
9799998.	Total - Common Stocks							15,741,674	16,002,759	15,741,674	0	0	0	0	0	0	261,083	261,083	207,756	0
9899999.	Total - Preferred and Common Stocks							15,741,674	16,002,759	15,741,674	0	0	0	0	0	0	261,083	261,083	207,756	0
9999999.	Total - Bonds, Preferred and Common Stocks							200,943,977	203,147,627	200,129,402	0	(814,575)	0	(814,575)	0	0	3,018,222	3,018,222	2,689,504	1,092,421

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	Stock of Such Company Owned by Insurer on Statement Date	
								9	10
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code or Alien Insurer Identification Number	Naic Valuation Method (See *Purposes and Procedures Manual of the NAIC Securities Valuation Office)*	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding
Common Stocks - Other Affiliates									
39947@ 10 2	Mosaic Group Services LLC			2ciB3	NO		4,440,193	600.000	100.0
655100 10 5	NobleHealth Inc			2ciB3	NO		91,186,880	372.000	100.0
00092# 10 5	ACS Benefit Services Inc			2ciB2	NO		12,885,270	8,000.000	100.0
1799999. Total - Common Stocks - Other Affiliates						0	108,512,343	XXX	XXX
1899999. Total - Common Stocks						0	108,512,343	XXX	XXX
1999999. Total - Preferred and Common Stock						0	108,512,343	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Exempt Money Market Mutual Funds																				
31846V 41 9	First American Treas Oblig Instl Inv Cl	SD		01/02/2013.	No Broker	XXX	2,500,000						2,500,000							
8899999. Total - Exempt Money Market Mutual Funds							2,500,000	0	0	0	0	XXX	2,500,000	0	0	XXX	XXX	XXX	0	0
Class One Money Market Mutual Funds																				
996086 60 9	Dreyfus Gov't Cash Mgmt Fund Money Marke			12/31/2013.	Non-Broker Trade	XXX	3,526,053						3,526,053						1,118	
8999999. Total - Class One Money Market Mutual Funds							3,526,053	0	0	0	0	XXX	3,526,053	0	0	XXX	XXX	XXX	1,118	0
9199999. Total - Short-Term Investments							6,026,053	0	0	0	0	XXX	6,026,053	0	0	XXX	XXX	XXX	1,118	0

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amorization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination - Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18	Hedge	
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1	2	3	4	5	6	7	8	9
Exchange Counterparty or Central Clearinghouse	Type of Asset Pledged	CUSIP Identification	Description	Fair Value	Par Value	Book/Adjusted Carrying Value	Maturity Date	Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories							
General Fund-Bank of America	Bank of America					13,164	XXX
Lobby Fees-BCBSNC Credit Union	BCBSNC Credit Union					3,684	XXX
Claims-FEP Std Option-Wachovia	Wachovia					(10,695,722)	XXX
Clms-FEP Basic Opt Wachovia	Wachovia					(4,571,603)	XXX
Dental Blue Select ACS	Wachovia					(694)	XXX
Claims-Traditional-Wachovia	Wachovia					(7,539)	XXX
Claims Master Account	Wachovia					(44,310,309)	XXX
FEP Master Account	BB&T					12,530,619	XXX
Fiscal Agent-Mellon	Wachovia					261,744	XXX
Wachovia - Payroll	Wachovia					395,216	XXX
A/P Wach - 2079900141205	BB&T					(14,556,852)	XXX
Broker Comm Cash	Wachovia					(26,286)	XXX
BB&T General Fund	Wachovia					18,976,958	XXX
Workers' Compensation Wachovia	Wachovia					19,585	XXX
NC Student Group Disbursements	Wachovia					18,066	XXX
Cash-Claims Payments-BE	Wachovia					(108,100,969)	XXX
MedSupp Premium Refunds	Wachovia					(595,984)	XXX
Cash Clearing-Nonunderw-BE	BB&T					(30,896,560)	XXX
Draft Representments	Wachovia					34,957	XXX
Med supp Claims Disburs	Wachovia					(1,677,266)	XXX
Credit Memos Cash	BB&T					(1,131,870)	XXX
PARTNERS-General Cash	BB&T					(7,216,715)	XXX
Bank-Claims Disbursement account	BB&T					(1,851)	XXX
BBT Trust Dep NCSHP	BB&T					1,591,616	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	(189,944,611)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(189,944,611)	XXX
0599999. Total Cash		XXX	XXX	0	0	(189,944,611)	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	184,100,827	4. April	118,659,813	7. July	8,559,511	10. October	123,566,599
2. February	226,099,890	5. May	268,317,363	8. August	41,576,526	11. November	(66,127,861)
3. March	74,580,027	6. June	(8,397,856)	9. September	(113,679,561)	12. December	(189,944,611)

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusting Carrying Value	4 Fair Value	5 Book/Adjusting Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	O	Coll. St. Employees MM Plan (NCGS Ch 58), DOI dep., HMO-LOB dep	2,500,000	2,500,000	26,237,123	30,615,563
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	2,500,000	2,500,000	26,237,123	30,615,563

DETAILS OF WRITE-INS

5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Supplement for the year 2014 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2014
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

5 4 6 3 1 2 0 1 4 3 6 0 3 4 1 0 0 *

NAIC Group Code.....0
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2011				Policies Issued in 2012, 2013 & 2014			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	M4	P	NO	35	02/23/1968		05/22/2000	10/01/1982	BC65 High Option	1,074,648	394,220	36.7	84			0.0	
YES	M140	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp. Plan 1	12,754	17,458	136.9	4			0.0	
YES	M141	P	NO	35	08/17/1982		05/22/2000	09/07/1986	Med. Supp. Plan 2	32,281	42,462	131.5	5			0.0	
YES	M142	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp. Plan 3	137,577	203,636	148.0	17			0.0	
YES	M143	P	NO	35	08/17/1982		05/22/2000	01/01/1992	Med. Supp. Plan 4	12,301,217	10,695,264	86.9	1,423			0.0	
YES	M144	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 5	17,413	23,639	135.8	3			0.0	
YES	M145	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 6	212,984	290,395	136.3	39			0.0	
YES	M146	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 7	81,847	113,545	138.7	17			0.0	
YES	M147	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 8	6,918	2,261	32.7	3			0.0	
YES	M148	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp. Plan 9	5,445,385	3,639,669	66.8	819			0.0	
YES	M150	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 11	28,045	33,360	119.0	2			0.0	
YES	M151	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp. Plan 12	5,849,947	3,892,038	66.5	397			0.0	
YES	K74A	A	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan A	5,801,873	4,970,159	85.7	703			0.0	
YES	K74B	B	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan B	8,939,592	7,582,102	84.8	1,269			0.0	
YES	K74C	C	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan C	8,631,805	8,386,556	97.2	1,840			0.0	
YES	K74D	D	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan D	4,191,826	4,353,154	103.8	774			0.0	
YES	K74E	E	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan E	2,151,622	2,228,572	103.6	371			0.0	
YES	K74F	F	YES	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan F	63,765,219	45,106,966	70.7	49,375			0.0	
YES	K74H	H	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan H	2,104,735	2,361,251	112.2	322			0.0	
YES	K74I	I	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan I	8,341,961	8,617,121	103.3	1,446			0.0	
YES	K74J	J	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp. Plan J	39,454,766	36,198,806	91.7	14,802			0.0	
YES	BMS A	A	NO	234	03/14/2011				Med. Supp. Plan A	827,146	2,181,957	263.8	142	2,131,920	3,491,191	163.8	295
YES	BMS B	B	NO	234	03/14/2011				Med. Supp. Plan B	3,500,345	6,761,974	193.2	391	2,603,890	4,086,404	156.9	339
YES	BMS C	C	NO	234	03/14/2011				Med. Supp. Plan C	699,734	1,016,989	145.3	130	1,372,727	1,019,196	74.2	203
YES	BMS D	D	NO	234	03/14/2011				Med. Supp. Plan D	294,733	281,721	95.6	99	216,528	171,716	79.3	33
YES	BMS F	F	NO	234	03/14/2011				Med. Supp. Plan F	62,067,966	32,905,826	53.0	23,306	79,564,307	46,340,594	58.2	50,758
YES	BMS HDF	F	NO	234	03/14/2011				Med. Supp. Plan HDF	1,037,141	371,877	35.9	783	3,884,803	1,206,340	31.1	374
YES	BMS G	G	NO	234	03/14/2011				Med. Supp. Plan G	3,508,897	4,673,510	133.2	1,478	6,249,304	6,436,805	103.0	1,464
YES	BMS K	K	NO	234	03/14/2011				Med. Supp. Plan K	31,817	31,276	98.3	105	30,095	15,739	52.3	37
YES	BMS L	L	NO	234	03/14/2011				Med. Supp. Plan L	42,874	37,799	88.2	67	83,963	44,416	52.9	37

360.NC

Supplement for the year 2014 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2014
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....0
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2011				Policies Issued in 2012, 2013 & 2014			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
.....YES...	BMS M.....	M.....	.....NO.....	.....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan M.....	20,955	14,298	.....68.2	85	27,276	9,320	.....34.2	46
.....YES...	BMS N.....	N.....	.....NO.....	.....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan N.....	117,982	158,866	.....134.7	508	679,110	298,734	.....44.0	206
0199999.	Total Policy Experience on Individual Policies.....									240,734,005	187,588,727	.....77.9	100,809	96,843,923	63,120,455	.....65.2	53,792

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... Durham NC Last Name
   2.2 Contact person and phone number..... Kara Taff 919-765-7344
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... Durham NC Last Name
   3.2 Contact person and phone number..... Kara Taff 919-765-7344
4. Explain any policies identified as policy type "O".

* 5 4 6 3 1 2 0 1 4 3 6 5 0 0 1 0 0 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....0 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	52,583,324	XXX		XXX	52,583,324
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	15,652,380	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	434,886	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	67,800,818	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	67,800,818	XXX	0	XXX	52,583,324
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	70,448,200	XXX		XXX	70,448,200
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	(744,203)	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	1,921,627	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	67,782,370	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	67,782,370	XXX	0	XXX	70,448,200
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	(15,723,267)	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	13,485,553	XXX		XXX	13,485,553
15. Expenses Incurred	13,485,553	XXX		XXX	XXX
16. Underwriting Gain/Loss	(13,467,105)	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	(31,350,429)

Blue Cross and Blue Shield of North Carolina

Consolidated Financial Statements
December 31, 2015, 2014 and 2013

With Independent Auditor's Report Thereon

Blue Cross and Blue Shield of North Carolina

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Consolidated Statements of Changes in Accumulated Capital 6

Consolidated Statements of Cash Flows 7

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Ernst & Young LLP
4131 Parklake Avenue
Suite 500
Raleigh, NC 27612

Tel: 1 919 981 2800
Fax: 1 866 478 3363
ey.com

Building a better working world

Report of Independent Auditors

The Board of Trustees
Blue Cross Blue Shield North Carolina

We have audited the accompanying consolidated financial statements of Blue Cross Blue Shield of North Carolina and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2015, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Blue Cross and Blue Shield of North Carolina and its subsidiaries at December 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Report of Other Auditors on December 31, 2014 and 2013 Financial Statements

The consolidated balance sheet as of December 31, 2014, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for each of the two years in the period ended December 31, 2014, were audited by other auditors who expressed an unmodified opinion on those statements on March 2, 2015.

Ernst & Young LLP

February 24, 2016

Blue Cross and Blue Shield of North Carolina

Consolidated Balance Sheets

(dollars in thousands)

	As of December 31,	
	2015	**2014**
Assets		
Current assets:		
Cash and cash equivalents	$80,640	$37,752
Investments available for sale, at fair value:		
Fixed income securities	65,705	12,587
Equity securities	745,412	1,235,742
Premiums and other receivables, net	583,724	538,548
Affordable Care Act receivables	337,454	294,285
Income tax receivable	3,779	61,969
Deferred tax asset	119,649	-
Other current assets	93,121	99,747
Total current assets	2,029,484	2,280,630
Investments available for sale, at fair value, less current portion:		
Fixed income securities	1,694,393	1,729,402
Equity securities	173,459	126,793
Real estate funds	200,355	173,794
Property and equipment, net of accumulated depreciation	391,676	295,921
Goodwill	87,097	87,097
Intangible assets, net of accumulated amortization	29,275	31,999
Prepaid pension	21,406	36,565
Deferred tax asset	-	1,861
Affordable Care Act receivables	54,814	57,760
Other assets	214,015	148,855
Total assets	$4,895,974	$4,970,677
Liabilities and Accumulated Capital		
Current liabilities:		
Medical and other benefits payable	$725,970	$744,424
Accounts payable and accrued expenses	535,578	403,601
Unearned premiums	112,198	142,131
Overdrafts	140,660	210,834
Payable for securities	478	475
Contract reserves	57,996	70,030
Current portion of long term debt and lines of credit	174,861	102,875
Deferred tax liability	-	13,331
Total current liabilities	1,747,741	1,687,701
Contract reserves, less current portion	276,139	301,278
Pension, postretirement and other retirement benefits	75,699	82,774
Long-term debt, less current portion	158,395	161,421
Deferred tax liability	31,856	-
Other long-term liabilities	37,882	39,130
Total liabilities	2,327,712	2,272,304
Commitments and contingent liabilities (Notes 10 and 13)	-	-
Accumulated capital:		
Accumulated earnings	2,445,327	2,444,803
Accumulated other comprehensive income	122,935	253,570
Total accumulated capital	2,568,262	2,698,373
Total liabilities and accumulated capital	$4,895,974	$4,970,677

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statements of Comprehensive Income

(dollars in thousands)

	For the Years Ended December 31,		
	2015	**2014**	**2013**
Revenues:			
Premiums	$7,415,234	$7,339,580	$5,819,050
Administrative fees and other revenue	445,974	414,727	431,817
Total operating revenues	7,861,208	7,754,307	6,250,867
Net investment income	100,819	101,520	99,549
Net realized gains on investments	152,534	80,092	49,269
Other-than-temporary impairment losses on investments	(2,009)	-	(1,071)
Other income (loss)	42,932	33,107	(6,052)
Total revenues	8,155,484	7,969,026	6,392,562
Expenses:			
Claims and medical expenses	6,468,308	6,407,210	4,998,755
Operating expenses	1,113,110	1,094,160	1,009,548
Broker commissions	213,472	268,844	198,180
Affordable Care Act fees and premium taxes	312,377	251,389	76,223
Interest expense	18,129	13,256	3,372
Total expenses	8,125,396	8,034,859	6,286,078
Income (loss) before income taxes (benefits)	30,088	(65,833)	106,484
Income taxes (benefits)	29,564	(15,232)	13,851
Net income (loss)	524	(50,601)	92,633
Other comprehensive income (net of tax)			
Investments available for sale:			
Unrealized gains (losses) arising during period, net of income tax expense (benefit) of $(10,418), $51,168, and $32,548	(19,348)	95,027	60,447
Amounts reclassified in to earnings, net of income tax expense (benefit) of $(53,387), $(28,032), and $(16,869)	(99,147)	(52,060)	(31,329)
Net unrealized gain (loss) on securities (investing)	(118,495)	42,967	29,118
Non-credit component of other-than-temporary impairment (losses) on investments, net of income tax expense of $703, $0, and $0	1,306	-	-
Qualified retirement plan:			
Deferred net actuarial gain (loss) net of income tax expense (benefit) of $(9,807), $(18,084), and $73,776	(18,212)	(33,584)	137,012
Deferred prior service costs, net of income tax expense of $0, $0, and $898	-	-	1,669
Postretirement and other benefit plans:			
Deferred net actuarial gain (loss), net of income tax expense (benefit) of $2,649, $(3,093), and $11,797	4,919	(10,272)	21,883
Deferred prior service credit, net of income tax expense (benefit) of $(82), $(142) , and $48	(153)	(262)	88
Total other comprehensive income (loss)	(130,635)	(1,151)	189,770
Total comprehensive income (loss)	$(130,111)	$(51,752)	$282,403

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statement of Changes in Accumulated Capital
(dollars in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Total Accumulated Capital
Balance, December 31, 2012	$2,402,771	$64,951	$2,467,722
Net income	92,633	-	92,633
Other comprehensive income	-	189,770	189,770
Balance, December 31, 2013	$2,495,404	$254,721	$2,750,125
Net loss	(50,601)	-	(50,601)
Other comprehensive loss	-	(1,151)	(1,151)
Balance, December 31, 2014	$2,444,803	$253,570	$2,698,373
Net income	524	-	524
Other comprehensive loss	-	(130,635)	(130,635)
Balance, December 31, 2015	$2,445,327	$122,935	$2,568,262

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statements of Cash Flows

(dollars in thousands)

	For the years ended December 31,		
	2015	**2014**	**2013**
Cash flows from operating activities:			
Net income (loss)	$524	$(50,601)	$92,633
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	30,890	22,312	18,634
Donation of investments	-	-	10,000
Deferred income taxes	(28,868)	(9,090)	26,715
Net change of deferred acquisition costs	3,158	11,155	28,325
Accretion of discounts and amortization of premiums, net	15,946	9,032	6,896
Net gain (loss) on sale of property and equipment	(28,724)	640	12,186
Net realized gains on disposition of investments	(152,534)	(80,092)	(49,269)
Other-than-temporary impairment losses recognized in earnings	2,009	-	1,071
(Gain) loss on equity affiliates	(47,513)	(22,384)	7,437
Changes in operating assets and liabilities:			
Premiums and other receivables	(45,176)	(124,951)	(72,711)
Affordable Care Act receivables	(37,278)	(352,045)	-
Prepaid pension asset	15,159	53,034	(89,599)
Other assets	19,176	60,196	(44,332)
Medical and other benefits payable	(18,454)	263,695	35,915
Contract reserves	(37,173)	(76,774)	(37,161)
Unearned premiums	(29,933)	(10,468)	9,642
Accounts payable and accrued expenses	130,238	118,300	(22,568)
Income taxes receivable/payable	58,190	(50,900)	(15,504)
Pension, postretirement and other retirement benefits	(25,262)	(49,828)	138,258
Net cash provided by (used in) operating activities	(175,625)	(288,769)	56,568
Cash flows from investing activities:			
Purchases of investments	(600,015)	(1,045,052)	(554,059)
Sales and maturities of investments	914,937	1,040,877	420,045
Net purchases of property and equipment	(128,566)	(169,351)	(59,722)
Change in receivable/payable for securities	3	275	(26,954)
Proceeds from sale of property and equipment	33,368	-	-
Purchase of subsidiary, net of cash received	-	-	(1,255)
Net cash used in investing activities	219,727	(173,251)	(221,945)
Cash flows from financing activities:			
Changes in debt	68,960	264,296	-
Changes in overdrafts	(70,174)	172,264	(33,491)
Net cash provided by (used in) financing activities	(1,214)	436,560	(33,491)
Net increase (decrease) in cash and cash equivalents	42,888	(25,460)	(198,868)
Cash and cash equivalents at beginning of year	37,752	63,212	262,080
Cash and cash equivalents at end of year	$80,640	$37,752	$63,212
Supplemental disclosure of cash paid for:			
Interest	$18,129	$13,256	$3,372
Income taxes	$3,050	$37,673	$8,924

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Blue Cross and Blue Shield of North Carolina (BCBSNC; we; our; us; the Company) is a health services company domiciled in the state of North Carolina. The membership of BCBSNC and its subsidiaries (collectively the Company) totaled approximately 2.8 million members as of December 31, 2015. Including members served on behalf of other Blue plans, the Company's membership totaled approximately 3.9 million members served as of December 31, 2015. The Company's customers are located primarily in North Carolina, where the Company is licensed and operates. The Company provides a comprehensive spectrum of health benefits products and BCBSNC holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefits offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, Health Savings Account, or HSA, and Medicare Advantage plans. The Company also offers a broad range of health benefits services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical cost management and other administrative services. In addition, the Company offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, vision hardware, mental health, substance abuse, and chiropractic benefits. The Company offers these products and services to large and small employers, groups and government units as well as individuals.

As of December 31, 2015, BCBSNC had three wholly-owned subsidiaries: Corium, LLC ("Corium"); Corium II, LLC ("Corium II"); and NobleHealth, Inc. ("NobleHealth"). Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. NobleHealth holds non-controlling strategic investments in certain health services companies and has three wholly owned subsidiaries: Mosaic Group Services, LLC ("Mosaic Group"), formerly known as Saegis Benefits, LLC; Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); and Topaz Shared Services, LLC ("Topaz"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions has one wholly-owned subsidiary, ACS Benefit Services, LLC ("ACS") and also holds non-controlling strategic investments in certain health services companies. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. Topaz provides a healthcare delivery system.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles (GAAP) in the United States (US). Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary impairments and other valuation accruals. Actual results could differ materially from those estimates.

The consolidated financial statements include the accounts of BCBSNC and all of its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Certain prior year balances have been reclassified to conform to current year presentation in the accompanying consolidated financial statements. These reclassifications resulted in no change to previously reported amounts of accumulated capital, income before taxes, or net income.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance that would require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in

exchange for those goods or services. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP, except those related to insurance contracts, when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. In July 2015, the FASB deferred the effective date provided in the new revenue guidance by one year. Giving effect to this deferral, the new guidance is effective for annual reporting periods beginning after December 15, 2018. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In February 2015, the FASB issued consolidation guidance that modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, eliminates the presumption that a general partner should consolidate a limited partnership, and affects the consolidation analysis of reporting entities that are involved with variable interest entities. The new guidance is effective beginning with annual reporting periods beginning after December 15, 2016, with early adoption permitted. All legal entities are subject to reevaluation under the revised consolidation model. We are currently evaluating the impact, if any, on our consolidated financial statements.

In April 2015, the FASB issued new guidance requiring entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. This standard is effective for us beginning with annual reporting periods beginning after December 15, 2016. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In April 2015, the FASB issued new guidance to help entities determine whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software or as a service contract. The guidance is effective for us beginning with annual reporting periods beginning after December 15, 2016, with early adoption permitted. Upon adoption, an entity has the option to apply the provisions either prospectively to all arrangements entered into or materially modified, or retrospectively. We are currently evaluating the impact, if any, on our consolidated financial statements.

In May 2015, the FASB issued new guidance requiring insurance entities to provide additional disclosures about claim liabilities including paid claims development information by accident year and claim frequency data and related methodologies. The guidance is effective for annual periods beginning after December 15, 2016. We are currently evaluating the impact the new guidance will have on our disclosures.

In November 2015, the FASB issued new guidance which eliminates the current requirement to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, we will be required to classify all deferred tax assets and liabilities as noncurrent. The guidance is effective for annual periods beginning after December 15, 2017. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued new guidance which enhances the reporting model for financial instruments to provide users of financial statements with more decision useful information. The guidance is effective for annual periods beginning after December 15, 2017. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital

position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise a majority of the fair value of our investments as of December 31, 2015.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of our investment.

We routinely process, store and transmit large amounts of data in our day to day operations. Such data includes sensitive personal, proprietary or confidential information relating to our customers, our business or other third-parties. Some of this data may be processed, stored and transmitted outside of the U.S. because of operational reliance on strategic vendors.

The possibility of security incidents resulting in a breach of our information systems and/or sensitive information are constant risks to our organization. Notwithstanding the proactive and aggressive measures we employ to prevent them, experienced cyber criminals may be able to penetrate our layered security controls and misappropriate or compromise sensitive information given sufficient time and resources. Such attacks could create system disruptions or cause shutdowns, or may result in the deployment of malicious software programs, such as viruses and worms, that could infect our systems or otherwise exploit any security vulnerabilities. Physical attacks and disruptions are also a risk. Our facilities may be subjected to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs associated with threat mitigation and vulnerability remediation to prevent a breach or cyber-incident are significant, but potentially much greater when such activities are forced to occur after an event. Such efforts are always impactful and may not always be successful. Service interruptions, delays or complete lack of service resulting in customer dissatisfaction and the loss of existing or new customers are additional impacts associated with these activities. However, breaches of our security measures and the unauthorized disclosure of sensitive information could expose our customers to the risk of medical identity theft or financial harm. Additionally, such breaches could expose us or other third-parties to loss or misuse of sensitive information, resulting in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationship with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu for the operation of our IT systems and are dependent upon them for support functions. We also have

agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support. Additionally, we have vendor dependencies associated with various workflow and transactional systems critical to our operations. Should these vendors be unable to provide their services our operations and financial stability may be significantly impacted, but more importantly we may not be able to meet the demands of our customers.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. A new core technology suite and business model is intended to provide core operating capabilities including enrollment, claims-processing and customer services with the explicit goals of reducing our operating costs and increasing speed-to-market and market offer flexibility. This core platform has been in service for our small Group market since July 2014, with membership migrating as we add new functionality. We are migrating our Individual under-65 market for January 1, 2016 effective dates and will migrate remaining markets over the next three years. Completion of this program could favorably position the Company to capture and retain attractive business from some of its national competition. However, execution risk exists on a program of this magnitude and complexity, while the business and operating cost value is largely delivered upon completion of the migration.

In addition, federal and state regulatory agencies may further restrict our ability to implement necessary changes in premium rates to earn our target contribution to surplus or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

A wide variety of factors could result in volatility of medical losses in any given year. These factors include economic and regulatory risks whereby state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows. Furthermore, new types of medical treatments or prescription drugs could emerge during the policy period or after the time premiums are established and approved by regulators, resulting in higher medical losses than expected.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services (“CMS”), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or “pay for performance”, which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed. Additionally, accountable care organizations; practice management companies (which are companies that aggregate physician practices for administrative efficiency); and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Since 2010, with the passage of the Patient Protection and Affordable Care Act (ACA or health care reform), health insurance issuers have been feeling the far-reaching effects of subsequent guidance and regulations. The law is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees beginning in 2015 or be required to pay a financial penalty. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry, certain of which are not deductible for income tax purposes.

While many of the law's reforms have been in place since January 1, 2014, including the individual mandate, the establishment of federally-facilitated or state-based exchanges, and the three premium stabilization programs ("3R's"), many of the implications of the law will not be seen for years to come.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their current pre-ACA plans that are not compliant with health care reform, which led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers, across many states, this could result in overall deterioration of the risk pool in ACA compliant plans because more members remain in their current health plans rather than moving to ACA plans on or off the Exchange. These policies can be renewed through October 1, 2016 unless extended.

In addition, the ACA has increased and will continue to increase federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes.

As discussed above, implementing regulations and related interpretive guidance continue to be issued on certain provisions of the ACA. Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, the ACA has and will continue to change how we do business, with impacts on pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings could cause significant disruption in health care markets. It is possible that health care reform and related regulations, as well as future legislative and regulatory changes, including legislative restrictions on issuers ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows.

Federal Congressional activity, budget negotiations, the 2016 presidential campaign, ongoing regulatory changes to health care reform, and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of the ACA. An example of this uncertainty includes the upcoming federal court case US House of Representatives vs. Secretary Burwell involving the Administration's delayed enforcement of the requirement that large employers provide health coverage to their employers and the administration's funding of a program to reduce the out-of-pocket health care costs of some consumers.

In the 2015 federal budget bill, Congress specified that the ACA's risk corridor program must be budget neutral, with distributions not exceeding collections. In October 2015, CMS announced that they will pay insurers expecting risk corridor payments 12.6% of their requested amount due to a shortfall with insurers having requested $2.87 billion in payments and CMS has received $362 million (in aggregate). The notice repeats CMS' intention to pay the remaining 2014 amounts due out of 2015 and 2016 receivables, as necessary, and in the event of a shortfall in the program after the 2016 benefit year, CMS repeated that they will 'explore other sources of funding for risk corridors payments'. This continued uncertainty makes financial forecasting and reporting increasingly challenging.

Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, health care reform has created new reimbursement timelines for insurers as government subsidies (which comprise over 90% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In

addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the third quarter following the coverage year.

As described above, the Company continues to face uncertainty impacting the health insurance industry with the ultimate impacts of the ACA, including the legislative and regulatory changes to the law. There is significant uncertainty and concern related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which is impacting our financial performance in future periods. The Company will continue to monitor all changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

The US House of Representatives has filed a lawsuit (US House of Representatives v. Burwell) challenging the ability of the Department of Health and Human Services (HHS) to make Cost Sharing Reduction (CSR) payments to insurers. CSR plans are available to enrollees at or below 250% of the Federal Poverty Level (FPL). CSR Plans provide lower deductibles, copayments, coinsurance, and out-of-pocket maximums for enrollees. HHS makes CSR payments directly to BCBSNC as reimbursement for the lower cost-sharing amounts provided in CSR plans.

In the lawsuit, Congress maintains that the funds HHS is using to make CSR payments requires a direct appropriation from Congress. The plaintiffs maintain that as Congress did not provide a specific line item appropriation for CSR payments; HHS has not been granted the right or authority to make a distribution from the Treasury. The Obama administration maintains that CSR payments and the Advance Premium Tax Credit (APTC or subsidies as they are known) are inextricably linked (as eligibility for CSR is triggered by APTC eligibility); thus the appropriation of funds for APTC serves as an appropriation for CSRs as well.

The DC District Court has ruled, initially in June in of 2015 and again in denying an Obama Administration request to dismiss the case in October of 2015, that the House has standing to sue and that the case will proceed on its merits. Oral arguments in the case are expected to take place in the spring or summer of 2016 and a decision could come anytime thereafter. The challenge for BCBSNC is that we are required to offer CSR plans to eligible individuals as part of our Qualified Health Plan (QHP) issuer agreement with the Federal Exchange, and this agreement covers the entire plan year. If the CSR payments from HHS are deemed illegal, CSR payments to BCBSNC could possibly be stopped soon after a ruling but we would still be required to offer CSR plans for the remainder of the plan year, as stipulated in our signed issuer agreement. The timing of a final decision is unknown, but it is not likely that the case will be settled before the 2017 QHP agreements must be signed in late summer. The standing decision is likely to go to the US Supreme Court.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash equivalents totaled $55,903 and $5,296 as of December 31, 2015 and 2014, respectively. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

Included in other noncurrent assets as of both December 31, 2015 and 2014 are restricted money market funds and bonds of $33,005 and $33,008, respectively, which were on deposit with the state of North Carolina in accordance with contractual requirements.

Investments

All investments are categorized as available-for-sale and are recorded at their fair values as of the balance sheet date. The Company records purchases and sales as of the trade date. Fixed income securities are classified as either current or noncurrent assets based on their contractual maturities as well as management's expectations as to when they will be sold. If the Company does not intend to sell the fixed income security, management considers available evidence to assess whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost basis. Equity securities are primarily classified as current as they are available for use for current operations. Certain securities, which are used to satisfy contractual, regulatory or other requirements, continue to be classified as long-term, without regard to contractual maturity.

Venture capital investments, real estate funds, private equity funds and private equity securities are classified as noncurrent assets.

Realized gains and losses, including other-than-temporary impairments that are determined to be due to credit, are included in income. Unrealized gains, unrealized losses estimated to be temporary in nature and other-than-temporary impairments determined to be non-credit related, net of deferred income taxes, are reflected in accumulated capital as Accumulated Other Comprehensive Income (loss) (AOCI). Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

When an other-than-temporary impairment loss is determined to have occurred on equity securities, the losses are recognized in the Consolidated Statements of Comprehensive Income. The way in which impairment losses on fixed income securities are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the Company recognizes an other-than-temporary impairment in the Consolidated Statements of Comprehensive Income for the difference between amortized cost and fair value. If the Company does not expect to recover the amortized cost basis, does not plan to sell the security and if it is not more likely than not that the Company would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the recognition of the other-than-temporary impairment is bifurcated. The Company recognizes the credit loss portion in net income and the noncredit loss portion in AOCI.

The credit component of an other-than-temporary impairment is determined by comparing the net present value of projected future cash flows with the amortized cost basis of the fixed income security. The net present value is calculated by discounting our best estimate of projected future cash flows at the effective interest rate implicit in the fixed income security at the date of acquisition. For mortgage-backed and asset-backed securities, cash flow estimates are based on assumptions regarding the underlying collateral including expected prepayments, vintage, type of underlying asset, geographic concentrations, default rates, recoveries and changes in value of the underlying collateral. For all other fixed income securities, cash flow estimates are driven by assumptions regarding probability of default, including changes in credit ratings, and estimates regarding timing and amount of recoveries associated with a default.

Fair value is determined by quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

Ownership in Investee Companies

The Company, through its wholly owned subsidiary, NobleHealth, had ownership in Mosaic Health Solutions which has ownership in several investee companies in the amount of $135,079 and $74,765 as of December 31, 2015 and 2014, respectively. Ownership interest amounts ranged from 1% to 45%. These investments are accounted for under the equity method of accounting and the Company has elected the fair value method for such investments.

These investments are included in other assets line item in the Consolidated Balance Sheets and amount to approximately $135,000 and $74,800 as of December 31, 2015 and 2014, respectively. These investments make up 4.4% and 2.2% of total invested assets at year end in 2015 and 2014, respectively. Management has elected the fair value option for these investments as they have determined that fair value best reflects the economics of these investments. These investments were valued using quantifiable data from the portfolio company, recent portfolio company financing events, discounted cash flows, and relevant revenue, market, EBITDA, or similar multiples for comparable companies and transactions. Earnings in 2015 and 2014 for these investments were $34,194 and $2,420, respectively, which was recorded in Other income.

Premiums and Other Receivables

Premiums and other receivables include the uncollected amounts due from insured and self-funded customers and the federal government for amounts related to Medicare Advantage. Also, included in other receivables are the uncollected amounts of drug rebates, interest, certain profit sharing arrangements and other miscellaneous receivables. Premiums and other receivables are reported net of any allowance for uncollectible amounts. The allowance for uncollectible receivables is estimated each period and a valuation allowance is recorded based upon the age of unpaid amounts and other information about the customers as well as management's judgment regarding the ability of the customers to pay outstanding amounts. Estimates of uncollectible accounts receivable are revised each period, and changes are reflected in the operating expense line of the Consolidated Statements of Comprehensive Income in the period they become known. At December 31, 2015 and 2014, the Company recorded a valuation allowance of $17,402 and $6,280 respectively

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expenses. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts.

Affordable Care Act Risk Management Programs

Beginning in 2014, as prescribed by health care reform, three programs, commonly referred to as the 3R's, went into effect to reduce the risk for participating health insurance companies selling coverage on the public exchanges.

A three-year (2014-2016) reinsurance program is designed to provide reimbursement to insurers for high claims dollars resulting from individual business sold on or off the public exchanges. The reinsurance entity established by HHS is funded by a per-customer reinsurance fee assessed on all commercial medical plans, including self-insured group health plans. Only non-grandfathered individual plans are eligible for recoveries if claims exceed a specified threshold, up to a reinsurance cap. Reinsurance contributions associated with non-grandfathered individual plans are reported as a reduction in premium revenue, and estimated reinsurance recoveries are established with an offsetting reduction in medical claims expense. Reinsurance fee contributions for other insured business are reported in other operating expenses. After fully reflecting completed actual claims experience and sufficient claims run-out, development factors were set and used to record the reinsurance receivable. At December 31, 2015 and 2014, the Company recorded a reinsurance receivable of $235,434 and $247,785, respectively. In 2015, the company collected all reinsurance recoverable submitted to CMS for 2014.

A permanent risk adjustment program reallocates funds from insurers with lower risk populations to insurers with higher risk populations based on the relative risk scores of participants in non-grandfathered plans in the individual and small group markets, both on and off the exchanges. Based on the risk of our members compared to the risk of other members in the same state and market, considering data obtained from industry studies and our proprietary market data, we estimate our year-to-date risk adjustment. The Company records a risk adjustment receivable or payable, with an offsetting adjustment to premium revenue when the amounts are reasonably estimable and collection is reasonably assured. To determine this amount, we relied on 3rd party consultant studies in both years with minor adjustments for known membership changes in 2014. These results were validated with internal actuarial models. At December 31, 2015 and 2014, the Company recorded a risk adjustment receivable of $98,980 and $43,460 respectively. In 2015, the Company collected the vast majority of the risk adjustment receivable established in 2014.

A three year (2014-2016) risk corridor program is designed to limit insurer gains and losses by comparing allowable costs to a target amount as defined by HHS. This program applies to individual and small group qualified health plans, operating on and off the exchanges. Variances from the target amount exceeding certain thresholds may result in amounts due to or due from HHS. The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on our year-to-date experience when the amounts are reasonably estimable. At December 31, 2015 and 2014, the Company recorded a risk corridor receivable of $359,722 and $121,600 respectively.

In December, 2014, the 2015 Continuing Resolution Omnibus Bill was approved by Congress and signed into law. Due to the lack of appropriation in the budget for the risk corridor program and the likelihood that payments required to be made by CMS would exceed amounts collected to fund the program, the Company evaluated the collectability of the risk corridor receivable and determined that it was probable that the 2014 amounts due from CMS would not be fully collected and none of the 2015 amounts will be collected. As a result, the Company has recorded a reserve of $301,868 and $60,800 as of December 31, 2015 and 2014, respectively.

The following is a summary of the 3R's as of December 31, 2015. Amounts are classified as current or long-term in the accompanying consolidated balance sheets based on the timing of expected settlement.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$235,434	$98,980	$3,040
Non-current assets	-	-	54,814
Net asset (liability)	$235,434	$98,980	$57,854

The following is a summary of the 3R's as of December 31, 2014.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$247,785	$43,460	$3,040
Non-current assets	-	-	57,760
Net asset (liability)	$247,785	$43,460	$60,800

Federal Employee Program

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known

as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and BCBSA, which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,652,690, $4,542,095 and $5,752,350 as of September 30, 2015, December 31, 2014 and 2013 respectively. The unaudited amounts being held in the contingency reserve are $9,237,555, $10,632,403 and $9,270,691 as of September 30, 2015, December 31, 2014 and 2013, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $15,429, $8,129 and $7,626 as of December 31, 2015, 2014 and 2013, respectively, and are included in other current assets and other current liabilities in the accompanying consolidated balance sheets. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $30,024, $26,967 and $24,063 as of December 31, 2015, 2014 and 2013, respectively, and are included in cash and other non-current liabilities in the accompanying consolidated balance sheets.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, investments and premium and other receivables. All cash equivalents and investments are managed within established guidelines, which provide us diversity among issuers. Concentrations of credit risk with respect to premium and other receivables are related to our large number of payers comprising our customer base and the federal government.

FEP represented approximately 16.0%, 16.6% and 24.2% of accounts receivable as of December 31, 2015, 2014 and 2013, respectively. ACA receivables represented 40.2%, 39.5% and 0% of accounts receivable as of December 31, 2015, 2014 and 2013, respectively. FEP and ACA receivables represented approximately 56.2%, 56.1% and 24.2% of accounts receivable for the years ended December 31, 2015, 2014 and 2013, respectively.

FEP represented approximately 13.6%, 13.1% and 14.4% of net revenue for the years ended December 31, 2015, 2014 and 2013, respectively. FEP and ACA revenue represented approximately 41.2%, 44.9% and 32.9% of net revenue for the years ended December 31, 2015, 2014 and 2013, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets, which are 40 to 50 years for buildings, 3 to 10 years for furniture and equipment, and 2 to 10 years for computer equipment and software. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Upon disposition or retirement, assets and related accumulated depreciation accounts are relieved and any related gain or loss is reflected in the Consolidated Statements of Comprehensive Income. Property and equipment is evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

The Company develops software for internal use. Certain costs associated with the development or purchase of internal-use software are capitalized and amortized over the estimated useful lives of the software. All other development costs are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost of acquisition over the fair value of net assets acquired. Intangible assets represent the values assigned to acquired subscriber relationships and provider networks. Intangible assets are recognized as assets apart from goodwill because they meet one of two criteria: the contractual-legal criterion or the separability criterion. Goodwill is evaluated for impairment on an annual basis and more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after completing this assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then proceed to a two-step impairment testing methodology using the income approach (discounted cash flow method). In the first step of this testing methodology, we compare the carrying value of the reporting unit, including goodwill, with its fair value, as determined by its estimated discounted cash flows. If the carrying value of a reporting unit is less than its fair value, no impairment is considered to have occurred and step two of the impairment test is unnecessary. If the carrying value of a reporting unit exceeds its fair value, we then complete the second step of the impairment test to determine the amount of impairment to be recognized. In the second step, we estimate an implied fair value of the reporting unit's goodwill by deducting the fair value of all net assets of the reporting unit (including any unrecognized intangible assets, and excluding the goodwill) from its fair value as determined in the first step. Any remaining fair value after assigning fair value to the reporting unit's net assets represents the implied fair value of the goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference in that period.

Intangible assets are amortized over their useful lives. Intangible assets are evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the intangible assets' fair value is less than its carrying amount. Based on the results of this assessment, the Company may conduct a quantitative impairment test if the fair value of the intangible assets was determined to be, more likely than not, less than its carrying amount. Recoverability of intangible assets is primarily determined by a comparison of the carrying amount of the assets to future net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Medical and Other Benefits Payable

The reserve for medical and other benefits payable includes management's estimate of the ultimate cost of the claims in process of settlement, claims incurred but not yet reported, and claims adjustment expenses needed to settle these claims.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and

claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for medical and other benefits payable are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in medical cost trend and claims payment patterns used in estimating reserves would impact the balance of medical and other benefits payable. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to the Company's actuarial methods in the last three fiscal years.

Contract Reserves

Contract reserves are established for long duration insurance products where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include locked assumptions such as interest rates, claim trends, persistency, and other assumptions. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA grandfathered products.

The current portion of contract reserves relates to the estimated amount by which the Company expects claims costs to exceed premiums collected over the next twelve months.

Book Overdrafts

Under our cash management system, checks issued but not yet presented to banks frequently result in overdraft balances for accounting purposes and are classified as a current liability in the Consolidated Balance Sheets. Changes in book overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Bank Overdrafts

Under our cash management system, checks issued and presented to our banks can result in overdraft balances at those banks when immediate funding is not available; an extension of credit from the bank is granted. These amounts are classified as a current liability in the Consolidated Balance Sheets for each of the years ended December 31, 2015 and 2014 was $0 and $44,310, respectively. Changes in bank overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Premium Deficiency

Premium deficiencies are recognized when it is probable that expected future claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with the consideration of investment income and overhead expense allocation. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2015 and 2014.

Revenue Recognition and Unearned Premiums

Revenue is principally derived from health benefit premiums. Generally, membership contracts have one-year terms. Group contracts are subject to cancellation upon 30 days written notice. Premiums are generally due monthly and are recognized as revenue during the period in which the Company is obligated to provide services

or benefits. Amounts that are billed and received but unearned are recorded as unearned premiums. Because employer groups generally provide changes to their eligible member population one month in arrears, each billing includes an adjustment to premiums for the prior month's changes in member status that were not reflected in the original billing. Premium refunds are shown as a reduction in premium.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. The Company estimates Medicare Advantage risk adjustment revenues based upon the data submitted and expected to be submitted to CMS.

Beginning in 2014, HHS pays us a portion of the health care costs for low-income individual members for which we assume no risk in accordance with the Health Care Reform Law. We account for these subsidies as a deposit in our Consolidated Balance Sheets and as a financing activity in our Consolidated Statements of Cash Flows. We do not recognize premiums revenue or benefits expense for these subsidies. Receipt and payment activity is recorded in our Consolidated Balance Sheets in other current assets or accounts payable and accrued expenses depending on the balance at the end of the reporting period. Receipts from HHS associated with these cost sharing subsidies for which we do not assume risk were $55,286 and $54,789 higher than claims payments for the year ended December 31, 2015 and 2014, respectively.

Administrative fees include revenue from those group contracts that provide for the group to be at risk for all or, in the case of stop-loss agreements, a portion of its claims experience. These self-funded groups are charged an administrative fee that is based upon the number of members in the group and the group's claims experience. In addition, administrative fees include amounts received for the administration of certain other contracts, including cost plus arrangements. Administrative fees are recognized in accordance with the terms of the Company's contractual relationship with the customer. Administrative fees are included in the administrative fees and other revenue in the Consolidated Statements of Comprehensive Income. All benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are excluded from the claims and medical expenses line of the Consolidated Statements of Comprehensive Income. Reimbursements of all medical benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are also excluded from the operating revenue in the Consolidated Statements of Comprehensive Income.

Medicare Part D Prescription Drug Program

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with CMS. Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Consolidated Statements of Comprehensive Income as they are reviewed and agreed to by the Company. As of December 31, 2015, years 2006 through 2015 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period. Premiums received in advance are recorded in unearned premiums. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

The Company's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company's annual bid to actual prescription drug costs,

limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS's portion of prescription drug costs which exceed the member's out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursements from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company's annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2015 and 2014, the net estimated risk sharing payable with CMS was $0 and $0, respectively. The net estimated subsidies receivable from CMS was $9,388 and $22,167 at December 31, 2015 and 2014, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in premiums and other receivables. Any estimated payables related to the CMS risk sharing or subsidies are included in accounts payable and other accrued expenses.

Accounting for Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. A valuation allowance is recorded to reduce the Company's deferred tax asset to the amount the Company believes is more likely than not to be realized. This determination is based upon a number of assumptions, including: the types of deferred tax assets; the expected reversal patterns and periods of the temporary differences; taxes paid in prior periods available for carry-back claims; estimates of future taxable income; and other significant issues or developments likely to impact the realization of the benefits from the deferred tax assets. If facts are ultimately inconsistent with the Company's expectations, an adjustment to the Company's deferred tax asset may be required in the future. Any such adjustment would be charged or credited to income tax expense in the Consolidated Statements of Comprehensive Income in the period the determination is made.

When tax returns are filed, some positions taken will be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceed the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying Consolidated Balance Sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are charged to income tax expense in the Consolidated Statements of Comprehensive Income.

Employee Benefit Programs

The funded status of the Company's defined benefit pension plans and nonpension postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on estimated compensation levels and service. For the nonpension postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, which represents the actuarial present value of postretirement benefits attributed to employee services already rendered.

The fair value of plan assets represents the current fair value of cumulative Company contributions and investment earnings on those contributions less amounts paid out. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a pension, postretirement and other retirement benefits liability equal to this excess. The current portion of the pension and nonpension postretirement benefit obligations represents the actuarial present value of benefits payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets. Net periodic pension and nonpension postretirement benefit expense (income) is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Certain events, such as changes in employee base, plan amendments and changes in actuarial assumptions, result in a change in the benefit obligation which results in corresponding changes in the gains and losses or prior service costs. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed certain thresholds which are based upon the benefit obligation or the value of plan assets. (Gains) losses and prior service costs (credits) not recognized as a component of net periodic benefit expense (income) in the Consolidated Statements of Comprehensive Income as they arise are recognized as a component of gains (losses) and prior service costs (credits) recognized in AOCI in the Consolidated Statements of Changes in Accumulated Capital. Those (gains) losses and prior service costs (credits) are subsequently amortized and recognized as a component of net periodic benefit expense (income).

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Subsequent Events

The Company has evaluated subsequent events through February 24, 2016, which is the date that the financial statements were available to be issued, for recognition or disclosure in our consolidated financial statements. All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, nonrecognized subsequent events are disclosed to keep the financial statements from being misleading.

In January 2016, in transitioning its 2016 individual book of business to a new operating system, the Company experienced several issues that have caused substantial customer dissatisfaction, numerous customer complaints, and inquiries from the North Carolina Department of Insurance and North Carolina Attorney General's office.

The Company is proactively working with members, our vendors, and both of the regulatory agencies noted above, and the Company is using all available resources to address and correct all of these issues at the earliest possible date. However, it is too early to determine the total cost of remediation.

3. Investments

The amortized cost and fair values of investment securities were as follows:

	December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:				
U.S. government and agency obligations	$67,823	$1	$(1,908)	$65,916
States and political subdivisions	1,143,113	92,384	(320)	1,235,177
Corporate fixed income securities	249,510	6,923	(6,354)	250,079
Commercial mortgage-backed securities	68,013	567	(945)	67,635
Residential mortgage-backed securities	94,106	513	(160)	94,459
Other fixed income securities	47,121	9	(298)	46,832
	1,669,686	100,397	(9,985)	1,760,098
Equity securities:				
Equity index mutual funds	378,899	221,822	(26,404)	574,317
Common stock	80,218	20,068	(19)	100,267
Preferred stock	69,412	1,551	(134)	70,829
Private equity securities	64,977	2,641	(7)	67,611
Venture capital investments	105,847	-	-	105,847
	699,353	246,082	(26,564)	918,871
Real estate				
Real estate funds	167,735	32,620	-	200,355
	$2,536,774	$379,099	$(36,549)	$2,879,324

	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:				
U.S. government and agency obligations	$16	$-	$-	$16
States and political subdivisions	1,206,970	101,554	(1,232)	1,307,292
Corporate fixed income securities	200,939	12,244	(731)	212,452
Commercial mortgage-backed securities	91,277	294	(213)	91,358
Residential mortgage-backed securities	119,953	1,344	(32)	121,265
Other fixed income securities	9,607	8	(9)	9,606
	1,628,762	115,444	(2,217)	1,741,989
Equity securities:				
Equity index mutual funds	668,021	375,288	(16,909)	1,026,400
Common stock	170,053	40,089	(800)	209,342
Private equity securities	41,079	2,641	(7)	43,713
Venture capital investments	83,080	-	-	83,080
	962,233	418,018	(17,716)	1,362,535
Real Estate				
Real Estate funds	160,841	12,953	-	173,794
	$2,751,836	$546,415	$(19,933)	$3,278,318

As of December 31, 2015 and 2014, the non-credit component of other-than-temporary impairments was $1,306 and $0, respectively.

Expected Maturities of Fixed Income Securities

The amortized cost and fair values of fixed income securities, by contractual maturity, as of December 31, 2015 are as follows:

	Amortized Cost	Fair Value
Due in one year or less	$18,794	$19,035
Due after one year through five years	200,621	209,094
Due after five years through ten years	476,370	501,771
Due after ten years	764,661	821,272
	1,460,446	1,551,172
Commercial mortgage-backed securities	68,013	67,635
Residential mortgage-backed securities	94,106	94,459
Other asset backed fixed income securities	47,121	46,832
	$1,669,686	$1,760,098

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. As of December 31, 2015 and 2014, 100% and 99.0%, respectively of the fixed income portfolio was held in issues with investment grade credit ratings.

The following is a summary of the sources of net investment income for the year ended December 31:

	2015	2014	2013
Fixed income securities	$63,593	$68,215	$69,013
Equity securities	33,270	28,564	27,463
Cash and cash equivalents	508	261	502
Real estate funds	7,703	6,642	4,602
Total investment income	105,074	103,682	101,580
Investment expenses	(4,255)	(2,162)	(2,031)
Net investment income	$100,819	$101,520	$99,549

The change in net realized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2015	2014	2013
Gross realized gains on sales:			
Fixed income securities	$3,357	$20,362	$6,732
Equity securities	161,287	72,020	46,474
Total	164,644	92,382	53,206
Gross realized losses on sales:			
Fixed income securities	(1,720)	(1,882)	(3,739)
Equity securities	(10,390)	(10,408)	(198)
Total	(12,110)	(12,290)	(3,937)
Net realized gains	152,534	80,092	49,269
OTTI losses recognized in operations:			
Equity securities	(2,009)	-	(1,071)
Total	(2,009)	-	(1,071)
Net realized gains (losses) including OTTI losses	$150,525	$80,092	$48,198

The change in net unrealized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2015	2014	2013
Change in net unrealized gains (losses) on securities:			
Fixed income securities	$(21,252)	$49,227	$(106,642)
Equity securities	(180,766)	6,925	149,066
Real estate funds	19,666	9,952	2,373
	(182,352)	66,104	44,797
Deferred federal income tax expense	63,857	(23,137)	(15,679)
Change in net unrealized gains losses on securities net of income tax	$(118,495)	$42,967	$29,118

Other-Than-Temporary Impairment

Other-than-temporary impairment losses recognized in income were $2,009, $0 and $1,071, for the years ended December 31, 2015, 2014 and 2013, respectively, and consisted primarily of losses on equity securities.

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

	2015					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	64,121	(1,908)	-	-	64,121	(1,908)
States and political subdivisions	17,612	(113)	17,890	(207)	35,502	(320)
Corporate fixed income securities	62,078	(2,054)	34,937	(4,300)	97,015	(6,354)
Commercial mortgage-backed securities	34,694	(501)	28,008	(444)	62,702	(945)
Residential mortgage-backed securities	16,101	(106)	5,676	(55)	21,777	(161)
Other fixed income securities	33,398	(267)	2,016	(31)	35,414	(298)
Equity securities:						
Equity index mutual funds	11,813	(799)	109,152	(25,604)	120,965	(26,403)
Common stock	297	(13)	553	(7)	850	(20)
Preferred stock	9,785	(140)	-	-	9,785	(140)
Total	$249,899	$(5,901)	$198,232	$(30,648)	$448,131	$(36,549)

	2014					
	Less Than 12 Months		12 Months or Greater		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:						
U.S. government and agency obligations	-	-	-	-	-	-
States and political subdivisions	61,175	(946)	15,815	(286)	76,990	(1,232)
Corporate fixed income securities	46,248	(682)	2,587	(49)	48,835	(731)
Commercial mortgage-backed securities	54,835	(213)	-	-	54,835	(213)
Residential mortgage-backed securities	18,593	(32)	-	-	18,593	(32)

Other fixed income securities	3,451	(9)	-	-	3,451	(9)
Equity securities:						
Equity index mutual funds	268,344	(15,329)	9,553	(1,580)	277,897	(16,909)
Common stock	4,855	(217)	8,215	(583)	13,070	(800)
Private equity	553	(7)	-	-	553	(7)
Total	$458,054	$(17,435)	$36,170	$(2,498)	$494,224	$(19,933)

Fixed Income Securities – For both 2015 and 2014, the unrealized losses on the Company's fixed income investments were not the result of any credit related issues. In 2015, the unrealized losses on the Company's fixed income investments were mostly attributable to changes in interest rates. All of the issuers have investment grade credit ratings and therefore, the Company believes each issuer will be able to meet the contractual terms of the obligation. At December 31, 2015 and 2014, the Company did not have the intent to sell and it was not more likely than not that the Company would be required to sell the investments before the recovery of its amortized cost basis. The Company therefore did not consider the investments at December 31, 2015 and 2014 to be other-than-temporarily impaired.

Equity Securities – For both 2015 and 2014, the Company's investments in equity securities primarily consists of investments in mutual funds. Various investment lots were below cost at December 31, 2015 and 2014 and were primarily in broadly diversified mutual funds, including index funds, the vast majority of which had been in a loss position more than twelve months. The unrealized losses were primarily in emerging market ETF's and equity mutual funds in 2015 and in international equity mutual funds in 2014. The decline in emerging market equity mutual funds in 2015 was due primarily to concerns over growth in China and to weakness in commodity prices while international equity funds declined in 2014 due to concerns regarding the European economy, together with normal market movements. The unrealized losses in emerging market bond ETF's in 2015 were due to uncertainty concerning Fed interest rate actions and changes in commodity prices. The Company believes the declines are short term in nature and are due to the lack of clarity regarding Fed policy and commodity price changes, and not related to increased credit risk.

The Company continues to review its investment portfolios under its impairment review policy. Given the unpredictability of market conditions and the significant judgments involved, there is a continuing risk that declines in fair value may occur and other-than-temporary impairments may be recorded in future periods.

4. Goodwill and Intangible Assets

The gross carrying amounts and accumulated amortization for the major intangible asset classes and goodwill at December 31 are as follows:

	2015		2014	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Amortized intangible assets				
Subscriber relationships	$65,881	$37,616	$65,881	$35,066
Provider networks	7,198	6,188	7,198	6,013
	$73,079	$43,804	$73,079	$41,079
Goodwill	87,097		87,097	
Total	$160,176		$160,176	

Amortization expense of intangible assets for 2015, 2014, and 2013, was $2,724, $3,159 and $3,184 respectively.

The intangibles are amortized over periods that originally range from 12 to 31 years using the undiscounted cash flow method. Estimated amortization expense for the next five years is as follows: 2016, $2,358; 2017, $2,131; 2018, $2,034; 2019, $1,943 and 2020 $1,857.

5. Property and Equipment

Property and equipment as of December 31 consists of:

	2015	2014
Land and improvements	$19,437	$20,534
Buildings	79,474	97,374
Furniture, equipment and leasehold improvements	39,792	39,069
Construction in progress and equipment not in service	105,595	35,788
Computer equipment and software internally developed and purchased	333,885	291,786
	578,183	484,551
Less – accumulated depreciation and amortization	(186,507)	(188,630)
	$391,676	$295,921

Depreciation and amortization expense of property and equipment, excluding amortization of intangibles for 2015, 2014 and 2013, was $28,166, $19,153, and $15,450 respectively.

Accumulated amortization for capitalized software and hardware was $137,630 and $131,020 at December 31, 2015 and 2014, respectively. Amortization expense, included in depreciation and amortization above, for capitalized software and hardware for 2015, 2014 and 2013 was $21,028, $11,776 and $8,193, respectively.

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. During 2015, the Company sold its Headquarters property. The gain on Headquarters was $30,937 and is in the Operating Expense line of the Consolidated Statements of Comprehensive Income. The original cost of the Headquarters property was $16,260 and accumulated depreciation at the date of sale was $13,788.

At December 31, 2015 and 2014, the Company capitalized $54,972 and 159,644, respectively of internally developed software related to its core operating platform.

6. Medical and Other Benefits Payable

Activity in the medical and other benefits payable liability is summarized as follows:

	2015	2014
Medical and other benefits payable at beginning of year	$726,684	$469,519
Incurred related to:		
Current year	6,577,493	6,453,468
Prior years	(44,640)	52,578
Total incurred	6,532,853	6,506,046
Paid related to:		
Current year	5,873,703	5,735,535
Prior years	677,168	513,347
Total paid	6,550,871	6,248,882
Medical and other benefits payable at end of year	708,666	726,684
Liability for claims processing costs	17,304	17,740
Total	$725,970	$744,424

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately settled. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claims payments becomes known. This information is compared to the originally established year end liability. The favorable development was the result of actual claim payment patterns and cost trends differing from those assumed at the time the liability was established for the year ended December 31, 2015. The

unfavorable development for the year ended December 31, 2014 was partially the result of an increase in claims inventories during the fourth quarter of 2013 that was subsequently paid in 2014, increases related to the FEP line which are pass-through in nature, and actual claim payment patterns and cost trends.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31:

	2015	2014
Accounts payable	$71,742	$22,210
Accrued salaries and other benefit expenses	104,921	94,847
Accrued ACA cost sharing reduction	55,286	54,789
Other accrued expenses	341,511	270,885
	573,460	442,731
Less non-current portion	37,882	39,130
Total	$535,578	$403,601

8. Lines of Credit and Long-Term Debt

BCBSNC has established two revolving lines of credit to support its daily working capital requirements providing total borrowing capacity of $200,000 at an interest rate of LIBOR plus 65 basis points for all borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000, and extend the termination date until July 2017.

In September 2015, BCBSNC entered into a second $50,000 revolving line of credit terminating in September 2017.

Amounts drawn under these revolving lines of credit were $171,851 and $100,000 at December 31, 2015 and 2014, respectively.

In September 2014, Corium entered into a $165,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender. This note is classified as long term in the accompanying consolidated balance sheets

Long-term debt consists of the following at December 31:

	2015	2014
Long-term debt	$161,405	$164,296
Less current portion of long-term debt	3,010	2,875
Long-term debt, less current portion	$158,395	$161,421

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2015 the Company was in compliance with the covenants and requirements outlined in these agreements. As of December 31, 2014 the Company was not in compliance with the covenants and requirements outlined in these agreements; however, our lenders granted us a waiver of the EBITDA calculation. As of December 31, 2013 the Company was in compliance with the covenants and requirements outlined in these agreements.

Future maturities of debt are as follows: 2016, $3,010; 2017, $3,136; 2018, $3,267; 2019, $3,403; 2020, $3,544 and thereafter $145,045.

9. Fair Value Measurements

The carrying amounts reported in the Consolidated Balance Sheets for cash, cash equivalents, premiums and other receivables, Affordable Care Act receivables, income tax receivable, unearned premiums, medical and other benefits payable, accounts payable, other assets and accrued expenses, book overdrafts and payables for securities approximate fair value because of the short term nature of these items.

Certain assets and liabilities recorded at estimated fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

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

Transfers between Levels, if any, are recorded as if they had occurred at the beginning of the reporting period during which the change in method for valuing the underlying assets occurred.

Fair values of fixed income and equity securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, the pricing service uses model processes such as the Option Adjusted Spread model to assess interest rate impact and develop prepayment scenarios.

We perform monthly analysis on the prices received from third parties for our internally managed portfolios to determine whether the prices are reasonable estimates of fair value. Our analysis includes a comparison of prices received from third parties to prices obtained from other sources.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value.

Following is a description of the valuation methodologies used by the Company to value assets, including the pension and postretirement assets, measured at fair value:

Major Category	Valued at
Mutual funds	Net asset value (NAV) of shares which are provided by the administrator of the fund.
State and/or U.S. government obligations and common and/or preferred stock.....	Closing price reported in the active market in which the individual security is traded. If in an inactive market, based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price

Major Category	Valued at
	transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.
Interest in collective trust funds	NAV of shares which are provided by the administrator of the fund.
Pooled separate accounts	Based on underlying value provided by the fund manager
Partnership and real estate funds	Based on underlying value provided by the fund manager
Private equity funds	Based on underlying value provided by the fund manager
Other investments	Dealer quotes, trade data, two-sided markets institutional bids, comparable trades and/or other news media
Privately held fixed income and equity securities, including venture capital investments	Reviewing the value ascribed to the most recent financing, comparing the security with securities of publicly traded companies in a similar line of business, and/or reviewing the underlying financial performance including estimating discounted cash flows
Fixed income securities including corporate, commercial and residential mortgage backed securities	Closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings or discounted cash flows approach that maximized observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks

The carrying value of corporate-owned life insurance policies is the cash surrender value as reported by the respective insurer.

The fair value of our long-term debt, included in liabilities on the Consolidated Balance Sheets, is based on current market observable rates estimated to be available to us for debt of similar terms and remaining maturities.

The following table summarizes fair value measurements by level at December 31 for assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
December 31, 2015	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	65,916	-	-	65,916
State and political subdivisions	-	1,235,177	-	1,235,177
Corporate fixed income securities	-	250,079	-	250,079
Commercial mortgage-backed securities	-	67,635	-	67,635
Residential mortgage-backed securities	-	94,459	-	94,459
Other fixed income securities	-	46,832	-	46,832
Total fixed income securities	65,916	1,694,182	-	1,760,098

Equity index mutual funds	574,317	-	-	574,317
Common stock	100,267	-	-	100,267
Preferred stock	801	70,028	-	70,829
Private equity securities	-	-	67,611	67,611
Venture capital investments	-	-	105,847	105,847
Total equity securities	675,385	70,028	173,458	918,871
Real estate trust:				
Real estate funds	-	-	200,355	200,355
Total assets	$741,301	$1,764,210	$373,813	$2,879,324

	Fair Value Measurements Using			
December 31, 2014	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	-	16	-	16
State and political subdivisions	-	1,307,292	-	1,307,292
Corporate fixed income securities	-	212,452	-	212,452
Commercial mortgage-backed securities	-	91,358	-	91,358
Residential mortgage-backed securities	-	121,265	-	121,265
Other fixed income securities	-	9,606	-	9,606
Total fixed income securities	-	1,741,989	-	1,741,989
Equity index mutual funds	1,026,400	-	-	1,026,400
Common stock	209,342	-	-	209,342
Private equity securities	-	-	43,713	43,713
Venture capital investments	-	-	83,080	83,080
Total equity securities	1,235,742	-	126,793	1,362,535
Real estate trust:				
Real estate funds	-	-	173,794	173,794
Total assets	$1,235,742	$1,741,989	$300,587	$3,278,318

There were no material transfers between Levels I, II or III during the years ended December 31, 2015 and 2014.

A reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using Level III inputs for the years ended December 31, 2015 and 2014 is as follows:

	Private Equity	**Venture Capital**	**Real Estate Trust**	**Total**
Beginning balance at January 1, 2014	$22,520	$19,805	$147,200	$189,525
Total gains (losses)				

Recognized in net income	814	1,066	6,642	8,522
Recognized in AOCI	32	-	9,952	9,984
Purchases, sales, maturities, calls and redemptions	20,347	62,209	10,000	92,556
Ending balance at December 31, 2014	43,713	83,080	173,794	300,587
Total gains (losses)				
Recognized in net income	-	(2,009)	18	(1,991)
Recognized in AOCI	-	-	19,666	19,666
Purchases, sales, maturities, calls and redemptions	23,899	24,776	6,876	55,551
Ending balance at December 31,2015	$67,612	$105,847	$200,354	$373,813

Non-financial assets and liabilities including long-lived assets, goodwill, asset retirement obligations, and certain investments are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

10. Employee Benefit Programs

BCBSNC has a non-contributory qualified defined benefit retirement plan covering a significant number of employees (excluding employees of ACS). The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

BCBSNC also provides non-contributory, non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain health care and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for health care insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of health care insurance costs and life insurance benefits. BCBSNC funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution during the years 2012 to 2015 to fund the liability for eligible retired employees.

Effective December 31, 2013, the Company elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. The Company also elected to add an unlimited lump sum distribution option at termination of employment to the qualified defined benefit plan for any participants who were active as of January 1, 2014. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date and the liabilities had decreased as a result of the change in discount rate resulting in an increase in the funded status of the plan of $58.6 million. Additionally, the curtailment impact reduced the projected benefit obligation by $86.8 million. Also as a result of freezing the

qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 were age 52 or older with a minimum of ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined dates in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intended to retire in 2013 prior to the window announcement. The ERW enhancements were considered special termination benefits and increased the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by approximately $25.0 million and $3.2 million, respectively.

In October 2014, the Company offered a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and, in certain limited situations, the SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $100.2 million were paid from the qualified retirement plan in 2014, with $35.6 million of those lump sum payments attributable to the COW. Because these qualified plan payments exceeded the sum of estimated 2014 service and interest costs, settlement accounting was triggered. As a result, $17.6 million of unrecognized actuarial loss associated with the payments was relieved from AOCI and recognized in income.

The components of the net periodic benefit cost are as follows for the year ended December 31:

	Retirement Benefits								
	Qualified			Non-Qualified			Other Postretirement Benefits		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Service cost	$800	$525	$15,752	$86	$91	$2,823	$2,302	$1,964	$2,203
Interest cost	19,693	22,701	25,136	2,274	2,425	2,255	3,249	3,213	3,144
Expected return on assets	(35,146)	(39,976)	(41,278)	-	-	-	(3,429)	(3,217)	(3,093)
Amortization of prior service cost	-	-	317	-	-	97	(235)	(404)	(461)
Amortization of net loss from past experience	1,794	522	10,775	475	321	1,383	625	-	999
Curtailment gain/loss recognized	-	-	2,250	-	-	500	-	-	-
Special termination	-	-	25,004	-	-	-	-	-	3,200
Settlement gain/loss recognized	-	17,595	-	-	-	-	-	-	-
Net periodic benefit expense (income)	$(12,860)	$1,367	$37,956	$2,835	$2,837	$7,058	$2,512	$1,556	$5,992

In 2015, 2014 and 2013, the Company recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. Effective June 30, 2013, the loss is amortized over the average life expectancy.

The reconciliations of the benefit obligation as of December 31 are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2015	2014	2015	2014	2015	2014
Change in benefit obligation:						
Benefit obligation at beginning of year	$517,327	$525,493	$62,349	$56,274	$83,707	$70,001
Service cost earned during the	800	525	86	91	2,302	1,964

period						
Interest cost on benefit obligation	19,693	22,701	2,274	2,425	3,249	3,213
Plan settlement	-	(100,220)	-	-	-	-
Loss (gain) from past experience	(18,045)	87,047	(6,470)	5,130	(7,805)	11,280
Benefits paid from plan assets	(21,058)	(18,219)	(1,741)	(1,571)	(2,868)	(4,573)
Retiree contributions	-	-	-	-	2,163	1,822
Benefit obligation at end of year	$498,717	$517,327	$56,497	$62,349	$80,747	$83,707

The changes in plan assets are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2015	2014	2015	2014	2015	2014
Change in plan assets:						
Fair value of plan assets at beginning of year	$553,892	$615,092	$-	$-	$63,532	$59,876
Actual return on plan assets	(12,712)	57,239	-	-	(2,149)	5,709
Company contributions	-	-	1,741	1,571	89	698
Benefits paid	(21,058)	(18,219)	(1,741)	(1,571)	(2,868)	(4,573)
Plan settlement	-	(100,220)	-	-	-	-
Retiree contributions	-	-	-	-	2,163	1,822
Fair value of plan assets at end of year	$520,123	$553,892	$-	$-	$60,767	$63,532

Amounts recognized in the Consolidated Balance Sheets consist of:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2015	2014	2015	2014	2015	2014
Prepaid Asset/(Unfunded liabilities)						
Noncurrent assets	$21,406	$36,565	$-	$-	$-	$-
Due within one year	-	-	(1,851)	(1,530)	(705)	(535)
Due after one year	-	-	(54,646)	(60,819)	(19,275)	(19,640)
Net amount recognized	$21,406	$36,565	$(56,497)	$(62,349)	$(19,980)	$(20,175)

Amounts recognized in other comprehensive income (loss) net of income tax that have not been recognized as components of net period benefit costs are as follows:

	2015	2014	2013
Net actuarial gains/(losses)	$(13,725)	$(54,406)	92,491
Prior service (costs)			-
Items amortized:			
Net actuarial losses	1,881	11,985	8,552
Prior service costs/(credits)	(153)	(263)	1,757
Net amount recognized in other comprehensive income (loss)	$(11,997)	$(42,684)	$102,800

The estimated prior service credit and net actuarial loss that will be amortized from AOCI into net periodic benefit expense in 2016 are $(235) and $3,483, respectively.

The accumulated benefit obligation was $498,717 and $517,327 at December 31, 2015 and 2014, for the qualified retirement plan and $56,497 and $62,349 for the non-qualified retirement plans, respectively.

Due to the freeze, there will not be a difference in the accumulated benefit obligation and the projected benefit obligation prospectively.

The following tables present assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified and non-qualified retirement plans as of a measurement date:

	December 31, 2015	December 31, 2014	December 31, 2013
Discount rate	see detail below	see detail below	see detail below
Long-term rate of return on qualified plan assets	6.50%	6.50%	7.00%
Rate of increase in future compensation level	N/A	N/A	N/A

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2015	2014
Qualified	4.25%	3.90%
Nonqualified:		
Partners SERP	3.91%	3.56%
ACS SERP	3.80%	3.53%
Senior SERP	3.04%	2.88%
Restoration SERP	4.18%	3.93%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2015	2014
Qualified	3.48%	3.90%
Nonqualified:		
Partners SERP	3.24%	3.56%
ACS SERP	3.46%	3.53%
Senior SERP	2.28%	2.88%
Restoration SERP	3.26%	3.93%

As a result of the change in Actuarial Consultants, the Company elected in 2013 to move to the Mercer Yield Curve in place of the Aon Hewitt AA Only Universe Yield Curve. The Company uses separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2015 and 2014, the combined duration of all plans was 13 years and 14 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

On December 31, 2015 we changed the method we use to estimate the service and interest components of net periodic benefit cost for defined benefit pensions and other postretirement benefits. This new estimation approach discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. Historically, we estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period.

We have made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. The benefit obligation measured under this approach is unchanged as of December 31, 2015. The new approach will be used to measure the service and interest cost for the pension benefits, other postretirement benefits and other postemployment benefits in 2016. Based on current economic conditions, we estimate the service cost and interest cost for those plans will be reduced by approximately $6.4 million in 2016 as a result of the change.

Starting with the 2016 net periodic benefit cost, the Company elected to use a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Instead of using a single fixed discount rate, each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company also elected to use split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale. This change resulted in an increase of this benefit obligation in 2014.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

The following table presents assumptions used in determining the accumulated postretirement benefit obligation and the subsequent year's net periodic benefit cost for the other postretirement benefit plans:

	December 31, 2015	December 31, 2014	December 31, 2013
Discount rate	see detail below	3.95%	4.71%
Rate of increase in future compensation level	3.50%	4.00%	4.00%
Expected return on plan assets net of tax	5.50%	5.50%	5.50%

	Effective Discount Rate for Benefit Obligations by Benefit Plan	
	2015	2014
Retiree Medical and Dental	4.40%	3.95%
Retiree Life Insurance	4.32%	3.95%

	Effective Rate for Interest on Benefit Obligations by Benefit Plan	
	2015	2014
Retiree Medical and Dental	3.74%	3.95%
Retiree Life Insurance	3.59%	3.95%

	Effective Discount Rate for Service Cost by Benefit Plan	
	2015	2014
Retiree Medical and Dental	4.63%	3.95%
Retiree Life Insurance	4.47%	3.95%

	Effective Rate for Interest on Service Cost by Benefit Plan	
	2015	2014
Retiree Medical and Dental	4.39%	3.95%
Retiree Life Insurance	4.06%	3.95%

To set the expected return on plan assets for the other postretirement benefit plans, historical markets are studied and long-term relationships between equities and fixed income securities indicate that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The following table presents the medical trend rate used in determining the accumulated postretirement benefit obligation at December 31 for the other postretirement benefit plans:

	2015	**2014**
Health care cost trend rate assumed for next year:		
Under age 65	7.1%	7.9%
Age 65 and older	7.1%	7.9%
Rate to which the cost trend rate is assumed to decline	4.5%	4.5%

	2015	2014
(the ultimate trend rate)		
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2027
Age 65 and older	2037	2027

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies. The health care cost trend rate assumption can have a significant effect on the amounts reported. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of fiscal 2015 service and interest cost components	$505	$(384)
Effect on the December 31, 2015 postretirement benefit obligation	$6,168	$(4,927)

Future expected benefit payments and 2016 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
2016	$28,229	$1,851	$3,372
2017	$27,892	$1,877	$3,460
2018	$28,397	$17,411	$3,591
2019	$28,828	$2,148	$3,773
2020	$29,240	$2,165	$3,931
2021-2025	$151,540	$17,091	$22,239
2016 Contributions	$ -	$1,851	$706

BCBSNC's benefit plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2015	2014	Target	2015	2014
Asset Category:						
Equity securities:						
Mutual funds	-%	28%	29%	-%	-%	-%
Common stock	-	3	3	-	50	51
Total	35	31	32	50 -60	50	51
Fixed income securities:						
State and U.S. government obligations	-	30	29	-	49	49
Domestic corporate fixed income securities	-	36	34	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total	63	66	63	40-50	49	49
Cash and cash equivalents	2	1	3	0-3	1	-
Collective trust fund - real estate	-	-	-	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

In conjunction with the December 31, 2013 effective dated freeze on the BCBSNC Retirement Plan (Plan) the Company's investment strategy has switched from total return to partial liability matching. The Plan's funding ratio exceeded 100% at year end and approximately 50% of the portfolio was transitioned to a liability driven investment strategy (LDI) in 2014. As the Plan's funding ratio grows more investments will be allocated to the LDI strategy.

The Plan's investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2015				
Equity securities:				
Common stocks	$15,408	$ -	$ -	$15,408
Mutual funds	145,763	-	-	145,763
Total equity securities	161,171	-	-	161,171
Fixed income securities:				
US Treasury and agency securities	51,575	670	-	52,244
States and political subdivisions	-	3,419	-	3,419
Corporate fixed income securities	-	144,816	-	144,816
Residential mortgage-backed securities	-	15,917	-	15,917
Collective trust fund – US Fixed Income	-	-	133,530	133,531
Total fixed income securities	51,575	164,822	133,530	349,927
Cash and cash equivalents	6,650	-	-	6,650
Other	108	523	11,475	12,106
Total investments	219,504	165,345	145,005	529,854
Plan receivables	1,446	-	-	1,446
Total assets	220,950	165,345	145,005	531,300
Plan liabilities	(10,971)	(207)	-	(11,177)
Total net assets	$209,979	$165,138	$145,005	$520,123

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2014				
Equity securities:				
Common stocks	$57,160	$ -	$ -	$57,160
Mutual funds	116,946	-	49,822	166,768
Total equity securities	174,106	-	49,822	223,928
Fixed income securities:				
US Treasury and agency securities	73,027	22,027	-	95,054
States and political subdivisions	-	16,099	-	16,099
Corporate fixed income securities	-	184,785	-	184,785
Residential mortgage-backed securities	-	3,308	-	3,308
Total fixed income securities	73,027	226,219	-	299,246
Cash and cash equivalents	17,118	-	-	17,118
Other	-	87	11,310	11,397
Total investments	264,251	226,306	61,132	551,689
Plan receivables	2,612	-	-	2,612
Total assets	266,863	226,306	61,132	554,301
Plan liabilities	(249)	(104)	(55)	(409)
Total net assets	$266,614	$226,202	$61,077	$553,892

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2015 and 2014 is as follows:

	Cash & Cash Equivalents	**Equity Securities**	**Collective Trust Fund – Real Estate**	**Other**	**Total**
Beginning balance at January 1, 2014	$ 1,918	$18,911	$66,470	$11,550	$98,849
Total gains (losses)					
Recognized in net income	-	800	6,193	-	6,993
Recognized in AOCI	-	2,394	(4,121)	-	(1,727)
Purchases	56,348	36,504	598	-	93,450
Sales	(58,266)	(8,787)	(69,140)	(240)	(136,433)
Ending balance at December 31, 2014	-	49,822	-	11,310	61,132
Total gains (losses)					
Recognized in net income	-	3,252	-	-	3,252
Recognized in AOCI	-	(1,987)	(13,330)	-	(15,317)
Purchases	-	200	146,860	1,345	148,406
Sales	-	(51,286)	-	(1,181)	(52,467)
Ending balance at December 31, 2015	$-	$-	$133,531	$11,475	$145,005

There were no material transfers between Levels I, II or III during the years ended December 31, 2015 and 2014. The following table summarizes fair value measurements by level at December 31 for other postretirement benefit plan assets and liabilities:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2015			
Equity securities	$32,372	$ -	$32,372
States and political subdivisions	-	27,713	27,713
Total investments	32,372	27,713	60,085
Plan receivables	682	-	682
Total assets	33,054	27,713	60,767
Plan liabilities	-	-	-
Total net assets	$33,054	$27,713	$60,767

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2014			
Equity securities	$32,101	$ -	$32,101
States and political subdivisions	-	31,332	31,332
Total investments	32,101	31,332	63,433
Plan receivables	465	-	465
Total assets	32,566	31,332	63,898
Plan liabilities	(366)	-	(366)
Total net assets	$32,200	$31,332	$63,532

Other Employee Benefits

Effective January 1, 2014, BCBSNC sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code, the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and transition contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Employee and Company contributions are subject to certain regulatory limits and service conditions.

Prior to January, 2014, BCBSNC sponsored two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees were permitted to contribute pretax and Roth contributions that were matched at the rate of 50% of the first 6% of compensation contributed or 100% of the first 6% of compensation contributed, depending on the plan. Additional Company contributions to the 401(k) Plan included a profit sharing contribution in an amount equal to 3% of eligible compensation. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $31,021, $31,249 and $19,199, for the years ended December 31, 2015, 2014, and 2013, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $1,975, $1,427 and $560, for the years ended December 31, 2015, 2014, and 2013, respectively.

11. Income Taxes

BCBSNC files a consolidated federal income tax return with its subsidiaries. Current taxes are allocated among all affiliated companies based on a written tax sharing agreement, primarily on a separate company return basis using a wait-and-see method. These agreements have the effect of crediting each separate company within the consolidated group for the use of its net operating or other losses in the year in which the separate company could utilize the losses on a separate company return basis while charging those companies that previously benefited from use of the losses.

The significant components of income tax expense (benefit) in the Consolidated Statements of Comprehensive Income for the years ended December 31 are as follows:

	2015	2014	2013
Current tax expense (benefit):			
Federal	$(4,933)	$(6,259)	$(13,030)
State	128	117	165
	(4,805)	(6,142)	(12,865)
Deferred tax expense (benefit)	34,369	(9,090)	26,716
Total tax expense (benefit)	$29,564	$(15,232)	$13,851

The differences between taxes computed at the federal statutory rate and recorded income tax expense for the years ended December 31 are as follows:

	2015	2014	2013
Federal tax provision at statutory rate	$10,531	$(23,041)	$37,269
Tax exempt income	(17,357)	(18,459)	(16,891)
ACA insurer fee	46,054	27,822	-
ACA compensation limitation	4,107	4,786	6,845
Energy credit and treasury grant	(10,245)	(6,119)	(6,681)
Change in taxable status	(4,409)	-	-
Tax benefit reserve release	-	-	(5,553)
Book gain on stock donated to foundations	-	-	(1,941)
Other, net	883	(221)	803
	$29,564	$(15,232)	$13,851

The components of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2015	2014
Deferred tax assets:		
Insurance reserve	$114,195	$128,355
Federal credit carryforward	79,855	17,098
NOL carryforward	60,808	59,987
Minimum pension liability	55,213	48,675
Impairment of investments	17,819	24,800
Accrued post and supplemental retirement benefits	14,204	14,010
Charitable contributions carryforward	9,879	9,827
Investment in state credit funds	6,268	(11,737)
Allowance for doubtful accounts	6,091	2,198
State NOL carryforward	5,834	-

	2015	2014
Accrued ACA reinsurance fees	5,397	4,093
Accrued compensation	2,119	3,529
Other	7,515	10,830
	385,197	311,665
Less: Valuation allowance	(7,624)	(1,790)
	$377,573	$309,875
Deferred liabilities:		
Unrealized appreciation on securities	$121,355	$185,212
Fixed assets	87,643	63,275
Pension accrual	56,516	52,015
Acquired intangibles	9,453	10,285
Prepaid accounts	8,391	3,945
Investment in partnerships	3,372	2,238
Deferred acquisition cost	1,102	2,207
Other	1,948	2,168
	289,780	321,345
Net deferred tax asset (liability)	$87,793	$(11,470)

A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based upon all the available evidence, management recorded a valuation allowance of $7,624 and 1,790 as of December 31, 2015 and 2014, respectively. The change during the year in the total valuation allowance was an increase of $5,834. Management believes it is more likely than not that the Company will realize its remaining net deferred tax assets as of the respective balance sheet dates.

As of December 31, 2015, we have a federal income tax net operating loss (NOL) carryforward of $152,664 which expires on December 31, 2034 and federal credit carryforwards in the amount of $79,855 which will begin to expire on December 31, 2034. We have $90,374 in state net operating loss carryforwards which will begin to expire in 2017. We have provided a valuation allowance of $5,834 for deferred tax assets related to state net operating loss carryforwards that we do not expect to realize. In addition, we have an AMT credit carryforward in the amount of $1,576 which can be used to offset regular tax in future years without expiration.

As of December 31, 2015, as further described below, certain tax years remain open to examination by the IRS and various state authorities. We have not recorded amounts for uncertain tax positions. The amount of unrecognized tax benefits did not materially change in 2015 and it is not anticipated to change in the next twelve months. However, the ultimate resolution of such items is dependent on a number of factors.

The Company's tax years 2011 through 2014 remain open to examination by the IRS. ACS and NobleHealth tax years 2011 to 2014 remain open to examination by various state Departments of Revenue.

12. Related Party Transactions

In December 2011, BCBSNC established Topaz as a partnership. Its purpose was to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz was to deliver a shared technology solution based on The TriZetto Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz was owned by MHSI and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of MHSI was $5,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000 in exchange for 100 units and a

50% voting interest. The Company and BCBSKC were funding Topaz and its development of a software infrastructure. The Company and BCBSKC planned to become customers of Topaz as software was placed in service. Topaz was a variable interest entity because its capital contributions were not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions were required to accomplish this endeavor. Additional funding was in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. Through January 23, 2014, the Company has concluded that it was not the primary beneficiary of Topaz, because it did not hold the power to direct the activities that most significantly impact Topaz, since it shared a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz was accounted for as an equity method investment for the years ended December 31, 2013 and December 31, 2012.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, MHSI acquired the 50% voting interest from BCBSKC and prospectively, the Company consolidated the operations of Topaz based on its 100% ownership. The Company intends to continue funding the development of Topaz.

Effective January 23, 2014, The Company acquired the BCBSKC investment interest by assuming certain liabilities valued at approximately $11.5 million. As a result, the Company recognized the following assets acquired and liabilities assumed related to Topaz: cash $4.3 million, accounts receivable $31.8 million, prepaid expenses $0.2 million, internally developed software $52.9 million, prepaid software licenses $15.2 million, accounts payable $15.2 million, and research and development liability $66.1 million. Additionally, the Company's existing investment in Topaz was revalued to fair value at the date of acquisition. This resulted in the recognition of a $20.1 million gain recorded in Other income of the Consolidated Statements of Comprehensive Income. Had Topaz been consolidated with the Company for the years ended December 31, 2013 and 2012, the Topaz revenues included would have totaled $0.1 million and $0.0 million, respectively, and the net loss included would have totaled $10.9 million and $29.4 million, respectively.

13. Commitments and Contingencies

Leases

The Company leases office space and certain computer equipment under non-cancelable operating leases. Related lease expense for 2015, 2014 and 2013 was $4,161, $2,591 and $2,567, respectively.

At December 31, 2015, future lease payments for operating leases with initial or remaining non-cancelable terms of one year or more consisted of the following: 2016, $3,980; 2017, $4,000; 2018, $3,595; 2019, $1,645; and 2020, $1,447 and thereafter $286.

Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2016, $6,545; 2017, $6,420; 2018, $6,289; 2019, $6,153; 2020, $6,001 and thereafter $81,905.

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2015, 2014 and 2013 were $32,578, $24,673 and $23,521 respectively.

At December 31, 2015, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2016, $112,388; 2017, $28,097; 2018, $0; 2019, $0; and 2020, $0.

Litigation against the Company

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama) which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in fifteen of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation (*In re: Anthem Data Breach Litigation)* pending in United States District Court for the Northern District of California. The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans, arising out of a cyber attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. The Company is vigorously defending the case.

The Company is also a defendant in litigation (*Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al).* This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

Other Contingencies

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of

Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

14. Administrative Services

Claims processed for others under contract, which have been excluded from the financial statements, are summarized for the years ended December 31 as follows:

	2015	2014	2013
Claims processed for:			
State of North Carolina	$2,068,634	$1,951,133	$1,976,797
Other self-funded groups	7,340,238	6,419,447	6,301,489
	$9,408,872	$8,370,580	$8,278,286

Administrative fees received for processing these claims totaled $443,919, $410,846 and $427,548 in 2015, 2014 and 2013, respectively. All claims payments are subject to audit by the program administrators. If the program administrators determine that the claims or expenses have not been paid in accordance with the contract, the Company may be required to reimburse the program administrators.

15. Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) in the Consolidated Balance Sheets consists of the following:

	Unrealized Gains on Securities	Non-credit Component of Other-Than-Temporary Impairment	Qualified Retirement Plans	Post Retirement and Other Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance, December 31, 2012	$271,879	$-	$(177,904)	$(29,024)	$64,951
Change for 2013	29,118	-	138,681	21,971	189,770
Balance, December 31, 2013	$300,997	$-	$(39,223)	$(7,053)	$254,721
Change for 2014	42,967	-	(33,584)	(10,534)	(1,151)
Balance, December 31, 2014	$343,964	$-	$(72,807)	$(17,587)	$253,570
Change for 2015	(118,495)	1,306	(18,212)	4,766	(130,635)
Balance, December 31, 2015	$225,469	$1,306	$(91,019)	$(12,821)	$122,935

16. Supplemental Statutory Financial Information

The Company is required to file unconsolidated financial statements with, and is subject to exam by, the North Carolina Department of Insurance (NCDOI). These financial statements are presented on the basis of accounting practices prescribed or permitted by the NCDOI.

The NCDOI recognizes only Statutory Accounting Practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The NAIC's Accounting

Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

A reconciliation of net income – statutory basis for the years ended December 31, 2015, 2014 and 2013 and capital and surplus – statutory basis at December 31, 2015 and 2014 to amounts reported in the accompanying consolidated financial statement follows:

	2015	2014	2013
Consolidated GAAP net income (loss)	$524	$(50,601)	$92,633
Contract reserve difference	(33,609)	(71,886)	9,544
Employee benefit liabilities	(3,383)	(4,386)	(2,995)
Income tax	41,503	(11,260)	31,586
Deferred acquisition costs	3,164	6,056	28,325
Subsidiaries' net income	(12,950)	(8,177)	3,752
Other	(960)	2,677	17,216
BCBSNC SAP net income	$(5,711)	$(137,577)	$180,061

	2015	2014
Consolidated GAAP accumulated capital	$2,568,262	$2,698,373
Adjustments:		
Investment carrying value	(79,865)	(117,860)
Subsidiary carrying value	-	(1,327)
Contract reserve	76,506	91,300
Employee benefit liabilities	498	498
Non-admitted assets	(570,019)	(405,422)
Deferred income taxes	212,932	167,786
Goodwill and intangible assets	(113,319)	(115,695)
Deferred acquisition costs asset	(8,241)	(11,404)
Other	(19,704)	(7,934)
BCBSNC SAP capital and surplus	$2,067,050	$2,298,315

The NAIC adopted the RBC for Health Organizations Model Act in 1998. The NCDOI subsequently adopted this act in 2001. Under this act, a company's risk-based capital (RBC) is calculated by applying certain factors to various asset, premium and reserve items. If a company's calculated RBC falls below certain thresholds, regulatory intervention or oversight is required. BCBSNC's RBC level, calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of December 31, 2015 and 2014. The Company is also subject to insurance laws and regulations of the State of North Carolina that include but are not limited to restrictions on dividends, types of investments that insurers are allowed to invest in, and the amount of capital and surplus.

ANNUAL STATEMENT

OF THE

Blue Cross and Blue Shield of North Carolina

Of

Chapel Hill

in the state of

North Carolina

to the Insurance Department

of the state of North Carolina

For the Year Ended

December 31, 2015

2015

HEALTH

* 5 4 6 3 1 2 0 1 5 2 0 1 0 0 1 0 0 *

ANNUAL STATEMENT

For the Year Ended December 31, 2015
of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code.... , NAIC Company Code..... 54631 Employer's ID Number..... 56-0894904
(Current Period) (Prior Period)

Organized under the Laws of North Carolina State of Domicile or Port of Entry North Carolina Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 Commenced Business..... January 1, 1968

Statutory Home Office	5901 Chapel Hill Blvd..... Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	5901 Chapel Hill Blvd..... Durham ..... NC .....27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291..... Durham ..... NC ..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	5901 Chapel Hill Blvd..... Durham ..... NC ..... 27707-3346 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)*
	tom.krebs@bcbsnc.com *(E-Mail Address)*	919-765-7107 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. James Bradley Wilson	President & Chief Executive Officer	2. Maureen Kelley O'Connor	EVP, Diversified Businesses
3. Alan Hughes	EVP, Chief Operating Officer	4. Gerald Allan Petkau	SVP, Chief Financial Officer

OTHER

John Thomas Roos	SVP, Sales, Marketing & Communications	Fara Marie Palumbo	SVP, Chief Human Resources Officer
Nathan King Prather	SVP, General Counsel & Corporate Secretary	Jogenia Harrell Abernathy	Chief Information Officer
Daniel Fulton Atherton	VP, Federal Programs	Joseph Bastante	VP, Enterprise Architecture & Strategy
Gary Paul Bolt	VP, Individual Under 65/Small Group Segment	Barbara Christine Morales-Burke	VP, Health Policy & Chief Compliance Officer
Lisa Lindoe Cade	Chief Service Operations Officer	Brian James Caveney #	VP, Quality & Performance Value
Richard Allen Chilton #	Chief Information Security Officer	Kenneth Steven Crist	VP, Group Segment
Diane Grace DeGroff	VP, Enterprise Sourcing Governance	James Patrick Emmons #	VP, Corporate Administrative Services
Robert Mark Fleming	VP, Government Affairs	John Hock-Kong Fong	Executive Medical Director, Healthcare Operations
Patrick Kim Getzen	Chief Actuary	Robert Taylor Gofourth	VP, Operational Strategy and Performance
Laura Haymes Gorry #	VP, Claims & Membership	Kathryn Mary Higgins	VP, Corporate Affairs

DIRECTORS OR TRUSTEES

Lars Steven Nelson, Chairman	James Bradley Wilson	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Frank Brown Holding, Jr.	William Hardy Bryan	Harold Lee Martin, Sr., Ph.D.
Cecil Daryl Hollis	John Onslow McNairy	Jimmy Walker Phillips	Lisa Anne Carey, MD
Anita Rose Brown-Graham			

State of..... North Carolina
County of.....Orange

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

(Signature)	(Signature)	(Signature)
James Bradley Wilson	Nathan King Prather	Gerald Allan Petkau
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	SVP, General Counsel & Corporate Secretary	SVP, Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 15 day of February 2016

Wendy C Compton

WENDY C. COMPTON
Notary Public
Person County
NORTH CAROLINA

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

OTHER (continued)

Susan Elizabeth Jackson	VP, Health Delivery Redesign	Samantha Jane Bureau-Johnson	VP, Business Process Excellence & Project Management
Sean Michael Kerns	VP, Specialty Markets	Joseph Blakely Long #	Chief Clinical Officer
Adrienna Yvette Maisonet-Morales #	VP, Enterprise Learning & Development	Lynn Sessler McNeal	VP, BCBSNC Topaz Program Executive
Debbie Livengood Miller	VP, Care Management Operations	Robin Carole Miller	VP, People Strategies
Susan Lorraine Murray	VP, State Segment	John Michael Parkerson	Chief Marketing & Strategy Officer
Louis Patalano IV	VP & Deputy General Counsel	Mitchell Wade Perry	Chief Accounting Officer and Treasurer
Tarsha Vanessa Rowland #	VP, Customer Service Operations	Maticia Cotton Sims	VP, Audit & Chief Risk Officer
Pariyast Joeseph Sinsangkeo #	VP, IT Solution Delivery	Mark Eric Werner	VP, Network Management

This Opinion is: ☑ Unqualified ☐ Qualified ☐ Adverse ☐ Inconclusive

IDENTIFICATION SECTION
☑ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

SCOPE SECTION
☑ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

RELIANCE SECTION
☑ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

OPINION SECTION
☑ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

RELEVANT COMMENTS
☑ Revised Wording

☐ The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

I, Patrick Getzen, Vice-President & Chief Actuary, am an employee of Blue Cross Blue Shield of North Carolina and a member of the American Academy of Actuaries. I was appointed on December 1, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2015.

A.	Claims unpaid (Page 3, Line 1);	$684,240,465
B.	Accrued medical incentive pool and bonus payments (Page 3, Line 2);	$0
C.	Unpaid claims adjustment expenses (Page 3, Line 3);	$17,303,350
D.	Aggregate health policy reserves (Page 3, Line 4) including unearned premium deficiency reserves, and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	$273,058,231
E.	Aggregate life policy reserves (Page 3, Line 5);	$0
F.	Property/casualty unearned premium reserves (Page 3, Line 6);	$0
G.	Aggregate health claim reserves (Page 3, Line 7);	$0
H.	Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement; and	
	1) ACA – Cost Sharing Reduction (CSR) Payable (Page 3, Line 9)	$55,286,162
	2) Risk Adjustment Payable (Large Group) (Page 3, Line 23)	$3,232,634
	3) Part D Risk Corridor	$6,007,756
	4) ACA- Risk Corridor Receivable Allowance (Net Page 2, Line 15.3)	$301,910,938
I:	Specified actuarial items presented as assets in the annual statement:	
	1) ACA - Risk Corridor Receivable (U65) (Net Page 2, Line 15.3)	$304,539,266
	2) ACA - Risk Adjustment Receivable (U65 and Small Group) (Page 2, line 25)	$98,979,644
	3) ACA - Reinsurance Receivable (U65) (Page 2, Line 16.1)	$211,062,490
	4) MA Risk Adjustment (Page 2, Line 15.1)	$33,010,339

My examination included such review of the actuarial assumptions and actuarial methods and of the underlying basic liability records and such tests of the actuarial calculations as I considered necessary. I also reconciled the underlying basic liability records to the Underwriting and Investment Exhibit Part - 2B of the company's current annual statement.

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,

B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,

C. Meet the requirements of the Insurance Laws and regulations of the state of North Carolina,

D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,

E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,

F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

A material change in assumptions and methods were made during the past year, but such change accords with accepted actuarial standards. These changes relate to Affordable Care Act (ACA) listed in H and I above. These were new programs last year and guidance has evolved throughout the year and continues into 2016, including the NAIC non-admittance of a portion of the Risk Corridor receivable worth $ 56,135,782.

Patrick K. Getzen
5901 Chapel Hill Blvd.
Durham, NC 27707-3346
(919) 765-4221
February 12, 2016

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1.	Bonds (Schedule D)	1,817,263,646	26,235,778	1,791,027,868	1,616,794,235
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	70,186,926		70,186,926	
	2.2 Common stocks	777,812,140	257,168	777,554,972	1,354,351,032
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	
	3.2 Other than first liens			0	
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $.....97,250,311 encumbrances)			0	3,435,547
	4.2 Properties held for the production of income (less $.....0 encumbrances)	2,860,885		2,860,885	3,206,311
	4.3 Properties held for sale (less $.....0 encumbrances)			0	
5.	Cash ($.....(135,283,347), Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....57,304,525, Schedule DA)	(74,144,587)	3,834,235	(77,978,822)	(187,510,174)
6.	Contract loans (including $.....0 premium notes)			0	
7.	Derivatives (Schedule DB)			0	
8.	Other invested assets (Schedule BA)	370,218,199		370,218,199	296,991,780
9.	Receivables for securities			0	
10.	Securities lending reinvested collateral assets (Schedule DL)			0	
11.	Aggregate write-ins for invested assets	819,931	819,931	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	2,965,017,140	31,147,112	2,933,870,028	3,087,268,731
13.	Title plants less $.....0 charged off (for Title insurers only)			0	
14.	Investment income due and accrued	20,236,288		20,236,288	18,989,358
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	225,588,796	9,134,444	216,454,352	226,179,620
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
	15.3 Accrued retrospective premiums ($.....2,628,328) and contracts subject to redetermination ($.....0)	57,854,197	55,225,869	2,628,328	84,365,127
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	211,062,519		211,062,519	247,784,861
	16.2 Funds held by or deposited with reinsured companies			0	
	16.3 Other amounts receivable under reinsurance contracts			0	
17.	Amounts receivable relating to uninsured plans	226,011,101	18,112,223	207,898,878	182,036,109
18.1	Current federal and foreign income tax recoverable and interest thereon	9,933,281		9,933,281	61,462,094
18.2	Net deferred tax asset	286,635,460	17,213,806	269,421,654	149,482,361
19.	Guaranty funds receivable or on deposit			0	
20.	Electronic data processing equipment and software	125,335,547	123,851,400	1,484,147	1,109,078
21.	Furniture and equipment, including health care delivery assets ($.....0)	17,070,171	17,070,171	0	
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	
23.	Receivables from parent, subsidiaries and affiliates	11,951,709		11,951,709	3,814,583
24.	Health care ($.....71,843,402) and other amounts receivable	136,619,053	64,775,651	71,843,402	49,551,735
25.	Aggregate write-ins for other than invested assets	379,362,385	233,488,077	145,874,308	94,092,623
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,672,677,647	570,018,753	4,102,658,894	4,206,136,280
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28.	TOTALS (Lines 26 and 27)	4,672,677,647	570,018,753	4,102,658,894	4,206,136,280
	DETAILS OF WRITE-INS				
1101.	Goodwill	819,931	819,931	0	
1102.				0	
1103.				0	
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	819,931	819,931	0	0
2501.	Investment In Topaz R & D	135,629,047	135,629,047	0	
2502.	Risk Adjustment Receivable	98,979,644		98,979,644	43,460,326
2503.	Renewable Energy Credits	64,099,898	29,721,040	34,378,858	38,065,507
2598.	Summary of remaining write-ins for Line 25 from overflow page	80,653,796	68,137,990	12,515,806	12,566,790
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	379,362,385	233,488,077	145,874,308	94,092,623

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....26,114,001 reinsurance ceded)	663,713,252	20,527,214	684,240,466	726,683,356
2.	Accrued medical incentive pool and bonus amounts			0	
3.	Unpaid claims adjustment expenses	16,784,250	519,100	17,303,350	17,740,311
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	273,058,231		273,058,231	288,136,527
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserve			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	108,625,997		108,625,997	139,319,314
9.	General expenses due or accrued	443,987,996		443,987,996	400,820,731
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))			0	
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	316,862		316,862	54,086
13.	Remittances and items not allocated	4,960,251		4,960,251	4,800,454
14.	Borrowed money (including $.....236,006,052 current) and interest thereon $.....0 (including $.....0 current)	236,006,052		236,006,052	194,846,834
15.	Amounts due to parent, subsidiaries and affiliates	56,580,616		56,580,616	2,350,967
16.	Derivatives			0	
17.	Payable for securities	477,999		477,999	474,638
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	115,012,930		115,012,930	42,639,041
23.	Aggregate write-ins for other liabilities (including $.....0 current)	95,037,982	0	95,037,982	89,955,009
24.	Total liabilities (Lines 1 to 23)	2,014,562,418	21,046,314	2,035,608,732	1,907,821,268
25.	Aggregate write-ins for special surplus funds	XXX	XXX	138,472,491	135,202,257
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	863,861,427	789,097,678
31.	Unassigned funds (surplus)	XXX	XXX	1,064,716,244	1,374,015,077
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,067,050,162	2,298,315,012
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	4,102,658,894	4,206,136,280

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	76,704,989		76,704,989	81,430,319
2302.	Accounts Payable	14,853,739		14,853,739	5,155,564
2303.	Risk Adjustment Payable	3,232,634		3,232,634	3,100,000
2398.	Summary of remaining write-ins for Line 23 from overflow page	246,620	0	246,620	269,126
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	95,037,982	0	95,037,982	89,955,009
2501.	Special Surplus - ACA Health Insurer Tax	XXX	XXX	138,472,491	135,202,257
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	138,472,491	135,202,257
3001.	Contingency Reserve	XXX	XXX	863,861,427	789,097,678
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	863,861,427	789,097,678

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	21,719,849	22,427,397
2.	Net premium income (including $.....0 non-health premium income)	XXX	7,433,252,453	7,344,345,113
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(7,300,692)	(502,725)
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	31,098,538	7,954,028
8.	Total revenues (Lines 2 to 7)	XXX	7,457,050,299	7,351,796,416
Hospital and Medical:				
9.	Hospital/medical benefits		4,776,404,257	4,785,681,165
10.	Other professional services	34,914,708	298,434,665	284,127,134
11.	Outside referrals			
12.	Emergency room and out-of-area	1,740,540	466,471,907	444,599,457
13.	Prescription drugs		1,218,723,020	1,221,767,559
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	36,655,248	6,760,033,849	6,736,175,315
Less:				
17.	Net reinsurance recoveries		254,553,312	252,191,484
18.	Total hospital and medical (Lines 16 minus 17)	36,655,248	6,505,480,537	6,483,983,831
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....151,004,364 cost containment expenses	13,912,466	468,546,991	460,093,279
21.	General administrative expenses		795,147,111	776,568,491
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(3,564,554)	(4,888,192)
23.	Total underwriting deductions (Lines 18 through 22)	50,567,714	7,765,610,085	7,715,757,409
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(308,559,786)	(363,960,993)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		117,160,807	118,955,943
26.	Net realized capital gains or (losses) less capital gains tax of $.....52,541,141		97,576,407	50,231,759
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	214,737,214	169,187,702
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	23,362,720	23,689,450
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(70,459,852)	(171,083,841)
31.	Federal and foreign income taxes incurred	XXX	(64,749,535)	(33,506,609)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(5,710,317)	(137,577,232)

DETAILS OF WRITE-INS

0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	Gain on Fixed Assets	XXX	28,863,594	(1,228)
0702.	North Carolina State Tax Credits	XXX	2,234,944	7,955,256
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	31,098,538	7,954,028
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		23,362,720	23,689,450
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	23,362,720	23,689,450

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,298,315,012	2,388,532,820
34. Net income or (loss) from Line 32	(5,710,317)	(137,577,232)
35. Change in valuation basis of aggregate policy and claim reserves	18,814,434	83,636,008
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....(50,936,883)	(85,711,573)	16,482,364
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	17,014,295	18,218,137
39. Change in nonadmitted assets	(164,596,365)	(29,420,649)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(11,075,324)	(41,556,436)
48. Net change in capital and surplus (Lines 34 to 47)	(231,264,850)	(90,217,808)
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,067,050,162	2,298,315,012

DETAILS OF WRITE-INS

4701. Additional Liability for Pension Benefits	(11,075,324)	(41,556,436)
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	(11,075,324)	(41,556,436)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	7,384,255,235	7,198,034,880
2.	Net investment income	132,679,699	133,842,479
3.	Miscellaneous income	31,098,538	7,954,028
4.	Total (Lines 1 through 3)	7,548,033,472	7,339,831,387
5.	Benefit and loss related payments	6,538,520,562	6,496,667,127
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,242,996,228	1,101,304,977
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....52,541,141 tax on capital gains (losses)	(63,737,207)	18,033,269
10.	Total (Lines 5 through 9)	7,717,779,583	7,616,005,373
11.	Net cash from operations (Line 4 minus Line 10)	(169,746,111)	(276,173,986)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	287,879,326	730,762,947
	12.2 Stocks	573,802,068	298,846,540
	12.3 Mortgage loans		
	12.4 Real estate	34,109,725	
	12.5 Other invested assets	106,038,378	6,913,607
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	3,361	18,111
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,001,832,858	1,036,541,205
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	347,358,075	660,355,581
	13.2 Stocks	201,956,118	284,439,246
	13.3 Mortgage loans		
	13.4 Real estate	32,753,444	6,179,930
	13.5 Other invested assets	159,105,781	106,852,231
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	741,173,418	1,057,826,988
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	260,659,440	(21,285,783)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	41,159,218	194,846,834
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(22,298,576)	(103,957,075)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	18,860,642	90,889,759
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	109,773,971	(206,570,010)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	(183,918,558)	22,651,452
	19.2 End of year (Line 18 plus Line 19.1)	(74,144,587)	(183,918,558)

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 and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	7,433,252,453	4,651,137,109	351,568,138	78,522,848	6,573,960	1,073,537,486	1,127,823,709		144,089,203	
2. Change in unearned premium reserves and reserve for rate credit	(7,300,692)					(7,300,692)				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	31,098,538	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,098,538
7. Total revenues (Lines 1 to 6)	7,457,050,299	4,651,137,109	351,568,138	78,522,848	6,573,960	1,066,236,794	1,127,823,709	0	144,089,203	31,098,538
8. Hospital/medical benefits	4,776,404,257	3,024,365,196	188,234,379			664,298,758	871,348,188		28,157,736	XXX
9. Other professional services	298,434,665	186,261,157	11,592,764	53,491,881	4,504,727	40,912,075			1,672,061	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	466,471,907	337,956,871	21,034,200			74,231,885	30,215,122		3,033,829	XXX
12. Prescription drugs	1,218,723,020	826,277,812	51,426,954			181,491,086	105,607,413		53,919,755	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	6,760,033,849	4,374,861,036	272,288,297	53,491,881	4,504,727	960,933,804	1,007,170,723	0	86,783,381	XXX
16. Net reinsurance recoveries	254,553,312	251,307,261							3,246,051	XXX
17. Total hospital and medical (Lines 15 minus 16)	6,505,480,537	4,123,553,775	272,288,297	53,491,881	4,504,727	960,933,804	1,007,170,723	0	83,537,330	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....151,004,364 cost containment expenses	468,546,991	300,775,315	25,396,361	6,102,151	466,258	34,171,198	88,199,058		13,436,650	
20. General administrative expenses	795,147,111	544,902,521	50,146,002	10,337,325	789,862	50,922,186	98,441,458		39,607,757	
21. Increase in reserves for accident and health contracts	(3,564,554)	23,986	(3,588,540)							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	7,765,610,085	4,969,255,597	344,242,120	69,931,357	5,760,847	1,046,027,188	1,193,811,239	0	136,581,737	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(308,559,786)	(318,118,488)	7,326,018	8,591,491	813,113	20,209,606	(65,987,530)	0	7,507,466	31,098,538
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Gain on Fixed Assets	28,863,594	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,863,594
0602. North Carolina transferable State Tax Credits	2,234,944	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,234,944
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	31,098,538	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,098,538
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	4,673,568,208		22,431,099	4,651,137,109
2. Medicare supplement	351,568,138			351,568,138
3. Dental only	78,522,848			78,522,848
4. Vision only	6,573,960			6,573,960
5. Federal employees health benefits plan	1,073,537,486			1,073,537,486
6. Title XVIII - Medicare	1,127,823,709			1,127,823,709
7. Title XIX - Medicaid				0
8. Other health	153,276,111		9,186,908	144,089,203
9. Health subtotal (Lines 1 through 8)	7,464,870,460	0	31,618,007	7,433,252,453
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	7,464,870,460	0	31,618,007	7,433,252,453

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	6,805,653,824	4,376,901,559	272,508,312	54,564,351	4,461,286	965,199,631	1,051,046,358		80,972,327	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	267,133,265	263,657,599							3,475,666	
1.4 Net	6,538,520,559	4,113,243,960	272,508,312	54,564,351	4,461,286	965,199,631	1,051,046,358	0	77,496,661	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	710,354,467	422,633,409	32,328,485	3,455,878	182,699	124,849,686	118,050,137		8,854,173	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	26,114,001	24,372,007							1,741,994	
3.4 Net	684,240,466	398,261,402	32,328,485	3,455,878	182,699	124,849,686	118,050,137	0	7,112,179	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	27,319,477	24,857,760	2,017,805						443,912	
7. Amounts recoverable from reinsurers December 31, current year	211,062,516	211,062,516								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	728,654,965	399,816,169	30,530,695	4,528,348	139,258	129,115,513	161,925,774		2,599,208	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	28,512,240	26,540,631							1,971,609	
8.4 Net	700,142,725	373,275,538	30,530,695	4,528,348	139,258	129,115,513	161,925,774	0	627,599	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	221,244,230	221,244,230								
12. Incurred benefits:										
12.1 Direct	6,760,033,849	4,374,861,039	272,288,297	53,491,881	4,504,727	960,933,804	1,007,170,721	0	86,783,380	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	254,553,312	251,307,261	0	0	0	0	0	0	3,246,051	0
12.4 Net	6,505,480,537	4,123,553,778	272,288,297	53,491,881	4,504,727	960,933,804	1,007,170,721	0	83,537,329	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	101,015,734	41,418,074	11,120,999			12,235,269	36,241,392			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	101,015,734	41,418,074	11,120,999	0	0	12,235,269	36,241,392	0	0	0
2. Incurred but unreported:										
2.1 Direct	609,338,733	381,215,336	21,207,486	3,455,878	182,699	112,614,416	81,808,745		8,854,173	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	26,114,001	24,372,007							1,741,994	
2.4 Net	583,224,732	356,843,329	21,207,486	3,455,878	182,699	112,614,416	81,808,745	0	7,112,179	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	710,354,467	422,633,410	32,328,485	3,455,878	182,699	124,849,685	118,050,137	0	8,854,173	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	26,114,001	24,372,007	0	0	0	0	0	0	1,741,994	0
4.4 Net	684,240,466	398,261,403	32,328,485	3,455,878	182,699	124,849,685	118,050,137	0	7,112,179	0

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)	401,552,107	3,721,873,566	899,810	397,361,593	402,451,917	373,275,538
2. Medicare supplement	28,808,436	243,699,876	22,423	32,306,062	28,830,859	30,530,695
3. Dental only	3,638,663	50,925,688	26,957	3,428,921	3,665,620	4,528,348
4. Vision only	458,280	4,003,006		182,699	458,280	139,258
5. Federal employees health benefits plan	116,729,749	848,469,882	3,798,352	121,051,333	120,528,101	129,115,513
6. Title XVIII - Medicare	124,196,627	926,849,732	127,359	117,922,778	124,323,986	161,925,774
7. Title XIX - Medicaid					0	
8. Other health	1,784,106	75,712,555		7,112,179	1,784,106	627,599
9. Health subtotal (Lines 1 to 8)	677,167,968	5,871,534,305	4,874,901	679,365,565	682,042,869	700,142,725
10. Healthcare receivables (a)	103,281,754				103,281,754	75,962,277
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	573,886,214	5,871,534,305	4,874,901	679,365,565	578,761,115	624,180,448

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	313,837	314,740	314,740	314,738	314,738
2. 2011	3,814,650	4,171,950	4,173,891	4,173,891	4,173,891
3. 2012	XXX	4,106,780	4,506,542	4,597,204	4,597,297
4. 2013	XXX	XXX	4,597,788	5,020,474	5,033,211
5. 2014	XXX	XXX	XXX	5,735,536	6,399,876
6. 2015	XXX	XXX	XXX	XXX	5,871,537

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	313,837	314,740	314,740	314,738	314,738
2. 2011	4,188,907	4,186,141	4,173,891	4,173,891	4,173,891
3. 2012	XXX	4,528,963	4,533,700	4,597,204	4,597,297
4. 2013	XXX	XXX	5,040,150	5,029,227	5,033,211
5. 2014	XXX	XXX	XXX	6,453,467	6,404,753
6. 2015	XXX	XXX	XXX	XXX	6,550,900

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	4,969,985	4,173,891	254,227	6.1	4,428,118	89.1			4,428,118	89.1
2. 2012	5,242,403	4,597,297	224,529	4.9	4,821,826	92.0			4,821,826	92.0
3. 2013	5,819,893	5,033,211	241,250	4.8	5,274,461	90.6			5,274,461	90.6
4. 2014	7,344,344	6,399,875	472,645	7.4	6,872,520	93.6	4,876	119	6,877,515	93.6
5. 2015	7,433,252	5,871,535	421,808	7.2	6,293,343	84.7	679,364	17,184	6,989,891	94.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	174,708	175,302	175,302	175,302	175,302
2. 2011	2,334,962	2,520,941	2,522,177	2,522,177	2,522,177
3. 2012	XXX	2,384,117	2,593,065	2,682,337	2,682,430
4. 2013	XXX	XXX	2,608,975	2,786,698	2,795,258
5. 2014	XXX	XXX	XXX	3,346,929	3,739,829
6. 2015	XXX	XXX	XXX	XXX	3,721,874

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	174,708	175,302	175,302	175,302	175,302
2. 2011	2,530,897	2,523,310	2,522,177	2,522,177	2,522,177
3. 2012	XXX	2,614,385	2,619,409	2,682,337	2,682,430
4. 2013	XXX	XXX	2,828,398	2,789,840	2,795,258
5. 2014	XXX	XXX	XXX	3,743,605	3,740,729
6. 2015	XXX	XXX	XXX	XXX	4,119,236

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	3,048,596	2,522,177	189,623	7.5	2,711,800	89.0			2,711,800	89.0
2. 2012	3,087,463	2,682,430	165,159	6.2	2,847,589	92.2			2,847,589	92.2
3. 2013	3,308,814	2,795,258	174,188	6.2	2,969,446	89.7			2,969,446	89.7
4. 2014	4,296,357	3,739,829	262,755	7.0	4,002,584	93.2	900	23	4,003,507	93.2
5. 2015	4,651,137	3,721,874	241,498	6.5	3,963,372	85.2	397,363	10,049	4,370,784	94.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	29,391	29,684	29,684	29,683	29,684
2. 2011	180,996	209,613	209,906	209,906	209,906
3. 2012	XXX	191,072	218,007	218,300	218,300
4. 2013	XXX	XXX	201,730	226,600	226,893
5. 2014	XXX	XXX	XXX	223,977	252,491
6. 2015	XXX	XXX	XXX	XXX	243,701

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	29,391	29,684	29,684	29,683	29,684
2. 2011	205,017	210,086	209,906	209,906	209,906
3. 2012	XXX	216,845	218,139	218,300	218,300
4. 2013	XXX	XXX	228,998	226,641	226,893
5. 2014	XXX	XXX	XXX	254,469	252,516
6. 2015	XXX	XXX	XXX	XXX	276,007

12.MS

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	297,310	209,906	19,043	9.1	228,949	77.0			228,949	77.0
2. 2012	295,458	218,300	16,381	7.5	234,681	79.4			234,681	79.4
3. 2013	314,647	226,893	15,214	6.7	242,107	76.9			242,107	76.9
4. 2014	337,578	252,491	20,123	8.0	272,614	80.8	24		272,638	80.8
5. 2015	351,568	243,701	19,528	8.0	263,229	74.9	32,304	817	296,350	84.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	2,951	2,966	2,966	2,965	2,966
2. 2011	46,670	50,093	50,109	50,109	50,109
3. 2012	XXX	54,161	58,610	58,630	58,630
4. 2013	XXX	XXX	63,987	67,703	67,732
5. 2014	XXX	XXX	XXX	53,769	57,379
6. 2015	XXX	XXX	XXX	XXX	50,926

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	2,951	2,966	2,966	2,965	2,966
2. 2011	48,148	50,145	50,109	50,109	50,109
3. 2012	XXX	56,735	58,638	58,630	58,630
4. 2013	XXX	XXX	67,615	67,722	67,732
5. 2014	XXX	XXX	XXX	58,278	57,406
6. 2015	XXX	XXX	XXX	XXX	54,355

12.DO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	67,542	50,109	1,761	3.5	51,870	76.8			51,870	76.8
2. 2012	77,653	58,630	2,037	3.5	60,667	78.1			60,667	78.1
3. 2013	87,971	67,732	92	0.1	67,824	77.1			67,824	77.1
4. 2014	86,116	57,379	310	0.5	57,689	67.0	27		57,716	67.0
5. 2015	78,523	50,926	2,125	4.2	53,051	67.6	3,429	87	56,567	72.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	205	205	205	205	204
2. 2011	1,366	1,623	1,623	1,623	1,623
3. 2012	XXX	2,036	2,344	2,344	2,344
4. 2013	XXX	XXX	3,063	3,450	3,450
5. 2014	XXX	XXX	XXX	3,360	3,818
6. 2015	XXX	XXX	XXX	XXX	4,003

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	205	205	205	205	204
2. 2011	1,436	1,623	1,623	1,623	1,623
3. 2012	XXX	2,167	2,344	2,344	2,344
4. 2013	XXX	XXX	3,253	3,450	3,450
5. 2014	XXX	XXX	XXX	3,496	3,818
6. 2015	XXX	XXX	XXX	XXX	4,183

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	2,289	1,623	74	4.6	1,697	74.1			1,697	74.1
2. 2012	2,561	2,344	63	2.7	2,407	94.0			2,407	94.0
3. 2013	4,828	3,450	6	0.2	3,456	71.6			3,456	71.6
4. 2014	5,809	3,818	95	2.5	3,913	67.4			3,913	67.4
5. 2015	6,574	4,003	111	2.8	4,114	62.6	182	5	4,301	65.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	59,986	59,987	59,987	59,987	59,987
2. 2011	666,122	759,097	759,493	759,493	759,493
3. 2012	XXX	727,035	808,801	809,878	809,878
4. 2013	XXX	XXX	754,034	871,357	875,212
5. 2014	XXX	XXX	XXX	771,326	884,202
6. 2015	XXX	XXX	XXX	XXX	848,470

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	59,986	59,987	59,987	59,987	59,987
2. 2011	752,500	766,950	759,493	759,493	759,493
3. 2012	XXX	808,133	808,801	809,878	809,878
4. 2013	XXX	XXX	841,370	874,683	875,212
5. 2014	XXX	XXX	XXX	897,116	888,000
6. 2015	XXX	XXX	XXX	XXX	969,521

12.FE

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	790,118	759,493	15,161	2.0	774,654	98.0			774,654	98.0
2. 2012	872,820	809,878	19,887	2.5	829,765	95.1			829,765	95.1
3. 2013	896,883	875,212	17,237	2.0	892,449	99.5			892,449	99.5
4. 2014	1,018,780	884,201	83,281	9.4	967,482	95.0	3,798	96	971,376	95.3
5. 2015	1,073,537	848,468	74,878	8.8	923,346	86.0	121,051	3,061	1,047,458	97.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	45,113	45,113	45,113	45,114	45,113
2. 2011	473,037	518,309	518,309	518,309	518,309
3. 2012	XXX	639,565	715,751	715,751	715,751
4. 2013	XXX	XXX	860,580	955,910	955,910
5. 2014	XXX	XXX	XXX	1,236,311	1,360,509
6. 2015	XXX	XXX	XXX	XXX	926,850

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	45,113	45,113	45,113	45,114	45,113
2. 2011	537,734	521,753	518,309	518,309	518,309
3. 2012	XXX	719,636	716,405	715,751	715,751
4. 2013	XXX	XXX	963,658	958,135	955,910
5. 2014	XXX	XXX	XXX	1,396,012	1,360,636
6. 2015	XXX	XXX	XXX	XXX	1,044,773

12.XV

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	616,103	518,309	21,540	4.2	539,849	87.6			539,849	87.6
2. 2012	760,776	715,751	15,661	2.2	731,412	96.1			731,412	96.1
3. 2013	1,065,687	955,910	29,383	3.1	985,293	92.5			985,293	92.5
4. 2014	1,466,708	1,360,509	105,176	7.7	1,465,685	99.9	127		1,465,812	99.9
5. 2015	1,127,824	926,850	79,206	8.5	1,006,056	89.2	117,923	2,985	1,126,964	99.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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

12.XI

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011				0	0	0.0			0	0.0
2. 2012				0.0	0	0.0			0	0.0
3. 2013				0.0	0	0.0			0	0.0
4. 2014				0.0	0	0.0			0	0.0
5. 2015				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,483	1,483	1,483	1,482	1,482
2. 2011	111,497	112,274	112,274	112,274	112,274
3. 2012	XXX	108,794	109,964	109,964	109,964
4. 2013	XXX	XXX	105,419	108,756	108,756
5. 2014	XXX	XXX	XXX	99,864	101,648
6. 2015	XXX	XXX	XXX	XXX	75,713

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,483	1,483	1,483	1,482	1,482
2. 2011	113,175	112,274	112,274	112,274	112,274
3. 2012	XXX	111,062	109,964	109,964	109,964
4. 2013	XXX	XXX	106,858	108,756	108,756
5. 2014	XXX	XXX	XXX	100,491	101,648
6. 2015	XXX	XXX	XXX	XXX	82,825

12.OT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	148,027	112,274	7,025	6.3	119,299	80.6			119,299	80.6
2. 2012	145,672	109,964	5,341	4.9	115,305	79.2			115,305	79.2
3. 2013	141,063	108,756	5,130	4.7	113,886	80.7			113,886	80.7
4. 2014	132,996	101,648	905	0.9	102,553	77.1			102,553	77.1
5. 2015	144,089	75,713	4,462	5.9	80,175	55.6	7,112	180	87,467	60.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	231,031								231,031
2. Additional policy reserves (a)	269,076,445	131,735,710	125,893,200						11,447,535
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	15,429,321					15,429,321			
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	284,736,797	131,735,710	125,893,200	0	0	15,429,321	0	0	11,678,566
7. Reinsurance ceded	11,678,566								11,678,566
8. Totals (net) (Page 3, Line 4)	273,058,231	131,735,710	125,893,200	0	0	15,429,321	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(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 ($.....20,037,602 for occupancy of own building)	4,852,003	8,942,038	8,861,968		22,656,009
2. Salaries, wages and other benefits	96,628,396	196,556,129	198,169,950	896,720	492,251,195
3. Commissions (less $.....0 ceded plus $.....0 assumed)			208,259,737		208,259,737
4. Legal fees and expenses	1,948	28,402	1,156,917		1,187,267
5. Certifications and accreditation fees	493,134	1,073,920	862,793		2,429,847
6. Auditing, actuarial and other consulting services	38,140,143	73,580,945	77,318,217		189,039,305
7. Traveling expenses	405,887	1,377,581	4,595,255		6,378,723
8. Marketing and advertising			19,561,026		19,561,026
9. Postage, express and telephone	1,877,278	9,773,628	11,442,221		23,093,127
10. Printing and office supplies	448,744	4,553,158	6,685,811		11,687,713
11. Occupancy, depreciation and amortization	1,354,652	6,772,287	5,577,320		13,704,259
12. Equipment	112,342	231,767	377,344		721,453
13. Cost or depreciation of EDP equipment and software	6,001,118	12,644,208	11,410,260		30,055,586
14. Outsourced services including EDP, claims, and other services	60,053,389	62,765,653	63,754,279	3,095,026	189,668,347
15. Boards, bureaus and association fees	381,090	453,871	4,055,027		4,889,988
16. Insurance, except on real estate	10,467	23,953	1,446,670		1,481,090
17. Collection and bank service charges		15,701	2,061,484		2,077,185
18. Group service and administration fees	25,040,105	53,630,458	10,449,609		89,120,172
19. Reimbursements by uninsured plans	(73,822,046)	(103,917,223)	(100,970,345)		(278,709,614)
20. Reimbursements from fiscal intermediaries	(18,040,914)	(37,010,957)	(75,801,029)		(130,852,900)
21. Real estate expenses	1,411,295	1,915,765	12,489,386		15,816,446
22. Real estate taxes	509,374	944,874	955,579		2,409,827
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			102,599,608		102,599,608
23.3 Regulatory authority licenses and fees			99,517		99,517
23.4 Payroll taxes	5,145,959	11,776,419	9,950,563		26,872,941
23.5 Other (excluding federal income and real estate taxes)			209,777,944		209,777,944
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	11,410,050	0	0	11,410,050
26. Total expenses incurred (Lines 1 to 25)	151,004,364	317,542,627	795,147,111	3,991,746	(a).1,267,685,848
27. Less expenses unpaid December 31, current year	1,575,904	15,727,446	443,987,996		461,291,346
28. Add expenses unpaid December 31, prior year	1,615,700	16,124,611	400,820,731		418,561,042
29. Amounts receivable relating to uninsured plans, prior year	26,579,472	47,625,108	118,370,114		192,574,694
30. Amounts receivable relating to uninsured plans, current year	31,194,419	55,894,172	138,922,510		226,011,101
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	155,659,107	326,208,856	772,532,242	3,991,746	1,258,391,951

DETAILS OF WRITE-INS

2501. Interest Expense		11,410,050			11,410,050
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	11,410,050	0	0	11,410,050

(a) Includes management fees of $.....6,000,440 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) 600,567	1,167,987
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 62,347,317	62,416,767
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 2,820,079	3,113,991
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	25,414,275	26,214,689
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 20,316,322	20,316,322
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 3,380	10,266
7.	Derivative instruments	(f)	
8.	Other invested assets	11,412,459	11,412,459
9.	Aggregate write-ins for investment income	323,999	323,999
10.	Total gross investment income	123,238,398	124,976,480
11.	Investment expenses		(g) 3,991,746
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) 3,446,100
15.	Aggregate write-ins for deductions from investment income		377,827
16.	Total deductions (Lines 11 through 15)		7,815,673
17.	Net investment income (Line 10 minus Line 16)		117,160,807
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income	274,581	274,581
0902.	FEP Interest	49,418	49,418
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	323,999	323,999
1501.	Rental property expense		377,827
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		377,827

(a) Includes $.....1,213,838 accrual of discount less $.....14,512,561 amortization of premium and less $.....1,633,170 paid for accrued interest on purchases.
(b) Includes $.....82 accrual of discount less $.....21,081 amortization of premium and less $.....164,663 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 $.....42 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 $.....3,446,100 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	(142,878)		(142,878)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	1,396,973		1,396,973	(2,381,674)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	36,362		36,362	774,685	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	148,334,116		148,334,116	(164,007,677)	
2.21	Common stocks of affiliates			0	9,300,169	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	0		0		
7.	Derivative instruments			0		
8.	Other invested assets	2,501,975	(2,009,000)	492,975	19,666,041	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	152,126,548	(2,009,000)	150,117,548	(136,648,456)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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)	26,235,778	26,237,123	1,345
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	257,168	257,168	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	3,834,235	3,591,616	(242,619)
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	819,931	969,098	149,167
12. Subtotals, cash and invested assets (Lines 1 to 11)	31,147,112	31,055,005	(92,107)
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	9,134,444	10,113,663	979,219
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	55,225,869		(55,225,869)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	18,112,223	10,538,586	(7,573,637)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	17,213,806		(17,213,806)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	123,851,400	100,616,072	(23,235,328)
21. Furniture and equipment, including health care delivery assets	17,070,171	14,992,844	(2,077,327)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	64,775,651	41,774,857	(23,000,794)
25. Aggregate write-ins for other than invested assets	233,488,077	196,331,361	(37,156,716)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	570,018,753	405,422,388	(164,596,365)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	570,018,753	405,422,388	(164,596,365)

DETAILS OF WRITE-INS

1101. Goodwill	819,931	969,098	149,167
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	819,931	969,098	149,167
2501. Investment in Topaz R & D	135,629,047	85,367,304	(50,261,743)
2502. Renewable Energy Credits	29,721,040	39,598,654	9,877,614
2503. Prepaid Retirement	21,405,707	36,565,154	15,159,447
2598. Summary of remaining write-ins for Line 25 from overflow page	46,732,283	34,800,249	(11,932,034)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	233,488,077	196,331,361	(37,156,716)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations	144,579	77,069	75,872	75,994	75,808	915,386
2. Provider service organizations						
3. Preferred provider organizations	1,227,572	1,287,684	1,265,855	1,238,450	1,211,548	15,024,260
4. Point of service	2,322	3,537	4,047	4,681	5,729	51,454
5. Indemnity only	210,714	208,615	208,732	209,334	210,585	2,508,938
6. Aggregate write-ins for other lines of business	274,475	269,128	268,444	267,883	269,445	3,219,811
7. Total	1,859,662	1,846,033	1,822,950	1,796,342	1,773,115	21,719,849
DETAILS OF WRITE-INS						
0601. Dental	201,158	194,073	191,351	188,704	186,659	2,287,684
0602. Vision	73,317	75,055	77,093	79,179	82,786	932,127
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	274,475	269,128	268,444	267,883	269,445	3,219,811

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	171,392,740					171,392,740
0299997. Group subscribers subtotal	171,392,740	0	0	0	0	171,392,740
0299998. Premiums due and unpaid not individually listed	38,932,246	128,398	41,712	8,996,391	8,996,391	39,102,356
0299999. Total group	210,324,986	128,398	41,712	8,996,391	8,996,391	210,495,096
0399999. Premiums due and unpaid from Medicare entities	5,835,210	87,599	36,447	138,053	138,053	5,959,256
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	216,160,196	215,997	78,159	9,134,444	9,134,444	216,454,352

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeuticis	19,055,140	15,450,881	16,370,194	52,405,541	52,405,540	50,876,216
0199999. Total Pharmaceutical Rebate Receivables	19,055,140	15,450,881	16,370,194	52,405,541	52,405,540	50,876,216
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				12,370,111	12,370,111	0
0299999. Total Claim Overpayment Receivables	0	0	0	12,370,111	12,370,111	0
Other Receivables						
NaviHealth	12,285,142					12,285,142
Coverage GAP Discounts	711,639	2,879,891	5,090,514			8,682,044
0699999. Total Other Receivables	12,996,781	2,879,891	5,090,514	0	0	20,967,186
0799999. Gross Health Care Receivables	32,051,921	18,330,772	21,460,708	64,775,652	64,775,651	71,843,402

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	75,962,278	83,742,118		103,281,756	75,962,278	75,962,278
2. Claim overpayment receivables	839,074			12,370,111	839,074	839,074
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	14,525,240			20,967,186	14,525,240	14,525,240
7. Totals (Lines 1 through 6)	91,326,592	83,742,118	0	136,619,053	91,326,592	91,326,592

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	3,191,665	450,855	119,061	157,309	517,576	4,436,466
0399999. Aggregate accounts not individually listed - covered	184,553,330	26,070,027	6,884,507	9,096,158	29,928,064	256,532,086
0499999. Subtotals	187,744,995	26,520,882	7,003,568	9,253,467	30,445,640	260,968,552
0599999. Unreported claim and other claim reserves						449,385,915
0799999. Total claims unpaid						710,354,467

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Mosaic Group Services, LLC	2,586,488					2,586,488	
ACS Benefit Services, Inc	2,847,796					2,847,796	
Mosaic Health Solutions, LLC	6,517,425					6,517,425	
0199999. Individually listed receivables	11,951,709	0	0	0	0	11,951,709	0
0399999. Total gross amounts receivable	11,951,709	0	0	0	0	11,951,709	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	2,805,216	2,805,216	
Noblehealth, Inc.	Administrative Services	53,756,938	53,756,938	
0199999. Individually listed payables		56,562,154	56,562,154	0
0299999. Payables not individually listed		18,462	18,462	
0399999. Total gross payables		56,580,616	56,580,616	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	51,168,900	0.8	1,773,115	100.0		51,168,900
4. Total capitation payments	51,168,900	0.8	1,773,115	100.0	0	51,168,900
Other Payments:						
5. Fee-for-service	2,076,245,266	30.5	XXX	XXX		2,076,245,266
6. Contractual fee payments	4,678,239,660	68.7	XXX	XXX		4,678,239,660
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	6,754,484,926	99.2	XXX	XXX	0	6,754,484,926
13. Total (Line 4 plus Line 12)	6,805,653,826	100.0	XXX	XXX	0	6,805,653,826

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	34,919,029	5,045,246	(20,339,821)	14,579,208	14,579,208	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	6,886,480	1,191,086	(4,395,517)	2,490,963	2,490,963	0
6. Total	41,805,509	6,236,332	(24,735,338)	17,070,171	17,070,171	0

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (BCBSNC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the State of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of North Carolina is show below:

		State of Domicile	2015	2014
NET INCOME				
1.	BCBSNC state basis (Page 4, Line 32, Columns 2&3)	NC	($5,710,317)	($137,577,232)
2.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
3.	State Permitted Practices that increase/(decrease) NAIC SAP:			
4.	NAIC SAP (1-2-3=4)	NC	($5,710,317)	($137,577,232)
SURPLUS				
5.	BCBSNC state basis (Page 3, Line 33, Columns 3 & 4)	NC	$2,067,050,162	$2,298,315,012
6.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
7.	State Permitted Practices that increase/(decrease) NAIC SAP:			
8.	NAIC SAP (5-6-7=8)	NC	$2,067,050,162	$2,298,315,012

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

C. Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

BCBSNC maintains a general depository account into which certain subsidiaries and BCBSNC receipts are deposited and upon which disbursements are drawn. The net activity is netted with amounts receivable from subsidiaries in the Statements of Assets, Liabilities, Capital and Surplus.

Short-Term Investments

Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

Investments

Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Common and Preferred stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments. Prepayment assumptions are determined

by using broker data. Common stocks of subsidiaries are stated in accordance with SSAP 97. The Company has no derivative instruments. The Company does not have any mortgage loans.

Realized gains and losses are included in income, net of tax and net unrealized gains and losses on securities are reflected in capital and surplus, net of tax. Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

If any investment security experiences an other-than-temporary decline in fair value, a realized loss is recorded in the Statement of Revenue and Expenses. Fair value is determined by quoted market prices where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

BCBSNC's investments in its wholly-owned unconsolidated subsidiaries are recorded at BCBSNC's equity, adjusted to statutory basis if applicable, plus the remaining unamortized goodwill balance in the underlying net assets, with the net income or losses of the subsidiaries recorded directly to unassigned surplus.

Real Estate and Electronic Data Processing Equipment

Real estate and electronic data processing (EDP) equipment and software are stated at cost less accumulated depreciation and encumbrances. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets: 5 to 40 years for buildings and leasehold improvements and 3 years for data processing equipment.

Market values for real estate reported in Schedule A are based on recent appraisals. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

Revenue Recognition (Premium Income, Uncollected Premiums and Unearned Premiums)

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other Blue Cross Blue Shield plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and Blue Cross Blue Shield Association (BCBSA), which acts as an agent for the participating Blue Cross Blue Shield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating Blue Cross Blue Shield plans to provide insurance to Federal employees that enroll with the Blue Cross Blue Shield FEP. The excess of gross

premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating Blue Cross Blue Shield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $5,652,689,891 $4,542,094,984 as of September 30, 2015 and December 31, 2014, respectively. The unaudited amounts being held in the contingency reserve are $9,237,554,757 and $10,632,403,324 as of September 30, 2015 and December 31, 2014, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $15,429,321 and $8,128,629 as of December 31, 2015 and 2014, respectively, and are included in assets and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $30,023,572 and $26,966,534 as of December 31, 2015 and 2014, respectively, and are included in cash and liabilities in the accompanying Statement of Assets, liabilities, Capital and Surplus.

FEP represented approximately 76.0% and 65.8% of accounts receivable as of December 31, 2015 and 2014, respectively. FEP represented approximately 14.4%.and 13.9% of net revenue for the years ended December 31, 2015 and 2014, respectively.

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with the Centers for Medicare & Medicaid Services (CMS). Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Statement of Revenue and Expenses as they are reviewed and agreed to by the Company. As of December 31, 2015, years 2006 through 2015 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period for providing insurance coverage. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

Funds received as “Reinsurance Payments” and “Low Income Subsidy (cost-sharing portion)” are accounted for as reimbursements (or advance payments) for uninsured claims under a partially uninsured plan in accordance with SSAP No. 47, and hence are not recognized as premiums. These funds are amounts paid by the Government for a portion of claims above the out-of-pocket threshold or relate to the prescription drug plan (PDP) payments for all or a portion of the deductible, the coinsurance and the co-payment amounts for low-income beneficiaries.

The Company’s CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company’s annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS’s portion of prescription drug costs which exceed the member’s out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursement from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company’s annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net

balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. The Company did not have a risk sharing payable at December 31, 2015 and 2014, respectively. The net estimated subsidies receivable from CMS was $9,388,118 and $22,167,107 at December 31, 2015 and 2014, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in amounts receivable related to uninsured plans. Any estimated payables related to the CMS risk sharing or subsidies are included in liability for amounts held under uninsured plans.

Claims Payable

Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

Income Taxes

Income taxes are computed in accordance with SSAP No. 101. The amount reported in the Statement of Revenue and Expenses as income tax expense represents an estimate of taxes due or refundable after computing the current year's tax return filing. This amount may also reflect impacts from prior years, which are properly reported through the Statement of Revenue and Expenses. Also, deferred income taxes are recorded for temporary differences between the admitted basis of assets and liabilities and the respective tax basis. The change in gross deferred income tax, excluding deferred taxes related to unrealized gains (losses) and additional minimum pension is reported as a separate component of surplus. Gross deferred income tax assets are reduced by a valuation allowance if the Company determines it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, as discussed in more detail below, the gross deferred tax asset is subject to an admissibility standard, which requires an annual computation of the admitted gross deferred tax asset. All computations are made on a separate company basis.

Adjusted deferred income tax assets are limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with IRS tax loss carryback provisions, not to exceed three years, plus (2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus (subject to certain limitations), excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus (3) the amount of remaining gross deferred income tax assets that can be offset against existing deferred income tax liabilities. The remaining deferred income tax assets in excess of the above are non-admitted. Deferred income taxes do not include amounts for state taxes.

Retirement Plans

Pension costs are accrued in accordance with SSAP No. 102, Accounting for Pensions and SSAP No. 92, Accounting for Postretirement Benefits Other Than Pension. Under these SSAPs, the statutory accounting standards will be similar to U.S. GAAP accounting standards. These SSAPs will require the pension and other postretirement benefit liabilities to include the unfunded projected benefit obligation and unfunded accumulated postretirement benefit obligation, respectively, including non-vested participants. These new requirements are effective January 1, 2013.

Certain events, such as changes in employee base and changes in actuarial assumptions, result in a change in the benefit obligation which results in a corresponding change in the gains and losses. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy (average working lifetime was used until June 30, 2013) of the participants, provided such amounts exceed thresholds which are based upon the benefit obligation or the value of plan assets. Plan amendments impact prior service cost and are amortized over the average remaining lifetime of all plan participants.

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded as general administrative expense.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise a majority of the fair value of our investments as of December 31, 2015.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of our investment.

We routinely process, store and transmit large amounts of data in our day to day operations. Such data includes sensitive personal, proprietary or confidential information relating to our customers, our business or other third-parties. Some of this data may be processed, stored and transmitted outside of the U.S. because of operational reliance on strategic vendors.

The possibility of security incidents resulting in a breach of our information systems and/or sensitive information are constant risks to our organization. Notwithstanding the proactive and aggressive measures we employ to prevent them, experienced cyber criminals may be able to penetrate our layered security controls and misappropriate or compromise sensitive information given sufficient time and resources. Such attacks could create system disruptions or cause shutdowns, or may result in the deployment of malicious software programs, such as viruses and worms, that could infect our systems or otherwise exploit any security vulnerabilities. Physical attacks and disruptions are also a risk. Our facilities may be subjected to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs associated with threat mitigation and vulnerability remediation to prevent a breach or cyber-incident are significant, but potentially much greater when such activities are forced to occur after an event. Such efforts are always impactful and may not always be successful. Service interruptions, delays or complete lack of service resulting in customer dissatisfaction and the loss of existing or new customers are additional impacts associated with these activities. However, breaches of our security measures and the unauthorized disclosure of sensitive information could expose our customers to the risk of medical identity theft or financial harm. Additionally, such breaches could expose us or other third-parties to loss or misuse of sensitive information, resulting in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash, cash equivalents and short-term investments are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationship with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu for the operation of our IT systems and are dependent upon them for support functions. We also have agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support. Additionally, we have vendor dependencies associated with various workflow and transactional systems critical to our operations.

Should these vendors be unable to provide their services our operations and financial stability may be significantly impacted, but more importantly we may not be able to meet the demands of our customers.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. A new core technology suite and business model is intended to provide core operating capabilities including enrollment, claims-processing and customer services with the explicit goals of reducing our operating costs and increasing speed-to-market and market offer flexibility. This core platform has been in service for our small Group market since July 2014, with membership migrating as we add new functionality. We are migrating our Individual under-65 market for January 1, 2016 effective dates and will migrate remaining markets over the next three years. Completion of this program could favorably position the Company to capture and retain attractive business from some of its national competition. However, execution risk exists on a program of this magnitude and complexity, while the business and operating cost value is largely delivered upon completion of the migration.

In addition, federal and state regulatory agencies may further restrict our ability to implement necessary changes in premium rates to earn our target contribution to surplus or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

A wide variety of factors could result in volatility of medical losses in any given year. These factors include economic and regulatory risks whereby state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare, Medicaid and CHIP. A reduction in state reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows. Furthermore, new types of medical treatments or prescription drugs could emerge during the policy period or after the time premiums are established and approved by regulators, resulting in higher medical losses than expected.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services (“CMS”), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or “pay for performance”, which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

Additionally, accountable care organizations; practice management companies (which are companies that aggregate physician practices for administrative efficiency); and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Since 2010, with the passage of the Patient Protection and Affordable Care Act (ACA or health care reform), health insurance issuers have been feeling the far-reaching effects of subsequent guidance and regulations. The law is intended to expand access to health insurance coverage over time by increasing the eligibility thresholds for most state Medicaid programs and providing certain other individuals and small businesses with tax credits to subsidize a portion of the cost of health insurance coverage. The legislation includes a requirement that most individuals obtain health insurance coverage which began on January 1, 2014 and that most large employers offer coverage to their employees beginning in 2015 or be required to pay a financial penalty. In addition, the new laws encompass certain new taxes and fees, including an excise tax on high premium insurance policies, an annual fee to fund comparative effectiveness research, limitations on the amount of compensation that is tax deductible and new fees on companies in our industry, certain of which are not deductible for income tax purposes.

While many of the law’s reforms have been in place since January 1, 2014, including the individual mandate, the establishment of federally-facilitated or state-based exchanges, and the three premium stabilization programs (“3R’s”), many of the implications of the law will not be seen for years to come.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their current pre-ACA plans that are not compliant with health care reform, which led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers, across many states, this could result in overall deterioration of the risk pool in ACA compliant plans because more members remain in their current health

plans rather than moving to ACA plans on or off the Exchange. These policies can be renewed through October 1, 2016 unless extended.

In addition, the ACA has increased and will continue to increase federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes.

As discussed above, implementing regulations and related interpretive guidance continue to be issued on certain provisions of the ACA. Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, the ACA has and will continue to change how we do business, with impacts on pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings could cause significant disruption in health care markets. It is possible that health care reform and related regulations, as well as future legislative and regulatory changes, including legislative restrictions on issuers' ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows.

Federal Congressional activity, budget negotiations, the 2016 presidential campaign, ongoing regulatory changes to health care reform, and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of the ACA. An example of this uncertainty includes the upcoming federal court case US House of Representatives vs. Secretary Burwell involving the Administration's delayed enforcement of the requirement that large employers provide health coverage to their employers and the administration's funding of a program to reduce the out-of-pocket health care costs of some consumers.

In the 2015 federal budget bill, Congress specified that the ACA's risk corridor program must be budget neutral, with distributions not exceeding collections. In October 2015, CMS announced that they will pay insurers expecting risk corridor payments 12.6% of their requested amount due to a shortfall with insurers having requested $2.87 billion in payments and CMS has received $362 million (in aggregate). The notice repeats CMS' intention to pay the remaining 2014 amounts due out of 2015 and 2016 receivables, as necessary, and in the event of a shortfall in the program after the 2016 benefit year, CMS repeated that they will 'explore other sources of funding for risk corridors payments'. This continued uncertainty makes financial forecasting and reporting increasingly challenging.

Health care reform also presents a challenge to insurers with respect to cash flows. In the pre-health care reform environment, an insurer would collect almost all premiums in advance of paying claims. However, health care reform has created new reimbursement timelines for insurers as government subsidies (which comprise over 90% of on-Exchange premiums) are not paid until more than 20 days into the coverage month. In addition, health care reform-related reimbursement payments to insurers to offset higher-than-expected or higher-than-average risk are not made until the third quarter following the coverage year.

As described above, the Company continues to face uncertainty impacting the health insurance industry with the ultimate impacts of the ACA, including the legislative and regulatory changes to the law. There is significant uncertainty and concern related to whether there will be adequate funding levels for certain programs and our ability to estimate the impact of these programs, which is impacting our financial performance in future periods. The Company will continue to monitor all changes to the implementation requirements or timeline but at this point cannot estimate the ultimate impact of these changes, if any.

The US House of Representatives has filed a lawsuit (US House of Representatives v. Burwell) challenging the ability of the Department of Health and Human Services (HHS) to make Cost Sharing Reduction (CSR) payments to insurers. CSR plans are available to enrollees at or below 250% of the Federal Poverty Level (FPL). CSR Plans provide lower deductibles, copayments, coinsurance, and out-of-pocket maximums for enrollees. HHS makes CSR payments directly to BCBSNC as reimbursement for the lower cost-sharing amounts provided in CSR plans.

In the lawsuit, Congress maintains that the funds HHS is using to make CSR payments requires a direct appropriation from Congress. The plaintiffs maintain that as Congress did not provide a specific line item appropriation for CSR payments; HHS has not been granted the right or authority to make a distribution from the Treasury. The Obama administration maintains that CSR payments and the Advance Premium Tax Credit (APTC or subsidies as they are known) are inextricably linked (as eligibility for CSR is triggered by APTC eligibility); thus the appropriation of funds for APTC serves as an appropriation for CSRs as well.

The DC District Court has ruled, initially in June in of 2015 and again in denying an Obama Administration request to dismiss the case in October of 2015, that the House has standing to sue and that the case will proceed on its merits. Oral arguments in the case are expected to take place in the spring or summer of 2016 and a decision could come anytime thereafter. The challenge for BCBSNC is that we are required to offer CSR plans to eligible individuals as part of our Qualified Health Plan (QHP) issuer agreement with the Federal Exchange, and this agreement covers the entire plan year. If the CSR payments from HHS are deemed illegal, CSR payments to BCBSNC could possibly be stopped soon after a ruling but we would still be required to offer CSR plans for the remainder of the plan year, as stipulated in our signed issuer agreement. The timing of a final decision is unknown, but it is not likely that the case will be settled before the 2017 QHP agreements must be signed in late summer. The standing decision is likely to go to the US Supreme Court.

Contract Reserves

Contract reserves are established for policies where, because of the policy's design, future benefit costs increase because of factors which the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the

present value of future net premiums. Contract reserves are actuarially estimated using methods that include assumptions such as interest rates, claim trends, persistency, and other assumptions based upon experience modified as necessary to reflect anticipated trends. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA products.

These estimates may change as actuarial methods and/or as underlying facts upon which these estimates are based, change. The net level premium methodology is used. There were no significant changes to our actuarial methods in the last two fiscal years. Included in aggregate policy reserves are the contract reserves and unearned premiums on these policies. Aggregate policy reserves also include the liability for Federal Employee Program (FEP) rate stabilization reserve.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. . Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses. During 2015 and 2014, the Company adjusted contract reserves through capital and surplus by $18,814,434 and $83,636,008, respectively, as a result of updated experience and a refinement of assumptions.

Pharmaceutical Rebate Receivables

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on the use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed primarily quarterly. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts. Of these receivables, $52,405,540 and $38,249,122 at December 31, 2015 and 2014, respectively, were nonadmitted because they were outstanding in excess of 90 days.

Affordable Care Act Assessments

The Affordable Care Act (ACA) imposes a nondeductible assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. The liability related to the Section 9010 ACA assessment shall be estimated and recorded in full once the entity provides qualifying health insurance (typically January 1) in the applicable calendar year in which the assessment is paid (fee year) with a corresponding entry to expense. The Section 9010 ACA assessment shall be recognized in full on January 1 of the fee year, in the operating expense category of Taxes, Licenses and Fees. On January 1, 2015 and 2014, the Company recognized in full $135,202,257 and $75,000,000 related to the Section 9010 ACA assessment. At September 30, 2015, the Company adjusted our initial amount for 2015 by ($3,618,340), based on the final fee calculation from the Internal Revenue Service. At September 30, 2015 and 2014, the Company paid $131,583,917 and $79,491,486, based on the final fee calculation from the Internal Revenue Service, respectively.

Liability recognition of the Section 9010 fee is not required in the data year. In the data year, the reporting entity is required to reclassify from unassigned surplus to special surplus an amount equal to its estimated subsequent fee year assessment. This segregation in special surplus is accrued monthly throughout the data year. The reclassification from unassigned surplus to special surplus does not reduce total surplus. On January 1 of the fee year, the prior year segregation in special surplus is reversed and the full current fee year assessment liability shall be accrued. As of December 31, 2015, the Company's segregated amount of special surplus is $138,472,491.

On October 1, 2015, Health and Human Services announced proration results of 12.6% for the 2014 risk corridor payments. Guidance required non-admittance of the 2014 risk corridor amounts in excess of the 12.6% proration amount which has not been written off for impairment, and has a reasonable expectation of delayed recovery. The Company non-admitted $55,225,869 of our risk corridor receivable.

The Company has evaluated our risk corridor receivable as required by INT 15-01, and believes no additional impairment is required as of December 31, 2015.

There was a significant change to income taxes in 2015 compared to 2014 because of the increase in nondeductible expenses due to the implementation of ACA.

2. Accounting Changes and Corrections of Errors

A. Material changes in accounting principles and/or corrections of errors:

The Company made a reclassification entry to record amounts recoverable for claims unpaid due to ACA Reinsurance as a reduction of claims unpaid after issuance of the 2014 Annual Statement. The reclassification impacted the Assets, Liabilities, Capital and Surplus with no impact to net loss or capital and surplus. Below is a reconciliation of the Annual Statement to the Statement of Admitted Assets, Liabilities, Capital and Surplus as of December 31, 2014:

	Per the Annual Statement	Entry	Statements of Admitted Assets, Liabilities, Capital and Surplus
Total Assets	$4,206,136,280	($26,540,631)	$4,179,595,649
Total Liabilities	$1,907,821,268	($26,540,631)	$1.881.280.637
Total Capital and Surplus	$2,298,315,012		$2,298,315,012
Total Liabilities, Capital and Surplus	$4,206,136,280	($26,540,631)	$4,179,595,679

3. Business Combinations and Goodwill

The Company did not have any material changes in Business Combinations and Goodwill at December 31, 2015 and 2014.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2015 and 2014.

5. Investments

A. Mortgage Loans, including Mezzaine Real Estate Loans

The Company did not have any mortgage loans as of December 31, 2015 and 2014.

B. Debt Restructuring

The Company did not have any debt restructuring as of December 31, 2015 and 2014.

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2015 and 2014.

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2015.

(3) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

A. The aggregate amount of unrealized losses:

1. Less than 12 Months $0
2. 12 Months or Longer $1,102,395

B. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months $0
2. 12 Months or Longer $72,090,304

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2015 and 2014.

F. Real Estate

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(1) During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two additional buildings in Durham to create this central campus. During 2015, the Company sold its Headquarters property. The gain on Headquarters was $30,936,960. The original cost of the Headquarters property was $16,259,885 and accumulated depreciation at the date of sale was $13,788,439. The Company will lease the property from the State Employees Credit Union (SECU) until we complete our move to Durham which is expected by the middle of 2016.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

G. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2015 and 2014.

H. Restricted Assets

(1) On deposit with government authorities as required by law:

	1	2	3	4	5	6
Restricted Asset category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. On deposit with states	32,491,669	33,359,234	(867,565)	-	0.81%	-

(1) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2015.

(2) The Company does not have any other restricted assets as of December 31, 2015.

I. Working Capital Finance Investments

The Company did not have any working capital finance investments as of December 31, 2015 and 2014.

J. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities as of December 31, 2015 and 2014.

K. Structured Notes

The Company did not have joint and several liabilities as of December, 2015 and 2014.

L. Other

Effective as of February 2, 2015, the Company underwent a corporate organizational restructuring. BCBSNC now has three wholly-owned subsidiaries: Corium; Corium II; and NobleHealth, Inc. ("Noble"), formerly known as MHSI. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Noble holds non-controlling strategic investments in certain health services companies and has three wholly owned subsidiaries: Mosaic Group; Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); and Topaz. Mosaic Health Solutions has one wholly-owned subsidiary, ACS and also holds non-controlling strategic investments in certain health services companies. ACS Benefit Services, Inc, (ACS) is a wholly owned subsidiary of Mosaic Health Solutions. The ACS investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88). Accordingly, adjustment has been made to report this investment on an adjusted equity method as defined in SSAP No. 97 paragraph 9. The admitted balance of ACS was $12,885,270 at December 31, 2014.

Noble investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies. The investment which is Common Stock is carried at cost.

In 2015 and 2014, certain securities became other-than-temporarily impaired and were written down to their fair value, resulting in a realized loss of $2,009,000 and $0, respectively.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

All investment income due and accrued at December 31, 2015 and 2014 was included in the financial statements, and had not been outstanding greater than 90 days.

8. Derivative Instruments

The Company does not hold any derivative instruments at December 31, 2015 and 2014.

9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2015 are as follows:

1.

	12/31/15			12/31/14			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	411,430,761	9,506,895	420,937,655	333,750,887	9,258,573	343,009,459	77,679,874	248,322	77,928,196
(b) Statutory valuation allowance adjustments	(1,789,849)	-	(1,789,849)	(1,789,849)	-	(1,789,849)	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	409,640,912	9,506,895	419,147,806	331,961,038	9,258,573	341,219,610	77,679,874	248,322	77,928,196
(d) Deferred tax assets nonadmitted	(17,213,806)	-	(17,213,806)	-	-	-	(17,213,806)	-	(17,213,806)
(e) Subtotal net admitted deferred tax asset (1c - 1d)	392,427,106	9,506,895	401,934,000	331,961,038	9,258,573	341,219,610	60,466,068	248,322	60,714,390
(f) Deferred tax liabilities	49,660,947	82,851,399	132,512,346	66,479,017	125,258,232	191,737,249	(16,818,070)	(42,406,833)	(59,224,903)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	342,766,159	(73,344,504)	269,421,654	265,482,021	(115,999,659)	149,482,361	77,284,138	42,655,155	119,939,293

2.

	12/31/15			12/31/14			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
(a) Federal income taxes paid in prior years recoverable though loss carrybacks	-	-	-	-	-	-	-	-	-
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below.)	269,421,654	-	269,421,654	192,982,456	-	192,982,456	76,439,199	N/A	76,439,199
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	N/A	N/A	296,204,457	N/A	N/A	192,982,456	N/A	N/A	103,222,002
2. Adjusted gross deferred tax assets allowed per limitation threshold	N/A	N/A	269,421,654	N/A	N/A	293,397,949	N/A	N/A	(23,976,295)
(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)	123,005,451	9,506,895	132,512,346	136,856,182	11,380,972	148,237,155	(13,850,731)	(1,874,078)	(15,724,809)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	392,427,106	9,506,895	401,934,000	329,838,638	11,380,972	341,219,610	62,588,468	(1,874,078)	60,714,390

a. The ratio percentage used to determine recovery period and threshold limitation amount was 631% and 671% in 2015 and 2014, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $285,014,973 and $291,744,856 in 2015 and 2014, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

	12/31/2015	12/31/2014	Change
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Medical and Other Benefits Payable	$89,200,385	$98,184,276	($8,983,891)
(2) Accrued Postretirement Benefits	15,471,602	18,425,015	(2,953,413)
(3) Fixed Assets	13,766,564	49,112,333	(35,345,769)
(4) Other Nonadmitted Assets	58,679,685	29,278,955	29,400,730
(5) Accrued Liabilities	12,236,346	11,525,186	711,160
(6) Investment in Topaz R&D	47,470,166	29,878,556	17,591,610
(7) Net Operating Loss Carryforward	60,808,016	59,987,323	820,693
(8) Federal Credit Carryforward	79,854,578	17,098,111	62,756,467
(9) Investment in State Credit Funds	16,670,534	2,122,400	14,548,135
(10) Other - Ordinary	17,272,884	18,138,732	(865,847)
(99) Subtotal	411,430,761	333,750,887	77,679,874
(b) Statutory Valuation Allowance Adjustment	(1,789,849)	(1,789,849)	-
(c) Nonadmitted	(17,213,806)	-	(17,213,806)
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	392,427,106	331,961,038	60,466,068
(e) Capital:			-
(1) Other - Capital	9,506,895	9,258,573	248,322
(99) Subtotal	9,506,895	9,258,573	248,322
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	9,506,895	9,258,573	248,322
(i) Admitted deferred tax assets (2d + 2h)	401,934,000	341,219,610	60,714,390
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Federal NOL & Due to Subs (Tax Sharing)	49,660,947	33,669,187	15,991,760
(2) Capitalized Software	-	32,809,830	(32,809,830)
(99) Subtotal	49,660,947	66,479,017	(16,818,070)
(b) Capital:			-
(1) Stocks	69,202,675	118,656,826	(49,454,152)
(2) Investments in State Credit Funds	-	-	-
(3) Other	13,648,724	6,601,406	7,047,318
(99) Subtotal	82,851,399	125,258,232	(42,406,833)
(c) Deferred Tax Liabilities (3a99 + 3b99)	132,512,346	191,737,249	(59,224,903)
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	$269,421,654	$149,482,361	$119,939,293

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

	12/31/2015	12/31/2014	Change
Total deferred tax assets	420,937,656	343,009,459	77,928,197
Total deferred tax liabilities	132,512,346	191,737,249	(59,224,903)
Net deferred tax asset (liability)	288,425,310	151,272,210	137,153,100
Tax effect of unrealized gains (losses)			(50,936,883)
Pension Adjustments to Surplus			(5,963,641)
Adjust Book Basis for Federal Credit			(63,238,280)
Change in net deferred income tax			17,014,296

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

	12/31/2015	Effective Tax Rate
Provision computed at statutory rate	(58,812,691)	35.0%
Change in Nonadmitted Assets	(51,583,896)	30.7%
Tax Exempt Income	(17,309,202)	10.3%
Change in Valuation Basis of Aggregate Policy	6,585,052	-3.9%
ACA Compensation Limitation	4,106,789	-2.4%
ACA Nondeductible Insurer Fee	46,054,371	-27.4%
Energy Credit and Treasury Grant	(10,245,192)	6.1%
Distribution from Subsidiary	(1,153,443)	0.7%
Other	594,381	-0.4%
Total	(81,763,831)	48.7%
Federal income taxes incurred	(64,749,535)	38.5%
Change in net deferred income taxes	(17,014,296)	10.1%
Total statutory income taxes	(81,763,831)	48.7%

E. The Company had no net capital loss carryforwards. As of December 31, 2015, we have a federal income tax net operating loss (NOL) carryforward of $152,664,000 and federal credit carryforwards in the amount of $79,855,000, both of which will expire on December 31, 2034. In addition, we have an AMT credit carryforward in the amount of $1,576,000 which can be used to offset regular tax in future years without expiration.

	Ordinary	Capital	Total
Year-to-date 2015	$-	$-	$-
Year ended 2014	$-	$-	$-

F. The Company's federal income tax return is consolidated with the following entities:

ACS Benefit Services, Inc. (ACS)
Corium, LLC (Corium)
Corium II, LLC (Corium II)
Mosaic Health Solutions, LLC (MHSI)
Mosaic Group Services, LLC (Mosaic)
NobleHealth, Inc.

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

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

A., B. &
C. The Company earned management fees of $10,881,847 and $9,631,783 during 2015 and 2014, respectively, from its wholly-owned subsidiaries. The Company has agreed to provide its wholly-owned subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. The Company also paid management fees of $6,000,440 and $6,455,259

during 2015 and 2014, respectively, to its wholly-owned subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2015 and 2014, the Company reported $11,951,710 and $3,814,583 as amounts due from its wholly-owned subsidiaries, respectively. At December 31, 2015 and 2014, the Company reported $56,580,616 and $2,350,967 as amounts due to its wholly-owned subsidiaries, respectively. These inter-company transactions are settled monthly.

E. The Company had no guarantees or undertakings, written or otherwise.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the periods ended December 31, 2015 and 2014, respectively. In addition, ACS paid BCBSNC $13,899 and $13,843 as additional amounts due under an administrative services agreement and BCBSNC paid ACS $573,884 and $1,634,910 for electronic data interchange services. In 2014, the agreement between BCBSNC and ACS to administer health reimbursement Account (HRA) and Flexible Spending Account (FSA) was discontinued. Also, BCBSNC paid ACS $353,837 for Health Reimbursement Account (HRA) and $94,139 for Flexible Spending Account (FSA) fund administration for BCBSNC's Blue branded HRA/FSA services to BCBSNC for the period ended December 31, 2014.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2015 and 2014.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in Corium, Corium II, and Noble whose carrying values are less than 10% of the Company's admitted assets. The Company carries Noble at GAAP audited equity. Corium and Corium II are recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2015 and 2014.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

In December 2011, BCBSNC established Topaz as a partnership. Its purpose was to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz was to delivery of a shared technology solution based on The TriZetto Group's software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution is anticipated to be expanded to serve all lines of business in the future. Additionally, Topaz may expand the scope of its service offering to include certain health plan operations, such as enrollment, billing, claims administration and other business process services.

Topaz was owned by MHSI and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of MHSI was $5,000,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC were funding Topaz and its development of a software infrastructure. The Company and BCBSKC planned to become customers of Topaz as software was placed in service. Topaz was a variable interest entity because its capital contributions were not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions were required to accomplish this endeavor. Additional funding was in the form of investments in research and development. The Company anticipates it will recover these additional investments through reduced billings from Topaz when it becomes operational. Through January 23, 2014, the Company has concluded that it was not the primary beneficiary of Topaz, because it did not hold the power to direct the activities that most significantly impact Topaz, since it shared a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz was accounted for as an equity method investment for the years ended December 31, 2013 and December 31, 2012.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, MHSI acquired the 50% voting interest from BCBSKC and prospectively, the MHSI consolidated the operations of Topaz based on its 100% ownership. The Company intends to continue funding the development of Topaz.

Effective January 23, 2014, MHSI acquired the BCBSKC investment interest by assuming certain liabilities valued at approximately $11,500,000. As a result, MHSI recognized the following assets acquired and liabilities assumed related to Topaz: cash $4,300,000, accounts receivable $31,800,000, prepaid expenses $200,000, internally developed software $52,900,000, prepaid software licenses $15,200,000, accounts payable $15,200,000 million, and research and development liability $66,100,000 million. Additionally, MHSI's existing investment in Topaz was revalued to fair value at the date of acquisition. This resulted in the recognition of a $20,100,000 gain recorded by MHSI. Had Topaz been consolidated with MHSI for the years ended

December 31, 2013 and 2012, the Topaz revenues included would have totaled $100,000 and $0, respectively, and the net loss included would have totaled $10,900,000 and $29,400,000, respectively.

11. Debt

A. BCBSNC has established two revolving lines of credit to support its daily working capital requirements providing total borrowing capacity of $200,000,000 at an interest rate of LIBOR plus 65 basis points for all borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000,000 and extend the termination date until July 2017.

Amounts drawn under these revolving lines of credit were $121,859,000 and $100,000,000 at December 31, 2015 and 2014, respectively.

In September 2014, the Company entered into a $165,000,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2015 the Company was in compliance with the covenants and requirements outlined in these agreements. As of December 31, 2014 the Company was not in compliance with the covenants and requirements outlined in these agreements; however, our lenders granted us a waiver of the EBITDA calculation. As of December 31, 2013 the Company was in compliance with the covenants and requirements outlined in these agreements.

B. FHLB (Federal Home Loan Bank) Agreements

The Company did not have any FHLB Agreements at December 31, 2015 and 2014.

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has a non-contributory qualified defined benefit retirement plan covering a significant number of employees. No new participants are allowed into the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

The Company also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain healthcare and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for healthcare insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of healthcare insurance costs and life insurance benefits. BCBSNC funds retiree healthcare benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (Association). The Company did not make a contribution in 2012 and 2014 to fund the liability for eligible retire employees.

Effective December 31, 2013, the Company has elected to freeze the non-contributory qualified defined benefit plan and two associated non-qualified defined benefit SERPs which ceased all benefit accruals under the Plans as of this date. As a result of freezing the qualified defined benefit plan, a curtailment was triggered and a remeasurement of the qualified pension obligations and plan assets occurred as of June 30, 2013. As of the remeasurement, the plan assets had increased in value from the prior measurement date resulting in an increase in the funded status of the plan of $58,595,458. Additionally, the curtailment impact reduced the projected benefit obligation by $86,836,489. Also as a result of freezing the qualified defined benefit pension plan, the amortization period for actuarial gains and losses was changed from the average working life to the average remaining life expectancy of all participants.

In June 2013, the Company offered an Early Retirement Window (ERW) to eligible employees who, as of December 31, 2013 are age 52 or older with ten years of service, and with an age plus years of service of at least 75 years. If eligible participants elect to retire at predefined phases in 2014, the ERW provides additional years of service toward eligibility for Company subsidized insurance benefits, additional years of service for pension benefit calculation purposes, and enhanced early retirement factors which, depending on the participant's age, provides a benefit that is unreduced or subject to smaller reductions. The same benefits were provided to eligible participants who retired or notified the Company that they intend to retire, in 2013 prior to the window announcement. The ERW enhancements are considered special termination benefits and they will increase the actuarially determined benefit obligation for the qualified retirement benefit plan and the postretirement benefit plan by an estimated $25,004,314 and $3,200,000, respectively.

In October 2014, the Company offered a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $100,219,684 were paid from the qualified retirement plan. Lump sum payments of $30,454 were paid from the SERP.

During 2014 related to the qualified retirement plan, lump sum payments of $100,219,684 were paid. Because these payments exceeded the sum of estimated 2014 service and interest costs, settlement accounting was triggered. As a result, $18,135,922 of unrecognized actuarial loss associated with the payments was relieved from equity and recognized in income.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2015 and 2014:

(1) Change in Benefit Obligation

	Over Funded		Underfunded	
	2015	2014	2015	2014
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$517,327,026	$525,492,731	$ -	$ -
2 Service Cost	800,000	525,000	-	-
3 Interest Cost	19,692,780	22,701,235	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	(18,044,983)	87,046,647	-	-
6 Benefits Paid	-	0	-	-
7 Plan Amendements	(21,058,013)	(18,218,903)	-	-
8 Special Termination Benefits	-	0	-	-
9 Curtailment (Gain)/Loss	-	-	-	-
10 Plan Settlements	0	(100,219,684)	-	-
11 Benefit Obligation, End of Year	$498,716,810	$517,327,026	$ -	$ -

	Over Funded		Underfunded	
	2015	2014	2015	2014
b. Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$ -	$0	$144,962,573	$125,391,391
2 Service Cost	-	0	2,324,578	2,001,051
3 Interest Cost	-	0	5,483,862	5,596,976
4 Contribution by plan participants	-	-	2,162,806	1,821,804
5 Actuarial (Gain)/Loss	-	0	(14,245,126)	16,295,521
6 Benefits Paid	-	0	(4,687,694)	(6,144,170)
7 Plan Amendements	-	0	-	-
8 Special Termination Benefits	-	0	-	-
9 Curtailment (Gain)/Loss	-	-	-	-
10 Benefit Obligation, End of Year	$0	$0	$136,000,999	$144,962,573

	Over Funded		Underfunded	
	2015	2014	2015	2014
c. Special or Contractual Benefits per SSAP No. 11				
1 Benefit Obligation, Beginning of Year	$ -	$ -	$ -	$ -
2 Service Cost	-	-	-	-
3 Interest Cost	-	-	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	-	-	-	-
6 Benefits Paid	-	-	-	-
7 Plan Amendements	-	-	-	-
8 Special Termination Benefits	-	-	-	-
9 Curtailment (Gain)/Loss	-	-	-	-
10 Benefit Obligation, End of Year	$0	$0	$0	$0

(2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2015	2014	2015	2014	2015	2014
a Plan Assets as Fair Value, Beginning of Year	$553,892,171	$615,092,045	$ 63,532,255	$ 59,876,378	$ -	$ -
b Actual Return on Plan Assets	(12,711,641)	57,238,713	(2,149,197)	5,709,220	-	-
c Company Contributions	-	-	1,830,167	2,269,023	-	-
d Plan participants' contributions	-	-	2,162,806	1,821,804	-	-
e Benefits Paid	(21,058,013)	(18,218,903)	(4,687,694)	(6,144,170)	-	-
f Plan Settlements	0	(100,219,684)	-	-	-	-
g Plan Assets as Fair Value, End of Year	$520,122,517	$553,892,171	$60,688,337	$63,532,255	$0	$0

(3) Funded Status

Overfunded:	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014
a Assets (nonadmitted)				
1. Prepaid benefits costs	$164,032,130	$151,256,107	$ -	$ -
2. Overfunded plan assets	(142,626,423)	(114,690,962)	-	-
3. Total assets (nonadmitted)	$21,405,707	$36,565,145	$ -	$ -
Underfunded:				
b Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	($51,601,290)	($62,486,765)
2. Liability for pension benefits	-	-	(24,944,381)	(17,919,638)
3. Total liabilities recognized	$ -	$ -	($76,545,671)	($80,406,403)
c Unrecognized liabilities	$ -	$ -	($159,318)	($1,023,916)

(4) Components of net periodic benefit cost	Pension Benefits 2015	Pension Benefits 2014	Postretirement Benefits 2015	Postretirement Benefits 2014	Special or Contractual Benefits Per SSAP No. 11 2015	Special or Contractual Benefits Per SSAP No. 11 2014
a Service cost	$800,000	$525,000	$2,324,578	$2,001,051	$ -	$ -
b Interest cost	19,692,780	22,701,235	5,483,862	5,596,976	-	-
c Expected return on plan assets	(35,146,035)	(39,976,658)	(3,428,611)	(3,216,689)	-	-
d Expense Load	-	-	-	-	-	-
e Amortization of actuarial (gain)/loss	1,877,232	604,767	125,112	178,313	-	-
f Amortization of prior service cost/(credit)	-	0	2,968,669	2,968,669	-	-
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit.	0	18,135,922	-	-		
h Total net periodic benefit cost	($12,776,023)	$1,990,266	$7,473,610	$7,528,320	$0	$0

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	$ -	$0	($2,968,669)	($2,968,669)
b Net gain and (loss) recognized	($1,877,232)	($18,740,689)	($423,039)	($284,410)

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost				
a Net prior service (cost) or credit recognized	($2,936,298)	($1,877,232)	$137,772	($125,112)
b Net gain and (loss) recognized	$ -	$ -	($3,756,695)	($4,227,979)

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost				
a Net unrecognized loss included in unassigned funds	$ -	$ -	$3,388,571	$10,818,259
b Net unrecognized prior service cost included in unassigned funds	$ -	$ -	$4,082,950	$4,899,394

In 2015 and 2014, BCBSNC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. The loss is amortized over the average life expectancy of plan participants.

(8) As of December 31, 2015 and 2014, BCBSNC recorded additional liability for pension benefits in the amount of $166,178,477 and $149,139,517, respectively. These events resulted in charges being recorded to accumulated capital net of income tax as a component of surplus in the amount of ($11,075,324) during 2015 and ($41,556,436) during 2014.

(9) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified 2015	Qualified 2014	Non Qualified 2015	Non Qualified 2014	Other Postretirement 2015	Other Postretirement 2014
Discount Rate	See detail below	See detail below	See detail below	See detail below	See detail below	See detail below
Rate of Compensation Increase	n/a	n/a	n/a	n/a	3.50%	4.00%
Expected long-term rate of return on plan assets	6.50%	6.50%	n/a	n/a	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2015	2014
Qualified	4.25%	3.90%
Nonqualified:		
Partners SERP	3.91%	3.56%
Senior SERP	3.04%	2.88%
Restoration SERP	4.18%	3.93%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2015	2014
Qualified	3.48%	3.90%
Nonqualified:		
Partners SERP	3.24%	3.56%
Senior SERP	2.28%	2.88%
Restoration SERP	3.26%	3.93%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2015	2014
Retiree Medical and Dental	4.40%	3.95%
Retiree Life Insurance	4.32%	3.95%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2015	2014
Retiree Medical and Dental	3.74%	3.95%
Retiree Life Insurance	3.59%	3.95%

Effective Discount Rate for Service Cost by Benefit Plan

	2015	2014
Retiree Medical and Dental	4.63%	3.95%
Retiree Life Insurance	4.47%	3.95%

Effective Rate for Interest on Service Cost by Benefit Plan

	2015	2014
Retiree Medical and Dental	4.39%	3.95%
Retiree Life Insurance	4.06%	3.95%

On December 31, 2015 we changed the method we use to estimate the service and interest components of net periodic benefit cost for defined benefit pensions and other postretirement benefits. This new estimation approach discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. Historically, we estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period.

We have made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. The benefit obligation measured under this approach is unchanged as of December 31, 2015. The new approach will be used to measure the service and interest cost for the pension benefits, other postretirement benefits and other postemployment benefits in 2016. Based on current economic conditions, we estimate the service cost and interest cost for those plans will be reduced by approximately $6,400,000 in 2016 as a result of the change.

Starting with the 2016 net periodic benefit cost, the Company elected to use a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Instead of using a single fixed discount rate, each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company also elected to use split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale. This change resulted in an increase of this benefit obligation in 2014.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

(10) A measurement date of December 31, 2015 and 2014, respectively, was used for the benefit plans.

(11) The medical trend rate used in determining the accumulated postretirement benefit obligation at December 31:

	2015	2014
Health care cost trend rate assumed for next year:		
Under age 65	7.1%	7.9%
Age 65 and older	7.1%	7.9%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2027
Age 65 and older	2037	2027

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(12) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service and interest cost components	$505,251	$(383,643)
Effect on postretirement benefit obligation	$6,167,818	$(4,927,353)

(13) BCBSNC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2015	2014	Target	2015	2014
Asset Category:						
Equity securities:						
Mutual funds	-%	28%	29%	-%	-%	-%
Common stock	-	3	3	-	50	51
Total	35	31	32	50 -60	50	51
Fixed income securities:						
State and U.S. government obligations	-	30	29	-	49	49
Domestic corporate fixed income securities	-	36	34	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total	63	66	63	40-50	49	49
Cash and cash equivalents	2	1	3	0-3	1	-
Collective trust fund - real estate	-	-	-	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The BCBSNC Retirement Plan (Plan) was frozen effective December 31, 2013. The Plan investment strategy has switched from total return to liability matching. The Plans funding ratio exceeded 100% at year end and approximately 50% of the portfolio will be transitioned to a liability driven investment strategy (LDI) in 2014. As the Plans funding ratio grows more investments will be allocated to the LDI strategy.

The Plans investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate, commodities and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

(14) Future expected benefit payments and 2015 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
a. 2016	$28,229,310	$1,851,299	$3,371,528
b. 2017	$27,892,129	$1,877,212	$3,460,474
c. 2018	$28,396,911	$17,410,718	$3,591,055
d. 2019	$28,828,188	$2,016,296	$3,772,796
e. 2020	$29,239,810	$2,033,637	$3,930,637
f. Thereafter Total	$151,539,852	$16,434,936	$22,238,860
2016 Contributions	$-	$1,851,299	$705,650

(15) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(16) No significant special or contractual termination benefits were recognized during the period.

(17) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total Fair Value
December 31, 2015				
Equity securities:				
Common stocks	$15,408,013	$ -	$ -	$15,408,013
Mutual funds	145,762,728	-	-	145,762,728
Total equity securities	161,170,741	-	-	161,170,741
Fixed income securities:				
US Treasury and agency securities	51,574,536	669,710	-	52,244,246
States and political subdivisions	-	3,418,700	-	3,418,700
Corporate fixed income securities	-	144,816,147	-	144,816,147
Residential mortgage-backed	-	15,917,270	-	15,917,270
Collective trust fund – US Fixed Income	-	-	133,530,573	133,530,573
Total fixed income securities	51,574,536	164,821,827	133,530,573	349,926,936
Cash and cash equivalents	6,650,044	-	-	6,650,044
Other	108,179	522,929	11,474,748	12,105,856
Total investments	219,503,500	165,344,756	145,005,321	529,853,577
Plan receivables	1,446,322	-	-	1,446,322
Total assets	220,949,822	165,344,756	145,005,321	531,299,899
Plan liabilities	(10,970,976)	(206,406)	-	(11,177,382)
Total net assets	$209,978,846	$165,138,350	$145,005,321	$520,122,517

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2015 is as follows:

	Cash & Cash Equivalents	Fixed Income Securities	Collective Trust Fund – Real Estate	Other	Total
Beginning balance at January 1, 2014	$1,917,679	$18,910,766	$66,470,453	$11,550,000	$98,848,899
Total gains (losses)					
Realized	-	800,162	6,192,836	-	6,993,998
Unrealized	-	2,393,650	(4,121,132)	-	(1,727,482)
Purchases	56,347,794	36,504,063	598,334	-	93,450,191
Sales	(58,265,474)	(8,786,794)	(69,140,491)	(240,000)	(136,432,759)
Ending balance at December 31, 2014	-	$49,821,847	-	$11,310,000	$61,131,847
Total gains (losses)					
Realized	-	3,251,597	-	-	3,251,597
Unrealized	-	(1,987,455)	(13,329,611)	-	(15,317,066)
Purchases	-	200,000	146,860,184	1,345,467	148,405,651
Sales	-	(51,285,989)	(-)	(1,180,719)	(52,466,708)
Ending balance at December 31, 2014	$-	$-	$133,530,573	$11,474,748	$145,005,321

B. Defined Contribution Plans

BCBSNC has two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees hired after December 31, 2005 may only participate in the 401(k) Plan. Eligible BCBSNC employees hired prior to December 31, 2005 and participating in the Retirement Savings plan were given the option to remain in that plan or enroll in the 401(k) Plan. Each plan is nondiscriminatory. Participant pretax and Roth contributions are matched at the rate of 50% of the first 6% of compensation or 100% of the first 6% of compensation, depending upon the plan, subject to certain limitations. Under the 401(k) Plan, a profit sharing contribution is made by the Company in an amount equal to 3% of eligible compensation. The Company's contributions to the plans totaled $30,794,362 and $31,056,566 for the years ended December 31, 2015 and 2014, respectively.

In connection with the redesign of the Company's retirement plans, the Retirement Savings Plan will be merged with the redesigned BCBSNC 401(k) Plan effective December 31, 2013. The newly designed 401(k) will be amended to include a new safe harbor matching contribution formula of 100% of the first 4% and 50% of the next 2% of compensation contributed, subject to certain limitations. A profit sharing contribution will be made by the Company in an amount equaling 2% to 5% of eligible compensation, based on the employee's years of service with the Company. Additionally, eligible employees who were participating in the defined benefit pension plan as of December 31, 2013 are also eligible to receive a non-elective contribution ranging from 1% to 8% of eligible compensation for up to 10 years, based on the employee's total years of service with the Company and based on their defined contribution plan participation choice.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $1,974,567 and $1,427,098 for the years ended December 31, 2015 and 2014, respectively.

C. Multiemployer Plans

BCBSNC does not participate in any multiemployer plans.

D. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

E. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2015 and 2014.

(2) The Company has no preferred stock outstanding.

(3), (4) and (5) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2015 and 2014.

(7) The Company had no unpaid advances of surplus as of December 31, 2015 and 2014.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2015 and 2014.

(9) The Company does not have any special surplus funds as of December 31, 2015 and 2014.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses, including accumulated amortized goodwill of $3,759,778 and $3,759,778, were ($218,327,718) and ($355,386,278) in 2015 and 2014, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2015 and 2014.

(12) and (13) The Company does not have any quasi-reorganizations as of December 31, 2015 nor has it had any in the past 10 years.

14. Contingencies

A. Contingent Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2016, $6,545,000; 2017, $6,420,000; 2018, $6,289,000; 2019, $6,153,000; 2020, $6,001,000 and thereafter $81,905,000.

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2015 and 2014 were $32,257,766 and $24,672,878, respectively.

At December 31, 2015, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2016, $112,387,935; 2017, $28,096,984; 2018, $0; 2019, $0 and 2020, $0.

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. The state court denied the Insurance Commissioner's petition for the liquidation of Penn Treaty and ordered the Insurance Commissioner to file an updated plan of rehabilitation. The Insurance Commissioner has filed a Notice of Appeal asking the Pennsylvania Supreme Court to reverse the order denying the liquidation petition. In the event rehabilitation of Penn Treaty is unsuccessful and Penn Treaty is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of their policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

B. Assessments

As of December 31, 2015 and 2014, the Company is not aware of any assessments against the Company.

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2015 and 2014.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2015 and 2014.

F. All Other Contingencies

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama) which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in fifteen of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation (In re: Anthem Data Breach Litigation) pending in United States District Court for the Northern District of California. The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the Blue Cross and Blue Shield Association and multiple other Blue Cross and Blue Shield plans, arising out of a cyber-attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. The Company is vigorously defending the case.

The Company is also a defendant in litigation (Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al). This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating leases. Rental expense was $3,820,228 and $2,221,390 for periods ended December 31, 2015 and 2014, respectively.

c. Certain rental commitments have renewal options extending through the year 2015 and are subject to adjustments in future periods.

(2) At December 31, 2015, the minimum aggregate rental commitments are as follows:

Year Ending December 31		Operating Leases
1.	2016	$3,873,007
2.	2017	$3,974,055
3.	2018	$3,594,522
4.	2019	$1,645,317
5.	2020 and thereafter	$1,732,885
6.	Total	$14,819,786

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2015 and 2014.

B.

(1) Lessor Leases

Properties that BCBSNC owns and leases to others do not represent a significant portion of BCBSNC's revenues, net income or assets.

(2) Leveraged Leases

The Company did not have any leveraged leases as of December 31, 2015 and 2014.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2015 and 2014.

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2015 and 2014.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2015 and 2014.

C. Wash Sales

The Company had no wash sales during 2015 and 2014.

No Change

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2015:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$(24,341,675)	$ -	$(24,341,675)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	$(24,341,675)	$ -	$(24,341,675)
Total claim payment volume	$2,068,633,783	$ -	$2,068,633,783

Administrative fees incurred under this plan were $77,615,219during 2015.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration.

B. ASC Plans

The income from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2014:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including Other BlueCard Claims)	$7,161,419,871	$ -	$7,161,419,871
Gross administrative fees accrued	349,788,319	-	349,788,319
Other income or expenses (including interest paid to or received from plans)		-	-
	$7,511,208,190		7,511,208,190
Gross expenses incurred (claims and administrative)	7,464,502,378	-	7,464,502,378
Total gain from operations	$46,705,812	$ -	$46,705,812

C. **Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

a. Reinsurance subsidy cash receipts deposit from CMS net of claims incurred for the period ended December 31, 2015 is a receivable of $15,011,434. These cash receipts are subject to quarterly true up for actual claims incurred.

   Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2015 is a payable of $5,623,316. These cash receipts are subject to quarterly true up for actual claims incurred.

b. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2015.

c. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$1,045,940

C – Claims Payment
CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value

A.

(1) Assets Measured at Fair Value on a Recurring Basis

December 31, 2015	Level I	Level II	Level III	Total
Cash Equivalents and Short Term Investments	$59,304,524	$-	$-	$59,304,524
Fixed Income Securities				
US government obligations	65,915,330	126,036,988	-	191,952,317
State and political subdivision	-	1,137,828,948	-	1,137,828,948
Corporate fixed income securities	-	350,611,262	-	350,611,262
Residential mortgage-backed securities	-	173,132,372	-	173,132,372
Other fixed income securities	-	35,794,806	-	35,794,806
Total fixed income securities	65,915,330	1,823,404,376	-	1,889,319,705
Investments available-for-sale				
Equity index mutual funds	470,060,259	-	-	470,060,259
Unaffiliated common stock	100,277,215	-	3,445,246	103,722,461
Unaffiliated preferred stock	-	70,828,755	-	70,828,755
Total equity securities	570,337,474	70,828,755	3,445,246	644,611,475
Real estate trust:				
Real estate trust	-	-	200,354,602	200,354,602
Total assets	$695,557,328	$1,894,233,131	$203,799,848	$2,793,590,306

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2015	Tfrs into Level #	Tfrs out of Level #	Total g/l incl in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
Real Estate Trust	173,794,010	-	-	19,666,041	6,894,551	-	-	-	200,354,602
Total Investments	$173,794,010	$-	$-	$19,666,041	$6,894,551	$-	$-	$-	$200,354,602

There were no material transfers between Levels I, II or III during the years ended December 31, 2015 and 2014.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2015 Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash Equivalents, and Short Term Investments	$59,304,524	$57,304,524	$59,304,524	-	-	-
Bond Securities	$1,889,319,705	$1,863,083,927	$65,915,330	$1,823,404,376	-	-
Unaffiliated preferred stock	$70,828,755	$70,828,755	-	$70,828,755	-	-
Equity index mutual funds	$470,060,259	$470,060,259	$470,060,259	-	-	-
Unaffiliated common stock	$100,277,215	$100,277,215	$100,277,215	-	-	-
Parents, Subsidiaries, and Affiliates	$203,879,420	$203,879,420	-	-	-	$203,879,420
Private equity securities	$3,595,246	$3,338,078	-	-	$3,445,246	$150,000
Private equity funds and other alternatives	$158,296,110	$158,296,110	-	-	-	$158,296,110
Venture capital invesments	$11,567,488	$11,567,488	-	-	-	$11,567,488
Real Estate Trust	$200,354,602	$200,354,602	-	-	$200,354,602	-

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturiy Date	Explanation
Parents, Subsidiaries and Affiliates	$203,879,420	-	-	Affiliates of the company
Private equity securities	$150,000	-	-	Investments are not actively traded
Private equity funds and other alternatives	$158,296,110	-	-	Investments are not actively traded
Venture capital investments	$11,567,488	-	-	Investments are not actively traded

21. Other Items

A. Extraordinary Items

The Company had no extraordinary events or transactions during 2015 and 2014.

B. Troubled Debt Restructuring

The Company had no troubled debt restructurings during 2015 and 2014.

C. Other Disclosures and Unusual Items

The Company had no other disclosures and unusual items during 2015 and 2014.

D. The Company had no business interruption recoveries recognized in December 31, 2015 and 2014.

E. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	$64,099,898	$248,397,200
Total		$64,099,898	$248,397,200

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$34,378,858	$29,721,040

F. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk at December 31, 2015 and 2014.

G. Retained Assets

The Company did not have any retained assets at December 31, 2015 or 2014.

22. Events Subsequent

The Company has evaluated subsequent events through February 27, 2016, which is the date that the financial statements were available to be issued, for recognition or disclosure in our statutory statements. Effective as of February 2, 2015, the Company underwent a corporate organizational restructuring. BCBSNC now has three wholly-owned subsidiaries: Corium; Corium II; and NobleHealth, Inc. (“Noble”), formerly known as MHSI. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Noble holds non-controlling strategic investments in certain health services companies and has three wholly owned subsidiaries: Mosaic Group; Mosaic Health Solutions, LLC (“Mosaic Health Solutions”); and Topaz. Mosaic Health Solutions has one wholly-owned subsidiary, ACS and also holds non-controlling strategic investments in certain health services companies.

In January 2016, in transitioning its 2016 individual book of business to a new operating system, the Company experienced several issues that have caused substantial customer dissatisfaction, numerous customer complaints, and inquiries from the North Carolina Department of Insurance and North Carolina Attorney General's office. The Company is proactively working with members, our vendors, and both of the regulatory agencies noted above, and the Company is using all available resources to address and correct all of these issues at the earliest possible date. However, it is too early to determine the total cost of remediation.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2016. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be $138,472,491. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by a 4.3% reduction (or a decrease in RBC by 31 percentage points). Reporting the ACA assessment as of December 31, 2015 would not have triggered an RBC action level.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subjected to Section 9010 of the Federal Affordable Care Act?	Yes	
B.	ACA fee assessment payable for the upcoming year	$138,472,491	$135,202,257
C.	ACA fee assessment paid	$131,583,917	$79,491,486
D.	Premium written subject to ACA 9010 assessment	$7,032,630,389	$6,941,571,756
E.	Total Adjusted Capital before surplus adjustment	$2,067,050,162	
F.	Authorized Control Level before surplus adjustment	$1,928,577,671	
G.	Authorized Control level	$285,108,826	
H.	Would reporting the ACA assessment as of December 31, 2015, have triggered an RBC action level	No	

23. Reinsurance

A. Ceded Reinsurance Report

No Change

B. Uncollectible Reinsurance

No Change

C. Commutation of Ceded Reinsurance

No Change

24. Retrospectively Rated 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 for the period ended December 31, 2015 that are subject to retrospective rating features was $7,032,630,389, that represented 94% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. The Company does not anticipate having to pay a rebate as of the current reporting period year to date, and as a result, there have been no rebates accrued for the Company's Individual, Small, Student, or Large Group business as of December 31, 2015.

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

(1) In 2015, the Company did write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provision.

(2) Impact of risk-Sharing Provision of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a Permanent Risk Adjustment Program

Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	$95,801,395
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$580,011
3. Premium adjustments payable due to ACA Risk Adjustment	$0
Operations (Revenue & Expense)	

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment $82,988,525
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) $325,098

b Transitional Reinsurance Program

Assets

1. Amounts recoverable for claims paid to ACA Reinsurance $211,062,519
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) $24,372,007
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance $0

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium $61,717,174
5. Ceded reinsurance premiums payable due to ACA Reinsurance $0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance $0

Operations

7. Ceded reinsurance premiums due to ACA Reinsurance $22,431,099
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments $251,307,262
9. ACA Reinsurance contributions – not reported as ceded premium $24,950,869

c Temporary Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors $2,628,328

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA risk Corridors $0

Operations

3. Effect of ACA Risk Corridors on net premium income (paid/received) $13,055,673
4. Effect of ACA Risk Corridors on change in reserves for rate credits $0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

	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	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1 Premium adjustments receivable	43,460,326		43,460,326		-				a	-	
2 Premium adustments (payable)		254,913				254,913		(254,913)	b		-
3 Subtotal ACA Permanent Risk Adjustment Program	**43,460,326**	**254,913**	**43,460,326**	**-**	**-**	**254,913**	**-**	**(254,913)**		**-**	**-**
b. Transitional ACA Reinsurance Program											
1 Amounts recoverable for claims paid	221,244,230		221,244,230		-		-		c	-	-
Amounts recoverable for claims unpaid 2 (contra liability)		26,540,631				26,540,631		(26,540,631)	d	-	-
3 Amounts receivable relating to uninsured plans					-					-	-
4 Liabilities for contributions payable due to ACA Reinsurane - not reported as ceded premium		11,693,744				11,693,744		(11,693,744)	e	-	-
5 Ceded reinsurance premiums payable					-					-	-
6 Liability for amounts held under uninsured plans						-				-	-
7 Subtotal ACA Transitional Reinsurance Program	**221,244,230**	**38,234,375**	**221,244,230**	**-**	**-**	**38,234,375**	**-**	**(38,234,375)**		**-**	**-**
c. Temporary ACA Risk Corridors Program											
1 Accrued retrospective premium	60,800,000		15,946,828		44,853,172		13,001,025		f	57,854,197	
2 Reserve for rate credits or policy experience rating refunds						-				-	
3 Subtotal ACA Risk Corridors Program	**60,800,000**	**-**	**15,946,828**	**-**	**44,853,172**	**-**	**13,001,025**	**-**		**57,854,197**	**-**
d **Total for ACA Risk Sharing Provisions**	**325,504,556**	**38,489,288**	**280,651,384**	**-**	**44,853,172**	**38,489,288**	**13,001,025**	**(38,489,288)**		**57,854,197**	**-**

Explanations of Adjustments:

a. Adjustment is based on updated data
b. Adjustment is based on updated data
c. Adjustment is based on updated claims experience
d. Adjustment is based on updated claims experience
e. Adjustment is based on updated data
f. Adjustment is based on updated data

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2014 were $700,142,725. As of December 31, 2015, $677,167,968 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $4,874,901 are as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of insurance. Therefore, there has been a $18,099,856 favorable prior-year development since December 31, 2014 to December 31, 2015, primarily a result of favorable claims development.

26. Intercompany Pooling Arrangements

No Change

27. Structured Settlements

No Change

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $103,281,755 and $75,962,278 as pharmaceutical rebate receivables and admitted $50,876,215 and $37,713,156 at December 31, 2015 and 2014, respectively. The Company received a pharmaceutical rebate of $56,774,791 in fourth quarter 2015 for receivables as of December of 2014 through June of 2015.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2015	$51,632,441	$51,632,441	$-	$-	$-
9/30/2015	$45,613,874	$50,097,108	$-	$-	$-
6/30/2015	$40,712,000	$45,739,705	$-	$44,187,501	$-
3/31/2015	$34,602,784	$39,554,617	$-	$38,960,608	$594,009
12/31/2014	$37,713,156	$39,552,823		$38,721,534	$831,289
9/30/2014	$35,992,172	$36,760,047	$-	$36,599,521	$160,526
6/30/2014	$32,563,881	$35,703,304	$-	$35,497,971	$205,332
3/31/14	$26,873,395	$32,320,759	$-	$31,701,188	$619,571
12/31/2013	$25,248,299	$26,534,243	$-	$-	$26,534,243
9/30/2013	$23,669,045	$25,003,575	$-	$-	$25,003,574
6/30/2013	$20,771,502	$23,281,294	$-	$21,292,332	$1,988,962
3/31/13	$17,034,707	$15,175,957	$-	$14,164,605	$1,011,351

B. Risk Share Receivables

The Company estimates our risk sharing receives by consulting with a 3rd party vendor with internal validation and review. As of December 31, 2014, the Company reported a receivable in the amount of $98,979,644 and a payable of 3,232,634.

Calendar Year	Evaluation Period Year Ending	Rish Sharing receivable as Estimated in the Prior Year	Rish Sharing receivable as Estimated in the Current Year	Risk Sharing receivable Billed	Risk Sharing receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing amounts Received First Year Subsequent	Actual Risk Sharing amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2014	2014	$0	$ 40,360,326	$0		$40,360,326	$0	$0	$0
2015	2015	$0		$98,979,644		$0	$0	$0	$0

29. Participating Policies

No Change

30. Premium Deficiency Reserves

No Change

31. Anticipated Salvage and Subrogation

No Change

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$7,464,870,460
Add: Uncollected premiums PY	236,293,283
Less: Uncollected premiums CY	(225,588,796)
Premiums collected, excluding reinsurance	**$7,475,574,947**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000
Remaining amount @ 1%	$74,751,749
Total	$74,763,749
BCBSNC Contingency Reserve @ 12/31/2014	789,097,678
BCBSNC Contingency Reserve @ 12/31/2015	**$863,861,427**

33. Premium and Premium Equivalent Reporting

The information below presents BCBSNC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	92.1%
Operating expense ratio (with premium equivalents)	9.9%
Net income ratio (with premium equivalents)	0.0%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2015 are as follows:

Premiums	
Net premium income	$7,433,252,453
Change in unearned premium reserves	($7,300,692)
Total premium income	7,425,951,761
Claims processed for self funded business	
ASO Plan	2,068,633,783
ASC Plan	7,161,419,871
Total claims processed for self funded business	9,230,053,654
Administrative fees	
ASO Plan	77,615,219
ASC Plan	349,788,319
Total administrative fees	427,403,538
Premium equivalents	9,657,457,192
Total premiums and premium equivalents	$17,083,408,953
Other revenues (including BlueCard Access Fees)	$23,362,720
Net investment gains or (losses)	$97,576,407
Total revenues	$17,204,348,080
Claims	
Total hospital and medical	$6,505,480,537
Increase in reserves for life and accident and health contracts	($3,564,554)
Total claims	6,501,915,983
Claims processed for self funded business	
ASO Plan	2,068,633,783
ASC Plan	7,161,419,871
Total claims processed for self funded business	9,230,053,654
Total claims (insured and self funded)	$15,731,969,637
Operating Expenses	
Claims adjustment expenses	$468,546,991
General administrative expenses	$795,147,111
Total operating expenses	1,263,694,102
Operating expenses reimbursed through administrative fees	
ASO Plan	77,615,219
ASC Plan	349,788,319
Total operating expenses reimbursed through administrative fees	427,403,538
Total operating expenses (insured and self funded)	$1,691,097,640
Net Loss	($5,710,317)

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? If yes, complete Schedule Y, Parts 1, 1A and 2. Yes [X] No [ ]

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? North Carolina

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: 07/13/2013

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2013

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (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 with the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 4131 Parklake Avenue, Suite 500, Raleigh, NC 27612

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 [X] No [ ]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Patrick K. Getzen, FSA, MAAA, Vice President & Chief Actuary (Employee), Blue Cross and Blue Shield of North Carolina, 5901 Chapel Hill Blvd, Durham, NC 27707-3346

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 BRANCES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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 subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers $ 0

20.23 Trustees, supreme or grand (Fraternal only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 Were all of 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]

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 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 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	$ 26,235,778
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 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ ] No [X]

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America, NA	200 N. College St. Charlotte, NC

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)
Mellon Bank, NA	One Mellon Center, Pittsburg, PA	Written to comply with provisions contained in the
		Model Custodian and Fiscal Agency agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved by NCDOI.

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

1 Central Registration Depository	2 Name(s)	3 Address
8158	RW Baird	777 E Wisconsin Ave, Milwaukee WI 53202

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

7452	The Vanguard Group	P.O. Box 2900 Mailstop M37, Valley Forge, PA 19482
111168	Columbia Management	227 West Monroe, Chicago, IL 60606
106595	Wellington Management Advisors	280 Congress St, Boston MA 02210
2269	Van Eck Securities Corp	335 Madison Ave 19th Floor, New York NY 10017
110297	Madison Scottsdale LC	8777 N Gainey Ctr Suite 220, Scottsdale AZ 85258

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	28,408
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF	6,576
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF	85,564,485
256206 10 3	DODGE & COX INTL STOCK MF	15,870
315792 23 4	FIDELITY FREEDOM K 2020 MF	243,776
315792 24 2	FIDELITY FREEDOM K 2015 MF	229,229
315792 25 9	FIDELITY FREEDOM K 2010 MF	29,499
315792 26 7	FIDELITY FREEDOM K 2005 MF	16,789
315792 28 3	FIDELITY FREEDOM K INC MF	2,005
315910 28 1	Fidelity Dvsd Intl;K	34,577
315911 87 5	SPARTAN INTL INX FUND: CL FID ADV MF	4,901
316200 85 6	Fidelity Gro Company;K	20,649
316345 80 0	Fidelity Low-Prcd Stk;K	40,004
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF	16,825
413838 40 0	OAKMARK EQT AND INC CL I MF	136,318
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF	135,646
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	22,884
922040 20 9	VANGUARD INST INX CL INST PLS MF	269,463,482
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF	113,473,967
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF	83,232
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF	10,273
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF	356,981
29.2999 TOTAL		469,936,376

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 Holdings	4 Date of Valuation
Aberdeen Emerging Markets Fund;Institutional	SAMSUNG ELECTRONICS CO LTD PFD	28,380	12/31/2015
	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD ORD	22,141	12/31/2015
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD ORD	20,551	12/31/2015
	AIA GROUP LTD ORD	20,490	12/31/2015
	CHINA MOBILE LTD ORD	20,368	12/31/2015
American Beacon Large Cap Value Fund;Institutional	JPMORGAN CHASE & CO ORD	20,258	12/31/2015
	BANK OF AMERICA CORP ORD	19,372	12/31/2015
	CITIGROUP INC ORD	18,900	12/31/2015
	MICROSOFT CORP ORD	13,230	12/31/2015
	WELLS FARGO & CO ORD	12,344	12/31/2015
Columbia Acorn International Mutual Fund Class Z	SIMCORP A/S ORD	7,551	12/31/2015
	WIRECARD AG ORD	7,410	12/31/2015
	CCL INDUSTRIES INC ORD	7,129	12/31/2015
	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION SA ORD	6,941	12/31/2015
	UNIBET GROUP PLC DR	6,707	12/31/2015
Dodge & Cox International Stk Fund	NASPERS LTD ORD	240,090	12/31/2015
	SANOFI SA ORD	213,287	12/31/2015
	SCHLUMBERGER NV ORD	193,327	12/31/2015
	ROCHE HOLDING AG PAR	191,616	12/31/2015
	SAMSUNG ELECTRONICS CO LTD ORD	162,532	12/31/2015
Fidelity Freedom K 2020 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	421,512	12/31/2015
	FIDELITY SERIES EQUITY-INCOME FUND;F	107,092	12/31/2015
	FIDELITY SERIES EMERGING MARKETS FUND;F	105,623	12/31/2015
	FIDELITY SERIES GROWTH COMPANY FUND;F	102,848	12/31/2015

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

	FIDELITY SERIES INTERNATIONAL GROWTH FUND;F	92,073	12/31/2015
Fidelity Freedom K 2015 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	170,701	12/31/2015
	FIDELITY SERIES EMERGING MARKETS FUND;F	35,209	12/31/2015
	FIDELITY SERIES EQUITY-INCOME FUND;F	34,396	12/31/2015
	FIDELITY SERIES GROWTH COMPANY FUND;F	33,408	12/31/2015
	FIDELITY INSTL MONEY MARKET PORTFOLIO;F	30,561	12/31/2015
Fidelity Freedom K 2010 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	98,928	12/31/2015
	FIDELITY INSTL MONEY MARKET PORTFOLIO;F	27,402	12/31/2015
	FIDELITY SERIES EMERGING MARKETS FUND;F	16,815	12/31/2015
	FIDELITY SERIES EQUITY-INCOME FUND;F	15,404	12/31/2015
	FIDELITY SERIES GROWTH COMPANY FUND;F	15,220	12/31/2015
Fidelity Freedom K 2005 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	15,129	12/31/2015
	FIDELITY INSTL MONEY MARKET PORTFOLIO;F	5,582	12/31/2015
	FIDELITY SERIES EMERGING MARKETS FUND;F	2,011	12/31/2015
	FIDELITY SERIES SHORT-TERM CREDIT FUND;F	1,856	12/31/2015
	FIDELITY SERIES EQUITY-INCOME FUND;F	1,758	12/31/2015
Fidelity Freedom K Income Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	68,889	12/31/2015
	FIDELITY INSTL MONEY MARKET PORTFOLIO;F	33,389	12/31/2015
	FIDELITY SERIES SHORT-TERM CREDIT FUND;F	11,159	12/31/2015
	FIDELITY SERIES INFLATION-PROTECTED BOND IDX FD;F	6,436	12/31/2015
	FIDELITY SERIES EMERGING MARKETS FUND;F	6,349	12/31/2015
Fidelity Diversified International Mutual Fund Class K	FIDELITY CASH CENTRAL FUND	37,768	12/31/2015
	NOVO NORDISK A/S ORD	20,556	12/31/2015
	ORIX CORP ORD	17,507	12/31/2015
	ANHEUSER BUSCH INBEV SA ORD	17,212	12/31/2015
	TEVA PHARMACEUTICAL INDUSTRIES LTD DR	15,245	12/31/2015
Fidelity Spartan International Index Fund;Fid Adv	NESTLE SA ORD	15,675	12/31/2015
	NOVARTIS AG ORD	12,909	12/31/2015
	ROCHE HOLDING AG PAR	12,909	12/31/2015
	TOYOTA MOTOR CORP ORD	11,148	12/31/2015
	HSBC HOLDINGS PLC ORD	10,310	12/31/2015
Fidelity Growth Company Mutual Fund Class K	APPLE INC ORD	86,397	12/31/2015
	SALESFORCE.COM INC ORD	77,827	12/31/2015
	ALPHABET INC ORD	68,383	12/31/2015
	AMAZON.COM INC ORD	66,634	12/31/2015
	NVIDIA CORP ORD	53,167	12/31/2015
Fidelity Low-Priced Stock Mutual Fund Class K	FIDELITY CASH CENTRAL FUND	119,236	12/31/2015
	UNITEDHEALTH GROUP INC ORD	62,110	12/31/2015
	NEXT PLC ORD	53,844	12/31/2015
	BEST BUY CO INC ORD	31,480	12/31/2015
	MICROSOFT CORP ORD	30,386	12/31/2015
Goldman Sachs Small Cap Value Fund;A	GOLDMAN SACHS FS GOVERNMENT FUND;FST	2,562	12/31/2015
	PEBBLEBROOK HOTEL TRUST	1,227	12/31/2015
	CUBESMART	1,145	12/31/2015
	PRIVATEBANCORP INC ORD	1,118	12/31/2015
	TREEHOUSE FOODS INC ORD	1,108	12/31/2015
Oakmark Equity and Income Fund;I	GENERAL MOTORS CO ORD	70,228	12/31/2015
	BANK OF AMERICA CORP ORD	68,713	12/31/2015
	ORACLE CORP ORD	61,976	12/31/2015
	NESTLE SA DR	56,755	12/31/2015
	TE CONNECTIVITY LTD ORD	46,987	12/31/2015
Metropolitan West Total Return Bond Mutual Fund	US TREASURY 0.625% 31-AUG-2017	50,944	12/31/2015
	US TREASURY 1.625% 31-JUL-2020	45,283	12/31/2015
	MORGAN STANLEY INST LIQ GOVT PORT;INSTITUTIONAL	35,524	12/31/2015
	US TREASURY 1.375% 30-SEP-2020	30,547	12/31/2015
	FEDERAL NATIONAL MORTGAGE ASSOCIATION TBA	27,619	12/31/2015
Vanguard Total Bond Market Index Fund;Admiral	VANGUARD MARKET LIQUIDITY FUND	308,776	12/31/2015
	GINNIE MAE 2 TBA	57,136	12/31/2015
	FEDERAL NATIONAL MORTGAGE ASSOCIATION TBA	43,764	12/31/2015
	US TREASURY 2.125% 15-MAY-2025	35,254	12/31/2015
	US TREASURY 3.625% 15-AUG-2019	33,430	12/31/2015
Vanguard Institutional Index Mutual Fund Institutional Plus Class	APPLE INC ORD	293,536	12/31/2015

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

	MICROSOFT CORP ORD	221,503	12/31/2015
	EXXON MOBIL CORP ORD	162,075	12/31/2015
	GENERAL ELECTRIC CO ORD	147,668	12/31/2015
	JOHNSON & JOHNSON ORD	142,266	12/31/2015
Vanguard Small-Cap Index Fund;Inst Plus	VANGUARD MARKET LIQUIDITY FUND	3,047	12/31/2015
	AGL RESOURCES INC ORD	1,939	12/31/2015
	IONIS PHARMACEUTICALS INC ORD	1,939	12/31/2015
	SIGNATURE BANK ORD	1,870	12/31/2015
	DUKE REALTY CORP	1,870	12/31/2015
Vanguard Mid-Cap Index Fund;Admiral	ROSS STORES INC ORD	17,793	12/31/2015
	FISERV INC ORD	17,041	12/31/2015
	ELECTRONIC ARTS INC ORD	16,540	12/31/2015
	ROPER TECHNOLOGIES INC ORD	15,538	12/31/2015
	EQUINIX INC ORD	15,287	12/31/2015
Vanguard Small-Cap Index Fund;Admiral	VANGUARD MARKET LIQUIDITY FUND	9,434	12/31/2015
	AGL RESOURCES INC ORD	6,003	12/31/2015
	IONIS PHARMACEUTICALS INC ORD	6,003	12/31/2015
	SIGNATURE BANK ORD	5,789	12/31/2015
	DUKE REALTY CORP	5,789	12/31/2015
Vanguard 500 Index Fund;Admiral	APPLE INC ORD	499,459	12/31/2015
	MICROSOFT CORP ORD	377,267	12/31/2015
	EXXON MOBIL CORP ORD	276,459	12/31/2015
	GENERAL ELECTRIC CO ORD	250,493	12/31/2015
	JOHNSON & JOHNSON ORD	241,329	12/31/2015

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	1,850,332,393	1,919,966,813	69,634,420
30.2	Preferred Stocks	70,186,926	70,828,756	641,830
30.3	Totals	1,920,519,319	1,990,795,569	70,276,250

30.4 Describe the sources or methods utilized in determining fair values:
Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

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 [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance 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:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 3,867,147

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

1 Name	2 Amount Paid
Blue Cross and Blue Shield Association	$ 3,867,147

34.1 Amount of payments for legal expenses, if any? $ 1,463,446

34.2 List the name of the firm and the amount paid if any such payment represented25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Kilpatrick Stockton, LLC	$ 439,180

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 321,662

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

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only.	$	351,568,138
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.	$	272,288,297
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	$	100,857,417
1.62	Total incurred claims	$	68,553,375
1.63	Number of covered lives	$	55,434
	All years prior to most current three years:		
1.64	Total premium earned	$	250,710,721
1.65	Total incurred claims	$	203,734,922
1.66	Number of covered lives	$	104,937
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	$ 7,433,252,453	$ 7,344,345,113
2.2	Premium Denominator	$ 7,433,252,453	$ 7,344,345,113
2.3	Premium Ratio (2.1/2.2)	$ 100.000	$ 100.000
2.4	Reserve Numerator	$ 957,298,697	$ 1,014,819,883
2.5	Reserve Denominator	$ 957,298,697	$ 1,014,819,883
2.6	Reserve Ratio (2.4/2.5)	$ 100.000	$ 100.000

3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [ ] No [X]
3.2	If yes, give particulars:	
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [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 [ ]
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	$	1,000,000
5.32	Medical Only	$	0
5.33	Medicare Supplement	$	0
5.34	Dental and 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:	
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	

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

8.	Provide the following information regarding participating providers:		
	8.1 Number of providers at start of reporting year		48,692
	8.2 Number of providers at end of reporting year		52,827
9.1	Does the reporting entity have business subject to premium rate guarantees?		Yes [X] No [ ]
9.2	If yes, direct premium earned:		
	9.21 Business with rate guarantees with rate guarantees between 15-36 months	$	72,762,415
	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.		
	North Carolina		
	11.4 If yes, show the amount required.	$	863,861,427
11.5	Is this amount included as part of a contingency reserve in stockholder's equity?		Yes [X] No [ ]
11.6	If the amount is calculated, show the calculation		
	See Footnote #32		

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

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, authorized reinsurers?		Yes [ ] No [ ] N/A [X]

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		$	$	$	$

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
	15.3 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 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	4,102,658,894	4,206,136,280	3,786,788,030	3,498,552,257	3,110,002,085
2. Total liabilities (Page 3, Line 24)	2,035,608,732	1,907,821,268	1,398,255,210	1,417,547,908	1,293,829,322
3. Statutory minimum capital and surplus requirement	863,861,427	789,097,678	716,071,701	658,380,110	605,914,156
4. Total capital and surplus (Page 3, Line 33)	2,067,050,162	2,298,315,012	2,388,532,820	2,081,004,349	1,816,172,763
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	7,457,050,299	7,351,796,416	5,816,079,768	5,252,299,086	4,967,295,904
6. Total medical and hospital expenses (Line 18)	6,505,480,537	6,483,983,831	5,035,915,571	4,523,997,618	4,160,054,451
7. Claims adjustment expenses (Line 20)	468,546,991	460,093,279	455,081,921	342,003,353	277,272,827
8. Total administrative expenses (Line 21)	795,147,111	776,568,491	406,297,483	434,256,292	429,093,564
9. Net underwriting gain (loss) (Line 24)	(308,559,786)	(363,960,993)	(34,510,710)	(12,835,860)	112,493,508
10. Net investment gain (loss) (Line 27)	214,737,214	169,187,702	158,126,832	102,026,507	113,024,892
11. Total other income (Lines 28 plus 29)	23,362,720	23,689,450	25,721,943	27,548,534	29,195,263
12. Net income or (loss) (Line 32)	(5,710,317)	(137,577,232)	180,060,588	89,122,788	200,966,354
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(169,746,111)	(276,173,986)	137,800,814	172,376,109	239,986,112
Risk-Based Capital Analysis					
14. Total adjusted capital	2,067,050,162	2,298,315,012	2,388,532,820	2,081,004,349	1,816,172,763
15. Authorized control level risk-based capital	285,108,826	291,744,856	231,193,669	199,180,619	170,574,434
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,773,115	1,859,662	1,723,426	1,584,066	1,464,695
17. Total member months (Column 6, Line 7)	21,719,849	22,427,397	20,162,345	18,395,481	17,384,915
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 (Line 18 plus Line 19)	87.6	88.3	86.5	86.2	83.7
20. Cost containment expenses	2.0	2.2	2.8	2.9	2.1
21. Other claims adjustment expenses	4.3	4.1	5.0	3.7	3.5
22. Total underwriting deductions (Line 23)	104.6	105.1	100.5	100.3	97.7
23. Total underwriting gain (loss) (Line 24)	(4.2)	(5.0)	(0.6)	(0.2)	2.3
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	578,761,115	446,135,205	374,957,311	315,209,835	259,749,671
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	624,180,448	415,619,515	379,192,876	320,175,037	288,605,417
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	203,879,420	108,512,343	65,993,403	78,534,954	69,859,543
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	203,879,420	108,512,343	65,993,403	78,534,954	69,859,543
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 [ ]

If no, please explain:

* 5 4 6 3 1 2 0 1 5 4 3 0 5 9 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,859,662	535,096	509,856	154,601	73,317	201,158	161,356	168,165		56,113
2. First quarter	1,846,033	585,982	492,819	158,005	75,055	194,073	163,060	126,429		50,610
3. Second quarter	1,822,950	562,011	494,513	158,336	77,093	191,351	163,413	125,837		50,396
4. Third quarter	1,796,342	536,746	491,493	159,004	79,179	188,704	164,041	126,845		50,330
5. Current year	1,773,115	511,085	490,479	160,371	82,786	186,659	164,543	126,978		50,214
6. Current year member months	21,719,849	6,582,909	5,929,422	1,903,705	932,127	2,287,684	1,962,144	1,516,625		605,233
Total Member Ambulatory Encounters for Year:										
7. Physician	9,567,411	1,920,684	1,769,225	3,776,870		211,862	85,683	1,803,087		
8. Non-physician	0									
9. Totals	9,567,411	1,920,684	1,769,225	3,776,870	0	211,862	85,683	1,803,087	0	0
10. Hospital patient days incurred	951,121	195,210	103,706	352,631			30,693	268,881		
11. Number of inpatient admissions	136,027	33,047	20,738	41,096			6,365	34,781		
12. Health premiums written (b)	7,464,870,460	2,510,710,310	2,162,857,898	351,568,138	6,573,960	78,522,848	1,073,537,486	1,127,823,709		153,276,111
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,457,569,768	2,510,710,310	2,162,857,898	351,568,138	6,573,960	78,522,848	1,066,236,794	1,127,823,709		153,276,111
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,805,653,826	2,580,454,837	1,796,446,724	272,508,312	4,461,286	54,564,351	965,199,631	1,051,046,358		80,972,327
18. Amount incurred for provision of health care services	6,760,033,849	2,578,286,213	1,796,574,827	272,288,297	4,504,727	53,491,881	960,933,803	1,007,170,721		86,783,380

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,211,548 and number of persons insured under indemnity only products.....210,585.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,200,427,887

* 5 4 6 3 1 2 0 1 5 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,859,662	535,096	509,856	154,601	73,317	201,158	161,356	168,165		56,113
2. First quarter	1,846,033	585,982	492,819	158,005	75,055	194,073	163,060	126,429		50,610
3. Second quarter	1,822,950	562,011	494,513	158,336	77,093	191,351	163,413	125,837		50,396
4. Third quarter	1,796,342	536,746	491,493	159,004	79,179	188,704	164,041	126,845		50,330
5. Current year	1,773,115	511,085	490,479	160,371	82,786	186,659	164,543	126,978		50,214
6. Current year member months	21,719,849	6,582,909	5,929,422	1,903,705	932,127	2,287,684	1,962,144	1,516,625		605,233
Total Member Ambulatory Encounters for Year:										
7. Physician	9,567,411	1,920,684	1,769,225	3,776,870		211,862	85,683	1,803,087		
8. Non-physician	0									
9. Totals	9,567,411	1,920,684	1,769,225	3,776,870	0	211,862	85,683	1,803,087	0	0
10. Hospital patient days incurred	951,121	195,210	103,706	352,631			30,693	268,881		
11. Number of inpatient admissions	136,027	33,047	20,738	41,096			6,365	34,781		
12. Health premiums written (b)	7,464,870,460	2,510,710,310	2,162,857,898	351,568,138	6,573,960	78,522,848	1,073,537,486	1,127,823,709		153,276,111
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,457,569,768	2,510,710,310	2,162,857,898	351,568,138	6,573,960	78,522,848	1,066,236,794	1,127,823,709		153,276,111
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,805,653,826	2,580,454,837	1,796,446,724	272,508,312	4,461,286	54,564,351	965,199,631	1,051,046,358		80,972,327
18. Amount incurred for provision of health care services	6,760,033,849	2,578,286,213	1,796,574,827	272,288,297	4,504,727	53,491,881	960,933,803	1,007,170,721		86,783,380

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,211,548 and number of persons insured under indemnity only products.....210,585.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,200,427,887

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
.....	AA-9990032....	01/01/2014	U.S. Department of Health and Human Services.....	DC.....	211,062,519	24,372,007
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates.....				211,062,519	24,372,007
2199999.	Total - Accident and Health Non-Affiliates.....				211,062,519	24,372,007
2299999.	Total - Accident and Health.....				211,062,519	24,372,007
2399999.	Total U.S.....				211,062,519	24,372,007
9999999.	Total.....				211,062,519	24,372,007

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
	AA-9990032	01/14/2014	US Dept of HHS	DC	Oth/A/I	CMM	22,431,099						
26921	22-2005057	12/01/2002	Everest Reinsurance Company	DE	Oth/A/G	SLEL	8,140,968						
69515	34-0977231	12/01/2002	MedAmerica Insurance Co	PA	LTC/A/G	LTC	1,045,940	231,031	11,447,535				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						31,618,007	231,031	11,447,535	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						31,618,007	231,031	11,447,535	0	0	0	0
1199999.	Total - General Account - Authorized						31,618,007	231,031	11,447,535	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						31,618,007	231,031	11,447,535	0	0	0	0
6999999.	Total - U.S.						31,618,007	231,031	11,447,535	0	0	0	0
9999999.	Total						31,618,007	231,031	11,447,535	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Provision for Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2015	2 2014	3 2013	4 2012	5 2011
A.	**OPERATIONS ITEMS**					
1.	Premiums	31,618	9,192	10,884	11,055	16,648
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	1,816	1,628	2,067	2,213	1,892
5.	Total hospital and medical expenses	254,553	4,406	6,899	7,919	8,009
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses	211,063	247,785			
9.	Experience rating refunds due or unpaid			299		
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers					XXX
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust					XXX
18.	Funds deposited by and withheld from (F)					XXX
19.	Letters of credit (L)					XXX
20.	Trust agreements (T)					XXX
21.	Other (O)					XXX

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	2,933,870,028		2,933,870,028
2.	Accident and health premiums due and unpaid (Line 15)	219,082,680		219,082,680
3.	Amounts recoverable from reinsurers (Line 16.1)	211,062,519		211,062,519
4.	Net credit for ceded reinsurance	XXX	37,792,567	37,792,567
5.	All other admitted assets (balance)	738,643,667		738,643,667
6.	Totals assets (Line 28)	4,102,658,894	37,792,567	4,140,451,461
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	684,240,466	26,114,001	710,354,467
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)	108,625,997		108,625,997
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	1,242,742,269	11,678,566	1,254,420,835
15.	Total liabilities (Line 24)	2,035,608,732	37,792,567	2,073,401,299
16.	Total capital and surplus (Line 33)	2,067,050,162	XXX	2,067,050,162
17.	Total liabilities, capital and surplus (Line 34)	4,102,658,894	37,792,567	4,140,451,461
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	26,114,001		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	26,114,001		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	(11,678,566)		
30.	Total ceded reinsurance payables/offsets	(11,678,566)		
31.	Total net credit for ceded reinsurance	37,792,567		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	5,167,465,068	1,127,823,709		1,073,537,486			7,368,826,263	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	96,044,197	0	0	0	0	0	96,044,197	0
59. Subtotal	XXX	5,263,509,265	1,127,823,709	0	1,073,537,486	0	0	7,464,870,460	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	5,263,509,265	1,127,823,709	0	1,073,537,486	0	0	7,464,870,460	0
DETAILS OF WRITE-INS									
58001. ACA Risk Adjustment		82,988,525						82,988,525	
58002. ACA Risk Corridor		13,055,672						13,055,672	
58003.								0	
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 + 58998)		96,044,197	0	0	0	0	0	96,044,197	0

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

Explanation of basis of allocation by states, premiums by state, etc.

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

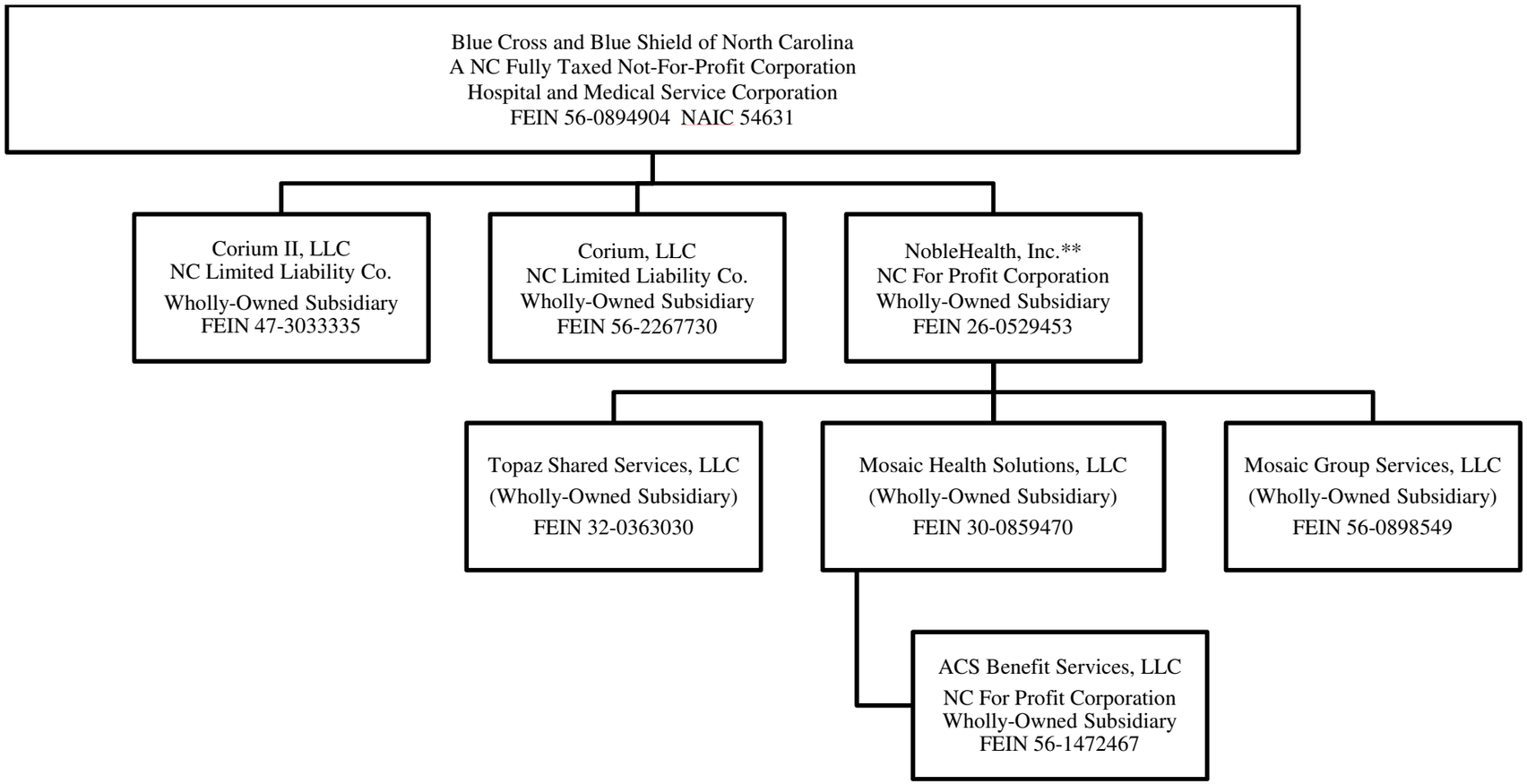
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				1,045,940		1,045,940
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	1,045,940	0	1,045,940

Corporate Structure
Blue Cross and Blue Shield of North Carolina



** Formerly known as Mosaic Health Solutions, Inc. – Articles of Restatement of Mosaic Health Solutions, Inc. which changed its name to NobleHealth, Inc effective February 2, 2015.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
.....	.....	54631...	56-0894904..	.....	.....	.....	Blue Cross and Blue Shield of North Carolina.....	NC.....	UDP.....	BCBSNC.....	Owership.....	...100.000	Board of Directors.....	.....
.....	.....	.....	56-2267730..	.....	.....	.....	Corium, LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....
.....	.....	.....	47-3033335..	.....	.....	.....	Corium II. LLC.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	.....
.....	.....	.....	26-0529453..	.....	.....	.....	NobleHealth, Inc.....	NC.....	DS.....	BCBSNC.....	Owership.....	...100.000	BCBSNC.....	** .....

Asterisk	Explanation
**	BCBSNC has agreed to provide its NobleHealth, administrative services which include but are not limited to management duties, production of business and servicing of the subsidiaries business.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
.....	56-0898549	Mosaic Group Services, LLC	.....	.....	.....	.....	(10,881,847)	.....	.....	.....	(10,881,847)	.....
.....	56-1472467	ACS Benefit Services, Inc.	.....	.....	.....	.....	6,623,477	.....	.....	.....	6,623,477	.....
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina	.....	.....	.....	.....	4,258,370	.....	.....	.....	4,258,370	.....
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	MARCH FILING	Responses
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
18.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
21.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
22.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
23.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12. The data for this supplement is not required to be filed.

13. The data for this supplement is not required to be filed.

14.

15. The data for this supplement is not required to be filed.

16. The data for this supplement is not required to be filed.

17.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20. The data for this supplement is not required to be filed.

21.

22.

23. The data for this supplement is not required to be filed.

24.

25.

26.

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Prepaid Expenses	46,711,494	46,711,494	0	
2505. Prepaid Retirement	21,405,707	21,405,707	0	
2506. Cash Surrender Value of Life Insurance	10,904,491		10,904,491	10,513,447
2507. AR- VEBA	1,611,315		1,611,315	2,053,343
2508. Automobiles	20,789	20,789	0	
2597. Summary of remaining write-ins for Line 25	80,653,796	68,137,990	12,515,806	12,566,790

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Unearned Rent	237,500		237,500	267,500
2305. Reserve for Unclaimed Property	9,120		9,120	1,626
2397. Summary of remaining write-ins for Line 23	246,620	0	246,620	269,126

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid Expenses	46,711,494	34,752,749	(11,958,745)
2505. Automobiles	20,789	47,500	26,711
2597. Summary of remaining write-ins for Line 25	46,732,283	34,800,249	(11,932,034)

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	67,822,677	2.5	67,822,677		67,822,677	2.3
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	996,973	0.0	996,973		996,973	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	103,012,442	3.8	103,012,442		103,012,442	3.5
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	134,457,848	5.0	134,457,848		134,457,848	4.6
1.43 Revenue and assessment obligations	812,351,821	29.9	786,116,043		786,116,043	26.8
1.44 Industrial development and similar obligations	116,773,323	4.3	116,773,323		116,773,323	4.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	12,845,182	0.5	12,845,182		12,845,182	0.4
1.512 Issued or guaranteed by FNMA and FHLMC	78,002,477	2.9	78,002,477		78,002,477	2.7
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	298,176	0.0	298,176		298,176	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other	82,076,165	3.0	82,076,165		82,076,165	2.8
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	327,865,894	12.1	327,865,894		327,865,894	11.2
2.2 Unaffiliated non-U.S. securities (including Canada)	80,760,669	3.0	80,760,669		80,760,669	2.8
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	249,689,582	9.2	470,060,259		470,060,259	16.0
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated	70,186,926	2.6	70,186,926		70,186,926	2.4
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated	80,229,231	3.0	100,277,215		100,277,215	3.4
3.4 Other equity securities:						
3.41 Affiliated	197,701,036	7.3	203,879,420		203,879,420	6.9
3.42 Unaffiliated	961,028	0.0	3,338,077		3,338,077	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0			0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	2,860,885	0.1	2,860,885		2,860,885	0.1
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	(74,144,587)	(2.7)	(77,978,822)		(77,978,822)	(2.7)
11. Other invested assets	370,218,199	13.6	370,218,199		370,218,199	12.6
12. Total invested assets	2,714,965,947	100.0	2,933,870,028	0	2,933,870,028	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		6,641,858
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)	32,753,446	32,753,446
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13	(27,801,374)	
	3.2 Totals, Part 3, Column 11		(27,801,374)
4.	Total gain (loss) on disposals, Part 3, Column 18		28,822,780
5.	Deduct amounts received on disposals, Part 3, Column 15		34,109,725
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	3,124,434	
	8.2 Totals, Part 3, Column 9	321,666	3,446,100
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		2,860,885
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		2,860,885

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		296,991,782
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	95,525,336	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	63,580,445	159,105,781
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	19,666,040	
	5.2 Totals, Part 3, Column 9		19,666,040
6.	Total gain (loss) on disposals, Part 3, Column 19		2,501,972
7.	Deduct amounts received on disposals, Part 3, Column 16		106,038,376
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15	2,009,000	
	10.2 Totals, Part 3, Column 11		2,009,000
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		370,218,199
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		370,218,199

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		2,997,639,557
2.	Cost of bonds and stocks acquired, Part 3, Column 7		549,314,201
3.	Accrual of discount		1,213,924
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	(2,381,673)	
	4.2 Part 2, Section 1, Column 15	774,687	
	4.3 Part 2, Section 2, Column 13	5,181,329	
	4.4 Part 4, Column 11	(159,888,840)	(156,314,497)
5.	Total gain (loss) on disposals, Part 4, Column 19		149,624,572
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		861,681,395
7.	Deduct amortization of premium		14,533,650
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14		
	9.4 Part 4, Column 13		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		2,665,262,712
11.	Deduct total nonadmitted amounts		26,492,946
12.	Statement value at end of current period (Line 10 minus Line 11)		2,638,769,766

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	80,960,626	79,126,884	81,187,020	74,720,308
Governments (Including all obligations	2. Canada	996,973	994,840	995,900	1,000,000
guaranteed by governments)	3. Other Countries				
	4. Totals	81,957,599	80,121,724	82,182,920	75,720,308
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	103,012,445	110,735,284	106,349,273	99,500,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	134,457,848	145,762,577	137,901,051	127,765,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	1,007,133,032	1,084,707,211	1,024,375,970	966,506,317
Industrial and Miscellaneous and Hybrid	8. United States	409,942,054	389,058,803	416,716,493	273,700,548
Securities (Unaffiliated)	9. Canada	6,521,105	6,235,212	6,651,257	6,455,000
	10. Other Countries	74,239,563	72,698,911	74,314,654	73,860,000
	11. Totals	490,702,722	467,992,926	497,682,404	354,015,548
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	1,817,263,646	1,889,319,722	1,848,491,618	1,623,507,173
PREFERRED STOCKS	14. United States	67,574,931	68,216,761	66,891,427	
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries	2,611,995	2,611,995	2,541,812	
	17. Totals	70,186,926	70,828,756	69,433,239	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	70,186,926	70,828,756	69,433,239	
COMMON STOCKS	20. United States	573,898,404	573,898,404	330,836,387	
Industrial and Miscellaneous (Unaffiliated)	21. Canada	5,908	5,908	6,254	
	22. Other Countries	28,408	28,408	37,201	
	23. Totals	573,932,720	573,932,720	330,879,842	
Parent, Subsidiaries and Affiliates	24. Totals	203,879,420	203,879,420	197,701,036	
	25. Total Common Stocks	777,812,140	777,812,140	528,580,878	
	26. Total Stocks	847,999,066	848,640,896	598,014,117	
	27. Total Bonds and Stocks	2,665,262,712	2,737,960,618	2,446,505,735	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments**											
1.1 NAIC 1	58,997,208	27,311,230	22,637,319		28,616,460	137,562,217	7.3	24,784,973	1.5	137,562,217	
1.2 NAIC 2						0	0.0		0.0		
1.3 NAIC 3						0	0.0		0.0		
1.4 NAIC 4						0	0.0		0.0		
1.5 NAIC 5						0	0.0		0.0		
1.6 NAIC 6						0	0.0		0.0		
1.7 Totals	58,997,208	27,311,230	22,637,319	0	28,616,460	137,562,217	7.3	24,784,973	1.5	137,562,217	0
2. **All Other Governments**											
2.1 NAIC 1			996,973			996,973	0.1	996,576	0.1	996,973	
2.2 NAIC 2						0	0.0		0.0		
2.3 NAIC 3						0	0.0		0.0		
2.4 NAIC 4						0	0.0		0.0		
2.5 NAIC 5						0	0.0		0.0		
2.6 NAIC 6						0	0.0		0.0		
2.7 Totals	0	0	996,973	0	0	996,973	0.1	996,576	0.1	996,973	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**											
3.1 NAIC 1	7,059,403	57,776,043	35,597,983			100,433,429	5.4	241,552,633	14.6	100,433,429	
3.2 NAIC 2			2,579,016			2,579,016	0.1		0.0	2,579,016	
3.3 NAIC 3						0	0.0		0.0		
3.4 NAIC 4						0	0.0		0.0		
3.5 NAIC 5						0	0.0		0.0		
3.6 NAIC 6						0	0.0		0.0		
3.7 Totals	7,059,403	57,776,043	38,176,999	0	0	103,012,445	5.5	241,552,633	14.6	103,012,445	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 NAIC 1	13,015,458	44,767,085	55,764,635	19,977,861	932,809	134,457,848	7.2	214,667,537	13.0	134,457,848	
4.2 NAIC 2						0	0.0	3,479,588	0.2		
4.3 NAIC 3						0	0.0		0.0		
4.4 NAIC 4						0	0.0		0.0		
4.5 NAIC 5						0	0.0		0.0		
4.6 NAIC 6						0	0.0		0.0		
4.7 Totals	13,015,458	44,767,085	55,764,635	19,977,861	932,809	134,457,848	7.2	218,147,125	13.2	134,457,848	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 NAIC 1	63,661,150	454,412,255	385,244,469	73,531,270	11,316,869	988,166,013	52.7	859,424,196	52.1	986,836,013	1,330,000
5.2 NAIC 2		11,754,683	7,212,336			18,967,019	1.0	2,536,149	0.2	18,967,019	
5.3 NAIC 3						0	0.0		0.0		
5.4 NAIC 4						0	0.0		0.0		
5.5 NAIC 5						0	0.0		0.0		
5.6 NAIC 6						0	0.0		0.0		
5.7 Totals	63,661,150	466,166,938	392,456,805	73,531,270	11,316,869	1,007,133,032	53.7	861,960,345	52.3	1,005,803,032	1,330,000

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 NAIC 1	65,170,529	205,143,947	50,225,103	5,512,540	7,832,445	333,884,564	17.8	231,037,083	14.0	282,622,520	51,262,044
6.2 NAIC 2	3,134,409	36,700,755	72,287,218	10,063,106	4,042,788	126,228,276	6.7	70,578,676	4.3	103,391,973	22,836,303
6.3 NAIC 3		29,659,365	1,500,000		2,133,451	33,292,816	1.8		0.0	31,792,816	1,500,000
6.4 NAIC 4						0	0.0		0.0		
6.5 NAIC 5						0	0.0		0.0		
6.6 NAIC 6						0	0.0		0.0		
6.7 Totals	68,304,938	271,504,067	124,012,321	15,575,646	14,008,684	493,405,656	26.3	301,615,759	18.3	417,807,309	75,598,347
7. **Hybrid Securities**											
7.1 NAIC 1						0	0.0		0.0		
7.2 NAIC 2						0	0.0		0.0		
7.3 NAIC 3						0	0.0		0.0		
7.4 NAIC 4						0	0.0		0.0		
7.5 NAIC 5						0	0.0		0.0		
7.6 NAIC 6						0	0.0		0.0		
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 NAIC 1						0	0.0		0.0		
8.2 NAIC 2						0	0.0		0.0		
8.3 NAIC 3						0	0.0		0.0		
8.4 NAIC 4						0	0.0		0.0		
8.5 NAIC 5						0	0.0		0.0		
8.6 NAIC 6						0	0.0		0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. **Total Bonds Current Year**											
9.1 NAIC 1	(d) 207,903,748	789,410,560	550,466,482	99,021,671	48,698,583	1,695,501,044	90.4	XXX	XXX	1,642,909,000	52,592,044
9.2 NAIC 2	(d) 3,134,409	48,455,438	82,078,570	10,063,106	4,042,788	147,774,311	7.9	XXX	XXX	124,938,008	22,836,303
9.3 NAIC 3	(d) 0	29,659,365	1,500,000	0	2,133,451	33,292,816	1.8	XXX	XXX	31,792,816	1,500,000
9.4 NAIC 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 NAIC 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.6 NAIC 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.7 Totals	211,038,157	867,525,363	634,045,052	109,084,777	54,874,822	(b) 1,876,568,171	100.0	XXX	XXX	1,799,639,824	76,928,347
9.8 Line 9.7 as a % of Col. 6	11.2	46.2	33.8	5.8	2.9	100.0	XXX	XXX	XXX	95.9	4.1
10. **Total Bonds Prior Year**											
10.1 NAIC 1	52,130,747	403,443,847	662,284,600	346,000,482	108,603,322	XXX	XXX	1,572,462,998	95.4	1,572,462,998	
10.2 NAIC 2	3,037,929	23,019,942	29,286,841	16,724,572	4,525,129	XXX	XXX	76,594,413	4.6	76,594,413	
10.3 NAIC 3						XXX	XXX	0	0.0		
10.4 NAIC 4						XXX	XXX	0	0.0		
10.5 NAIC 5						XXX	XXX	(c) 0	0.0		
10.6 NAIC 6						XXX	XXX	(c) 0	0.0		
10.7 Totals	55,168,676	426,463,789	691,571,441	362,725,054	113,128,451	XXX	XXX	(b) 1,649,057,411	100.0	1,649,057,411	0
10.8 Line 10.7 as a % of Col. 8	3.3	25.9	41.9	22.0	6.9	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 NAIC 1	191,026,806	762,712,265	546,514,322	96,333,660	46,321,947	1,642,909,000	87.5	1,572,462,998	95.4	1,642,909,000	XXX
11.2 NAIC 2	126,900	45,594,379	65,110,835	10,063,106	4,042,788	124,938,008	6.7	76,594,413	4.6	124,938,008	XXX
11.3 NAIC 3		29,659,365			2,133,451	31,792,816	1.7	0	0.0	31,792,816	XXX
11.4 NAIC 4						0	0.0	0	0.0	0	XXX
11.5 NAIC 5						0	0.0	0	0.0	0	XXX
11.6 NAIC 6						0	0.0	0	0.0	0	XXX
11.7 Totals	191,153,706	837,966,009	611,625,157	106,396,766	52,498,186	1,799,639,824	95.9	1,649,057,411	100.0	1,799,639,824	XXX
11.8 Line 11.7 as a % of Col. 6	10.6	46.6	34.0	5.9	2.9	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	10.2	44.7	32.6	5.7	2.8	95.9	XXX	XXX	XXX	95.9	XXX
12. **Total Privately Placed Bonds**											
12.1 NAIC 1	16,876,942	26,698,295	3,952,157	2,688,011	2,376,639	52,592,044	2.8	0	0.0	XXX	52,592,044
12.2 NAIC 2	3,007,508	2,861,059	16,967,736			22,836,303	1.2	0	0.0	XXX	22,836,303
12.3 NAIC 3			1,500,000			1,500,000	0.1	0	0.0	XXX	1,500,000
12.4 NAIC 4						0	0.0	0	0.0	XXX	0
12.5 NAIC 5						0	0.0	0	0.0	XXX	0
12.6 NAIC 6						0	0.0	0	0.0	XXX	0
12.7 Totals	19,884,450	29,559,354	22,419,893	2,688,011	2,376,639	76,928,347	4.1	0	0.0	XXX	76,928,347
12.8 Line 12.7 as a % of Col. 6	25.8	38.4	29.1	3.5	3.1	100.0	XXX	XXX	XXX	XXX	100.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	1.1	1.6	1.2	0.1	0.1	4.1	XXX	XXX	XXX	XXX	4.1

(a) Includes $.....76,928,347 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....97,535,525 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments**											
1.1 Issuer Obligations	56,601,590	18,381,072	20,825,144		28,616,461	124,424,267	6.6	2,559,819	0.2	124,424,267	
1.2 Residential Mortgage-Backed Securities	2,395,618	8,930,157	1,812,175			13,137,950	0.7	22,225,154	1.3	13,137,950	
1.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
1.5 Totals	58,997,208	27,311,229	22,637,319	0	28,616,461	137,562,217	7.3	24,784,973	1.5	137,562,217	0
2. **All Other Governments**											
2.1 Issuer Obligations			996,973			996,973	0.1	996,576	0.1	996,973	
2.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
2.5 Totals	0	0	996,973	0	0	996,973	0.1	996,576	0.1	996,973	0
3. **U.S. States, Territories and Possessions, Guaranteed**											
3.1 Issuer Obligations	7,059,403	57,776,043	38,176,999			103,012,445	5.5	241,552,633	14.6	103,012,445	
3.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
3.5 Totals	7,059,403	57,776,043	38,176,999	0	0	103,012,445	5.5	241,552,633	14.6	103,012,445	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Issuer Obligations	13,015,458	44,767,085	55,764,635	19,977,861	932,809	134,457,848	7.2	218,147,125	13.2	134,457,848	
4.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
4.5 Totals	13,015,458	44,767,085	55,764,635	19,977,861	932,809	134,457,848	7.2	218,147,125	13.2	134,457,848	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Issuer Obligations	47,019,410	332,786,812	349,922,936	71,305,799	11,316,869	812,351,826	43.3	764,276,369	46.3	811,021,826	1,330,000
5.2 Residential Mortgage-Backed Securities	14,120,388	52,733,497	11,153,998			78,007,883	4.2	92,429,701	5.6	78,007,883	
5.3 Commercial Mortgage-Backed Securities						0	0.0	5,254,275	0.3		
5.4 Other Loan-Backed and Structured Securities	2,521,353	80,646,628	31,379,871	2,225,471		116,773,323	6.2		0.0	116,773,323	
5.5 Totals	63,661,151	466,166,937	392,456,805	73,531,270	11,316,869	1,007,133,032	53.7	861,960,345	52.3	1,005,803,032	1,330,000
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Issuer Obligations	17,616,585	222,908,400	106,042,907	14,734,458	14,008,686	375,311,036	20.0	195,318,547	11.8	330,580,501	44,730,535
6.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
6.3 Commercial Mortgage-Backed Securities	42,646,061	28,776,084	10,654,021			82,076,166	4.4	100,520,791	6.1	77,611,778	4,464,388
6.4 Other Loan-Backed and Structured Securities	8,042,292	19,819,583	7,315,393	841,186		36,018,454	1.9	5,776,421	0.4	9,615,029	26,403,425
6.5 Totals	68,304,938	271,504,067	124,012,321	15,575,644	14,008,686	493,405,656	26.3	301,615,759	18.3	417,807,308	75,598,348
7. **Hybrid Securities**											
7.1 Issuer Obligations						0	0.0		0.0		
7.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**											
8.1 Issuer Obligations						0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						0	0.0		0.0		
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. **Total Bonds Current Year**											
9.1 Issuer Obligations	141,312,446	676,619,412	571,729,594	106,018,118	54,874,825	1,550,554,395	82.6	XXX	XXX	1,504,493,860	46,060,535
9.2 Residential Mortgage-Backed Securities	16,516,006	61,663,654	12,966,173	0	0	91,145,833	4.9	XXX	XXX	91,145,833	0
9.3 Commercial Mortgage-Backed Securities	42,646,061	28,776,084	10,654,021	0	0	82,076,166	4.4	XXX	XXX	77,611,778	4,464,388
9.4 Other Loan-Backed and Structured Securities	10,563,645	100,466,211	38,695,264	3,066,657	0	152,791,777	8.1	XXX	XXX	126,388,352	26,403,425
9.5 Totals	211,038,158	867,525,361	634,045,052	109,084,775	54,874,825	1,876,568,171	100.0	XXX	XXX	1,799,639,823	76,928,348
9.6 Line 9.5 as a % of Col. 6	11.2	46.2	33.8	5.8	2.9	100.0	XXX	XXX	XXX	95.9	4.1
10. **Total Bonds Prior Year**											
10.1 Issuer Obligations	17,420,027	371,765,163	649,273,889	320,059,981	64,332,009	XXX	XXX	1,422,851,069	86.3	1,422,851,069	
10.2 Residential Mortgage-Backed Securities	3,257,475	12,131,036	17,849,209	42,174,507	39,242,628	XXX	XXX	114,654,855	7.0	114,654,855	
10.3 Commercial Mortgage-Backed Securities	34,177,310	37,935,901	24,108,039		9,553,816	XXX	XXX	105,775,066	6.4	105,775,066	
10.4 Other Loan-Backed and Structured Securities	313,865	4,631,683	340,303	490,570		XXX	XXX	5,776,421	0.4	5,776,421	
10.5 Totals	55,168,677	426,463,783	691,571,440	362,725,058	113,128,453	XXX	XXX	1,649,057,411	100.0	1,649,057,411	0
10.6 Line 10.5 as a % of Col. 8	3.3	25.9	41.9	22.0	6.9	XXX	XXX	100.0	XXX	100.0	0.0
11. **Total Publicly Traded Bonds**											
11.1 Issuer Obligations	130,952,232	664,408,816	553,261,855	103,372,772	52,498,185	1,504,493,860	80.2	1,422,851,069	86.3	1,504,493,860	XXX
11.2 Residential Mortgage-Backed Securities	16,516,006	61,663,655	12,966,172			91,145,833	4.9	114,654,855	7.0	91,145,833	XXX
11.3 Commercial Mortgage-Backed Securities	38,819,442	28,138,314	10,654,022			77,611,778	4.1	105,775,066	6.4	77,611,778	XXX
11.4 Other Loan-Backed and Structured Securities	4,866,026	83,755,224	34,743,105	3,023,997		126,388,352	6.7	5,776,421	0.4	126,388,352	XXX
11.5 Totals	191,153,706	837,966,009	611,625,154	106,396,769	52,498,185	1,799,639,823	95.9	1,649,057,411	100.0	1,799,639,823	XXX
11.6 Line 11.5 as a % of Col. 6	10.6	46.6	34.0	5.9	2.9	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	10.2	44.7	32.6	5.7	2.8	95.9	XXX	XXX	XXX	95.9	XXX
12. **Total Privately Placed Bonds**											
12.1 Issuer Obligations	10,360,213	12,210,596	18,467,736	2,645,351	2,376,639	46,060,535	2.5	0	0.0	XXX	46,060,535
12.2 Residential Mortgage-Backed Securities						0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities	3,826,618	637,770				4,464,388	0.2	0	0.0	XXX	4,464,388
12.4 Other Loan-Backed and Structured Securities	5,697,619	16,710,988	3,952,157	42,661		26,403,425	1.4	0	0.0	XXX	26,403,425
12.5 Totals	19,884,450	29,559,354	22,419,893	2,688,012	2,376,639	76,928,348	4.1	0	0.0	XXX	76,928,348
12.6 Line 12.5 as a % of Col. 6	25.8	38.4	29.1	3.5	3.1	100.0	XXX	XXX	XXX	XXX	100.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	1.1	1.6	1.2	0.1	0.1	4.1	XXX	XXX	XXX	XXX	4.1

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	6,026,053	6,026,053			
2. Cost of short-term investments acquired	364,425,410	364,425,410			
3. Accrual of discount	42	42			
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	311,146,980	311,146,980			
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	59,304,525	59,304,525	0	0	0
11. Deduct total nonadmitted amounts	2,000,000	2,000,000			
12. Statement value at end of current period (Line 10 minus Line 11)	57,304,525	57,304,525	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
	2.1 Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
	2.2 Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
	3.1 Section 1, Column 17			
	3.2 Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
	6.1 Section 1, Column 19			
	6.2 Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
	7.1 Section 1, Column 20			
	7.2 Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
	8.1 Section 1, Column 18			
	8.2 Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)			
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)			
3.1	Add:			
	Change in variation margin on open contracts - highly effective hedges:			
	3.11 Section 1, Column 15, current year minus			
	3.12 Section 1, Column 15, prior year		0	
	Change in the valuation margin on open contracts - all other:			
	3.13 Section 1, Column 18, current year minus			
	3.14 Section 1, Column 18, prior year		0	0
3.2	Add:			
	Change in adjustment to basis of hedged item:			
	3.21 Section 1, Column 17, current year to date minus			
	3.22 Section 1, Column 17, prior year		0	
	Change in amount recognized:			
	3.23 Section 1, Column 19, current year to date minus			
	3.24 Section 1, Column 19, prior year		0	0
3.3	Subtotal (Line 3.1 minus Line 3.2)			0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)			
4.2	Less:			
	4.21 Amount used to adjust basis of hedged item (Section 2, Column 17)			
	4.22 Amount recognized (Section 2, Column 16)		0	
4.3	Subtotal (Line 4.1 minus Line 4.2)			0
5.	Dispositions gains (losses) on contracts terminated in prior year:			
	5.1 Total gain (loss) recognized for terminations in prior year			
	5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year			
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)			0
7.	Deduct nonadmitted assets			
8.	Statement value at end of current period (Line 6 minus Line 7)			0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

NONE

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Subtotal (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0

NONE

		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0

		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0		
2. Cost of cash equivalents acquired	0		
3. Accrual of discount	0		
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	0		
6. Deduct consideration received on disposals	0		
7. Deduct amortization of premium	0		
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

NONE

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.....

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Administrative																
CSC Building 100 & Land	^	Durham	NC	01/01/2000.	07/06/2010.	37,746,250	19,870,948			1,019,269		1,019,269	0		5,097,227	2,156,981
CSC II & Commons 200 & 250 Building	^	Durham	NC	12/31/2009.	07/06/2010.	39,246,457	17,842,219			700,076		49,074	(651,002)		5,299,814	1,113,513
CSC Vacant Land & CSC Parking Deck #2	^	Durham	NC	12/31/2009.	07/06/2010.	6,735,186	3,980,055			285,014		285,014	0		909,515	
UP1 Building & Land	^	Durham	NC	09/30/2013.	11/12/2013.	8,394,289	6,085,500			194,876		194,876	0		1,133,559	333,360
UP2 Building & Land	^	Durham	NC	12/31/2008.	11/17/2009.	7,851,120	3,559,116			124,810		124,809	(1)		1,060,210	468,102
UP4 & UP5 400, 450, 500 Building & Land	^	Durham	NC	06/02/2013.	03/26/2013.	42,767,677	42,297,023			343,467		(29,659,432)	(30,002,899)		5,775,317	586,303
UP6 Building & Land	^	Durham	NC	03/07/2003.	07/06/2010.	5,642,499	3,615,450			203,910		185,016	(18,894)		761,959	332,711
0299999. Properties Occupied by the Reporting Entity - Administrative						148,383,478	97,250,311	0	0	2,871,422	0	(27,801,374)	(30,672,796)	0	20,037,601	4,990,970
0399999. Total - Properties Occupied by the Reporting Entity						148,383,478	97,250,311	0	0	2,871,422	0	(27,801,374)	(30,672,796)	0	20,037,601	4,990,970
Properties Held for the Production of Income																
Duke Street Building	LS	Durham	NC	01/23/1970.	03/05/2010.	5,844,754		2,860,885	3,700,000	253,012			(253,012)		278,720	92,337
0499999. Total - Properties Held for the Production of Income						5,844,754	0	2,860,885	3,700,000	253,012	0	0	(253,012)	0	278,720	92,337
0699999. Totals						154,228,232	97,250,311	2,860,885	3,700,000	3,124,434	0	(27,801,374)	(30,925,808)	0	20,316,321	5,083,307

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
UP 4 &5 400,450,500 Buildings	Durham	NC	03/31/2015.	Various				7,690,229
CSC2 & Commons 200 & 250 Buildings	Durham	NC	03/31/2015.	Various				52,144
UP 4 &5 400,450,500 Buildings	Durham	NC	06/30/2015.	Various				7,668,199
HQ Building	Durham	NC	06/30/2015.	Various			29,873	29,873
UP 4 &5 400,450,500 Buildings	Durham	NC	09/30/2015.	Various				7,093,154
CSC2 & Commons 200 & 250 Buildings	Durham	NC	12/31/2015.	Various				688,223
UP 4 &5 400,450,500 Buildings	Durham	NC	12/31/2015.	Various				9,512,730
UP 6 600 building	Durham	NC	12/31/2015.	Various				18,894
0199999. Total - Acquired by Purchase					0	0	29,873	32,753,446
0399999. Totals					0	0	29,873	32,753,446

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
Property Disposed																			
CSC2 & Commons	Durham	NC	03/31/2015.	Various	10,580		10,580				0		10,580			(10,580)	(10,580)		
Dukestreet	Durham	NC	03/31/2015.	Various	92,421		92,421				0		92,421			(92,421)	(92,421)		
UP 4 & 5	Durham	NC	03/31/2015.	Various	120,244		120,244				0		120,244			(120,244)	(120,244)		
HQ	Chapel Hill	NC	09/24/2015.	SECU	16,259,885		2,755,942	300,925			(300,925)		2,471,446	33,426,257		30,954,811	30,954,811		2,324,174
Renthouse 1	Chapel Hill	NC	09/24/2015.	SECU	22,251						0						0		3,107
Renthouse 2	Chapel Hill	NC	09/24/2015.	SECU	22,200						0						0		3,107
Renthouse 4	Chapel Hill	NC	09/24/2015.	SECU	183,000		150,594	3,050			(3,050)		147,544	147,544			0		3,107
Renthouse 5	Chapel Hill	NC	09/24/2015.	SECU	190,062		161,157	3,168			(3,168)		157,990	157,989			0		2,950
Renthouse 6	Chapel Hill	NC	09/24/2015.	SECU	201,358		171,154	3,356			(3,356)		167,798	167,798			0		2,950
East Lots	Chapel Hill	NC	09/24/2015.	SECU	210,137		210,137				0		210,137	210,137			0		2,949
CSC2 & Commons	Durham	NC	10/31/2015.	Various	148,898		78,785	11,167			(11,167)		67,618			(67,618)	(67,618)		
Up 4 & 5	Durham	NC	11/24/2015.	Various	1,841,168		1,841,168				0		1,841,168			(1,841,168)	(1,841,168)		
0199999. Total - Property Disposed					19,302,204	0	5,592,182	321,666	0	0	(321,666)	0	5,286,946	34,109,725	0	28,822,780	28,822,780	0	2,342,344
0399999. Totals					19,302,204	0	5,592,182	321,666	0	0	(321,666)	0	5,286,946	34,109,725	0	28,822,780	28,822,780	0	2,342,344

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

E04

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	Comvest Investment Partners V-A, LP			DE	Comvest Investment Partners V-A, LP		11/02/2015.		372,632	372,632	372,632								
000000 00 0	Foundation Medical Partners			DE	Foundation Medical Managers IV, LLC		06/20/2014.		495,169	495,169	495,169							2,571,078	2.752
000000 00 0	HarbourVest Partners IX -Buyout Fund LP			DE	HarbourVest Partners IX - Venture Associ		06/28/2012.		7,570,827	7,007,745	7,570,827							9,865,404	1.000
000000 00 0	Northgate Venture Partners VI, LLC			DE	Northgate Venture VI, LLC		08/31/2012.		12,179,791	12,179,791	12,179,791							8,400,000	7.000
000000 00 0	Health Enterprise Partners II, L.P			DE	HEP Associates II, LLC		07/10/2013.		422,427	397,222	422,427							593,344	0.936
000000 00 0	Adams Street 2012 Gloabal Fund LP			DE	Adams Street Partners LLC		07/06/2012.		12,786,902	12,222,038	12,786,902							12,573,071	3.366
000000 00 0	C.B. Healthcare Fund II, L.P			DE	Cain Brothers, LLC		04/24/2001.		44,409	44,409	44,409						(777)	171,824	3.973
000000 00 0	Nautic Partners VII-A, L.P			DE	Nautic Partners, LLC		10/27/2014.		1,817,682	1,619,303	1,817,682						1	2,981,178	2.280
000000 00 0	HarbourVest Partners IX -Venture Fund LP			DE	HarbourVest Partners IX -Buyout Associat		06/28/2012.		4,790,447	4,663,442	4,790,447							2,550,000	2.100
000000 00 0	Health Enterprise Partners, L.P			DE	HEP Associates, LLC		03/30/2007.		1,993,443	1,993,443	1,993,443							133,652	3.598
000000 00 0	HKN Venture Partners IV LP			DE	HKN Venture Partners IV LP		09/16/2015.		800,000	600,000	800,000							4,400,000	10.900
000000 00 0	Southern Capital Technology Fund II, L.P			DE	So. Capital Tech. Fund II Mgmt Co		06/15/2006.		236,127	266,597	236,127							100,000	3.319
000000 00 0	Wlsh Carson Anderson & Stowe			DE	Wlsh Carson Anderson & Stowe		04/20/2015.		2,063,430	2,063,430	2,063,430							10,000,000	
000000 00 0	C.B. Healthcare Fund II, L.P			DE	Cain Brothers, LLC		04/24/2001.		3,751	3,751	3,751						(739)		6.136
000000 00 0	Excel Medical Fund I			DE	Excel Medical Ventures, LLC		03/18/2013.		2,031,618	2,031,618	2,031,618							866,288	2.434
000000 00 0	Blue Cross Blue Shield Ventures II			DE	Blue Cross Blue Shield Ventures II, Inc		06/24/2011.		1,056,167	1,008,506	1,056,167						9,527	2,585,611	2.798
000000 00 0	Synergy Life Science Partners, L.P			DE	Synergy Management, LLC		12/13/2007.		1,427,634	1,427,634	1,427,634							183,179	2.094
000000 00 0	Excel Venture Fund II			DE	Excel Ventures II GP, LLC		03/28/2013.		776,504	699,158	776,504			75,000				1,225,842	2.534
000000 00 0	BullCity Venture Partners Fund III			DE	Bull City Fund III GP, LLC		02/13/2013.		265,990	265,990	265,990			34,000				225,494	2.000
000000 00 0	Camden Partners Strategic Fund V - A, L.P			DE	Camden Partners Strategic V, LLC		04/03/2014.		3,850,000	3,600,000	3,850,000							1,400,000	9.200
000000 00 0	Noro-Moseley Partners VII, L.P			DE	Moseley and Company VII LLC		10/22/2014.		1,125,000	1,125,000	1,125,000							1,875,000	2.400
000000 00 0	Northgate Capital Direct Partners VII, L.P			DE	NCD Management VII, LLC		07/12/2012.		18,584,686	17,584,686	18,584,686							900,000	8.000
000000 00 0	Hatteras Ventures Partners IV, L.P			DE	Hatteras Ventures Advisors IV, LLC		08/25/2011.		889,249	889,249	889,249							679,000	2.379
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated.									75,583,885	72,560,813	75,583,885	0	0	109,000	0	0	8,012	64,279,965	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	AEW Real Estate Trust			MD	AEW Capital Management LP		12/31/2015.		47,584,907	58,027,224	58,027,224	3,742,348					3,401,365		2.210
000000 00 0	J.P. Morgan US Real Estate Income and Growth Dome			DE	I&G Manager, LLC		08/10/2015.		54,739,611	71,419,717	71,419,717	16,680,106					1,186,149		
000000 00 0	Morgan Stanley Prime Property Fund			DE	Prime Property Fund LLC		09/30/2013.		65,410,617	70,907,661	70,907,661	(756,414)					2,862,497		
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									167,735,135	200,354,602	200,354,602	19,666,040	0	0	0	0	7,450,011	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	Principal Real Estate Debt Fund, L.P			DE	Principal Real Estate Debt Fund GP, LLC		05/07/2014.		20,261,481	19,760,370	20,261,481						934,881	12,504,877	6.400
000000 00 0	Federated Project & Trade Finance Core Fund			DE	Federated Investors Inc		05/30/2014.		37,192,235	35,778,921	37,192,235						587,578		7.000
000000 00 0	Crescent Mezzanine Paartners VI			DE	Crescent Mezzanine VI, LLC		08/30/2013.		25,663,142	24,859,737	25,663,142						1,703,783	4,465,751	1.000
000000 00 0	KKR Energy Income & Growth Fund LP			DE	KKR Associates EIGF LP		10/31/2013.		11,162,854	11,436,180	11,162,854			1,900,000			19,734	21,016,323	3.100
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									94,279,712	91,835,208	94,279,712	0	0	1,900,000	0	0	3,245,976	37,986,951	XXX
4499999. Subtotal - Unaffiliated									337,598,732	364,750,623	370,218,199	19,666,040	0	2,009,000	0	0	10,703,999	102,266,916	XXX
4699999. Totals									337,598,732	364,750,623	370,218,199	19,666,040	0	2,009,000	0	0	10,703,999	102,266,916	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
000000 00 0	Comvest Investment Partners V-A, LP			Comvest Investment Partners V-A, LP	11/02/2015.		372,632			
000000 00 0	Southern Capital Technology Fund II, L.P.			Southern Capital Technology Fund II, L.P.	08/03/2015.		20,000			3.319
000000 00 0	Blue Cross Blue Shield Ventures II			Blue Cross Blue Shield Ventures II	12/22/2015.		923,405			2.798
000000 00 0	Synergy Life Science Partners, L.P.			Synergy Life Science Partners, L.P.	11/19/2015.		75,000			2.094
000000 00 0	BullCity Venture Partners Fund III			BullCity Venture Partners Fund III	11/05/2015.		185,000			2.000
000000 00 0	Camden Partners Strategic Fund V - A, L.P.			Camden Partners Strategic Fund V - A, L	12/22/2015.		1,125,000			9.200
000000 00 0	Northgate Venture Partners VI, LLC			Northgate Venture Partners VI, LLC	11/06/2015.		5,000,000			7.000
000000 00 0	Adams Street 2012 Gloabal Fund LP			Adams Street 2012 Gloabal Fund LP	12/15/2015.		4,144,293			3.366
000000 00 0	Noro-Moseley Partners VII, L.P.			Noro-Moseley Partners VII, L.P.	04/30/2015.		375,000			2.400
000000 00 0	Northgate Capital Direct Partners VII, L.P.			Northgate Capital Direct Partners VII, L	12/15/2015.		7,400,000			8.000
000000 00 0	Health Enterprise Partners II, L.P.			Health Enterprise Partners II, L.P.	12/04/2015.		164,456			0.936
000000 00 0	Nautic Partners VII-A, L.P.			Nautic Partners VII-A, L.P.	12/22/2015.		1,608,437			2.280
000000 00 0	Health Enterprise Partners, L.P.			Health Enterprise Partners, L.P.	11/06/2015.		252,066			3.598
000000 00 0	Wlsh Carson Anderson & Stowe			Wlsh Carson Anderson & Stowe	05/11/2015.		1,031,715	1,031,715		
000000 00 0	Hatteras Ventures Partners IV, L.P.			Hatteras Ventures Partners IV, L.P.	11/09/2015.		382,250			2.379
000000 00 0	Foundation Medical Partners			Foundation Medical Partners	11/09/2015.		216,247			2.752
000000 00 0	HarbourVest Partners IX -Buyout Fund LP			HarbourVest Partners IX -Buyout Fund LP	12/15/2015.		2,881,832			1.000
000000 00 0	HarbourVest Partners IX -Venture Fund LP			HarbourVest Partners IX -Venture Fund LP	12/15/2015.		1,289,505			2.100
000000 00 0	HKN Venture Partners IV LP			HKN Venture Partners IV LP	12/10/2015.		600,000	200,000		10.900
000000 00 0	Excel Medical Fund I			Excel Medical Fund I	11/01/2015.			41,251		2.434
000000 00 0	Excel Venture Fund II			Excel Venture Fund II	12/02/2015.			257,821		2.534
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							2,004,347	27,573,278	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated										
000000 00 0	Morgan Stanley Prime Property Fund			Morgan Stanley Prime Property Fund	12/29/2015.			2,862,497		
000000 00 0	AEW Real Estate Trust			AEW Real Estate Trust	12/31/2015.		2,290,863	1,246,037		2.210
000000 00 0	J.P. Morgan US Real Estate Income and Growth Dome			J.P. Morgan US Real Estate Income and Gr	12/01/2015.		55,333,930			
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							57,624,793	4,108,534	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
000000 00 0	Principal Real Estate Debt Fund, L.P.			Principal Real Estate Debt Fund, L.P.	12/04/2015.			16,009,782		6.400
000000 00 0	Federated Project & Trade Finance Core Fund			Federated Project & Trade Finance Core F	12/30/2015.		35,896,196	1,296,039		7.000
000000 00 0	Crescent Mezzanine Paartners VI			Crescent Mezzanine Paartners VI	12/04/2015.			8,201,620		1.000
000000 00 0	KKR Energy Income & Growth Fund LP			KKR Energy Income & Growth Fund LP	11/10/2015.			6,391,192		3.100
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							35,896,196	31,898,633	0	XXX
4499999. Subtotal - Unaffiliated							95,525,336	63,580,445	0	XXX
4699999. Totals							95,525,336	63,580,445	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	C.B. Healthcare Fund II, L.P.			Cain Brothers, LLC	04/24/2001.	10/31/2015.						0		161,878	99,285		(62,593)	(62,593)	
000000 00 0	Southern Capital Technology Fund II, L.P.			So. Capital Tech. Fund II Mgmt Co	06/15/2006.	12/09/2015.						0		36,657	69,665		33,008	33,008	
000000 00 0	Blue Cross Blue Shield Ventures II			Blue Cross Blue Shield Ventures II, Inc	06/24/2011.	10/01/2015.						0		1,188,559	1,188,559			0	
000000 00 0	Synergy Life Science Partners, L.P.			Synergy Management, LLC	12/13/2007.	08/11/2015.						0		274,007	274,007			0	
000000 00 0	Northgate Venture Partners VI, LLC			Northgate Venture VI, LLC	08/31/2012.	04/14/2015.						0		220,209	532,175		311,966	311,966	
000000 00 0	Northgate Capital Direct Partners VII, L.P.			NCD Management VII, LLC	07/12/2012.	11/17/2015.						0		798,204	2,040,304		1,242,100	1,242,100	
000000 00 0	Health Enterprise Partners II, L.P.			HEP Associates II, LLC	07/10/2013.	11/01/2015.						0		41,032	41,032			0	
000000 00 0	Nautic Partners VII-A, L.P.			Nautic Partners, LLC	10/27/2014.	08/01/2015.						0		399,519	399,519			0	
000000 00 0	Health Enterprise Partners, L.P.			HEP Associates, LLC	03/30/2007.	11/01/2015.						0		169,966	353,513		183,547	183,547	
000000 00 0	HarbourVest Partners IX -Buyout Fund LP			HarbourVest Partners IX - Venture Associ	06/28/2012.	09/30/2015.						0		463,041	1,010,613		547,572	547,572	
000000 00 0	HarbourVest Partners IX -Venture Fund LP			HarbourVest Partners IX -Buyout Associat	06/28/2012.	06/22/2015.						0		105,640	287,151		181,511	181,511	
000000 00 0	C.B. Healthcare Fund II, L.P. Add On Commitment			Cain Brothers, LLC	04/24/2001.	10/31/2015.						0		161,076	94,424		(66,652)	(66,652)	
000000 00 0	Excel Medical Fund I			Excel Medical Ventures, LLC	03/18/2013.	03/12/2015.						0		152,094	152,094			0	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							0	0	0	0	0	0	0	4,171,882	6,542,341	0	2,370,459	2,370,459	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	AEW Real Estate Trust			AEW Capital Management LP	04/02/2012.	09/30/2015.						0		690,993	690,993			0	
000000 00 0	J.P. Morgan US Real Estate Income and Growth Dome			I&G Manager, LLC	01/02/2015.	12/01/2015.	53,553,462					0		54,147,781	54,147,781			0	
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							53,553,462	0	0	0	0	0	0	54,838,774	54,838,774	0	0	0	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	Principal Real Estate Debt Fund, L.P.			Principal Real Estate Debt Fund GP, LLC	05/07/2014.	12/29/2015.						0		2,799,898	2,799,898			0	
000000 00 0	Federated Project & Trade Finance Core Fund			Federated Investors Inc	05/30/2014.	09/01/2015.	35,896,196					0		35,896,196	35,896,196			0	708,461
000000 00 0	Crescent Mezzanine Paartners VI			Crescent Mezzanine VI, LLC	08/30/2013.	10/21/2015.						0		4,756,304	4,863,211		106,907	106,907	
000000 00 0	KKR Energy Income & Growth Fund LP			KKR Associates EIGF LP	10/31/2013.	12/01/2015.						0		1,073,348	1,097,956		24,606	24,606	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							35,896,196	0	0	0	0	0	0	44,525,746	44,657,261	0	131,513	131,513	708,461
4499999. Subtotal - Unaffiliated							89,449,658	0	0	0	0	0	0	103,536,402	106,038,376	0	2,501,972	2,501,972	708,461
4699999. Totals							89,449,658	0	0	0	0	0	0	103,536,402	106,038,376	0	2,501,972	2,501,972	708,461

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912810 EQ 7	UNITED STATES TREASURY				1	2,146,069	129.141	2,066,256	1,600,000	2,096,113		(49,956)			6.250	1.867	FA	37,772	50,000	02/27/2015.	08/15/2023.
912810 QA 9	UNITED STATES TREASURY				1	26,922,563	110.547	25,342,900	22,925,000	26,823,327		(99,236)			3.500	2.522	FA	303,071	417,813	10/30/2015.	02/15/2039.
912810 RK 6	UNITED STATES TREASURY				1	1,793,133	89.704	1,794,080	2,000,000	1,793,133					2.500	3.038	FA	19,565		12/31/2015.	02/15/2045.
912828 NT 3	UNITED STATES TREASURY				1	18,438,210	103.922	18,186,350	17,500,000	18,381,072		(57,137)			2.625	1.493	FA	173,514	82,359	10/05/2015.	08/15/2020.
912828 WJ 5	UNITED STATES TREASURY				1	18,759,181	102.211	18,525,744	18,125,000	18,729,031		(30,150)			2.500	2.064	MN	58,508	218,125	11/30/2015.	05/15/2024.
0199999. U.S. Government - Issuer Obligations						68,059,156	XXX	65,915,330	62,150,000	67,822,676	0	(236,479)	0	0	XXX	XXX	XXX	592,430	768,297	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
36179M NH 9	RMBS - G2 MA0392			2	1	4,268,465	104.247	4,295,382	4,120,389	4,271,815		5,502			3.500	2.860	MON	12,018	144,214	07/08/2014.	09/20/2042.
36179R F9 5	RMBS - G2 MA2892			2	1	4,232,722	104.233	4,238,385	4,066,260	4,228,005		(4,717)			3.500	2.731	MON	11,860	47,440	07/28/2015.	06/20/2045.
36179R LQ 0	RMBS - G2 MA3035			2	1	4,353,340	106.384	4,342,228	4,081,655	4,345,361		(7,979)			4.000	2.408	MON	13,606	40,817	09/09/2015.	08/20/2045.
36225C NZ 5	RMBS - G2 080407			23	1		103.565								1.750		MON	1		06/15/2000.	05/20/2030.
3837H0 XX 6	CMO/RMBS - GN-9622-Z			2	1	273,337	111.111	335,559	302,004	292,769		388			7.000	8.158	MON	1,762	21,140	10/24/1996.	10/16/2026.
0299999. U.S. Government - Residential Mortgage-Backed Securities						13,127,864	XXX	13,211,554	12,570,308	13,137,950	0	(6,806)	0	0	XXX	XXX	XXX	39,247	253,611	XXX	XXX
0599999. Total - U.S. Government						81,187,020	XXX	79,126,884	74,720,308	80,960,626	0	(243,285)	0	0	XXX	XXX	XXX	631,677	1,021,908	XXX	XXX
All Other Governments - Issuer Obligations																					
748149 AG 6	QUEBEC, PROVINCE OF		I		1FE	995,900	99.484	994,840	1,000,000	996,973		397			2.625	2.672	FA	10,063	26,250	02/06/2013.	02/13/2023.
0699999. All Other Governments - Issuer Obligations						995,900	XXX	994,840	1,000,000	996,973	0	397	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
1099999. Total - All Other Governments						995,900	XXX	994,840	1,000,000	996,973	0	397	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
041042 KN 1	ARKANSAS ST			1	1FE	5,056,300	105.313	5,265,650	5,000,000	5,021,671		(14,441)			4.500	4.181	JD	18,750	225,000	05/17/2007.	06/01/2024.
13063B FV 9	CALIFORNIA ST ECONOMIC RECOVERY			1	1FE	2,750,095	118.617	2,965,425	2,500,000	2,638,538		(28,095)			7.950	6.408	MS	66,250	198,750	10/31/2011.	03/01/2036.
13063B JB 9	CALIFORNIA ST			1	1FE	302,178	121.186	363,558	300,000	301,651		(227)			7.700	7.562	MN	3,850	23,100	11/19/2010.	11/01/2030.
20772J G3 0	CONNECTICUT ST			1	1FE	2,872,400	119.692	2,992,300	2,500,000	2,853,626		(18,774)			5.000	3.250	JD	5,556	68,403	05/13/2015.	06/15/2029.
20772J RC 8	CONNECTICUT ST			1	1FE	3,434,280	119.661	3,589,830	3,000,000	3,358,563		(39,838)			5.000	3.250	AO	31,667	150,000	01/22/2014.	10/15/2026.
452150 Y6 6	ILLINOIS ST				1FE	4,108,333	107.505	4,058,314	3,775,000	4,054,695		(53,638)			5.500	2.520	FA	86,510	103,813	06/22/2015.	08/01/2018.
452152 XY 2	ILLINOIS ST			1	2FE	2,581,875	107.955	2,698,875	2,500,000	2,579,016		(2,859)			5.000	4.540	MN	20,833	62,500	08/06/2015.	05/01/2029.
574192 TT 7	MARYLAND ST				1FE	8,391,720	107.533	7,914,429	7,360,000	7,560,813		(120,626)			5.500	3.710	FA	168,667	404,800	03/22/2007.	08/01/2017.
57582N UT 0	MASSACHUSETTS ST				1FE	2,268,560	117.735	2,354,700	2,000,000	2,107,174		(20,855)			5.250	3.960	FA	43,750	105,000	01/08/2007.	08/01/2020.
594610 3D 7	MICHIGAN ST			1	1FE	5,405,400	111.328	5,566,400	5,000,000	5,165,733		(54,053)			5.250	4.000	MN	43,750	262,500	03/24/2011.	11/01/2022.
604129 YU 4	MINNESOTA ST			1	1FE	5,000,000	107.984	5,399,200	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011.	10/01/2031.
605581 GY 7	MISSISSIPPI ST			1	1FE	3,530,070	120.896	3,626,880	3,000,000	3,527,000		(3,070)			5.000	2.931	MN	9,583		11/19/2015.	11/01/2031.
641461 ED 6	NEVADA ST			1	1FE	5,283,300	107.938	5,396,900	5,000,000	5,123,810		(61,300)			5.000	3.649	JD	20,833	250,000	04/11/2008.	12/01/2023.
677521 BD 7	OHIO STATE				1FE	3,692,098	119.097	3,870,653	3,250,000	3,486,813		(37,604)			5.000	3.550	FA	67,708	162,500	01/22/2010.	08/01/2021.
76222R KJ 0	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			1	1FE	2,186,940	118.011	2,360,220	2,000,000	2,114,830		(17,734)			5.500	4.331	FA	45,833	110,000	08/24/2011.	08/01/2031.
76222R KK 7	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			1	1FE	2,202,200	118.184	2,363,680	2,000,000	2,123,998		(19,216)			5.500	4.241	FA	45,833	110,000	08/24/2011.	08/01/2030.
882721 2J 1	TEXAS ST			1	1FE	7,389,483	109.923	8,123,310	7,390,000	7,389,977		320			5.000	5.000	FA	153,958	369,500	09/18/2008.	08/01/2023.
93974C BM 1	WASHINGTON ST			1	1FE	7,387,774	109.969	7,697,830	7,000,000	7,118,178		(43,877)			5.000	4.281	JJ	175,000	350,000	07/15/2008.	07/01/2024.
93974C JP 6	WASHINGTON ST			1	1FE	4,328,640	110.852	4,434,080	4,000,000	4,117,701		(36,263)			5.000	3.950	JJ	100,000	200,000	07/14/2009.	01/01/2024.
93974C Q2 9	WASHINGTON ST			1	1FE	4,157,240	108.297	4,331,880	4,000,000	4,104,201		(15,007)			4.000	3.521	FA	66,667	160,000	04/24/2012.	02/01/2031.
93974C WR 7	WASHINGTON ST			1	1FE	9,031,949	115.327	10,408,262	9,025,000	9,028,950		(280)			5.000	4.990	FA	188,021	451,250	01/20/2011.	02/01/2029.
956553 WY 3	WEST VIRGINIA ST			1	1FE	4,029,413	103.797	3,897,577	3,755,000	3,841,748		(79,774)			5.000	2.182	MN	31,292	187,750	11/16/2006.	11/01/2024.
956553 XJ 5	WEST VIRGINIA ST			1	1FE	3,391,505	103.773	3,263,661	3,145,000	3,217,655		(66,815)			5.000	2.182	MN	26,208	157,250	11/16/2006.	11/01/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
97705L NA 1	WISCONSIN ST				1FE	4,410,680	112.753	4,510,120	4,000,000	4,131,940		(36,234)			5.000	3.934	MN	33,333	200,000	01/10/2007.	05/01/2019.
97705L UH 8	WISCONSIN ST			1	1FE	3,156,840	109.385	3,281,550	3,000,000	3,044,164		(17,492)			5.000	4.329	MN	25,000	150,000	09/08/2008.	05/01/2024.
1199999. U.S. States, Territories & Possessions - Issuer Obligations						106,349,273	XXX	110,735,284	99,500,000	103,012,445	0	(787,752)	0	0	XXX	XXX	XXX	1,528,852	4,662,116	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						106,349,273	XXX	110,735,284	99,500,000	103,012,445	0	(787,752)	0	0	XXX	XXX	XXX	1,528,852	4,662,116	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
033161 VZ 0	ANCHORAGE ALASKA			1	1FE	2,595,225	106.687	2,667,175	2,500,000	2,520,797		(12,309)			5.000	4.450	FA	52,083	125,000	03/09/2009.	08/01/2023.
033161 WA 4	ANCHORAGE ALASKA			1	1FE	4,307,266	106.687	4,486,188	4,205,000	4,224,605		(11,489)			5.000	4.691	FA	87,604	210,250	08/21/2007.	08/01/2024.
033161 WB 2	ANCHORAGE ALASKA			1	1FE	1,017,680	106.687	1,066,870	1,000,000	1,004,360		(2,552)			5.000	4.711	FA	20,833	50,000	08/21/2007.	08/01/2025.
101565 VW 6	BOULDER LARIMER & WELD CNTYS COLO ST VRA				1FE	5,617,900	119.294	5,964,700	5,000,000	5,250,557		(44,727)			5.250	4.121	JD	11,667	262,500	03/22/2006.	12/15/2020.
108151 4F 5	BRIDGEPORT CONN				1FE	3,632,803	120.374	3,755,669	3,120,000	3,566,004		(59,697)			5.000	2.671	AO	39,000	135,633	11/07/2014.	10/01/2022.
147051 SW 7	CARY N C			1	1FE	995,290	108.272	1,082,720	1,000,000	996,117		361			4.000	4.050	JD	3,333	40,000	07/31/2013.	06/01/2025.
167505 DB 9	CHICAGO ILL BRD ED				1FE	5,457,655	107.031	5,351,550	5,000,000	5,184,949		(42,497)			5.250	4.215	JD	21,875	262,500	04/25/2008.	12/01/2019.
172252 A7 3	CINCINNATI OHIO CITY SCH DIST				1FE	3,727,570	126.840	4,439,400	3,500,000	3,662,881		(11,072)			5.250	4.700	JD	15,313	183,750	06/09/2009.	12/01/2026.
172252 A8 1	CINCINNATI OHIO CITY SCH DIST				1FE	5,672,450	127.534	6,376,700	5,000,000	5,468,533		(29,554)			5.250	4.240	JD	21,875	262,500	01/24/2008.	12/01/2027.
234667 JL 8	DALLAS CNTY TEX HOSP DIST				1FE	941,963	123.807	928,553	750,000	932,809		(3,243)			5.621	4.157	FA	15,926	42,158	02/01/2013.	08/15/2044.
239864 AP 6	DAYTON OHIO METRO LIBR			1	1FE	3,728,480	115.853	4,054,855	3,500,000	3,678,959		(26,241)			5.000	4.020	JD	14,583	175,000	01/24/2014.	12/01/2038.
249174 HM 8	DENVER COLO CITY & CNTY SCH DIST NO 1				1FE	5,977,400	127.127	6,356,350	5,000,000	5,507,876		(53,512)			5.500	3.991	JD	22,917	275,000	06/28/2005.	12/01/2023.
34153P DT 2	FLORIDA ST BRD ED PUB ED			1	1FE	6,004,500	110.312	6,624,236	6,005,000	6,004,904		267			5.000	5.000	JD	25,021	300,250	09/18/2008.	06/01/2023.
414004 3W 9	HARRIS CNTY TEX				1FE	4,939,335	128.200	5,769,000	4,500,000	4,840,830		(21,818)			5.250	4.410	FA	89,250	236,250	02/17/2011.	08/15/2027.
416415 FV 4	HARTFORD CONN			1	1FE	3,594,270	118.713	3,561,390	3,000,000	3,534,672		(53,579)			5.000	2.699	AO	37,500	138,750	10/17/2014.	10/01/2028.
438670 XM 8	HONOLULU HAWAII CITY & CNTY			1	1FE	5,169,450	115.961	5,948,799	5,130,000	5,153,601		(3,947)			5.000	4.894	JD	21,375	256,500	01/12/2011.	12/01/2030.
447025 LN 5	HUNTSVILLE ALA			1	1FE	5,447,300	115.486	5,774,300	5,000,000	5,272,141		(44,973)			5.000	3.861	MN	41,667	250,000	11/09/2011.	05/01/2033.
490278 5C 8	KENT CNTY MICH			1	1FE	6,395,410	108.741	6,421,156	5,905,000	6,357,748		(37,662)			4.000	3.021	JJ	118,100	86,607	01/23/2015.	01/01/2033.
503462 UB 7	LA JOYA TEX INDPT SCH DIST			1	1FE	6,183,500	124.461	6,223,050	5,000,000	6,005,617		(67,706)			5.000	3.008	FA	94,444	250,000	04/17/2013.	02/15/2031.
564096 PB 5	MANOR TEX INDPT SCH DIST			1	1FE	3,493,294	102.826	3,470,378	3,375,000	3,405,792		(51,145)			5.250	3.656	FA	73,828	177,188	08/21/2007.	08/01/2025.
586145 WZ 3	MEMPHIS TENN			1	1FE	2,756,500	115.129	2,878,225	2,500,000	2,627,234		(25,493)			5.000	3.760	JJ	62,500	125,000	06/22/2010.	07/01/2023.
59333F LV 0	MIAMI-DADE CNTY FLA			1	1FE	5,149,400	115.919	5,795,950	5,000,000	5,091,599		(14,321)			5.000	4.619	JJ	125,000	250,000	08/02/2011.	07/01/2031.
602409 GP 3	MILWAUKEE WIS MET SEW DIST			1	1FE	4,894,242	110.749	5,293,802	4,780,000	4,816,380		(11,818)			5.000	4.701	AO	59,750	239,000	07/29/2008.	10/01/2026.
607114 P8 2	MOBILE ALA			1	1FE	5,208,250	100.579	5,028,950	5,000,000	5,013,940		(112,784)			5.000	2.689	FA	94,444	250,000	07/19/2007.	02/15/2023.
607114 T3 9	MOBILE ALA			1	1FE	2,044,267	108.142	2,162,840	2,000,000	2,013,582		(5,856)			5.000	4.660	FA	37,778	100,000	07/24/2008.	02/15/2020.
642713 6C 0	NEW BRITAIN CONN				1FE	3,670,000	101.147	3,712,095	3,670,000	3,670,000					2.329	2.330	FA	35,614	25,167	04/01/2015.	02/01/2018.
642713 6D 8	NEW BRITAIN CONN				1FE	300,000	101.915	305,745	300,000	300,000					2.778	2.779	FA	3,473	2,454	04/01/2015.	02/01/2019.
64966J AS 5	NEW YORK N Y			1	1FE	1,000,000	116.448	1,164,480	1,000,000	1,000,000					6.646	6.646	JD	5,538	66,460	12/15/2010.	12/01/2031.
64966L Q4 6	NEW YORK N Y			1	1FE	3,382,099	117.374	3,491,877	2,975,000	3,363,331		(18,768)			5.000	3.370	JD	12,396	67,351	06/03/2015.	06/01/2035.
676006 QD 4	ODESSA TEX			1	1FE	1,880,488	113.834	2,105,929	1,850,000	1,875,665		(3,399)			5.000	4.738	MS	30,833	92,500	08/28/2013.	03/01/2033.
682845 NG 3	ONSLOW CNTY N C			1	1FE	532,345	101.962	509,810	500,000	501,631		(3,488)			5.000	4.198	JD	2,083	25,000	05/16/2006.	06/01/2017.
717813 QW 2	PHILADELPHIA PA			1	1FE	2,936,973	115.887	3,186,893	2,750,000	2,907,641		(15,997)			5.250	4.396	JJ	66,573	144,375	02/18/2014.	07/15/2034.
718814 J2 3	PHOENIX ARIZ			1	1FE	6,169,496	108.136	6,434,092	5,950,000	6,100,727		(20,271)			4.000	3.560	JJ	119,000	238,000	05/24/2012.	07/01/2033.
796237 C9 4	SAN ANTONIO TEX			1	1FE	5,330,100	115.509	5,775,450	5,000,000	5,248,212		(35,106)			5.000	4.071	FA	104,167	250,000	07/16/2013.	02/01/2033.
810453 7Y 0	SCOTTSDALE ARIZ			1	1FE	1,102,470	114.526	1,145,260	1,000,000	1,095,925		(6,545)			4.000	2.841	JJ	20,000	9,889	02/20/2015.	07/01/2028.
901561 GS 3	TWIN FALLS CNTY IDAHO SCH DIST NO 411			1	1FE	2,189,080	115.219	2,304,380	2,000,000	2,164,135		(15,717)			4.750	3.641	MS	27,972	95,000	05/16/2014.	09/15/2037.
927734 PY 3	VIRGINIA BEACH VA			1	1FE	4,456,600	103.594	4,143,760	4,000,000	4,094,094		(41,343)			5.000	3.843	MN	33,333	200,000	09/22/2004.	05/01/2018.
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations						137,901,051	XXX	145,762,577	127,765,000	134,457,848	0	(908,001)	0	0	XXX	XXX	XXX	1,668,648	5,900,032	XXX	XXX

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions						137,901,051	XXX	145,762,577	127,765,000	134,457,848	0	(908,001)	0	0	XXX	XXX	XXX	1,668,648	5,900,032	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
010608 D6 1	ALABAMA ST PUB SCH & COLLEGE AUTH			1	1FE	3,358,776	107.898	3,458,131	3,205,000	3,244,342		(19,224)			5.000	4.325	JD	13,354	160,250	04/22/2009.	12/01/2023.
011798 LB 9	ALASKA MUN BD BK ALASKA MUN BD BK AUTH			1	1FE	5,369,700	112.268	5,613,400	5,000,000	5,305,765		(36,482)			5.000	4.000	FA	104,167	250,000	03/18/2014.	02/01/2043.
02765U EK 6	AMERICAN MUN PWR OHIO INC REV				1FE	408,477	145.646	436,938	300,000	406,626		(972)			8.084	5.707	FA	9,162	24,252	02/04/2014.	02/15/2050.
047870 CY 4	ATLANTA GA WTR & WASTEWTR REV				1FE	4,527,840	123.745	4,949,800	4,000,000	4,425,804		(26,829)			5.500	4.340	MN	36,667	220,000	12/15/2011.	11/01/2027.
047870 FC 9	ATLANTA GA WTR & WASTEWTR REV				1FE	5,463,100	138.760	6,938,000	5,000,000	5,389,437		(17,018)			5.750	5.000	MN	47,917	287,500	05/10/2011.	11/01/2030.
100216 FR 6	BOSSIER CITY LA UTILS REV			1	1FE	2,259,480	115.370	2,307,400	2,000,000	2,235,166		(22,670)			5.000	3.433	AO	25,000	96,389	10/01/2014.	10/01/2036.
100216 FS 4	BOSSIER CITY LA UTILS REV			1	1FE	1,126,140	114.955	1,149,550	1,000,000	1,114,375		(11,002)			5.000	3.473	AO	12,500	48,194	10/01/2014.	10/01/2037.
121342 NZ 8	BURKE CNTY GA DEV AUTH POLLUTN CTL REV			3	1FE	5,445,000	100.177	5,454,638	5,445,000	5,445,000					1.550	1.550	MN	14,066	36,103	05/22/2015.	11/01/2048.
13033L AS 6	CALIFORNIA HEALTH FACS FING AUTH REV			1	1FE	3,594,570	114.850	3,445,500	3,000,000	3,461,205		(127,469)			6.000	1.477	JJ	90,000	180,000	10/16/2014.	07/01/2029.
160131 DB 1	CHARLESTON EDL EXCELLENCE FING CORP S C			1	1FE	4,648,640	117.474	4,698,960	4,000,000	4,505,886		(55,386)			5.000	3.180	JD	16,667	200,000	04/04/2013.	12/01/2030.
167562 NN 3	CHICAGO ILL MIDWAY ARPT REV			1	1FE	3,431,610	115.670	3,470,100	3,000,000	3,385,791		(41,756)			5.000	3.168	JJ	75,000	158,333	11/14/2014.	01/01/2025.
167593 HU 9	CHICAGO ILL O HARE INTL ARPT REV			1	1FE	1,108,109	115.719	1,110,902	960,000	1,086,091		(19,166)			5.000	2.620	JJ	24,000	48,000	11/03/2014.	01/01/2022.
167593 QQ 8	CHICAGO ILL O HARE INTL ARPT REV			1	1FE	1,076,350	111.006	1,110,060	1,000,000	1,074,835		(1,515)			5.000	4.002	JJ	10,556		10/08/2015.	01/01/2034.
167727 UG 9	CHICAGO ILL WASTEWATER TRANSMISSION REV			1	1FE	3,030,480	100.053	3,001,590	3,000,000	3,027,089		(3,391)			4.000	3.830	JJ	60,000	60,000	02/10/2015.	01/01/2034.
167736 YU 5	CHICAGO ILL WTR REV				1FE	114,267	114.006	114,006	100,000	113,817		(239)			6.742	5.696	MN	1,124	6,742	02/04/2014.	11/01/2040.
18610R BA 1	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	7,505,850	125.980	9,448,500	7,500,000	7,505,748		(202)			5.000	4.993	JJ	187,500	375,000	09/09/2013.	07/01/2033.
18610R BB 9	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	5,140,000	126.923	6,346,150	5,000,000	5,133,186		(3,481)			5.000	4.800	JJ	125,000	250,000	12/17/2013.	07/01/2037.
19464V CT 5	COLLIER CNTY FLA SPL OBLIG REV			1	1FE	5,134,800	107.013	5,350,650	5,000,000	5,100,718		(12,743)			4.000	3.660	AO	50,000	200,000	04/11/2013.	10/01/2032.
196707 KW 2	COLORADO ST BRD GOVERNORS UNIV ENTERPRIS				1FE	5,829,468	120.369	6,006,413	4,990,000	5,762,774		(26,665)			5.000	3.850	MS	83,167	249,500	06/04/2013.	03/01/2035.
20281P FS 6	COMMONWEALTH FING AUTH PA REV			1	1FE	3,375,420	112.150	3,364,500	3,000,000	3,342,190		(33,230)			5.000	3.030	JD	12,500	150,000	04/16/2015.	06/01/2031.
230593 AA 3	CUMBERLAND CNTY N C LTD OBLIG			1	1FE	1,000,000	114.866	1,148,660	1,000,000	1,000,000					6.100	6.101	MN	10,167	61,000	01/12/2011.	11/01/2025.
240523 UK 4	DEKALB CNTY GA WTR & SEW REV			1	1FE	12,954,860	124.073	13,648,030	11,000,000	12,491,892		(110,825)			5.250	3.708	AO	144,375	577,500	01/25/2012.	10/01/2032.
266780 AV 7	DURHAM N C CAP FING CORP LTD OBLIG			1	1FE	3,061,978	107.804	3,223,340	2,990,000	3,040,673		(6,818)			4.000	3.701	JD	9,967	119,600	07/31/2013.	06/01/2029.
266780 BW 4	DURHAM N C CAP FING CORP LTD OBLIG			1	1FE	9,637,640	114.208	9,707,680	8,500,000	9,367,464		(101,079)			5.000	3.430	JD	35,417	425,000	03/14/2013.	06/01/2038.
26822L MB 7	E-470 PUB HWY AUTH COLO REV				2FE	395,885	112.756	400,284	355,000	390,987		(4,899)			5.000	2.109	MS	9,220		06/11/2015.	09/01/2019.
302716 AM 7	FYI PPTYS WASH LEASE REV			1	1FE	3,098,172	112.082	3,362,460	3,000,000	3,055,231		(14,503)			5.250	4.661	JD	13,125	157,500	08/05/2009.	06/01/2023.
302716 AP 0	FYI PPTYS WASH LEASE REV			1	1FE	4,388,838	112.082	4,819,526	4,300,000	4,335,779		(9,218)			5.250	4.982	JD	18,813	225,750	08/05/2009.	06/01/2025.
353187 CN 5	FRANKLIN CNTY OHIO HOSP REV			1	1FE	5,352,145	116.587	5,602,005	4,805,000	5,327,592		(24,554)			5.000	3.621	MN	30,699	94,765	06/04/2015.	05/15/2034.
359900 5Q 6	FULTON CNTY GA DEV AUTH REV			1	1FE	2,211,920	114.725	2,294,500	2,000,000	2,184,943		(18,570)			5.000	3.700	MN	16,667	100,000	07/09/2014.	05/01/2039.
362762 LB 0	GAINESVILLE & HALL CNTY GA HOSP AUTH REV			13	1FE	2,300,000	99.101	2,279,323	2,300,000	2,300,000					0.960	0.960	MON	1,875	22,053	12/01/2014.	08/15/2035.
387883 VS 7	GRANT CNTY WASH PUB UTIL DIST NO 2 PRIES			1	1FE	2,595,241	117.365	2,587,898	2,205,000	2,556,034		(35,974)			5.000	2.876	JJ	55,125	68,294	11/01/2014.	01/01/2027.
395468 FL 0	GREENSBORO N C ENTERPRISE SYS REV			1	1FE	2,115,627	106.031	2,157,731	2,035,000	2,062,959		(18,811)			5.000	3.991	JD	8,479	101,750	06/14/2007.	06/01/2022.
45200F YA 1	ILLINOIS FIN AUTH REV			1	2FE	2,941,719	120.732	2,927,751	2,425,000	2,900,484		(41,235)			7.750	2.100	FA	70,999		08/31/2015.	08/15/2034.
452024 DF 6	ILLINOIS MUN ELEC AGY PWR SUPPLY SYS REV			1	1FE	5,171,900	104.992	5,249,600	5,000,000	5,025,049		(21,795)			5.250	4.770	FA	109,375	262,500	03/07/2008.	02/01/2022.
45203H X5 6	ILLINOIS FIN AUTH REV			1	2FE	1,686,390	114.761	1,721,415	1,500,000	1,675,812		(10,578)			5.000	3.551	FA	28,333	23,542	03/18/2015.	08/15/2026.
452252 JJ 9	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			1	1FE	1,666,014	119.592	1,674,288	1,400,000	1,641,424		(23,189)			5.000	2.817	JJ	35,000	40,250	10/31/2014.	01/01/2027.
45528S 4X 1	INDIANAPOLIS IND LOC PUB IMPT BD BK			1	1FE	3,350,040	114.803	3,444,090	3,000,000	3,158,055		(35,756)			5.000	3.587	JJ	69,167	150,000	02/02/2010.	01/15/2022.
45528S 5Q 5	INDIANAPOLIS IND LOC PUB IMPT BD BK			1	1FE	3,332,820	114.574	3,437,220	3,000,000	3,151,077		(34,122)			5.000	3.647	JJ	69,167	150,000	02/25/2010.	01/15/2023.
45528U AP 6	INDIANAPOLIS IND LOC PUB IMPT BD BK			1	1FE	4,821,968	115.816	5,339,118	4,610,000	4,731,470		(20,528)			5.250	4.662	FA	100,844	242,025	03/17/2011.	02/01/2027.
45528U AS 0	INDIANAPOLIS IND LOC PUB IMPT BD BK			1	1FE	2,953,050	113.485	3,404,550	3,000,000	2,960,850		1,990			5.000	5.131	FA	62,500	150,000	03/25/2011.	02/01/2030.
45528U BV 2	INDIANAPOLIS IND LOC PUB IMPT BD BK			1	1FE	3,508,002	114.854	3,841,866	3,345,000	3,439,227		(15,955)			5.250	4.622	FA	73,172	175,613	04/26/2011.	02/01/2027.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
46246K Y4 8	IOWA FIN AUTH REV			1	1FE	5,180,550	108.787	5,439,350	5,000,000	5,141,765		(15,885)			4.000	3.570	FA	83,333	200,000	05/31/2013.	08/01/2033.
46257T AN 9	IOWA ST SPL OBLIG			1	1FE	5,349,050	112.050	5,602,500	5,000,000	5,137,005		(36,531)			5.000	4.131	JD	20,833	250,000	07/14/2009.	06/01/2023.
46257T BB 4	IOWA ST SPL OBLIG			1	1FE	7,739,970	111.856	7,829,920	7,000,000	7,318,861		(86,267)			5.000	3.571	JD	29,167	350,000	06/08/2010.	06/01/2024.
469487 GB 2	JACKSONVILLE FLA SPL REV			1	1FE	2,281,862	116.525	2,563,550	2,200,000	2,269,405		(8,514)			5.000	4.454	AO	27,500	110,000	07/19/2013.	10/01/2032.
479354 AP 7	JOHNSTON CNTY N C LTD OBLIG			1	1FE	2,083,558	113.367	2,261,672	1,995,000	2,043,119		(8,737)			5.000	4.435	AO	21,058	99,750	11/19/2010.	10/15/2025.
48503S EJ 4	KANSAS CITY MO INDL DEV AUTH REV			1	1FE	2,433,343	116.214	2,434,683	2,095,000	2,379,652		(45,662)			5.500	2.883	MS	38,408	115,225	08/05/2014.	09/01/2027.
48542K RF 8	KANSAS ST DEV FIN AUTH REV			1	1FE	3,870,836	108.065	4,003,808	3,705,000	3,775,213		(36,013)			5.250	4.164	MN	32,419	194,513	08/21/2007.	11/01/2023.
486296 LM 6	KAUKAUNA WIS ELEC SYS REV			1	1FE	3,965,559	113.275	4,417,725	3,900,000	3,952,530		(6,159)			5.000	4.770	JD	8,667	195,000	10/22/2013.	12/15/2035.
49126P EC 0	KENTUCKY ECONOMIC DEV FIN AUTH REV			3	1FE	3,500,000	102.624	3,591,840	3,500,000	3,500,000					2.700	2.700	MN	15,750	91,613	11/06/2014.	05/01/2039.
491501 AN 2	KENTUCKY ST MUN PWR AGY PWR SYS REV			1	1FE	4,224,880	107.209	4,288,360	4,000,000	4,101,486		(58,060)			5.250	3.664	MS	70,000	210,000	05/21/2008.	09/01/2025.
49151E U7 6	KENTUCKY ST PPTY & BLDGS COMMN REVS			1	1FE	4,867,500	111.410	5,570,500	5,000,000	4,917,483		8,614			5.375	5.639	MN	44,792	268,750	10/08/2008.	11/01/2023.
491552 US 2	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			1	1FE	1,026,031	111.895	1,118,950	1,000,000	1,015,795		(4,078)			5.000	4.507	JJ	25,000	50,000	04/16/2009.	07/01/2025.
491552 UU 7	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			1	1FE	1,017,591	111.714	1,117,140	1,000,000	1,007,601		(1,951)			5.000	4.762	JJ	25,000	50,000	04/16/2009.	07/01/2026.
528921 DA 4	LEXINGTON-FAYETTE URBAN CNTY GOVT KY PUB			1	1FE	5,147,630	114.107	5,705,350	5,000,000	5,089,243		(13,899)			5.250	4.871	JD	21,875	262,500	07/14/2011.	06/01/2031.
544712 2F 8	LOS ANGELES CNTY CALIF MET TRANSN AUTH S				1FE	1,687,284	110.523	1,989,414	1,800,000	1,728,031		9,303			4.530	5.273	JD	6,795	81,540	02/17/2011.	06/01/2022.
54473E NT 7	LOS ANGELES CNTY CALIF PUB WKS FING AUTH				1FE	243,717	130.527	261,054	200,000	241,225		(1,332)			7.488	5.627	FA	6,240	14,976	02/04/2014.	08/01/2033.
545909 CG 6	LOUDOUN CNTY VA INDL DEV AUTH LEASE REV			1	1FE	8,464,750	114.980	9,198,400	8,000,000	8,277,382		(44,434)			5.000	4.276	JD	33,333	400,000	06/27/2011.	06/01/2031.
546540 HT 5	LOUISIANA ST UNIV & AGRIC & MECHANICAL C			1	1FE	3,227,640	113.080	3,392,400	3,000,000	3,113,662		(22,580)			5.000	4.070	JJ	75,000	150,000	06/10/2010.	07/01/2023.
546589 QU 9	LOUISVILLE & JEFFERSON CNTY KY MET SWR D			1	1FE	9,396,021	113.737	10,236,330	9,000,000	9,173,666		(39,894)			5.000	4.452	MN	57,500	450,000	08/13/2009.	05/15/2023.
558459 RK 1	MADISON WIS CMNTY DEV AUTH REV			1	1FE	5,108,441	112.952	5,184,497	4,590,000	4,811,597		(54,154)			5.000	3.611	AO	57,375	229,500	01/12/2010.	10/01/2024.
560427 GK 6	MAINE HEALTH & HIGHER EDL FACS AUTH REV			1	1FE	10,469,022	109.589	10,958,900	10,000,000	10,195,942		(50,727)			5.000	4.390	JJ	250,000	500,000	12/08/2009.	07/01/2026.
560459 R9 2	MAINE MUN BD BK			1	1FE	1,467,250	113.082	1,537,915	1,360,000	1,407,831		(11,283)			5.000	4.001	MN	11,333	68,000	05/27/2009.	11/01/2027.
57420P FX 9	MARYLAND ST ECONOMIC DEV CORP LEASE REV			1	1FE	11,252,800	115.987	11,598,700	10,000,000	10,764,604		(126,351)			5.000	3.440	JD	41,667	500,000	12/01/2011.	06/01/2026.
575579 PZ 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE				1FE	5,953,229	130.432	7,225,933	5,540,000	5,868,623		(19,057)			5.250	4.620	JJ	145,425	290,850	02/15/2011.	07/01/2028.
575579 QC 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE				1FE	11,652,630	132.272	14,549,920	11,000,000	11,549,131		(23,447)			5.250	4.790	JJ	288,750	577,500	02/16/2011.	07/01/2031.
576002 BP 3	MASSACHUSETTS ST SPL OBLIG DEDICATED TAX				1FE	5,316,350	132.754	6,637,700	5,000,000	5,291,013		(9,783)			5.500	5.006	JJ	137,500	275,000	08/28/2013.	01/01/2034.
576051 BN 5	MASSACHUSETTS ST WTR RES AUTH			1	1FE	8,169,120	115.629	9,250,320	8,000,000	8,091,325		(17,134)			5.000	4.720	FA	166,667	400,000	02/10/2011.	08/01/2028.
576528 DQ 3	MATAGORDA CNTY TEX NAV DIST NO 1 POLLUTN			1	2FE	2,511,180	105.393	3,161,790	3,000,000	2,556,074		19,925			4.000	5.500	JD	10,000	120,000	08/23/2013.	06/01/2030.
58401A BD 1	MECKLENBURG CNTY N C PUB FACS CORP LTD O			1	1FE	1,606,095	112.309	1,684,635	1,500,000	1,553,180		(15,100)			5.000	3.800	MS	25,000	75,000	07/31/2013.	03/01/2026.
586158 MK 0	MEMPHIS TENN ELEC SYS REV				1FE	7,449,381	111.254	7,787,780	7,000,000	7,151,949		(47,881)			5.000	4.201	JD	29,167	350,000	06/18/2008.	12/01/2018.
59259N ZH 9	METROPOLITAN TRANSN AUTH N Y DEDICATED T				1FE	2,100,000	146.153	3,069,213	2,100,000	2,100,000					7.336	7.336	MN	19,685	154,056	04/23/2009.	11/15/2039.
59259Y Q8 5	METROPOLITAN TRANSN AUTH N Y REV			1	1FE	2,699,025	117.294	2,932,350	2,500,000	2,667,137		(17,667)			5.000	4.001	MN	15,972	125,000	03/04/2014.	11/15/2031.
59259Y RE 1	METROPOLITAN TRANSN AUTH N Y REV			1	1FE	5,199,750	117.030	5,851,500	5,000,000	5,155,263		(18,703)			5.000	4.470	MN	31,944	250,000	07/17/2013.	11/15/2032.
59333A GH 8	MIAMI-DADE CNTY FLA EDL FACS AUTH REV				1FE	5,236,550	114.361	5,718,050	5,000,000	5,098,980		(20,256)			5.250	4.730	AO	65,625	262,500	03/11/2008.	04/01/2020.
59333G AL 2	MIAMI DADE CNTY FLA INDL DEV AUTH SOLID			3	1FE	1,000,000	100.555	1,005,550	1,000,000	1,000,000					2.125	2.125	MN	3,542	21,250	10/31/2014.	11/01/2041.
59333P L2 2	MIAMI-DADE CNTY FLA AVIATION REV			1	1FE	5,568,550	114.541	5,727,050	5,000,000	5,517,778		(49,834)			5.000	3.609	AO	62,500	197,222	12/03/2014.	10/01/2032.
59333T EC 0	MIAMI-DADE CNTY FLA PUB FACS REV			1	1FE	6,309,418	114.445	6,580,588	5,750,000	6,286,624		(22,794)			5.000	3.811	JD	23,958	113,403	06/25/2015.	06/01/2033.
59334D HH 0	MIAMI-DADE CNTY FLA WTR & SWR REV			1	1FE	1,951,950	112.329	1,965,758	1,750,000	1,950,429		(1,521)			5.000	3.105	AO	21,875		12/08/2015.	10/01/2042.
593464 AA 8	MIAMI FLA RENT REV				1FE	286,521	113.144	299,832	265,000	271,539		(1,567)			8.650	7.830	JJ	11,461	22,923	01/04/2000.	07/01/2019.
59447P 7Q 8	MICHIGAN FIN AUTH REV			1	1FE	2,993,940	115.182	3,081,119	2,675,000	2,960,170		(33,770)			5.000	3.151	JD	11,146	102,170	02/12/2015.	12/01/2030.
59447P L3 3	MICHIGAN FIN AUTH REV			1	1FE	3,591,189	114.872	3,618,468	3,150,000	3,549,108		(38,763)			5.000	3.319	AO	39,375	144,813	10/23/2014.	10/01/2031.
594615 EE 2	MICHIGAN ST BLDG AUTH REV	@		1	1FE	485,566	91.007	659,801	725,000	637,646		8,089				5.004	N/A			04/11/2008.	10/15/2018.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
594615 EG 7	MICHIGAN ST BLDG AUTH REV	@		1	1FE	2,863,167	90.732	3,878,793	4,275,000	3,756,904		44,690			5.000	3.198	JD	9,063	116,302	10/23/2014.	12/01/2029.
602248 KA 3	MILWAUKEE CNTY WIS ARPT REV			1	1FE	2,479,174	114.099	2,481,653	2,175,000	2,447,097		(29,665)			5.000	3.198	JD	9,063	116,302	10/23/2014.	12/01/2029.
60534T FR 1	MISSISSIPPI DEV BK SPL OBLIG			1	1FE	5,094,400	114.249	5,712,450	5,000,000	5,073,531		(8,887)			5.000	4.740	MS	83,333	250,000	08/22/2013.	09/01/2030.
606092 CJ 1	MISSOURI JT MUN ELEC UTIL COMMN PWR PROJ			1	1FE	6,868,270	104.406	6,786,390	6,500,000	6,628,550		(124,806)			5.000	2.978	JJ	162,500	325,000	10/23/2007.	01/01/2025.
60636W GW 9	MISSOURI ST HWYS & TRANSN COMMN ST RD RE			1	1FE	7,152,670	101.585	7,110,950	7,000,000	7,027,439		(80,551)			5.000	3.798	MN	58,333	350,000	08/27/2007.	05/01/2026.
613209 AT 2	MONTGOMERY CNTY ALA PUB BLDG AUTH REV			1	1FE	5,172,200	100.778	5,038,900	5,000,000	5,016,764		(100,545)			5.000	2.936	MS	83,333	250,000	11/08/2007.	03/01/2025.
613603 TC 3	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,430,806	111.614	1,406,336	1,260,000	1,398,958		(27,259)			5.000	2.521	AO	15,750	57,925	10/23/2014.	10/01/2020.
613603 TD 1	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,496,154	112.524	1,485,317	1,320,000	1,468,680		(23,509)			5.000	2.861	AO	16,500	60,683	10/23/2014.	10/01/2021.
625914 HG 4	MUNICIPAL ENERGY AGY OF NEB PWR SUPPLY S			1	1FE	3,555,840	114.489	3,434,670	3,000,000	3,394,252		(57,192)			5.000	2.700	AO	37,500	150,000	02/04/2013.	04/01/2027.
626207 K8 6	MUNICIPAL ELEC AUTH GA			1	1FE	1,145,180	115.332	1,153,320	1,000,000	1,144,796		(384)			5.000	3.140	JJ	1,250		12/10/2015.	01/01/2035.
626207 WT 7	MUNICIPAL ELEC AUTH GA			1	1FE	4,851,990	112.252	4,714,584	4,200,000	4,461,655		(98,675)			6.000	3.380	JJ	126,000	252,000	10/31/2011.	01/01/2023.
626207 ZR 8	MUNICIPAL ELEC AUTH GA			1	1FE	4,310,640	113.496	4,585,238	4,040,000	4,179,946		(25,438)			5.000	4.200	MN	33,667	202,000	05/20/2010.	11/01/2027.
626207 ZS 6	MUNICIPAL ELEC AUTH GA			1	1FE	2,678,861	114.090	2,892,182	2,535,000	2,609,400		(13,450)			5.000	4.320	MN	21,125	126,750	05/10/2010.	11/01/2028.
63968A YL 3	NEBRASKA PUB PWR DIST REV			1	1FE	1,113,130	115.238	1,152,380	1,000,000	1,098,177		(14,626)			5.000	3.189	JJ	25,000	28,750	11/05/2014.	01/01/2034.
64465P MH 8	NEW HAMPSHIRE MUN BD BK			1	1FE	3,755,610	113.941	3,948,056	3,465,000	3,612,852		(28,467)			5.000	3.980	FA	65,450	173,250	06/17/2010.	08/15/2028.
64465P MS 4	NEW HAMPSHIRE MUN BD BK			1	1FE	2,153,980	114.634	2,292,680	2,000,000	2,000,000					5.000	5.000	FA	37,778	100,000	06/17/2010.	08/15/2029.
64465P TT 5	NEW HAMPSHIRE MUN BD BK			1	1FE	1,817,370	119.367	1,790,505	1,500,000	1,727,312		(31,163)			5.000	2.502	FA	28,333	75,000	04/18/2012.	08/15/2024.
646139 W3 5	NEW JERSEY ST TPK AUTH TPK REV				1FE	1,700,000	142.486	2,422,262	1,700,000	1,700,000					7.414	7.415	JJ	63,019	126,038	04/20/2009.	01/01/2040.
64711M 5W 3	NEW MEXICO FIN AUTH REV			1	1FE	7,171,960	106.292	7,164,081	6,740,000	6,825,474		(55,781)			5.250	4.340	JD	15,727	353,850	06/18/2008.	06/15/2020.
64711M 6B 8	NEW MEXICO FIN AUTH REV			1	1FE	4,318,167	106.037	4,405,837	4,155,000	4,223,289		(44,741)			5.250	4.074	JD	9,695	218,138	08/22/2007.	06/15/2025.
64971M 5F 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH				1FE	2,292,370	107.993	2,159,860	2,000,000	2,206,397		(32,571)			4.325	2.417	MN	14,417	86,500	04/17/2013.	11/01/2021.
64971M 7J 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	3,258,555	119.411	3,253,950	2,725,000	3,168,339		(86,707)			5.500	1.955	MN	24,979	149,875	10/09/2014.	11/01/2035.
64971Q 6R 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	3,214,320	112.968	3,389,040	3,000,000	3,179,209		(20,486)			5.000	4.050	MN	25,000	150,000	04/03/2014.	05/01/2042.
64971Q T9 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	73,095	112.653	78,857	70,000	71,723		(469)			5.000	4.200	MN	583	3,500	12/19/2012.	05/01/2023.
64971Q XW 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	5,372,200	118.823	5,941,150	5,000,000	5,296,272		(36,827)			5.000	4.000	MN	41,667	250,000	11/21/2013.	11/01/2031.
64972F 4K 9	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			1	1FE	3,158,910	115.579	3,467,370	3,000,000	3,120,813		(19,339)			5.000	4.167	JD	6,667	150,000	06/15/2011.	06/15/2031.
64972H SY 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	8,409,040	117.153	9,372,240	8,000,000	8,307,418		(47,837)			5.250	4.459	JJ	193,667	420,000	10/21/2013.	07/15/2037.
64983S FU 4	NEW YORK ST DORM AUTH REVS ST SUPPORTED				1FE	3,263,081	128.850	3,324,330	2,580,000	3,165,353		(27,830)			5.500	3.580	JJ	70,950	141,900	04/19/2012.	07/01/2031.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV			1	1FE	2,392,617	104.505	2,361,813	2,260,000	2,381,645		(10,971)			3.500	2.766	AO	19,775	47,240	02/11/2015.	10/01/2034.
64990E W8 6	NEW YORK ST DORM AUTH ST PERS INCOME TAX			1	1FE	5,690,400	119.189	5,959,450	5,000,000	5,674,144		(16,256)			5.000	3.360	MS	76,389		09/17/2015.	03/15/2034.
658196 2M 1	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			1	1FE	500,280	111.872	559,360	500,000	500,153		(21)			5.000	4.989	JJ	12,500	12,500	03/10/2011.	01/01/2026.
658196 QS 2	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			1	1	902,079	101.209	870,397	860,000	860,000		(13,727)			5.000	2.680	JJ	21,500	43,000	05/31/2006.	01/01/2017.
658196 QY 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS				1FE	2,319,940	122.439	2,448,780	2,000,000	2,161,671		(23,033)			6.000	4.450	JJ	60,000	120,000	01/04/2008.	01/01/2022.
658196 Z2 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			1	1FE	5,984,640	113.346	6,800,760	6,000,000	5,990,553		2,819			5.500	5.558	JJ	165,000	330,000	01/13/2011.	01/01/2026.
658203 M8 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			1	1FE	5,730,960	109.982	6,598,920	6,000,000	5,777,720		10,422			5.000	5.380	JJ	150,000	300,000	01/13/2011.	01/01/2030.
65820A AJ 7	NORTH CAROLINA CAP FACS FIN AGY SOLID WA			1	1FE	10,448,000	107.833	11,322,465	10,500,000	10,456,956		2,491			4.375	4.411	AO	114,844	459,375	08/09/2011.	10/01/2031.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	987,147	110.599	1,105,990	1,000,000	989,721		524			4.750	4.850	JD	3,958	47,500	10/22/2009.	06/01/2030.
65821D DW 8	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	2,030,000	110.921	2,218,420	2,000,000	2,014,965		(2,900)			5.000	4.810	JD	8,333	100,000	04/22/2010.	06/01/2035.
65821D DX 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	1,119,880	109.951	1,099,510	1,000,000	1,076,120		(15,838)			5.000	3.140	JD	4,167	50,000	02/22/2013.	06/01/2042.
65821D FW 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	5,179,050	112.232	5,611,600	5,000,000	5,096,578		(17,225)			5.000	4.550	MN	41,667	250,000	10/22/2010.	11/01/2030.
65821D LH 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	9,165,865	114.798	9,757,830	8,500,000	9,044,671		(73,646)			5.000	3.860	JD	35,417	425,000	06/27/2013.	06/01/2032.
65821D NE 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			1	1FE	5,327,000	103.388	5,169,400	5,000,000	5,240,091		(30,485)			4.000	3.220	JD	16,667	200,000	01/15/2013.	12/01/2033.
65825P CA 6	NORTH CAROLINA ST CAP IMPT LTD OBLIG			1	1FE	1,066,858	112.899	1,128,990	1,000,000	1,027,443		(7,497)			5.000	4.110	MN	8,333	50,000	04/16/2009.	05/01/2023.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
65825P CB 4	NORTH CAROLINA ST CAP IMPT LTD OBLIG			1	1FE	1,056,760	112.899	1,128,990	1,000,000	1,023,378		(6,359)			5.000	4.240	MN	8,333	50,000	04/16/2009.	05/01/2024.
65825P DD 9	NORTH CAROLINA ST CAP IMPT LTD OBLIG			1	1FE	4,909,100	111.368	5,568,400	5,000,000	4,928,513		4,506			4.500	4.654	MN	37,500	225,000	03/22/2011.	05/01/2028.
658268 AX 5	NORTH CAROLINA ST GRANT ANTIC REV			1	1FE	3,552,329	104.945	3,573,377	3,405,000	3,437,039		(26,213)			5.000	4.163	MS	56,750	170,250	07/31/2013.	03/01/2019.
65887P RB 3	NORTH DAKOTA PUB FIN AUTH			1	1FE	1,801,441	117.194	1,828,226	1,560,000	1,788,070		(13,372)			5.000	3.190	JD	6,500	44,200	04/24/2015.	06/01/2032.
66285W LS 3	NORTH TEX TWY AUTH REV			1	1FE	3,481,691	116.059	3,626,844	3,125,000	3,445,733		(33,854)			5.000	3.517	JJ	78,125	95,920	11/06/2014.	01/01/2030.
664754 Y5 1	NORTHERN ARIZ UNIV REVS			1	1FE	3,061,543	116.096	3,215,859	2,770,000	2,998,649		(25,539)			5.000	3.740	FA	57,708	138,500	06/05/2013.	08/01/2029.
677632 PA 3	OHIO ST UNIV GEN RCPTS				1FE	1,484,895	96.800	1,452,000	1,500,000	1,484,857		67			4.800	4.849	JD	6,000	72,000	10/20/2011.	06/01/2111.
682004 DW 3	OMAHA PUB PWR DIST NEB SEPARATE ELEC REV			1	1FE	2,351,240	119.623	2,392,460	2,000,000	2,326,221		(25,019)			5.000	2.941	FA	41,667	38,889	02/27/2015.	02/01/2028.
684618 AN 1	ORANGE CNTY PUB FACS CO LTD OBLIG N C			1	1FE	1,135,640	118.952	1,189,520	1,000,000	1,083,436		(12,919)			5.000	3.390	AO	12,500	50,000	09/14/2011.	10/01/2024.
684618 AP 6	ORANGE CNTY PUB FACS CO LTD OBLIG N C			1	1FE	1,123,000	118.952	1,189,520	1,000,000	1,075,862		(11,684)			5.000	3.530	AO	12,500	50,000	09/14/2011.	10/01/2025.
684618 AQ 4	ORANGE CNTY PUB FACS CO LTD OBLIG N C			1	1FE	2,226,380	118.650	2,373,000	2,000,000	2,139,915		(21,457)			5.000	3.640	AO	25,000	100,000	09/14/2011.	10/01/2026.
684618 BH 3	ORANGE CNTY PUB FACS CO LTD OBLIG N C			1	1FE	2,748,900	113.294	2,832,350	2,500,000	2,670,828		(21,918)			4.750	3.600	AO	29,688	118,750	03/30/2012.	10/01/2032.
708692 AJ 7	PENNSYLVANIA ECONOMIC DEV FING AUTH SOLI				1FE	2,000,000	102.602	2,052,040	2,000,000	2,000,000					1.500	2.625	MN	8,750	52,500	10/31/2014.	11/01/2021.
70869P HY 6	PENNSYLVANIA ECONOMIC DEV FING AUTH REV				2FE	3,804,210	105.708	3,747,349	3,545,000	3,743,401		(60,810)			4.000	1.701	JD	394	111,077	02/25/2015.	06/30/2018.
709193 LX 2	PENNSYLVANIA ST INDL DEV AUTH REV			2	1FE	1,330,000	99.913	1,328,843	1,330,000	1,330,000					1.635	1.635	JJ	10,873	4,591	04/02/2015.	07/01/2016.
709222 CN 1	PENNSYLVANIA ST TPK COMMN REGISTRATION F				1FE	3,937,220	116.347	4,072,145	3,500,000	3,662,122		(31,840)			5.250	4.120	JJ	84,729	183,750	08/02/2005.	07/15/2020.
717893 YU 9	PHILADELPHIA PA WTR & WASTEWTR REV			1	1FE	10,310,000	112.432	11,243,200	10,000,000	10,264,159		(24,861)			5.000	4.621	JJ	250,000	500,000	02/11/2014.	07/01/2043.
71884A YY 9	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX			1	1FE	1,168,880	118.699	1,186,990	1,000,000	1,159,798		(9,082)			5.000	3.050	JJ	31,806		04/22/2015.	07/01/2032.
720175 VA 3	PIEDMONT MUN PWR AGY S C ELEC REV				1FE	1,193,760	107.797	1,169,597	1,085,000	1,118,291		(15,823)			5.000	3.400	JJ	27,125	54,250	11/17/2010.	01/01/2018.
720175 XD 5	PIEDMONT MUN PWR AGY S C ELEC REV			1	1FE	5,065,600	118.211	5,910,550	5,000,000	5,039,243		(5,944)			5.750	5.582	JJ	143,750	287,500	02/24/2011.	01/01/2034.
725304 SL 4	PITTSBURGH PA WTR & SWR AUTH WTR & SWR S			1	1FE	3,632,685	115.304	4,035,640	3,500,000	3,609,802		(11,572)			5.000	4.511	MS	58,333	175,000	01/07/2014.	09/01/2031.
751120 BD 7	RALEIGH N C LTD OBLIG			1	1FE	3,085,560	114.702	3,441,060	3,000,000	3,069,579		(7,116)			5.000	4.640	AO	37,500	150,000	09/19/2013.	10/01/2038.
76218T NK 6	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			1	1FE	2,140,483	116.410	2,211,790	1,900,000	2,021,857		(23,145)			5.000	3.521	AO	23,750	95,000	06/10/2010.	10/01/2023.
764791 BA 6	RICHMOND IND HOSP AUTH REV			1	1FE	1,683,405	113.436	1,701,540	1,500,000	1,669,842		(13,563)			5.000	3.521	JJ	37,500	26,458	02/11/2015.	01/01/2035.
792905 DG 3	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			1	1FE	1,704,072	115.576	1,779,870	1,540,000	1,696,547		(7,525)			5.000	3.720	JJ	42,778		05/29/2015.	07/01/2032.
792905 DH 1	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			1	1FE	375,020	115.221	391,751	340,000	373,418		(1,602)			5.000	3.760	JJ	9,444		05/29/2015.	07/01/2033.
79765R SU 4	SAN FRANCISCO CALIF CITY & CNTY PUB UTIL				1FE	1,740,546	113.929	2,050,722	1,800,000	1,755,107		3,466			5.500	5.837	MN	16,500	99,000	02/17/2011.	11/01/2025.
798111 GG 9	SAN JOAQUIN HILLS CALIF TRANSN CORRIDOR			1	2FE	1,526,153	111.659	1,529,728	1,370,000	1,511,771		(13,050)			5.000	3.646	JJ	31,586	47,379	10/23/2014.	01/15/2029.
800618 AD 2	SANFORD N C ENTERPRISE SYS REV			1	1FE	3,820,000	112.565	4,299,983	3,820,000	3,820,000					5.920	5.920	JD	18,845	226,144	12/08/2010.	06/01/2024.
829594 EV 8	SIOUX FALLS S D SALES TAX REV			1	1FE	2,770,500	107.391	2,792,166	2,600,000	2,680,764		(41,202)			5.000	3.274	MN	16,611	130,000	05/09/2007.	11/15/2023.
829594 EW 6	SIOUX FALLS S D SALES TAX REV			1	1FE	2,911,865	107.237	2,911,485	2,715,000	2,800,361		(43,561)			5.000	3.253	MN	17,346	135,750	05/09/2007.	11/15/2024.
829594 EX 4	SIOUX FALLS S D SALES TAX REV			1	1FE	3,035,605	107.179	3,038,525	2,835,000	2,925,580		(46,245)			5.000	3.226	MN	18,113	141,750	05/09/2007.	11/15/2025.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG			1	1FE	3,789,476	107.783	3,750,848	3,480,000	3,760,533		(28,600)			4.000	2.922	JJ	69,600	75,400	12/01/2014.	07/01/2041.
837151 CC 1	SOUTH CAROLINA ST PUB SVC AUTH REV			1	1FE	10,822,700	112.148	11,214,800	10,000,000	10,571,704		(84,620)			5.000	3.905	JD	41,667	500,000	01/27/2014.	12/01/2036.
837152 MW 4	SOUTH CAROLINA TRANSN INFRASTRUCTURE BK			1	1FE	7,490,421	103.440	7,245,972	7,005,000	7,114,190		(142,432)			5.000	2.878	AO	87,563	350,250	01/19/2007.	10/01/2020.
83755V XD 1	SOUTH DAKOTA ST HEALTH & EDL FACS AUTH R			1	1FE	3,473,250	112.156	3,364,680	3,000,000	3,428,861		(41,477)			5.000	3.134	MN	25,000	151,250	10/16/2014.	11/01/2034.
847184 SM 1	SPARTANBURG S C WTRWKS REV			1	1FE	2,041,020	104.933	2,098,660	2,000,000	2,012,843		(8,607)			4.500	4.028	JD	7,500	90,000	02/08/2007.	06/01/2021.
847184 SN 9	SPARTANBURG S C WTRWKS REV			1	1FE	2,031,725	104.933	2,098,660	2,000,000	2,012,733		(8,532)			4.500	4.032	JD	7,500	90,000	02/07/2007.	06/01/2022.
847184 SQ 2	SPARTANBURG S C WTRWKS REV			1	1FE	2,864,344	104.701	2,931,628	2,800,000	2,824,352		(16,386)			4.500	3.862	JD	10,500	126,000	03/09/2007.	06/01/2024.
851018 HW 4	SPRINGFIELD MO PUB UTIL REV			1	1FE	3,010,770	102.551	3,076,530	3,000,000	3,002,696		(4,345)			4.750	4.592	FA	59,375	142,500	08/15/2007.	08/01/2024.
860820 DM 8	STILLWATER OKLA UTILS AUTH UTIL SYS & SA			1	1FE	2,831,354	118.327	2,946,342	2,490,000	2,811,455		(31,186)			5.000	3.290	AO	31,125	124,500	07/29/2014.	10/01/2032.
870487 CG 8	SWEETWATER CNTY WYO POLLUTION CTL REV			1	1FE	13,000,000	112.513	14,626,690	13,000,000	13,000,000					5.250	5.250	FA	284,375	682,500	12/16/2010.	07/15/2026.
880557 6V 0	TENNESSEE ST SCH BD AUTH			1	1FE	5,970,834	109.458	5,894,313	5,385,000	5,580,271		(79,097)			5.000	3.370	MN	44,875	269,250	09/02/2010.	05/01/2030.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 For eign	5 Bond CHAR	NAIC Desig-nation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
88283K AJ 7	TEXAS TRANSN COMMN CENT TEX TPK SYS REV			13	1FE	2,333,180	113.517	2,270,340	2,000,000	2,274,613		(58,567)			5.000	1.642	FA	37,778	53,056	01/22/2015.	08/15/2042.
88283L GW 0	TEXAS TRANSN COMMN ST HWY FD REV				1FE	11,338,011	125.879	13,229,883	10,510,000	11,025,272		(49,869)			5.250	4.531	AO	137,944	551,775	07/25/2008.	04/01/2024.
882854 PX 4	TEXAS WTR DEV BRD REV			1	1FE	7,468,349	106.363	8,136,770	7,650,000	7,518,443		8,333			5.000	5.200	JJ	176,375	382,500	09/18/2008.	07/15/2027.
882854 RC 8	TEXAS WTR DEV BRD REV			1	1FE	5,238,055	106.924	5,346,200	5,000,000	5,052,891		(32,426)			5.250	4.530	JJ	121,042	262,500	06/25/2008.	07/15/2022.
882854 RF 1	TEXAS WTR DEV BRD REV			1	1FE	5,218,550	106.837	5,341,850	5,000,000	5,044,020		(26,927)			5.250	4.650	JJ	121,042	262,500	06/25/2008.	07/15/2025.
899676 KU 3	TULSA OKLA TULSA INDL AUTH REV			1	1FE	999,975	102.733	1,027,330	1,000,000	999,981		64			4.500	4.500	AO	11,250	45,000	02/06/2007.	10/01/2026.
913366 DF 4	UNIV CALIF REGTS MED CTR POOLED REV			2	1FE	2,000,000	128.743	2,574,860	2,000,000	2,000,000					6.583	6.582	MN	16,823	131,660	12/04/2009.	05/15/2049.
914072 PK 3	UNIVERSITY ARK UNIV REV			1	1FE	4,589,600	115.222	4,608,880	4,000,000	4,459,978		(50,556)			5.000	3.320	MN	33,333	200,000	04/18/2013.	11/01/2037.
91412F 7X 9	UNIVERSITY CALIF REVS			1	1FE	999,290	111.722	1,117,220	1,000,000	999,652		105			6.270	6.274	MN	8,012	62,700	08/19/2009.	05/15/2031.
91417K SF 9	UNIVERSITY COLO ENTERPRISE SYS REV			1	1FE	3,236,640	115.480	3,464,400	3,000,000	3,144,766		(23,448)			5.000	4.000	JD	12,500	150,000	10/26/2011.	06/01/2032.
914353 A8 0	UNIVERSITY ILL UNIV REVS			1	1FE	7,666,734	101.162	7,410,117	7,325,000	7,356,748		(125,600)			5.000	3.229	AO	91,563	366,250	06/21/2013.	04/01/2022.
914353 C4 7	UNIVERSITY ILL UNIV REVS			1	1FE	1,753,144	101.112	1,693,626	1,675,000	1,682,260		(28,721)			5.000	3.229	AO	20,938	83,750	06/21/2013.	04/01/2022.
914692 J4 1	UNIVERSITY N MEX UNIV REVS			1	1FE	3,117,270	105.533	3,165,990	3,000,000	3,021,765		(14,503)			5.000	4.465	JD	12,500	150,000	06/16/2008.	06/01/2023.
914714 CN 8	UNIVERSITY N C CHAPEL HILL UNIV N C HOSP			1	1FE	2,500,000	111.444	2,786,100	2,500,000	2,500,000					6.329	6.330	FA	65,927	158,225	11/10/2010.	02/01/2031.
914720 JC 2	UNIVERSITY N C SYS POOL REV				1FE	4,799,660	112.409	4,889,792	4,350,000	4,479,274		(36,170)			5.250	4.260	AO	57,094	228,375	03/23/2005.	04/01/2019.
914720 YH 4	UNIVERSITY N C SYS POOL REV			1	1FE	1,600,644	116.946	1,695,717	1,450,000	1,538,737		(18,927)			5.250	3.680	AO	19,031	76,125	07/31/2013.	04/01/2022.
914760 N2 5	UNIVERSITY OKLA REVS			1	1FE	5,962,330	102.244	5,950,601	5,820,000	5,852,779		(63,711)			5.000	3.852	JJ	145,500	291,000	08/20/2007.	07/01/2024.
917565 ET 6	UTAH TRAN AUTH SALES TAX REV				1FE	5,783,450	127.321	6,366,050	5,000,000	5,638,250		(35,162)			5.250	4.013	JD	11,667	262,500	07/27/2011.	06/15/2029.
917565 GR 8	UTAH TRAN AUTH SALES TAX REV				1FE	3,182,850	123.747	3,712,410	3,000,000	3,165,738		(7,244)			5.000	4.500	JD	6,667	150,000	07/17/2013.	06/15/2031.
919061 EY 3	VALDEZ ALASKA MARINE TERM REV				1FE	1,122,700	114.361	1,143,610	1,000,000	1,071,574		(12,911)			5.000	3.430	JJ	25,000	50,000	10/21/2011.	01/01/2021.
927781 VQ 4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R				1FE	2,004,400	106.671	2,133,420	2,000,000	2,002,258		(346)			4.000	3.973	MS	26,667	80,000	10/28/2010.	09/01/2020.
927781 Y2 4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R			1	1FE	337,318	103.033	334,857	325,000	328,132		(4,580)			5.000	3.519	MS	5,417	16,250	12/16/2013.	09/01/2023.
927781 Z8 0	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R			1	1FE	5,890,085	103.050	5,848,088	5,675,000	5,729,693		(79,975)			5.000	3.519	MS	94,583	283,750	12/16/2013.	09/01/2023.
927793 WM 7	VIRGINIA COMWLTH TRANSN BRD TRANSN REV			1	1FE	5,129,700	107.258	5,362,900	5,000,000	5,104,985		(14,266)			4.000	3.628	MN	25,556	200,000	06/05/2012.	05/15/2034.
928172 RH 0	VIRGINIA ST PUB BLDG AUTH PUB FACS REV			1	1FE	8,887,161	110.263	9,956,749	9,030,000	8,952,361		27,695			5.125	5.487	FA	192,828	462,788	12/04/2008.	08/01/2025.
92818A LN 4	VIRGINIA ST RES AUTH INFRASTRUCTURE REV			1	1FE	5,365,750	115.340	5,767,000	5,000,000	5,296,280		(36,828)			5.000	4.000	MN	41,667	250,000	01/29/2014.	11/01/2042.
930868 BX 1	WAKE CNTY N C INDL FACS & POLLUTION CTL			1	1FE	3,997,000	104.035	4,161,400	4,000,000	3,997,109		120			4.000	4.005	JD	13,333	160,000	06/02/2014.	06/01/2041.
930876 AZ 0	WAKE CNTY N C LTD OBLIG			1	1FE	3,862,929	112.546	3,939,110	3,500,000	3,672,027		(46,665)			5.000	3.461	JD	14,583	175,000	07/31/2013.	06/01/2023.
930876 BB 2	WAKE CNTY N C LTD OBLIG			1	1FE	1,179,722	112.546	1,238,006	1,100,000	1,148,706		(13,165)			5.000	3.610	JD	4,583	55,000	07/31/2013.	06/01/2024.
930876 BY 2	WAKE CNTY N C LTD OBLIG			1	1FE	6,556,794	113.999	6,731,641	5,905,000	6,194,686		(66,073)			5.000	3.670	JJ	147,625	295,250	12/11/2009.	01/01/2025.
93978H LE 3	WASHINGTON ST HEALTH CARE FACS AUTH REV			1	1FE	4,621,922	115.444	4,663,938	4,040,000	4,568,255		(48,676)			5.000	3.332	MS	67,333	168,894	10/23/2014.	03/01/2030.
93978H QT 5	WASHINGTON ST HEALTH CARE FACS AUTH REV			1	1FE	1,617,300	112.767	1,691,505	1,500,000	1,612,647		(4,653)			5.000	4.040	JJ	36,042		06/24/2015.	01/01/2033.
944514 MN 5	WAYNE CNTY MICH ARPT AUTH REV			1	1FE	4,051,019	112.788	4,122,401	3,655,000	4,031,809		(19,210)			5.000	3.080	JD	15,229	91,375	08/27/2015.	12/01/2022.
95648V AS 8	WEST VIRGINIA ECONOMIC DEV AUTH SOLID WA			13	2FE	3,333,360	112.350	3,370,500	3,000,000	3,320,855		(12,505)			5.375	3.017	JD	13,438	80,625	10/20/2015.	12/01/2038.
958697 JV 7	WESTERN MINN MUN PWR AGY MINN PWR SUPPLY			1	1FE	3,333,420	114.437	3,433,110	3,000,000	3,298,560		(31,737)			5.000	3.560	JJ	75,000	140,417	07/02/2014.	01/01/2040.
961017 PF 1	WESTMORELAND CNTY PA MUN AUTH MUN SVC RE			1	1FE	5,173,050	115.225	5,761,250	5,000,000	5,143,526		(15,193)			5.000	4.550	FA	94,444	250,000	01/08/2014.	08/15/2031.
967338 UB 8	WICHITA KANS WTR & SWR UTIL REV			1	1FE	3,642,963	116.718	3,740,812	3,205,000	3,515,296		(48,483)			5.000	3.146	AO	40,063	160,250	11/15/2011.	10/01/2025.
967338 UC 6	WICHITA KANS WTR & SWR UTIL REV			1	1FE	4,819,840	116.186	4,937,905	4,250,000	4,605,188		(55,001)			5.000	3.388	AO	53,125	212,500	11/02/2011.	10/01/2026.
967338 UD 4	WICHITA KANS WTR & SWR UTIL REV			1	1FE	4,941,079	115.715	5,085,674	4,395,000	4,736,145		(52,607)			5.000	3.497	AO	54,938	219,750	11/02/2011.	10/01/2027.
971697 BN 6	WILMINGTON N C LTD OBLIG REV			1	1FE	585,785	118.366	591,830	500,000	558,262		(7,451)			5.000	2.990	JD	2,083	25,000	06/12/2012.	06/01/2024.
975700 HV 0	WINSTON-SALEM N C WTR & SWR SYS REV			1	1FE	422,800	109.181	436,724	400,000	411,928		(2,989)			4.000	3.073	JD	1,333	16,000	06/07/2010.	06/01/2022.
977100 BU 9	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			1	1FE	9,213,397	115.028	9,202,240	8,000,000	8,494,405		(135,865)			6.000	4.000	MN	80,000	480,000	03/03/2010.	05/01/2026.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
977100 BZ 8	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			1	1FE	10,363,500	114.365	11,436,500	10,000,000	10,166,213		(43,883)			5.750	5.200	MN	95,833	575,000	02/03/2011.	05/01/2033.
97712D CZ 7	WISCONSIN ST HEALTH & EDL FACS AUTH REV			1	1FE	1,247,389	112.249	1,234,739	1,100,000	1,230,522		(15,609)			5.125	3.281	AO	11,901	56,375	10/20/2014.	04/15/2031.
977229 AB 9	WISE CNTY VA INDL DEV PUB FACS LEASE REV			1	1FE	3,979,440	99.749	3,989,960	4,000,000	3,994,448		5,044			1.700	1.830	FA	28,333	68,000	12/04/2012.	02/01/2017.
982674 GW 7	WYANDOTTE CNTY KANS CITY KANS UNI GOVT U			1	1FE	5,780,900	114.074	5,703,700	5,000,000	5,552,059		(73,339)			5.000	3.150	MS	83,333	250,000	10/03/2012.	09/01/2032.
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations						828,336,703	XXX	880,336,252	777,690,000	812,351,822	0	(5,522,572)	0	0	XXX	XXX	XXX	10,471,646	36,337,983	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
3128MJ S6 8	RMBS - FH G08540			2	1	2,628,030	99.965	2,659,523	2,660,454	2,628,723		336			3.000	3.175	MON	6,651	79,814	07/28/2014.	08/01/2043.
3128MJ TA 8	RMBS - FH G08544			2	1	2,655,548	99.965	2,706,205	2,707,153	2,656,779		649			3.000	3.272	MON	6,768	81,215	07/16/2014.	09/01/2043.
3128MJ UV 0	RMBS - FH G08595			2	1	8,086,637	105.931	8,109,465	7,655,422	8,102,612		21,381			4.000	2.682	MON	25,518	306,217	07/18/2014.	07/01/2044.
3128MJ UX 6	RMBS - FH G08597			2	1	8,056,181	103.140	8,113,904	7,866,884	8,063,606		9,904			3.500	3.046	MON	22,945	275,341	07/18/2014.	07/01/2044.
312936 6F 9	RMBS - FH A89870			2	1	5,897,500	108.156	5,895,783	5,451,184	5,923,628		33,560			4.500	2.513	MON	20,442	245,303	07/08/2014.	11/01/2039.
312943 UJ 0	RMBS - FH A95085			2	1	7,900,419	106.217	7,948,226	7,483,007	7,905,867		12,214			4.000	2.807	MON	24,943	299,320	07/08/2014.	11/01/2040.
31371K XS 5	RMBS - FN 254589			2	1		111.520								5.500	4.886	MON			05/15/2003.	01/01/2023.
3138E0 RA 9	RMBS - FN AJ7680			2	1	6,561,734	103.433	6,607,864	6,388,545	6,559,548		683			3.500	3.053	MON	18,633	223,599	07/10/2014.	12/01/2041.
3138EP EP 5	RMBS - FN AL6441			2	1	2,166,849	106.409	2,162,776	2,032,512	2,160,991		(5,858)			4.000	2.594	MON	6,775	33,875	07/09/2015.	02/01/2045.
3138WF AD 8	RMBS - FN AS5403			2	1	2,012,418	100.960	2,011,933	1,992,802	2,011,349		(1,069)			2.500	2.277	MON	4,152	20,758	07/13/2015.	07/01/2030.
3138WF HA 7	RMBS - FN AS5624			2	1	2,126,569	103.382	2,110,603	2,041,557	2,122,112		(4,458)			3.000	1.980	MON	5,104	20,416	08/11/2015.	08/01/2030.
3138WT RW 8	RMBS - FN AT5900			2	1	8,307,943	100.183	8,429,837	8,414,438	8,308,345		(765)			3.000	3.172	MON	21,036	252,433	07/18/2014.	06/01/2043.
3138X0 Y3 6	RMBS - FN AU1629			2	1	2,543,145	100.183	2,581,275	2,576,560	2,543,458		(25)			3.000	3.176	MON	6,441	77,297	07/22/2014.	07/01/2043.
3138Y6 4A 9	RMBS - FN AX5316			2	1	1,924,317	108.344	1,913,833	1,766,441	1,935,020		10,772			4.500	2.394	MON	6,624	79,490	12/11/2014.	01/01/2042.
31392B 5Y 8	CMO/RMBS - FN-0210C-FB			23	1	5,407	100.119	5,413	5,407	5,407					0.921	1.754	MON	1	37	01/29/2002.	03/25/2017.
31410K HA 5	RMBS - FN 889525			2	1	849,008	110.587	838,765	758,466	854,713		5,706			5.000	2.015	MON	3,160	22,122	04/29/2015.	05/01/2036.
31418A M3 9	RMBS - FN MA1277			2	1	6,434,076	101.642	6,446,054	6,341,920	6,424,480		(6,046)			2.500	2.143	MON	13,212	158,548	07/15/2014.	12/01/2027.
31418M GG 1	RMBS - FN AD0198			2	1	6,000,119	112.315	6,030,455	5,369,234	6,005,818		14,917			5.500	2.418	MON	24,609	295,308	07/22/2014.	09/01/2038.
31418U EL 4	RMBS - FN AD6438			2	1	3,775,615	110.508	3,762,058	3,404,331	3,795,427		25,763			5.000	2.139	MON	14,185	170,978	07/08/2014.	06/01/2040.
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						77,931,515	XXX	78,333,972	74,916,317	78,007,883	0	117,664	0	0	XXX	XXX	XXX	231,199	2,642,071	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Other Loan-Backed and Structured Securities																					
010047 CZ 9	AKRON OHIO CTFS PARTN			1	1FE	1,116,250	112.928	1,129,280	1,000,000	1,100,355		(15,895)			5.000	2.800	JD	4,167	50,000	02/24/2015.	12/01/2030.
04048P JN 1	ARIZONA BRD REGENTS CTFS PARTN			1	1FE	4,707,672	114.538	5,074,033	4,430,000	4,645,221		(28,655)			5.000	4.130	JD	18,458	221,500	10/02/2013.	06/01/2028.
040588 WU 5	ARIZONA ST CTFS PARTN			1	1FE	1,020,209	108.744	1,087,440	1,000,000	1,006,291		(2,645)			5.000	4.691	MS	16,667	50,000	06/26/2008.	09/01/2021.
040588 WV 3	ARIZONA ST CTFS PARTN			1	1FE	5,099,500	108.744	5,437,200	5,000,000	5,043,315		(18,373)			5.000	4.575	MS	83,333	250,000	06/26/2008.	09/01/2022.
040588 XP 5	ARIZONA ST CTFS PARTN			1	1FE	5,058,750	112.029	5,601,450	5,000,000	5,028,664		(6,390)			5.250	5.080	AO	65,625	262,500	01/18/2011.	10/01/2021.
040588 XV 2	ARIZONA ST CTFS PARTN			1	1FE	1,957,410	110.736	1,937,880	1,750,000	1,923,366		(34,044)			5.000	2.230	AO	21,875	87,500	03/18/2015.	10/01/2029.
12677P HD 6	CABARRUS CNTY N C CTFS PARTN			1	1FE	1,018,916	111.872	1,118,720	1,000,000	1,011,072		(3,367)			5.000	4.601	JJ	25,000	50,000	07/31/2013.	01/01/2023.
161037 YG 5	CHARLOTTE N C CTFS PARTN			1	1FE	3,884,545	111.576	3,905,160	3,500,000	3,667,585		(45,418)			5.000	3.500	JD	14,583	175,000	11/12/2010.	06/01/2021.
161037 YK 6	CHARLOTTE N C CTFS PARTN			1	1FE	552,775	112.176	560,880	500,000	520,856		(5,155)			5.000	3.689	JD	2,083	25,000	09/30/2009.	06/01/2024.
19668Q GC 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT			1	1FE	1,055,030	106.086	1,060,860	1,000,000	1,039,059		(5,566)			4.000	3.298	MS	11,778	40,000	01/04/2013.	03/15/2032.
196734 BQ 9	COLORADO ST HIGHER ED CAP CONSTR LEASE P			1	1FE	1,885,120	112.433	2,130,605	1,895,000	1,889,005		2,067			5.500	5.622	MN	17,371	104,225	01/19/2010.	11/01/2027.
196734 BR 7	COLORADO ST HIGHER ED CAP CONSTR LEASE P			1	1FE	5,078,375	112.433	5,739,705	5,105,000	5,088,847		5,571			5.500	5.622	MN	46,796	280,775	01/19/2010.	11/01/2027.
230582 CU 0	CUMBERLAND CNTY N C CTFS PARTN			1	1FE	1,077,401	110.873	1,108,730	1,000,000	1,044,046		(14,140)			5.000	3.400	JD	4,167	50,000	07/31/2013.	12/01/2018.
24919P HT 4	DENVER COLO CITY & CNTY SCH DIST NO 001			1	1FE	5,639,595	115.283	5,723,801	4,965,000	5,492,716		(56,780)			5.000	3.460	JD	11,033	248,250	04/25/2013.	12/15/2033.
403715 CM 5	GWINNETT CNTY GA DEV AUTH CTFS PARTN			1	1FE	12,962,881	124.135	14,896,200	12,000,000	12,620,679		(54,721)			5.250	4.543	JJ	315,000	630,000	09/11/2008.	01/01/2025.
413328 EJ 0	HARNETT CNTY N C CTFS PARTN			1	1FE	538,720	107.882	539,410	500,000	511,917		(5,402)			5.000	3.699	JD	2,083	25,000	04/28/2005.	12/01/2018.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
413328 FF 7	HARNETT CNTY N C CTFS PARTN			1	1FE	1,018,272	110.312	1,103,120	1,000,000	1,011,322		(2,961)			5.000	4.638	JD	4,167	50,000	07/31/2013.	06/01/2023.
583887 CZ 5	MECKLENBURG CNTY N C CTFS PARTN			1	1FE	2,122,884	112.173	2,350,024	2,095,000	2,105,064		(2,871)			5.000	4.830	FA	43,646	104,750	01/30/2009.	02/01/2025.
583887 DP 6	MECKLENBURG CNTY N C CTFS PARTN			1	1FE	614,153	108.453	634,450	585,000	602,390		(7,889)			5.000	3.508	FA	12,188	29,250	06/30/2014.	02/01/2024.
583887 DQ 4	MECKLENBURG CNTY N C CTFS PARTN			1	1FE	1,284,499	108.453	1,328,549	1,225,000	1,260,503		(16,095)			5.000	3.545	FA	25,521	61,250	06/30/2014.	02/01/2025.
583887 EE 0	MECKLENBURG CNTY N C CTFS PARTN			1	1FE	734,961	107.583	769,218	715,000	726,970		(5,364)			5.000	4.153	FA	14,896	35,750	06/30/2014.	02/01/2024.
583887 EF 7	MECKLENBURG CNTY N C CTFS PARTN			1	1FE	1,536,372	107.475	1,612,125	1,500,000	1,524,186		(10,832)			5.000	4.184	FA	31,250	75,000	06/30/2014.	02/01/2025.
59333M U6 0	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN			1	1FE	2,226,184	115.127	2,302,540	2,000,000	2,225,471		(714)			5.000	3.654	FA	4,167		11/17/2015.	02/01/2034.
616108 BN 5	MOORESVILLE N C CTFS PARTN			1	1FE	3,224,370	106.900	3,345,970	3,130,000	3,161,140		(17,532)			5.000	4.373	MS	52,167	156,500	12/05/2007.	09/01/2020.
616108 BP 0	MOORESVILLE N C CTFS PARTN			1	1FE	3,371,099	106.900	3,517,010	3,290,000	3,319,201		(16,401)			5.000	4.441	MS	54,833	164,500	12/05/2007.	09/01/2021.
616108 BQ 8	MOORESVILLE N C CTFS PARTN			1	1FE	3,529,062	106.900	3,698,740	3,460,000	3,486,649		(14,922)			5.000	4.514	MS	57,667	173,000	12/05/2007.	09/01/2022.
646046 MP 4	NEW JERSEY ST CTFS PARTN			1	1FE	5,224,650	107.919	5,395,950	5,000,000	5,084,638		(32,036)			5.000	4.266	JD	11,111	250,000	05/28/2008.	06/15/2020.
65820Q DS 9	NORTH CAROLINA INFRASTRUCTURE FIN CORP C			1	1FE	1,031,696	104.734	1,047,340	1,000,000	1,010,289		(9,073)			5.000	4.020	FA	20,833	50,000	07/31/2013.	02/01/2023.
65820Q DU 4	NORTH CAROLINA INFRASTRUCTURE FIN CORP C			1	1FE	10,526,900	104.734	10,473,400	10,000,000	10,187,425		(166,943)			5.000	3.226	FA	208,333	500,000	09/12/2007.	02/01/2025.
65820Q DV 2	NORTH CAROLINA INFRASTRUCTURE FIN CORP C			1	1FE	5,140,750	104.734	5,236,700	5,000,000	5,020,901		(18,198)			5.000	4.600	FA	104,167	250,000	06/12/2008.	02/01/2026.
65820Q EM 1	NORTH CAROLINA INFRASTRUCTURE FIN CORP C			1	1FE	11,128,254	105.726	12,999,012	12,295,000	11,822,723		325,920			5.000	8.104	MN	102,458	614,750	10/16/2008.	05/01/2023.
664751 DJ 0	NORTHERN ARIZ UNIV CTFS PARTN			1	1FE	1,146,080	117.213	1,172,130	1,000,000	1,137,596		(8,484)			5.000	3.171	MS	16,667	14,028	04/16/2015.	09/01/2028.
68607H H8 2	OREGON ST DEPT ADMINISTRATIVE SVCS CTFS			1	1FE	1,552,151	103.797	1,556,955	1,500,000	1,515,723		(18,245)			5.000	3.708	MN	12,500	75,000	05/18/2006.	11/01/2021.
724500 KA 0	PITT CNTY N C CTFS PARTN			1	1FE	797,150	105.367	806,058	765,000	776,404		(6,743)			5.000	3.766	AO	9,563	38,250	05/30/2008.	04/01/2021.
724500 KL 6	PITT CNTY N C CTFS PARTN			1	1FE	1,245,221	105.196	1,257,092	1,195,000	1,212,813		(10,533)			5.000	3.766	AO	14,938	59,750	05/30/2008.	04/01/2021.
752586 ET 0	RANDOLPH CNTY N C CTFS PARTN			1	1FE	495,715	104.702	523,510	500,000	498,694		1,049			5.000	5.251	FA	10,417	25,000	11/20/2008.	02/01/2021.
75913T HV 9	REGIONAL TRANSN DIST COLO CTFS PARTN			1	1FE	5,317,700	113.350	5,667,500	5,000,000	5,290,257		(32,794)			5.000	4.085	JD	20,833	250,000	06/12/2014.	06/01/2039.
90341U DJ 8	USF FING CORP FLA CTFS PARTN			1	1FE	1,163,420	116.877	1,168,770	1,000,000	1,154,344		(9,076)			5.000	3.111	JJ	25,000	7,639	04/17/2015.	07/01/2028.
91472R BG 2	UNIVERSITY N C WILMINGTON CTFS PARTN			1	1FE	1,023,060	101.947	1,019,470	1,000,000	1,005,630		(13,232)			5.000	3.620	JD	4,167	50,000	07/31/2013.	06/01/2020.
2899999. U.S. Special Revenue - Other Loan-Backed and Structured Securities						118,107,752	XXX	126,036,987	113,900,000	116,773,327	0	(382,882)	0	0	XXX	XXX	XXX	1,521,508	5,584,167	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						1,024,375,970	XXX	1,084,707,211	966,506,317	1,007,133,032	0	(5,787,790)	0	0	XXX	XXX	XXX	12,224,353	44,564,221	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00084D AH 3	ABN AMRO BANK NV		R	3	1FE	2,625,194	100.573	2,614,898	2,600,000	2,609,561		(11,594)			1.123	0.692	JAJO	5,273	28,087	08/21/2014.	10/28/2016.
00184A AC 9	AOL TIME WARNER INC				2FE	2,718,960	125.413	2,508,260	2,000,000	2,675,572		(29,972)			7.625	4.537	AO	32,194	152,500	07/10/2014.	04/15/2031.
00206R BD 3	AT&T INC				2FE	2,733,015	98.101	2,697,778	2,750,000	2,736,284		2,059			3.000	3.090	FA	31,167	82,500	07/10/2014.	02/15/2022.
00507U AR 2	ACTAVIS FUNDING SCS		R	1	2FE	2,945,811	100.406	2,961,977	2,950,000	2,946,250		439			3.450	3.473	MS	29,967	51,736	03/03/2015.	03/15/2022.
025816 AY 5	AMERICAN EXPRESS CO				1FE	1,494,255	110.809	1,662,135	1,500,000	1,498,367		887			7.000	7.054	MS	29,750	105,000	03/12/2008.	03/19/2018.
03027X AD 2	AMERICAN TOWER CORP				2FE	2,572,152	106.197	2,548,728	2,400,000	2,569,087		(3,065)			5.000	3.976	FA	45,333		10/22/2015.	02/15/2024.
03523T AV 0	ANHEUSER-BUSCH INBEV WORLDWIDE INC		R		1FE	993,810	109.875	1,098,750	1,000,000	996,989		693			5.000	5.079	AO	10,556	50,000	03/24/2010.	04/15/2020.
03523T BP 2	ANHEUSER-BUSCH INBEV WORLDWIDE INC		R		1FE	1,625,208	96.212	1,683,710	1,750,000	1,653,331		12,999			2.500	3.451	JJ	20,174	43,750	10/10/2013.	07/15/2022.
03524B AE 6	ANHEUSER-BUSCH INBEV FINANCE INC		R		1FE	999,750	102.281	1,022,810	1,000,000	999,794		45			3.700	3.703	FA	15,417	37,000	01/22/2014.	02/01/2024.
037833 AR 1	APPLE INC				1FE	748,155	102.270	767,025	750,000	748,585		258			2.850	2.888	MN	3,266	21,375	04/29/2014.	05/06/2021.
04650N AB 0	AT&T INC				2FE	1,286,375	98.712	1,233,900	1,250,000	1,285,224		(605)			5.350	5.147	MS	22,292	66,875	03/25/2014.	09/01/2040.
05523U AP 5	BAE SYSTEMS HOLDINGS INC		R	1	2FE	548,451	99.548	552,491	555,000	548,484		33			3.850	3.994	JD	1,246		12/03/2015.	12/15/2025.
05565Q CS 5	BP CAPITAL MARKETS PLC		R		1FE	1,275,000	97.691	1,245,560	1,275,000	1,275,000					3.535	3.535	MN	7,136	45,071	10/30/2014.	11/04/2024.
05578Q AA 1	BPCE SA		R		2FE	2,754,875	105.166	2,629,150	2,500,000	2,720,997		(23,220)			5.700	4.352	AO	27,313	142,500	07/08/2014.	10/22/2023.
059165 DZ 0	BALTIMORE GAS AND ELECTRIC CO				1FE	1,496,460	103.413	1,551,195	1,500,000	1,499,654		604			5.900	5.932	AO	22,125	88,500	10/11/2006.	10/01/2016.
06050T JZ 6	BANK OF AMERICA, N.A.				1FE	1,771,077	120.188	2,043,196	1,700,000	1,760,384		(1,319)			6.000	5.706	AO	21,533	102,000	12/26/2006.	10/15/2036.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
06051G DZ 9	BANK OF AMERICA CORP				2FE	1,852,215	115.785	1,736,775	1,500,000	1,751,041		(69,673)			7.625	2.483	JD	9,531	114,375	07/10/2014.	06/01/2019.
06051G FF 1	BANK OF AMERICA CORP				2FE	996,250	102.506	1,025,060	1,000,000	996,804		372			4.000	4.046	AO	10,000	40,000	03/27/2014.	04/01/2024.
064159 CU 8	BANK OF NOVA SCOTIA		I.		1FE	1,998,580	100.342	2,006,840	2,000,000	1,999,179		304			2.050	2.065	AO	6,947	41,000	10/24/2013.	10/30/2018.
064255 AK 8	BANK OF TOKYO-MITSUBISHI UFJ LTD		R	3	1FE	711,924	100.283	712,009	710,000	710,210		(1,367)			0.857	0.681	FMAN	591	5,252	09/25/2014.	02/26/2016.
064255 AY 8	BANK OF TOKYO-MITSUBISHI UFJ LTD		R	3	1FE	948,946	99.544	945,668	950,000	949,393		360			0.772	0.823	MJSD	489	5,658	10/01/2014.	09/08/2017.
07330N AJ 4	BRANCH BANKING AND TRUST CO			1	1FE	2,997,480	101.273	3,038,190	3,000,000	2,998,122		404			2.850	2.863	AO	21,375	85,500	02/27/2014.	04/01/2021.
073902 RU 4	BEAR STEARNS & CO INC				1FE	2,723,338	110.379	2,538,717	2,300,000	2,439,078		(62,472)			7.250	4.189	FA	69,479	166,750	01/27/2011.	02/01/2018.
097014 AL 8	BOEING CAPITAL CORP				1FE	2,997,870	109.834	3,295,020	3,000,000	2,999,068		407			4.700	4.709	AO	25,067	141,000	10/22/2009.	10/27/2019.
101137 AM 9	BOSTON SCIENTIFIC CORP				2FE	998,790	100.594	1,005,940	1,000,000	999,340		251			2.650	2.675	AO	6,625	26,500	10/02/2013.	10/01/2018.
10513K AA 2	BB&T CORPORATION				1FE	2,994,300	102.817	3,084,510	3,000,000	2,999,490		981			5.625	5.650	MS	49,688	168,750	09/06/2006.	09/15/2016.
111013 AL 2	BRITISH SKY BROADCASTING GROUP PLC		R		2FE	2,550,663	98.497	2,511,674	2,550,000	2,550,687		24			3.750	3.746	MS	27,891		10/23/2015.	09/16/2024.
12189L AH 4	BURLINGTON NORTHERN SANTA FE LLC			1	1FE	997,500	100.788	1,007,880	1,000,000	998,372		264			3.050	3.079	MS	8,981	30,500	02/28/2012.	03/15/2022.
12572Q AE 5	CME GROUP INC				1FE	1,484,370	100.999	1,514,985	1,500,000	1,487,302		1,725			3.000	3.141	MS	13,250	45,000	03/25/2014.	09/15/2022.
125896 BP 4	CMS ENERGY CORP			1	2FE	2,217,947	99.832	2,221,262	2,225,000	2,218,036		89			3.600	3.638	MN	11,570		11/04/2015.	11/15/2025.
126650 BQ 2	CVS-07-CTF			2	2FE	1,045,357	115.024	1,099,529	955,912	1,025,776		(4,060)			6.943	5.763	MON	3,872	66,369	02/14/2011.	01/10/2030.
13034V AA 2	CALIFORNIA INSTITUTE OF TECHNOLOGY				1FE	1,783,530	96.836	1,743,048	1,800,000	1,783,486		119			4.700	4.744	MN	14,100	84,600	11/29/2011.	11/01/2111.
136385 AV 3	CANADIAN NATURAL RESOURCES LTD		I.	1	2FE	2,644,213	87.530	2,341,428	2,675,000	2,646,731		2,500			3.900	4.040	FA	43,469	73,607	12/30/2014.	02/01/2025.
161175 AM 6	CHARTER COMMUNICATIONS INC			1	2FE	3,510,000	100.095	3,513,335	3,510,000	3,510,000					4.908	4.908	JJ	75,608		07/09/2015.	07/23/2025.
166764 AG 5	CHEVRON CORP			1	1FE	753,371	99.966	749,745	750,000	752,499		(531)			2.427	2.347	JD	354	18,203	04/24/2014.	06/24/2020.
172967 KD 2	CITIGROUP INC			1	3FE	604,200	102.458	614,748	600,000	604,198		(2)			6.125	6.076	MN	4,900		11/17/2015.	12/29/2049.
200340 AP 2	COMERICA INC			1	1FE	1,000,000	99.123	991,230	1,000,000	1,000,000					2.125	2.125	MN	2,243	21,250	05/20/2014.	05/23/2019.
202795 HV 5	COMMONWEALTH EDISON CO			1	1FE	1,342,597	106.188	1,327,350	1,250,000	1,318,174		(14,615)			4.000	2.660	FA	20,833	50,000	04/21/2014.	08/01/2020.
20825C AR 5	CONOCOPHILLIPS				1FE	2,979,780	108.399	3,251,970	3,000,000	2,992,479		2,340			5.750	5.840	FA	71,875	172,500	01/29/2009.	02/01/2019.
233851 BG 8	DAIMLER FINANCE NORTH AMERICA LLC		R	3	1FE	1,001,510	99.307	993,070	1,000,000	1,000,797		(503)			0.669	0.627	FMAN	1,115	6,132	07/28/2014.	08/01/2017.
244199 BE 4	DEERE & CO			1	1FE	1,166,007	98.974	1,187,688	1,200,000	1,172,448		3,849			2.600	2.995	JD	1,993	31,200	04/16/2014.	06/08/2022.
24713G AA 0	DELPHI AUTOMOTIVE PLC		R	1	2FE	708,466	100.065	710,462	710,000	708,500		34			3.150	3.197	MN	2,609		11/09/2015.	11/19/2020.
25152R WZ 2	DEUTSCHE BANK AG (LONDON BRANCH)		R	3	1FE	3,006,150	99.830	2,994,900	3,000,000	3,003,080		(2,183)			0.882	0.823	FMAN	2,351	22,837	07/29/2014.	05/30/2017.
25746U BL 2	DOMINION RESOURCES INC				2FE	1,995,020	106.517	2,130,340	2,000,000	1,997,154		597			4.450	4.481	MS	26,206	89,000	03/02/2011.	03/15/2021.
26441C AD 7	DUKE ENERGY CORP				2FE	996,230	109.030	1,090,300	1,000,000	998,399		462			5.050	5.098	MS	14,869	50,500	08/25/2009.	09/15/2019.
26882P BB 7	ERAC USA FINANCE CO				2FE	873,263	107.539	806,543	750,000	806,019		(30,513)			6.375	2.093	AO	10,094	47,813	10/02/2013.	10/15/2017.
29250N AK 1	ENBRIDGE INC		I.	3	2FE	781,833	98.389	767,434	780,000	780,915		(645)			0.866	0.796	MJSD	563	5,750	07/25/2014.	06/02/2017.
29250R AK 2	ENBRIDGE ENERGY PARTNERS LP			13	3FE	1,942,623	80.487	1,529,253	1,900,000	1,529,253	(396,714)	(16,656)			8.050	6.731	AO	38,238	56,350	09/29/2015.	10/01/2077.
29379V AZ 6	ENTERPRISE PRODUCTS OPERATING LLC			1	2FE	1,563,883	91.276	1,460,416	1,600,000	1,571,273		3,452			3.350	3.633	MS	15,782	53,600	10/15/2013.	03/15/2023.
302508 AQ 9	FMR CORP				1FE	2,699,639	133.821	2,609,510	1,950,000	2,645,351		(38,118)			7.570	4.096	JD	6,561	147,615	07/18/2014.	06/15/2029.
337738 AM 0	FISERV INC			1	2FE	2,004,960	100.433	2,008,660	2,000,000	2,004,226		(487)			3.500	3.464	AO	17,500	70,000	07/11/2014.	10/01/2022.
345397 VU 4	FORD MOTOR CREDIT CO LLC				2FE	2,520,540	111.609	2,511,203	2,250,000	2,452,409		(31,579)			5.875	4.059	FA	54,711	132,188	10/10/2013.	08/02/2021.
35671D AU 9	FREEPORT-MCMORAN COPPER & GOLD INC			1	2FE	1,983,420	58.566	1,171,320	2,000,000	1,986,327		2,020			3.550	3.675	MS	23,667	71,000	07/08/2014.	03/01/2022.
36164N FF 7	GE CAPITAL INTERNATIONAL FUNDING CO				1FE	2,077,917	99.483	2,067,257	2,078,000	2,077,925		8			2.342	2.343	MN	8,787		10/26/2015.	11/15/2020.
369604 BM 4	GENERAL ELECTRIC CO			1	1FE	5,887,500	101.333	6,254,779	6,172,500	5,803,327		303			4.000	4.338	JD	10,973	8,209	03/24/2015.	12/29/2049.
36962G 2T 0	GENERAL ELECTRIC CAPITAL CORP				1FE	832,493	113.162	810,240	716,000	804,569		(19,082)			5.550	2.523	MN	6,292	53,286	07/08/2014.	05/04/2020.
373298 CF 3	GEORGIA-PACIFIC CORPORATION				2FE	969,915	126.368	947,760	750,000	930,504		(18,344)			8.000	4.411	JJ	27,667	60,000	10/10/2013.	01/15/2024.
373334 JK 8	GEORGIA POWER CO				1FE	1,991,020	107.903	2,158,060	2,000,000	1,997,364		1,098			5.400	5.459	JD	9,000	108,000	05/27/2008.	06/01/2018.
378272 AF 5	GLENCORE FUNDING LLC		R		2FE	2,510,075	72.943	1,823,575	2,500,000	2,508,717		(918)			4.125	4.070	MN	8,880	103,125	07/07/2014.	05/30/2023.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
38141E A2 5	GOLDMAN SACHS GROUP INC				1FE	3,332,097	114.822	3,272,427	2,850,000	3,059,815		(60,579)			7.500	4.926	FA	80,750	213,750	01/27/2011.	02/15/2019.
38141G VR 2	GOLDMAN SACHS GROUP INC				2FE	829,155	99.876	833,965	835,000	829,248		93			4.250	4.337	AO	6,900		10/16/2015.	10/21/2025.
4042Q1 AA 5	HSBC BANK USA		R		1FE	2,031,260	116.288	2,325,760	2,000,000	2,026,001		(567)			5.875	5.761	MN	19,583	117,500	12/26/2006.	11/01/2034.
4042Q1 AC 1	HSBC BANK USA NA		R		1FE	595,824	106.750	640,500	600,000	599,150		535			6.000	6.094	FA	14,200	36,000	08/02/2007.	08/09/2017.
406216 AX 9	HALLIBURTON CO				1FE	996,560	112.713	1,127,130	1,000,000	998,533		458			6.150	6.195	MS	18,108	61,500	03/10/2009.	09/15/2019.
44920U AD 0	HYUNDAI CAPITAL SERVICES INC		R		2FE	2,093,220	101.948	2,038,960	2,000,000	2,055,040		(31,683)			3.500	1.846	MS	21,000	70,000	10/24/2014.	09/13/2017.
45167R AF 1	IDEX CORP			1	2FE	1,496,235	103.669	1,555,035	1,500,000	1,497,575		379			4.200	4.231	JD	2,800	63,000	12/08/2011.	12/15/2021.
46625H HA 1	JPMORGAN CHASE & CO			13	2FE	5,396,875	102.028	5,101,400	5,000,000	5,298,270		(98,605)			7.900	5.146	AO	66,931	395,000	03/23/2015.	04/29/2049.
46625H JQ 4	JPMORGAN CHASE & CO			1	2FE	1,209,050	108.194	1,192,298	1,102,000	1,202,074		(6,976)			6.750	5.351	FA	30,994	37,193	04/09/2015.	08/29/2049.
46625H JT 8	JPMORGAN CHASE & CO				1FE	1,508,730	103.081	1,546,215	1,500,000	1,507,454		(736)			3.875	3.803	FA	24,219	58,125	03/25/2014.	02/01/2024.
476556 CR 4	JERSEY CENTRAL POWER & LIGHT COMPANY				2FE	4,663,000	105.120	5,256,000	5,000,000	4,910,601		33,332			4.800	5.590	JD	10,667	240,000	09/19/2006.	06/15/2018.
494550 BL 9	KINDER MORGAN ENERGY PARTNERS LP			1	2FE	745,868	86.148	646,110	750,000	746,781		447			3.950	4.024	MS	9,875	29,625	10/22/2013.	09/01/2022.
50188F AD 7	KENTUCKY ENERGY INC			1	2FE	1,985,105	103.716	2,074,320	2,000,000	1,991,639		1,604			3.750	3.845	MN	9,583	75,000	07/01/2011.	11/15/2020.
514666 AK 2	LAND O LAKES INC			1	3FE	1,500,000	103.875	1,558,125	1,500,000	1,500,000					8.000	8.000	MJSD	5,333	49,667	07/09/2015.	12/29/2049.
52206A AB 6	LEASEPLAN CORP NV		R		1FE	2,634,086	98.532	2,561,832	2,600,000	2,621,423		(8,692)			2.500	2.142	MN	8,125	65,000	07/09/2014.	05/16/2018.
539830 BH 1	LOCKHEED MARTIN CORP			1	2FE	1,800,988	101.026	1,833,622	1,815,000	1,801,129		140			3.550	3.641	JJ	6,801		11/16/2015.	01/15/2026.
548661 CQ 8	LOWES CO INC			1	1FE	998,180	108.830	1,088,300	1,000,000	999,117		248			4.625	4.648	AO	9,764	46,250	04/12/2010.	04/15/2020.
57060U 52 2	MKT VCTRS J P MRGN EM LCL CRNCY ETF	#		2		97,535,525	17.000	74,568,647		97,535,525							N/A	366,264	4,174,931	12/07/2015.	
575767 AG 3	MASSACHUSETTS MUTUAL LIFE INSURANCE CO				1FE	2,404,905	145.519	2,182,785	1,500,000	2,376,639		(20,095)			8.875	4.723	JD	11,094	133,125	07/24/2014.	06/01/2039.
58013M EX 8	MCDONALD'S CORP			1	2FE	1,307,577	100.249	1,313,262	1,310,000	1,307,605		29			2.750	2.790	JD	2,202		12/02/2015.	12/09/2020.
585055 AV 8	MEDTRONIC INC		R	1	1FE	2,983,710	106.166	3,184,980	3,000,000	2,990,688		1,732			4.125	4.192	MS	36,438	123,750	03/10/2011.	03/15/2021.
59156R AX 6	METLIFE INC				1FE	1,671,975	109.289	1,639,335	1,500,000	1,631,117		(23,478)			4.750	2.895	FA	28,302	71,250	03/25/2014.	02/08/2021.
59156R BP 2	METLIFE INC			1	2FE	1,000,000	101.750	1,017,500	1,000,000	1,000,000					5.250	5.250	JD	2,333	28,292	05/27/2015.	12/29/2049.
59523U AM 9	MID-AMERICA APARTMENTS L.P			1	2FE	722,627	100.037	730,270	730,000	722,716		89			4.000	4.124	MN	4,218		11/02/2015.	11/15/2025.
595620 AJ 4	MIDAMERICAN ENERGY CO			1	1FE	756,683	101.069	758,018	750,000	754,383		(1,333)			2.400	2.205	MS	5,300	18,000	03/31/2014.	03/15/2019.
60688X AK 6	MIZUHO BANK LTD		R	3	1FE	2,700,000	99.840	2,695,680	2,700,000	2,700,000					1.053	1.070	MJSD	316	20,159	09/18/2014.	09/25/2017.
61744Y AD 0	MORGAN STANLEY				1FE	754,743	107.634	861,072	800,000	787,128		5,873			5.950	6.829	JD	397	47,600	05/15/2009.	12/28/2017.
617482 V9 2	MORGAN STANLEY				1FE	1,919,698	125.173	2,190,528	1,750,000	1,911,941		(2,485)			6.375	5.695	JJ	48,654	111,563	09/14/2012.	07/24/2042.
637432 LR 4	NATIONAL RURAL UTILITIES COOP FINANCE CO				1FE	2,977,110	122.243	3,667,290	3,000,000	2,991,027		3,491			10.375	10.500	MN	51,875	311,250	10/23/2008.	11/01/2018.
65473Q AV 5	NISOURCE FINANCE CORP				2FE	497,845	114.477	572,385	500,000	498,683		223			6.125	6.177	MS	10,208	30,625	12/01/2009.	03/01/2022.
67021C AG 2	NSTAR ELECTRIC CO			1	1FE	997,260	96.213	962,130	1,000,000	998,070		277			2.375	2.406	AO	5,014	23,750	10/08/2012.	10/15/2022.
670346 AG 0	NUCOR CORP				2FE	1,991,160	105.617	2,112,340	2,000,000	1,997,892		1,129			5.750	5.809	JD	9,583	115,000	11/28/2007.	12/01/2017.
68268N AJ 2	ONEOK PARTNERS LP			1	2FE	2,194,743	80.119	1,791,461	2,236,000	2,203,491		4,207			3.375	3.617	AO	18,866	75,465	07/18/2014.	10/01/2022.
693475 AK 1	PNC FINANCIAL SERVICES GROUP INC			13	2FE	6,128,125	106.425	5,853,375	5,500,000	6,063,731		(64,394)			6.750	4.644	FA	154,688	185,625	04/07/2015.	07/29/2049.
693476 BJ 1	PNC FUNDING CORP				1FE	1,959,738	109.954	1,924,195	1,750,000	1,890,869		(31,735)			5.125	3.024	FA	35,626	89,688	10/10/2013.	02/08/2020.
693476 BM 4	PNC FUNDING CORP			1	1FE	998,790	101.084	1,010,840	1,000,000	999,817		274			2.700	2.726	MS	7,650	27,000	09/14/2011.	09/19/2016.
694308 GT 8	PACIFIC GAS AND ELECTRIC CO			1	2FE	1,799,384	103.865	1,921,503	1,850,000	1,823,338		5,118			3.500	3.835	AO	16,188	64,750	11/15/2010.	10/01/2020.
694308 HE 0	PACIFIC GAS AND ELECTRIC CO			1	1FE	1,996,380	104.051	2,081,020	2,000,000	1,997,046		386			3.850	3.872	MN	9,839	77,000	11/06/2013.	11/15/2023.
695114 CK 2	PACIFICORP				1FE	2,121,392	109.858	2,087,302	1,900,000	1,993,683		(28,586)			5.500	3.767	JJ	48,186	104,500	03/11/2011.	01/15/2019.
709599 AV 6	PENSKE TRUCK LEASING CO LP			1	2FE	2,538,347	99.068	2,526,234	2,550,000	2,538,598		252			3.300	3.394	AO	11,454		11/04/2015.	04/01/2021.
713448 BJ 6	PEPSICO INC				1FE	1,249,658	117.443	1,174,430	1,000,000	1,159,251		(54,078)			7.900	2.080	MN	13,167	79,000	04/22/2014.	11/01/2018.
714295 AC 6	PERRIGO CO		R	1	2FE	2,509,544	96.365	2,481,399	2,575,000	2,510,709		1,165			3.900	4.238	JD	4,463	50,213	10/22/2015.	12/15/2024.
723787 AJ 6	PIONEER NATURAL RESOURCES CO				2FE	923,085	106.750	800,625	750,000	865,995		(26,402)			7.500	3.371	JJ	25,938	56,250	10/10/2013.	01/15/2020.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
726505 AL 4	PLAINS EXPLORATION & PRODUCTION CO			1	2FE	1,137,500	62.000	620,000	1,000,000	1,084,820		(46,147)			6.750	1.903	FA	28,125	67,500	07/29/2014.	02/01/2022.
737662 BU 9	POTOMAC EDISON CO				2FE	3,069,240	102.213	3,066,390	3,000,000	3,007,509		(8,859)			5.800	5.470	AO	36,733	174,000	10/30/2007.	10/15/2016.
740816 AB 9	PRESIDENT & FELLOWS OF HARVARD COLLEGE			1	1FE	1,143,542	101.634	1,036,667	1,020,000	1,034,001		(56,175)			6.300	0.758	AO	16,065	64,260	01/13/2014.	10/01/2037.
744533 BK 5	PUBLIC SERVICE CO OF OKLAHOMA				2FE	997,170	109.110	1,091,100	1,000,000	998,738		330			5.150	5.186	JD	4,292	51,500	11/09/2009.	12/01/2019.
80589M AD 4	SCANA CORP			1	2FE	997,390	104.453	1,044,530	1,000,000	998,447		302			4.750	4.783	MN	6,069	47,500	05/05/2011.	05/15/2021.
808513 AG 0	CHARLES SCHWAB CORP				1FE	900,638	102.047	918,423	900,000	900,542		(46)			3.225	3.215	MS	9,675	29,025	04/16/2014.	09/01/2022.
816851 AY 5	SEMPRA ENERGY			1	2FE	2,518,132	100.442	2,536,161	2,525,000	2,518,202		70			3.750	3.783	MN	11,573		11/12/2015.	11/15/2025.
83367T BR 9	SOCIETE GENERALE SA		R		2FE	2,590,172	97.112	2,524,912	2,600,000	2,590,253		81			4.750	4.798	MN	12,693		11/17/2015.	11/24/2025.
835495 AK 8	SONOCO PRODUCTS CO			1	2FE	2,762,396	104.374	2,713,724	2,600,000	2,732,485		(21,151)			4.375	3.367	MN	18,958	113,750	07/17/2014.	11/01/2021.
857477 AG 8	STATE STREET CORP				1FE	2,989,650	108.128	3,243,840	3,000,000	2,994,078		1,167			4.375	4.418	MS	41,563	131,250	03/02/2011.	03/07/2021.
887317 AZ 8	TIME WARNER INC			1	2FE	2,548,751	99.834	2,545,767	2,550,000	2,548,793		43			3.875	3.880	JJ	11,254		11/17/2015.	01/15/2026.
893526 8Y 2	TRANSCANADA PIPELINES LTD		I		1FE	1,226,631	111.951	1,119,510	1,000,000	1,094,280		(28,755)			7.125	3.809	JJ	32,854	71,250	01/13/2011.	01/15/2019.
89837L AA 3	PRINCETON UNIVERSITY				1FE	2,191,640	109.384	2,406,448	2,200,000	2,196,881		1,041			4.950	4.999	MS	36,300	108,900	01/13/2009.	03/01/2019.
90131H AX 3	News America Holdings Incorporated				2FE	2,471,504	125.876	2,416,819	1,920,000	2,463,033		(8,471)			7.700	4.164	AO	25,051	73,920	10/22/2015.	10/30/2025.
902973 AY 2	US BANCORP CAPITAL I			1	2FE	2,000,000	101.356	2,027,120	2,000,000	2,000,000					5.125	2.986	JJ	10,819		11/16/2015.	12/29/2049.
90521A PJ 1	UNION BANK NA (SAN FRANCISCO)		R	1	1FE	999,770	101.375	1,013,750	1,000,000	999,871		67			2.625	2.630	MS	6,927	26,250	09/19/2013.	09/26/2018.
908906 AC 4	UNIONBANCAL CORP		R		1FE	760,155	102.062	765,465	750,000	758,226		(1,120)			3.500	3.310	JD	948	26,250	03/25/2014.	06/18/2022.
91159H HH 6	U.S. BANCORP			1	1FE	1,748,425	101.047	1,768,323	1,750,000	1,748,938		331			2.200	2.219	AO	7,058	38,500	04/21/2014.	04/25/2019.
913017 BQ 1	UNITED TECHNOLOGIES CORP				1FE	998,380	111.567	1,115,670	1,000,000	999,447		223			6.125	6.145	FA	25,521	61,250	12/15/2008.	02/01/2019.
91911T AH 6	VALE OVERSEAS LTD		R		2FE	2,766,150	69.880	1,747,000	2,500,000	2,757,565		(5,861)			6.875	6.003	MN	19,097	171,875	07/07/2014.	11/21/2036.
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF	#		3		31,644,324	73.960	29,659,365		29,659,365	(1,984,959)						N/A		1,424,691	12/31/2015.	
92343V BS 2	VERIZON COMMUNICATIONS INC				2FE	4,882,200	114.462	4,578,480	4,000,000	4,838,741		(29,749)			6.400	4.649	MS	75,378	256,000	07/08/2014.	09/15/2033.
927804 FF 6	VIRGINIA ELECTRIC AND POWER CO				1FE	1,097,525	108.104	1,189,144	1,100,000	1,099,311		361			5.400	5.429	AO	10,065	59,400	04/14/2008.	04/30/2018.
931142 DH 3	WAL-MART STORES INC			1	1FE	955,319	99.045	990,450	1,000,000	962,841		4,520			2.550	3.125	AO	5,667	25,500	04/16/2014.	04/11/2023.
931422 AE 9	WALGREEN CO				2FE	248,693	107.929	269,823	250,000	249,529		146			5.250	5.318	JJ	6,052	35,127	01/08/2009.	01/15/2019.
949746 PM 7	WELLS FARGO & CO			13	2FE	5,937,688	104.511	5,591,339	5,350,000	5,791,926		(145,762)			7.980	4.024	MS	125,707	213,465	04/09/2015.	03/29/2049.
94974B EV 8	WELLS FARGO & CO				1FE	1,630,395	108.809	1,632,135	1,500,000	1,594,967		(16,299)			4.600	3.277	AO	17,250	69,000	10/09/2013.	04/01/2021.
94974B FC 9	WELLS FARGO & CO				1FE	1,781,450	103.403	1,809,553	1,750,000	1,775,066		(3,566)			3.500	3.242	MS	19,226	61,250	03/25/2014.	03/08/2022.
94980V AF 5	WELLS FARGO BANK, N.A.			3	1FE	1,924,649	100.386	1,934,438	1,927,000	1,926,510		1,316			0.571	0.644	FMAN	1,407	9,384	07/29/2014.	05/16/2016.
958254 AC 8	WESTERN GAS PARTNERS LP			1	2FE	1,000,300	96.336	963,360	1,000,000	1,000,178		(47)			2.600	2.593	FA	9,822	26,000	10/02/2013.	08/15/2018.
962166 BV 5	WEYERHAEUSER				2FE	916,118	115.701	867,758	750,000	858,190		(26,730)			7.375	3.255	AO	13,828	55,313	10/10/2013.	10/01/2019.
98458P AC 9	YALE UNIVERSITY				1FE	1,500,000	100.797	1,511,955	1,500,000	1,500,000					2.086	2.086	AO	6,606	31,290	04/03/2014.	04/15/2019.
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						377,026,367	XXX	350,611,270	238,257,412	372,608,110	(2,381,673)	(1,129,226)	0	0	XXX	XXX	XXX	3,037,817	14,590,109	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
059513 AE 1	CMBS - BACM-074-A4			23	1FM	404,704	103.788	381,522	367,597	389,250		(11,844)			5.742	1.517	MON	1,759	24,024	10/22/2014.	02/10/2051.
07388N AE 6	CMBS - BSCMS-06TP24-A4			2	1FM	5,166,400	101.128	4,878,082	4,823,671	4,932,992		(178,975)			5.537	1.290	MON	22,257	274,635	10/20/2014.	10/12/2041.
12514A AE 1	CMBS - CD-07CD5-A4			23	1FM	5,108,705	104.024	4,831,270	4,644,381	4,893,943		(164,110)			5.886	2.251	MON	22,781	273,368	11/01/2014.	11/15/2044.
12591U AF 0	CMBS - CMT-14UBS2-A5			2	1FM	5,304,297	103.756	5,187,800	5,000,000	5,309,487		5,190			3.961	3.096	MON	16,504	49,513	09/01/2015.	03/10/2047.
12624B AC 0	CMBS - CMT-12CRE1-A3			2	1FM	2,404,195	102.276	2,377,917	2,325,000	2,393,072		(4,629)			3.391	2.843	MON	6,570	82,356	07/10/2014.	05/15/2045.
12626B AC 8	CMBS - CMT-13CC10-A3			2	1FM	3,193,359	104.409	3,132,270	3,000,000	3,177,634		(12,267)			3.923	3.025	MON	9,808	117,690	11/13/2014.	08/10/2046.
17313K AF 8	CMBS - CGCMT-08C7-A4			23	1FM	1,686,696	104.627	1,588,792	1,518,529	1,613,808		(54,424)			6.137	1.741	MON	7,766	94,590	10/09/2014.	12/10/2049.
20047Q AE 5	CMBS - CMT-06C7-A4			23	1FM	3,077,814	100.370	2,913,698	2,902,957	2,941,360		(102,729)			5.768	1.071	MON	13,954	182,509	10/10/2014.	06/10/2046.
36252A AG 1	CMBS - GSMST-15GS1-AS			23	1FE	2,961,073	101.332	2,913,295	2,875,000	2,960,448		(625)			4.037	3.690	MON	9,672		11/16/2015.	11/13/2048.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
46639Y AQ 0	CMBS - JPMCMS-13LC11-A5			2	1FM	4,929,688	98.678	4,933,900	5,000,000	4,366,513		69,444			2.960	5.076	MON...	12,333	147,995	07/08/2014.	04/15/2046.
46643P BF 6	CMBS - JPMBB-14C25-ASB			2	1FM	3,089,994	100.979	3,029,370	3,000,000	3,084,342		(4,480)			3.407	2.911	MON...	8,519	102,222	11/04/2014.	11/15/2047.
50180L AC 4	CMBS - LBUCMT-08C1-A2			23	1FM	3,970,804	105.074	3,773,479	3,591,259	3,859,270		(111,535)			6.087	1.818	MON...	12,145	205,249	08/26/2015.	04/15/2041.
52109R BM 2	CMBS - LBUCMT-07C7-A3			23	1FM	3,479,165	104.949	3,285,102	3,130,189	3,343,175		(106,131)			5.866	1.691	MON...	10,201	183,617	10/15/2014.	09/15/2045.
55312V AD 0	CMBS - MLCFC-064-A3			2	1FM	5,759,642	101.534	5,516,773	5,433,424	5,566,060		(158,728)			5.172	1.722	MON...	23,418	281,017	10/31/2014.	12/12/2049.
60688C AE 6	CMBS - MLCFC-079-A4			2	1FM	4,461,673	103.795	4,227,710	4,073,134	4,292,610		(139,274)			5.700	2.075	MON...	19,347	232,771	10/31/2014.	09/12/2049.
61690V AW 8	CMBS - MSBAM-15C26-ASB			2	1FE	2,162,932	100.412	2,108,652	2,100,000	2,161,806		(1,125)			3.323	2.859	MON...	5,815	5,815	10/28/2015.	10/19/2048.
61751X AE 0	CMBS - MSCI-07TP25-A3			23	1FM	4,660,899	102.016	4,396,608	4,309,724	4,451,715		(154,707)			5.514	1.493	MON...	19,803	259,595	10/07/2014.	11/12/2049.
61754J AF 5	CMBS - MSCI-07TP27-A4			23	1FM	5,913,780	103.682	5,573,521	5,375,591	5,647,987		(192,311)			5.645	1.717	MON...	25,287	308,902	10/07/2014.	06/11/2042.
61759L AA 6	CMBS - MSRRT-10GG10-A4A			23	1FE	4,626,209	102.218	4,366,375	4,271,630	4,464,388		(161,821)			5.794	1.891	MON...	20,627	250,987	11/18/2014.	08/15/2045.
61761D AD 4	CMBS - MSBAM-12C6-A4			2	1FM	1,938,686	99.032	1,932,164	1,951,050	1,940,287		1,078			2.858	2.948	MON...	4,647	55,761	12/01/2014.	11/15/2045.
92936Q AG 3	CMBS - WFCMT-12C6-A4			2	1FM	5,193,359	102.778	5,138,900	5,000,000	5,155,592		(26,163)			3.440	2.837	MON...	14,333	172,000	07/09/2014.	04/17/2045.
92939F AU 3	CMBS - WRBCMT-14C21-A5			2	1FM	5,149,695	101.993	5,099,650	5,000,000	5,130,425		(14,083)			3.678	3.328	MON...	15,325	183,900	07/18/2014.	08/15/2047.
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						84,643,769	XXX	81,586,850	79,693,136	82,076,164	0	(1,524,249)	0	0	XXX	XXX	XXX	302,871	3,488,516	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
03764X AC 1	ABS - APIDOS-17-A2A		R	23	1FE	3,980,000	98.967	3,958,680	4,000,000	3,981,826		1,826			2.365	2.455	JAJO...	19,447	47,926	06/25/2015.	04/17/2026.
12548C AB 3	ABS - CIFC-142-A2L		R	23	1FE	3,988,000	99.464	3,978,560	4,000,000	3,989,080		1,085			2.532	2.535	FMAN.	10,691	49,662	07/01/2015.	05/24/2026.
139738 AC 2	ABS - CARAT-152-A2			2	1FE	2,087,859	99.728	2,094,288	2,100,000	2,090,032		2,173			1.390	1.761	MON...	892	9,730	08/18/2015.	09/20/2018.
15137D AA 3	ABS - CECLO-22-A1		R	23	1FE	3,523,646	98.793	3,487,393	3,530,000	3,524,502		856			1.824	1.862	FMAN.	9,479	32,347	07/23/2015.	11/09/2026.
26244G AA 3	ABS - DRYSLF-40-A		R	23	1FE	4,000,000	97.550	3,902,000	4,000,000	4,000,000					1.762	1.751	FMAN.	9,004	20,904	07/02/2015.	08/15/2028.
26244K AC 0	ABS - DRYSLF-41-B		R	23	1FE	3,455,000	99.401	3,434,305	3,455,000	3,455,000					2.486	2.521	JAJO...	15,266		09/17/2015.	10/15/2027.
34530M AA 7	ABS - FCAOT-14REV1-A			2	1FE	1,249,688	100.368	1,254,600	1,250,000	1,249,784		60			2.260	2.276	MON...	1,256	28,250	05/06/2014.	11/15/2025.
55952Y AA 5	ABS - MAGCLO-8-A		R	23	1FE	1,749,125	99.102	1,734,285	1,750,000	1,749,064		(61)			1.768	1.800	JAJO...	6,707	7,910	08/03/2015.	04/15/2026.
55953B AC 0	ABS - MAGCLO-9-A2		R	23	1FE	1,679,160	98.356	1,652,381	1,680,000	1,679,370		210			2.269	2.282	JAJO...	7,097	18,992	06/25/2015.	07/27/2026.
67575B AE 9	CDO - OCTNIP-25-B		R	23	1FE	4,070,000	100.009	4,070,366	4,070,000	4,070,000							N/A...			09/30/2015.	10/20/2026.
78469Q AF 9	ABS - SPART-15T3-A			2	1FE	2,229,790	99.908	2,227,948	2,230,000	2,229,790					2.920	2.920	MON...	2,894		12/10/2015.	07/15/2047.
87165V AA 7	ABS - SYMCLO-16-A			23	1FE	4,000,000	100.000	4,000,000	4,000,000	4,000,000					1.703	1.782	JAJO...	32,181		07/01/2015.	07/15/2028.
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						36,012,268	XXX	35,794,806	36,065,000	36,018,448	0	6,149	0	0	XXX	XXX	XXX	114,914	215,721	XXX	XXX
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						497,682,404	XXX	467,992,926	354,015,548	490,702,722	(2,381,673)	(2,647,326)	0	0	XXX	XXX	XXX	3,455,602	18,294,346	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						1,518,668,450	XXX	1,554,355,553	1,306,362,412	1,491,249,874	(2,381,673)	(8,583,633)	0	0	XXX	XXX	XXX	17,309,456	62,284,787	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						91,059,379	XXX	91,545,526	87,486,625	91,145,833	0	110,858	0	0	XXX	XXX	XXX	270,446	2,895,682	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						84,643,769	XXX	81,586,850	79,693,136	82,076,164	0	(1,524,249)	0	0	XXX	XXX	XXX	302,871	3,488,516	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						154,120,020	XXX	161,831,793	149,965,000	152,791,775	0	(376,733)	0	0	XXX	XXX	XXX	1,636,422	5,799,888	XXX	XXX
8399999. Grand Total - Bonds						1,848,491,618	XXX	1,889,319,722	1,623,507,173	1,817,263,646	(2,381,673)	(10,373,757)	0	0	XXX	XXX	XXX	19,519,195	74,468,873	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation	Date Acquired
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
00850L 20 3	AGRIBANK SRS A NON CUM PERP PRF			1,000.000	100.00		105,719	106.000	105,719	106,000	1,719	3,438		(281)			(281)		P2UFE	03/30/2015.
010392 47 0	ALABAMA POWER 6 1/2 NON CUM PRF			214,335.000	25.00		5,926,363	28.000	5,926,363	5,679,878	87,074	174,147		246,485			246,485		P1UFE	04/17/2015.
020002 87 9	ALL STATE DS REP SRS E 1/1000 PRF			67,477.000	25.00		1,872,487	27.750	1,872,487	1,834,451	27,940	55,879		38,036			38,036		P2LFE	05/06/2015.
046265 40 1	ASTORIA DS RP 1/40 SRS C NON CUM PRF			24,308.000	25.00	25.990	614,419	26.000	631,765	614,419	9,875	19,750					0		P3LFE	05/01/2015.
054937 40 4	BB&T DS REP 1/1000 SRS E NON CUM PRF			154,307.000	25.00		4,028,801	26.109	4,028,801	3,871,945		162,746		156,857			156,857		P2LFE	05/11/2015.
060505 EL 4	BANK OF AMERICA CORP			5,000,000.000	1,000.00	105.375	5,241,419	105.375	5,268,750	5,262,500		325,000			(21,081)		(21,081)		RP3VFE	03/23/2015.
064058 AD 2	BANK OF NEW YORK MELLON CORP			3,000,000.000	1,000.00		3,000,000	99.000	2,965,020	3,000,000		95,700					0		RP2VFE	05/11/2015.
14040H 60 0	CAPITAL ONE FINANCIAL CORP			130,000.000	25.00	26.454	3,329,087	26.000	3,439,020	3,329,087		152,344					0		P3LFE	05/05/2015.
14040H 70 9	CAPTL DS REP 1 40 NON CUM SRS D PRF			69,140.000	25.00	27.550	1,847,450	28.000	1,904,807	1,847,450		80,655					0		P3LFE	05/15/2015.
172967 34 1	CITIGROUP DS REP 1/1000TH SRS K PRF			146,000.000	25.00	27.860	3,951,220	28.000	4,067,560	3,951,220		188,203					0		P3LFE	03/27/2015.
174610 AD 7	CITIZENS FINANCIAL GROUP INC			1,000,000.000	1,000.00	98.450	981,020	98.000	984,500	980,938		13,750			82		82		RP3VFE	12/28/2015.
19075Q 86 2	COBANK NON CUM PRF			33,000.000	100.00		3,316,500	101.000	3,316,500	3,368,500	51,150	102,300		(52,000)			(52,000)		P2UFE	05/07/2015.
19075Q 87 0	COBANK 6.125% SRS G PERP PRF			12,785.000	100.00		1,157,170	91.000	1,157,170	1,191,774	19,577	39,154		(34,603)			(34,603)		P2UFE	03/31/2015.
316773 60 5	FIFTH DS REP 1/1000TH SRS I PERP PRF			35,789.000	25.00	28.900	1,005,671	29.000	1,034,302	1,005,671		44,456					0		P3LFE	05/05/2015.
33616C 60 5	FIRST REPUB DS REP SRS C NON CUM PRF			150,314.000	25.00		3,814,969	25.000	3,814,969	3,753,565		158,535		61,404			61,404		P2LFE	05/07/2015.
38148B 10 8	GS DS REP 1/1000 SRS K NON CUM PRF			190,000.000	25.00	27.790	5,114,000	28.000	5,280,100	5,114,000		211,173					0		P3LFE	05/05/2015.
38148B AB 4	GOLDMAN SACHS GROUP INC			450,000.000	1,000.00	99.917	449,627	100.000	449,627	450,000		13,236		(374)			(374)		P3VFE	04/16/2015.
40428H 86 2	HSBC BANK USA INC		R	75,000.000	25.00		1,952,250	26.000	1,952,250	1,893,000	30,469	60,938		59,250			59,250		P2LFE	05/12/2015.
40429C 60 7	HSBC FINANCE CORP		R	25,701.000	25.00		659,745	26.000	659,745	648,812		30,648		10,933			10,933		P2LFE	05/12/2015.
55261F 60 9	M&T BANK SRS A FXD RATE CUM PERP PRF			3,400.000	1,000.00		3,468,000	1,020.000	3,468,000	3,468,000		162,563					0		P2LFE	03/27/2015.
61761J 40 6	MORG DS REP 1 1000 SRS I NON CUM PRF			112,000.000	25.00	26.568	2,926,000	27.000	2,975,616	2,926,000	44,625	97,219					0		P3LFE	04/06/2015.
61763E 20 7	MS DS REP 1/1000 SRS F NON CUM PRF			50,000.000	25.00	27.780	1,381,000	28.000	1,389,000	1,381,000	21,485	64,454					0		P3LFE	03/23/2015.
758849 70 7	REGENCY CEN 6.625% SRS 6 CUM RED PRF			12,938.000	25.00	26.320	330,566	26.000	340,528	330,566		16,071					0		P3LFE	05/06/2015.
7591EP 50 6	RGN FIN DS RP 1/40 SRS B NON CUM PRF			19,551.000	25.00	27.130	512,138	27.000	530,419	512,138		23,370					0		P3LFE	05/18/2015.
78406T 20 1	SOUTHERN CALIFORNIA 5.625% SRS F PRF			139,775.000	25.00		3,537,705	25.000	3,537,705	3,501,185		147,419		36,520			36,520		P2LFE	05/07/2015.
857477 88 9	STATE STREET CORP			197,439.000	25.00		5,245,954	27.000	5,245,954	5,065,284		222,119		180,670			180,670		P2LFE	05/05/2015.
867914 88 9	SUNTRUST DS REP 1/4000 SRS E PER PRF			35,977.000	25.00	25.890	902,665	26.000	931,445	902,665		39,631					0		P3LFE	05/26/2015.
882228 30 7	TEXAS CAPITAL BANCSHARES INC			32,013.000	25.00	25.000	799,599	25.000	800,325	799,809		38,910		(210)			(210)		RP3LFE	08/27/2015.
882228 40 6	TEXAS CAPITAL SRS A NON CUM PRP PRF			15,506.000	25.00	25.420	389,679	25.000	394,163	389,679		18,898					0		P3LFE	04/29/2015.
919794 20 6	VALY NTNL 6 25 NON CUM PRP SRS A PRF			30,000.000	25.00		822,000	27.000	822,000	750,000		24,870		72,000			72,000		P2LFE	06/16/2015.
947890 40 6	WEBSTER FINANCIAL CORP			59,348.000	25.00	25.850	1,503,703	26.000	1,534,146	1,503,703		71,218					0		P3LFE	04/21/2015.
8499999. Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							70,186,926	XXX	70,828,756	69,433,239	293,914	2,858,794	0	774,687	(20,999)	0	753,688	0	XXX	XXX
8999999. Total - Preferred Stocks							70,186,926	XXX	70,828,756	69,433,239	293,914	2,858,794	0	774,687	(20,999)	0	753,688	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
000000 00 0	Consortium Health Plans Inc			750.000	257,168	343.000	257,168	100,000						0		V	01/12/2000.
001204 10 6	AGL RESOURCES ORD			243,912.000	15,564,025	64.000	15,564,025	10,028,766		486,745		2,266,922		2,266,922		L	12/01/2015.
05536J 10 0	Bcs Financial Corporation			27,375.000	2,734,795	99.901	2,734,795	250,028				(458,280)		(458,280)		A	01/28/2007.
09610# 10 9	Bluecross Blueshield Ventures II, Inc			50.000	50,000	1,000.000	50,000	50,000						0		V	06/22/2011.
25746U 10 9	DOMINION RESOURCES ORD			107,092.000	7,243,703	67.640	7,243,703	5,643,736		277,368		(991,672)		(991,672)		L	01/31/2013.
26441C 20 4	DUKE ENERGY ORD			105,143.000	7,506,159	71.390	7,506,159	6,939,807		340,663		(1,277,487)		(1,277,487)		L	08/15/2013.
30040W 10 8	EVERSOURCE ENERGY ORD			242,588.000	12,388,969	51.000	12,388,969	9,807,247		399,950		(563,756)		(563,756)		L	09/30/2015.
552690 10 9	MDU RESOURCES GROUP ORD					17.000			78,583					0		L	10/01/2015.
55273W 47 5	MFS Mid Cap Value;R5		I	308.835	5,908	19.000	5,908	6,254		273		(346)		(346)		V	12/17/2015.
57630A 59 2	MassMutual Sel:MCGII;I			276.554	5,047	18.000	5,047	5,365		383		(317)		(317)		V	12/16/2015.
65339F 10 1	NEXTERA ENERGY ORD			63,366.000	6,583,094	104.000	6,583,094	6,395,652		191,408		(137,739)		(137,739)		L	12/15/2015.
69331C 10 8	PG&E ORD			227,042.000	12,076,364	53.000	12,076,364	9,815,079	103,304	304,625		(14,743)		(14,743)		L	10/15/2015.
69351T 10 6	PPL ORD					33.000			123,289					0		L	10/01/2015.
72724* 10 4	Plans' Liability Insurance Company			8.350	553,283	66,261.000	553,283	561,000				(126,057)		(126,057)		A	02/28/1994.
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD			205,135.000	7,936,673	39.000	7,936,673	6,442,759		320,011		(557,967)		(557,967)		L	02/28/2013.
842587 10 7	SOUTHERN ORD			120,913.000	5,657,519	47.000	5,657,519	5,313,616		245,956		(221,353)		(221,353)		L	12/04/2015.
92939U 10 6	WEC ENERGY GROUP ORD			250,474.000	12,851,821	51.000	12,851,821	9,975,669		427,208		(324,050)		(324,050)		L	12/01/2015.
98389B 10 0	XCEL ENERGY ORD			346,921.000	12,457,933	36.000	12,457,933	9,855,281	111,015	327,077		3,454		3,454		L	10/20/2015.
9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					103,872,461	XXX	103,872,461	81,190,259	416,191	3,321,667	0	(2,403,391)	0	(2,403,391)	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
655100 10 5	NobleHealth, Inc			372.000	203,879,420	548,063.000	203,879,420	197,701,036				22,043,566		22,043,566			08/21/2007.
9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates					203,879,420	XXX	203,879,420	197,701,036	0	0	0	22,043,566	0	22,043,566	0	XXX	XXX
Common Stocks - Mutual Funds																	
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF		R	2,500.669	28,408	11.000	28,408	37,201		2,822		(5,099)		(5,099)		U	12/17/2015.
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF			268.843	6,576	24.000	6,576	5,840		696		(1,119)		(1,119)		U	12/16/2015.
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF			2,187,231.219	85,564,485	39.000	85,564,485	82,171,593		4,371,979		(5,522,677)		(5,522,677)		U	12/09/2015.
256206 10 3	DODGE & COX INTL STOCK MF			435.046	15,870	36.000	15,870	18,105		9,861		(2,235)		(2,235)		U	12/17/2015.
315792 23 4	FIDELITY FREEDOM K 2020 MF			18,030.792	243,776	14.000	243,776	248,130	7,897	48,300		(12,912)		(12,912)		U	12/23/2015.
315792 24 2	FIDELITY FREEDOM K 2015 MF			17,908.522	229,229	13.000	229,229	237,728	8,757	13,493		(13,962)		(13,962)		U	12/23/2015.
315792 25 9	FIDELITY FREEDOM K 2010 MF			2,390.496	29,499	12.000	29,499	30,558	1,207	1,926		(1,994)		(1,994)		U	12/23/2015.
315792 26 7	FIDELITY FREEDOM K 2005 MF			1,356.148	16,789	12.000	16,789	16,994		757		(786)		(786)		U	12/29/2015.
315792 28 3	FIDELITY FREEDOM K INC MF			176.517	2,005	11.000	2,005	2,051		77		(84)		(84)		U	12/29/2015.
315910 28 1	Fidelity Dvsd Intl;K			988.195	34,577	35.000	34,577	30,916		509		577		577		L	12/04/2015.
315911 87 5	SPARTAN INTL INX FUND: CL FID ADV MF			136.398	4,901	36.000	4,901	4,253		133		(169)		(169)		U	12/18/2015.
316200 85 6	Fidelity Gro Company;K			150.902	20,649	137.000	20,649	14,290		789		729		729		L	12/04/2015.
316345 80 0	Fidelity Low-Prcd Stk;K			838.490	40,004	48.000	40,004	34,520		1,893		(2,079)		(2,079)		L	12/11/2015.
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF			359.901	16,825	47.000	16,825	19,811		878		(1,910)		(1,910)		U	12/15/2015.
413838 40 0	OAKMARK EQT AND INC CL I MF			4,771.383	136,318	29.000	136,318	149,943		29,010		(14,144)		(14,144)		U	12/17/2015.
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF			13,564.600	135,646	10.000	135,646	139,740	81	3,690		(4,094)		(4,094)		U	12/30/2015.
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF			2,150.731	22,884	11.000	22,884	23,190	16	10,315		(306)		(306)		U	12/30/2015.
922040 20 9	VANGUARD INST INX CL INST PLS MF			1,443,837.980	269,463,482	187.000	269,463,482	130,618,071		6,547,968		(2,847,436)		(2,847,436)		U	12/18/2015.
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF			741,078.676	113,473,967	153.000	113,473,967	35,323,307		1,711,892		(6,039,791)		(6,039,791)		U	09/27/2011.
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF			559.657	83,232	149.000	83,232	87,208		6,442		(4,060)		(4,060)		U	12/17/2015.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF			193.647	10,273	53.000	10,273	10,836		2,251		(573)		(573)		U	12/17/2015.
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF			1,893.997	356,981	188.000	356,981	341,415		27,779		15,278		15,278		U	12/18/2015.
9299999. Total - Common Stocks - Mutual Funds					469,936,376	XXX	469,936,376	249,565,700	17,958	12,793,460	0	(14,458,846)	0	(14,458,846)	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																	
316191 60 0	Fidelity MM:Ret Govt MM2			123,881.560	123,883	1.000	123,883	123,883		15				0		L	12/02/2015.
9399999. Total - Common Stocks - Money Market Mutual Funds					123,883	XXX	123,883	123,883	0	15	0	0	0	0	0	XXX	XXX
9799999. Total - Common Stock					777,812,140	XXX	777,812,140	528,580,878	434,149	16,115,142	0	5,181,329	0	5,181,329	0	XXX	XXX
9899999. Total Common and Preferred Stock					847,999,066	XXX	848,640,896	598,014,117	728,063	18,973,936	0	5,956,016	0	5,935,017	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....19, the total $ value (included in Column 8) of all such issues $.....469,841,146.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
36179R F9 5	RMBS - G2 MA2892		07/28/2015	JPMORGAN SECURITIES INC, NEW YORK		4,349,020	4,177,984	7,718
36179R LQ 0	RMBS - G2 MA3035		09/09/2015	CREDIT SUISSE, NEW YORK (CSFBUS33XXX)		4,469,549	4,190,611	9,312
912810 EQ 7	US TREASURY N/B		02/27/2015	BNY/ITC DEALERS CLEARANCE SPEC		5,365,172	4,000,000	11,740
912810 QA 9	US TREASURY N/B		10/30/2015	VARIOUS		26,922,563	22,925,000	108,754
912810 RK 6	UNITED STATES TREASURY		12/31/2015	Goldman Sachs		1,793,133	2,000,000	19,565
912828 NT 3	US TREASURY N/B		10/05/2015	VARIOUS		27,139,720	25,800,000	166,771
912828 WJ 5	US TREASURY N/B		11/30/2015	VARIOUS		18,759,181	18,125,000	85,881
0599999.	Total - Bonds - U.S. Government					88,798,338	81,218,595	409,741
Bonds - U.S. States, Territories and Possessions								
20772J G3 0	CONNECTICUT-B		05/13/2015	NATIONAL FINL SVCS CORP, NEW Y		2,872,400	2,500,000	
452150 Y6 6	IL-FIRST SER		06/22/2015	GOLDMAN SACHS & CO, NY		4,108,333	3,775,000	83,050
452152 XY 2	ILLINOIS ST		08/06/2015	Goldman Sachs		2,581,875	2,500,000	34,722
605581 GY 7	MISSISSIPPI ST		11/19/2015	JP MORGAN SECURITIES INC		3,530,070	3,000,000	
956553 WY 3	W VIRGINIA ST-PREREF		03/21/2015	Unknown		3,921,522	3,755,000	73,014
956553 XJ 5	W VIRGINIA ST-UNREF		03/21/2015	Unknown		3,284,470	3,145,000	61,153
1799999.	Total - Bonds - U.S. States, Territories & Possessions					20,298,670	18,675,000	251,939
Bonds - U.S. Political Subdivisions of States								
490278 5C 8	KENT CNTY MI		01/23/2015	JANNEY MONTGOMERY SCOTT INC		6,395,410	5,905,000	
642713 6C 0	NEW BRITAIN-A-REF		04/01/2015	WILLIAM BLAIR & CO		3,670,000	3,670,000	
642713 6D 8	NEW BRITAIN-A-REF		04/01/2015	WILLIAM BLAIR & CO		300,000	300,000	
64966L Q4 6	NEW YORK CITY-F-1		06/03/2015	JPMORGAN SECURITIES INC, NEW YORK		3,382,099	2,975,000	
682845 NG 3	ONSLOW CNTY SCH		12/01/2015	VARIOUS		505,119	500,000	4,167
810453 7Y 0	SCOTTSDALE-REF		02/20/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE		1,102,470	1,000,000	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					15,355,098	14,350,000	4,167
Bonds - U.S. Special Revenue and Special Assessment								
010047 CZ 9	AKRON COPS-DIST ENERG		02/24/2015	BB&T SECURITIES, LLC		1,116,250	1,000,000	11,944
040588 XV 2	AZ COPS SER A		03/18/2015	BB&T SECURITIES, LLC		1,957,410	1,750,000	41,806
121342 NZ 8	BURKE CO DEV-GA-PWR		05/22/2015	MERRILL LYNCH PIERCE FENNER SMITH INC		5,445,000	5,445,000	
161037 YK 6	CHARLOTTE COPS-SER E		12/01/2015	VARIOUS		526,011	500,000	4,167
167593 QQ 8	CHICAGO ILL O HARE INTL ARPT REV		10/08/2015	JP MORGAN SECURITIES INC		1,076,350	1,000,000	
167727 UG 9	CHICAGO WSTWTR-2ND		02/10/2015	Piper Jaffray Co		3,030,480	3,000,000	14,000
20281P FS 6	CMWLTH FING-B		04/16/2015	BB&T SECURITIES, LLC		3,375,420	3,000,000	58,333
26822L MB 7	E-470 PUB HWY AUTH		06/11/2015	Stifel Nicolaus & Co		395,885	355,000	
3138EP EP 5	RMBS - FN AL6441		07/09/2015	Citigroup (SSB)		2,247,571	2,108,230	3,045
3138WF AD 8	RMBS - FN AS5403		07/13/2015	JPMORGAN SECURITIES INC, NEW YORK		2,088,628	2,068,269	2,154
3138WF HA 7	RMBS - FN AS5624		08/11/2015	JP MORGAN SECURITIES INC		2,180,483	2,093,316	2,966
31410K HA 5	RMBS - FN 889525		04/29/2015	JPMORGAN SECURITIES INC, NEW YORK		1,022,768	913,696	1,523
353187 CN 5	FRANKLIN HOSP FACS		06/04/2015	BARCLAYS CAP/FIXED INCOME, NEW YORK		5,352,145	4,805,000	
413328 EJ 0	HARNETT CNTY COPS		12/01/2015	VARIOUS		517,319	500,000	4,167
45200F YA 1	IL FIN-PROVENA HLTH		08/31/2015	JP MORGAN SECURITIES INC		2,941,719	2,425,000	9,397
45203H X5 6	ILLINOIS FIN AUTH-REF		03/18/2015	GOLDMAN SACHS & CO, NY		1,686,390	1,500,000	
58401A BD 1	MECKLENBURG FACS REF		12/01/2015	VARIOUS		521,706	500,000	10,417
59333M U6 0	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN		12/01/2015	Adjustment		2,226,184	2,000,000	556
59333T EC 0	MIAMI-DADE-A-REF		06/25/2015	NATIONAL FINL SVCS CORP, NEW Y		6,309,418	5,750,000	
59334D HH 0	MIAMI-DADE CNTY FLA WTR & SWR REV		12/08/2015	BB&T SECURITIES, LLC		1,951,950	1,750,000	17,014
59447P 7Q 8	MICHIGAN ST FIN AUTH		02/12/2015	MERRILL LYNCH PIERCE FENNER SMITH INC		2,993,940	2,675,000	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
594615 EE 2	MI 10/15/18 '16		09/28/2015	Unknown		629,557	725,000	
594615 EG 7	MI 10/15/18 '16		09/28/2015	Unknown		3,712,214	4,275,000	
626207 K8 6	MUNICIPAL ELEC AUTH GA		12/10/2015	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)		1,145,180	1,000,000	
649883 F2 6	NY MTGE AGY-191-REF		02/11/2015	MORGAN STANLEY & CO INC, NY		2,546,125	2,405,000	
64990E W8 6	NY ST DORM AUTH-E-REF		09/17/2015	JP MORGAN SECURITIES INC		5,690,400	5,000,000	7,639
658196 2M 1	NC EASTN -SER B		12/01/2015	VARIOUS		500,175	500,000	2,083
65887P RB 3	ND PUB FIN AUTH-B		04/24/2015	CITIGROUP GBL MKTS/SALOMON, NEW YORK		1,801,441	1,560,000	
664751 DJ 0	NRTHRN AZ UNIV-REF		04/16/2015	CITIGROUP GBL MKTS/SALOMON, NEW YORK		1,146,080	1,000,000	
682004 DW 3	OMAHA PUB PWR-A-REF		02/27/2015	BB&T SECURITIES, LLC		2,351,240	2,000,000	
70869P HY 6	PA ECON DEV FING		02/25/2015	JPMORGAN SECURITIES INC, NEW YORK		3,804,210	3,545,000	
709193 LX 2	PA ST INDL DEV AUTH		04/02/2015	MORGAN STANLEY & CO INC, NY		1,330,000	1,330,000	
71884A YY 9	PHOENIX CIVIC IMPT-A		04/22/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE		1,168,880	1,000,000	
724500 KA 0	PITT CO-PREREF-COPS		03/26/2015	Unknown		783,146	765,000	18,594
724500 KL 6	PITT CO-UNREF-COPS		03/26/2015	Unknown		1,223,346	1,195,000	29,045
752586 ET 0	RANDOLPH CNTY-COPS		12/01/2015	VARIOUS		497,645	500,000	12,500
764791 BA 6	RICHMOND HOSP AUTH-A		02/11/2015	JPMORGAN SECURITIES INC, NEW YORK		1,683,405	1,500,000	
792905 DG 3	ST PAUL HSG-A-REF		05/29/2015	Piper Jaffray Co		1,704,072	1,540,000	
792905 DH 1	ST PAUL HSG-A-REF		05/29/2015	Piper Jaffray Co		375,020	340,000	
88283K AJ 7	TX TRANSPRTN COMM-A		01/22/2015	BARCLAYS CAPITAL INC, NEW YORK		2,333,180	2,000,000	
90341U DJ 8	USF FIN CORP-A-REF		04/17/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE		1,163,420	1,000,000	
93978H QT 5	WASHINGTON HLTH CARE		06/24/2015	JP MORGAN SECURITIES INC		1,617,300	1,500,000	
944514 MN 5	WAYNE CNTY-A-REF		08/27/2015	MERRILL LYNCH PIERCE FENNER		4,051,019	3,655,000	45,688
95648V AS 8	WV ECON DEV SLDWST		10/20/2015	BB&T SECURITIES, LLC		3,333,360	3,000,000	63,604
971697 BN 6	WILMINGTON-REF		12/01/2015	VARIOUS		565,713	500,000	4,167
975700 HV 0	WINSTON-SALEM W/S		12/01/2015	VARIOUS		414,917	400,000	2,667
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					94,534,072	87,373,511	367,476
Bonds - Industrial and Miscellaneous								
00507U AR 2	ACTAVIS FUNDING SCS	R	03/03/2015	JPMORGAN SECURITIES INC, NEW YORK		2,945,811	2,950,000	
03027X AD 2	AMERICAN TOWER CORP		10/22/2015	JP MORGAN SECURITIES INC		2,572,152	2,400,000	24,000
03764X AC 1	ABS - APID 2014-17A A2A	R	06/25/2015	Citigroup (SSB)		3,980,000	4,000,000	19,111
05523U AP 5	BAE SYSTEMS HOLDINGS INC	R	12/03/2015	JP MORGAN SECURITIES INC		548,451	555,000	
111013 AL 2	BRITISH SKY BROADCASTING	R	10/23/2015	Goldman Sachs		2,550,663	2,550,000	11,156
12548C AB 3	ABS - CIFC 2014-2A A2L	R	07/01/2015	Citigroup (SSB)		3,988,000	4,000,000	11,349
125896 BP 4	CMS ENERGY CORP		11/04/2015	MITSUBISHI UFJ SECURITIES		2,217,947	2,225,000	
12591U AF 0	CMBS - COMM 2014-UBS2 A5		09/01/2015	DEUTSCHE BANK ALEX BROWN		5,304,297	5,000,000	1,650
139738 AC 2	ABS - AFIN 2015-2 A2		08/18/2015	Citigroup (SSB)		2,087,859	2,100,000	81
15137D AA 3	ABS - CECLO 2014-22A A1	R	07/23/2015	Citigroup (SSB)		3,523,646	3,530,000	14,118
161175 AM 6	CCO SAFARI II LLC		07/09/2015	Goldman Sachs		3,510,000	3,510,000	
172967 KD 2	CITIGROUP INC		11/17/2015	Citigroup (SSB)		604,200	600,000	715
24713G AA 0	DELPHI AUTOMOTIVE PLC	R	11/09/2015	BARCLAYS CAP/FIXED INCOME, NEW YORK		708,466	710,000	
26244G AA 3	ABS - DRSLF 2015-40A A	R	07/02/2015	WELLS FARGO SECURITIES LLC		4,000,000	4,000,000	
26244K AC 0	ABS - DRSLF 2015-41A B	R	10/01/2015	VARIOUS		3,455,000	3,455,000	
29250R AK 2	ENBRIDGE ENERGY PARTNERS		10/01/2015	VARIOUS		1,942,623	1,900,000	7,223
36164N FF 7	GE CAPITAL INTERNATIONAL FUNDING CO	R	10/26/2015	General Electric Co		2,078,098	2,078,182	
36252A AG 1	CMBS/CMO - GSMST-15GS1-AS		11/16/2015	Goldman Sachs		2,961,073	2,875,000	9,672
369604 BM 4	GENERAL ELECTRIC CO		12/03/2015	Unknown		5,803,024	6,172,500	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
38141G VR 2	GOLDMAN SACHS GROUP INC		10/16/2015	Goldman Sachs		829,155	835,000	
46625H HA 1	JPMORGAN CHASE & CO		03/23/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE		5,396,875	5,000,000	160,194
46625H JQ 4	JPMORGAN CHASE & CO		04/09/2015	CITIGROUP GBL MKTS/SALOMON, NEW YORK		1,209,050	1,102,000	13,921
50180L AC 4	CMBS - LBUBS 2008-C1 A2		08/26/2015	VARIOUS		1,518,137	1,384,133	3,508
514666 AK 2	LAND O'LAKES INC		07/09/2015	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)		1,500,000	1,500,000	
539830 BH 1	LOCKHEED MARTIN CORP		11/16/2015	JP MORGAN SECURITIES INC		1,800,988	1,815,000	
55952Y AA 5	ABS - MAGNE 2014-8A A	R	08/03/2015	DEUTSCHE BANK ALEX BROWN		1,749,125	1,750,000	1,892
55953B AC 0	ABS - MAGNE 2014-9A A2	R	06/25/2015	MERRILL LYNCH PIERCE FENNER		1,679,160	1,680,000	6,651
57060U 52 2	MKT VCTRS J P MRGN EM LCL CRNCY ETF		12/07/2015	VARIOUS		4,570,930		
58013M EX 8	MCDONALD'S CORP		12/02/2015	MORGAN STANLEY CO		1,307,577	1,310,000	
59156R BP 2	METLIFE INC		05/27/2015	GOLDMAN SACHS & CO, NY		1,000,000	1,000,000	
59523U AM 9	MID-AMERICA APARTMENTS L.P		11/02/2015	JP MORGAN SECURITIES INC		722,627	730,000	
61690V AW 8	CMBS - MORGAN STANLEY BK AMER MERRILLLYN		10/28/2015	MORGAN STANLEY CO		2,162,932	2,100,000	2,132
67575B AE 9	CDO - OCTNIP-25-B	R	10/01/2015	Adjustment		4,070,000	4,070,000	
693475 AK 1	PNC FINANCIAL SERVICES		04/07/2015	VARIOUS		6,128,125	5,500,000	63,656
709599 AV 6	PENSKE TRUCK LEASING CO LP		11/04/2015	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)		2,538,347	2,550,000	
714295 AC 6	PERRIGO FINANCE PLC	R	10/22/2015	CREDIT SUISSE, NEW YORK (CSFBUS33XXX)		2,509,544	2,575,000	36,823
78469Q AF 9	ABS - SPART-15T3-A		12/10/2015	CREDIT SUISSE, NEW YORK (CSFBUS33XXX)		2,229,790	2,230,000	
816851 AY 5	SEMPRA ENERGY		11/12/2015	MERRILL LYNCH PIERCE FENNER		2,518,132	2,525,000	
83367T BR 9	SOCIETE GENERALE SA	R	11/17/2015	SG AMERICAS SECURITIES, LLC		2,590,172	2,600,000	
87165V AA 7	ABS - SYMP 2015-16A A	R	07/01/2015	MERRILL LYNCH PIERCE FENNER		4,000,000	4,000,000	
887317 AZ 8	TIME WARNER INC		11/17/2015	JP MORGAN SECURITIES INC		2,548,751	2,550,000	
90131H AX 3	21ST CENTURY FOX AMERICA		10/22/2015	BAIRD, ROBERT W & CO INC, MILWAUKEE		2,471,504	1,920,000	71,405
902973 AY 2	US BANCORP CAPITAL I		11/16/2015	US BANCORP		2,000,000	2,000,000	
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF		12/31/2015	VARIOUS		1,424,250		
949746 PM 7	WELLS FARGO & COMPANY		04/09/2015	VARIOUS		5,937,688	5,350,000	30,402
3899999.	Total - Bonds - Industrial and Miscellaneous					121,194,169	112,686,815	489,659
8399997.	Total - Bonds - Part 3					340,180,347	314,303,921	1,522,982
8399998.	Total - Bonds - Summary Item from Part 5					13,172,907	12,140,000	110,190
8399999.	Total - Bonds					353,353,254	326,443,921	1,633,172
Preferred Stocks - Industrial and Miscellaneous								
00850L 20 3	AGRIBANK FCB		10/01/2015	VARIOUS	1,000.000	106,000		
010392 47 0	ALABAMA POWER CO		10/01/2015	VARIOUS	215,000.000	5,697,500		
020002 87 9	ALLSTATE CORP		09/01/2015	VARIOUS	70,363.000	1,913,239		
046265 40 1	ASTORIA FINANCIAL CORP		10/01/2015	VARIOUS	24,308.000	614,419		
054937 40 4	BB&T CORPORATION		10/01/2015	VARIOUS	167,712.000	4,211,091		
060505 EL 4	BANK OF AMERICA CORP		03/23/2015	RBC CAPITAL MARKETS	5,000,000.000	5,262,500		138,125
064058 AD 2	BANK OF NY MELLON CORP		05/11/2015	PIERPONT SECURITIES	3,000,000.000	3,000,000		6,600
14040H 60 0	CAPITAL ONE FINANCIAL CO		10/01/2015	VARIOUS	130,000.000	3,329,087		
14040H 70 9	CAPITAL ONE FINANCIAL CO		09/01/2015	VARIOUS	69,140.000	1,847,450		
172967 34 1	CITIGROUP INC		09/01/2015	VARIOUS	150,000.000	4,059,500		
174610 AD 7	CITIZENS FINANCIAL GROUP		12/28/2015	VARIOUS	1,000,000.000	980,938		19,938
19075Q 86 2	COBANK ACB		10/01/2015	VARIOUS	33,000.000	3,368,500		
19075Q 87 0	COBANK ACB		10/01/2015	VARIOUS	12,785.000	1,191,774		
316773 60 5	FIFTH THIRD BANCORP		09/01/2015	VARIOUS	38,410.000	1,079,321		
33616C 60 5	FIRST REPUBLIC BANK/SF		10/01/2015	VARIOUS	150,314.000	3,753,565		

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
38148B 10 8	GOLDMAN SACHS GROUP INC		09/01/2015	VARIOUS	190,000.000	5,114,000		
38148B AB 4	GOLDMAN SACHS GROUP INC		10/01/2015	VARIOUS	450,000.000	450,000		
40428H 86 2	HSBC USA INC	R	11/01/2015	VARIOUS	75,000.000	1,893,000		
40429C 60 7	HSBC FINANCE CORP	R	11/01/2015	VARIOUS	25,701.000	648,812		
55261F 60 9	M&T BANK CORPORATION		10/01/2015	VARIOUS	4,000.000	4,080,000		
61761J 40 6	MORGAN STANLEY		09/01/2015	VARIOUS	112,000.000	2,926,000		
61763E 20 7	MORGAN STANLEY		09/01/2015	VARIOUS	50,000.000	1,381,000		
758849 70 7	REGENCY CENTERS CORP		09/01/2015	VARIOUS	45,000.000	1,149,750		
7591EP 50 6	REGIONS FINANCIAL CORP		09/01/2015	VARIOUS	19,551.000	512,138		
78406T 20 1	SCE TRUST I		09/01/2015	VARIOUS	139,775.000	3,501,185		
857477 88 9	STATE STREET CORP		10/01/2015	VARIOUS	197,439.000	5,065,284		
867914 88 9	SUNTRUST BANKS INC		10/01/2015	VARIOUS	35,977.000	902,665		
882228 30 7	TEXAS CAPITAL BANCSHARES		08/27/2015	VARIOUS	32,013.000	799,809		
882228 40 6	TEXAS CAPITAL BANCSHARES		10/01/2015	VARIOUS	15,506.000	389,679		
919794 20 6	VALLEY NATIONAL BANCORP		09/01/2015	VARIOUS	30,000.000	750,000		
947890 40 6	WEBSTER FINANCIAL CORP		10/01/2015	VARIOUS	59,348.000	1,503,703		
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					71,481,909	XXX	164,663
8999997.	Total - Preferred Stocks - Part 3					71,481,909	XXX	164,663
8999998.	Total - Preferred Stocks - Summary Item from Part 5					2,115,258	XXX	
8999999.	Total - Preferred Stocks					73,597,167	XXX	164,663
Common Stocks - Industrial and Miscellaneous								
001204 10 6	AGL RESOURCES INC		12/01/2015	VARIOUS	8,901.000	486,653	XXX	
30040W 10 8	EVERSOURCE ENERGY		10/01/2015	VARIOUS	6,151.000	298,617	XXX	
552690 10 9	MDU RESOURCES GROUP INC		10/01/2015	VARIOUS	14,935.000	298,691	XXX	
55273W 47 5	MFS Mid Cap Value;R5	I	12/17/2015	FIDELITY	308.835	6,254	XXX	
57630A 59 2	MassMutual Sel:MCGII;I		12/16/2015	FIDELITY	276.554	5,365	XXX	
65339F 10 1	NEXTERA ENERGY INC		12/15/2015	VARIOUS	1,933.000	191,119	XXX	
69331C 10 8	P G & E CORP		10/15/2015	VARIOUS	7,532.000	404,394	XXX	
69351T 10 6	PPL CORP		10/01/2015	VARIOUS	326,594.000	9,098,631	XXX	
842587 10 7	SOUTHERN CO/THE		12/04/2015	VARIOUS	10,594.000	461,106	XXX	
92939U 10 6	WEC ENERGY GROUP INC		12/01/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	4,559.000	222,022	XXX	
976657 10 6	WEC ENERGY GROUP INC		06/01/2015	PERSHING LLC JERSEY CITY	4,186.000	205,062	XXX	
98389B 10 0	XCEL ENERGY INC		10/20/2015	VARIOUS	12,093.000	427,457	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					12,105,371	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
655100 10 5	Noble, City of		12/31/2015	Unknown		90,648,974	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					90,648,974	XXX	0
Common Stocks - Mutual Funds								
003021 71 4	ABERDEEN EMER MKTS-INST	R	12/17/2015	Unknown	361.823	4,654	XXX	
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF		12/16/2015	Unknown	28.504	696	XXX	
197199 81 3	COLUMBIA ACORN INTL-Z		12/09/2015	NON-BROKER TRADE, BOSTON	109,225.409	4,371,979	XXX	
256206 10 3	DODGE & COX INTL STOCK FUND		12/17/2015	Unknown	435.046	18,105	XXX	
315792 23 4	FIDELITY FREEDOM K 2020 FUND		12/23/2015	Unknown	5,471.504	77,985	XXX	
315792 24 2	FIDELITY FREEDOM K 2015 MF		12/23/2015	Unknown	942.101	12,447	XXX	
315792 25 9	FIDELITY FREEDOM K 2010 FUND		12/23/2015	Unknown	150.610	1,926	XXX	
315792 26 7	FIDELITY FREEDOM K 2005 FUN		12/29/2015	Unknown	59.508	757	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
315792 28 3	FIDELITY FREEDOM K INCO FUND		12/29/2015	Unknown	6.620	77	XXX	
315910 28 1	Fidelity Dvsd Intl;K		12/04/2015	Unknown	14.335	509	XXX	
315911 87 5	FIDELITY SPART INTL INDEX-FA		12/18/2015	Unknown	3.757	133	XXX	
316200 85 6	Fidelity Gro Company;K		12/04/2015	Unknown	5.431	759	XXX	
316345 80 0	Fidelity Low-Prcd Stk;K		12/11/2015	Unknown	7.153	339	XXX	
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF		12/15/2015	Unknown	18.606	878	XXX	
413838 40 0	OAKMARK EQUITY & INCOME-I		12/17/2015	Unknown	1,838.051	56,860	XXX	
592905 76 4	METROPOLITAN WEST T/R BD-PLN		12/30/2015	VARIOUS	14,564.613	150,050	XXX	
921937 60 3	VANGUARD TOT BD MKT IDX-ADM		12/30/2015	VARIOUS	39,334.344	422,542	XXX	
922040 20 9	VANGUARD INST INDEX-INST+		12/18/2015	VARIOUS	35,339.560	6,547,968	XXX	
922908 39 7	VANGUARD SML CAP INDX-INST+		12/01/2015	Adjustment	124.446		XXX	
922908 64 5	VANGUARD MID CAP INDEX-ADM		12/17/2015	Unknown	572.134	89,591	XXX	
922908 68 6	VANGUARD SML CAP INDX-ADM		12/17/2015	Unknown	72.589	4,082	XXX	
922908 71 0	VANGUARD 500 INDEX FUND-ADM		12/18/2015	Unknown	2,219.514	405,184	XXX	
9299999.	Total - Common Stocks - Mutual Funds					12,167,521	XXX	0
Common Stocks - Money Market Mutual Funds								
316191 60 0	FIDELITY MM TR-RETIRMNT MM		12/02/2015	VARIOUS	405,232.140	405,244	XXX	
9399999.	Total - Common Stocks - Money Market Mutual Funds					405,244	XXX	0
9799997.	Total - Common Stocks - Part 3					115,327,110	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					7,036,670	XXX	
9799999.	Total - Common Stocks					122,363,780	XXX	0
9899999.	Total - Preferred and Common Stocks					195,960,947	XXX	164,663
9999999.	Total - Bonds, Preferred and Common Stocks					549,314,201	XXX	1,797,835

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
36179M E4 8	RMBS - G2 MA0155	..	02/20/2015.	VARIOUS		4,517,910	4,244,065	4,533,855	4,529,899		(532)		(532)		4,529,367		(11,457)	(11,457)	36,212	06/20/2042.
36179M NH 9	RMBS - G2 MA0392	..	12/21/2015.	Direct		883,421	883,421	915,169	914,708		201		201		914,908		(31,487)	(31,487)	16,383	09/20/2042.
36179Q BH 3	RMBS - G2 MA1840	..	02/20/2015.	VARIOUS		9,634,669	8,873,599	9,672,223	9,663,882		(11,426)		(11,426)		9,652,456		(17,787)	(17,787)	84,780	04/20/2044.
36179R F9 5	RMBS - G2 MA2892	..	12/21/2015.	Direct		111,724	111,724	116,297			(73)		(73)		116,225		(4,501)	(4,501)	871	06/20/2045.
36179R LQ 0	RMBS - G2 MA3035	..	12/21/2015.	Direct		108,956	108,956	116,208			(105)		(105)		116,103		(7,147)	(7,147)	802	08/20/2045.
36225C NZ 5	RMBS - G2 80407	..	10/01/2015.	Direct		2	502	493	496				0		496		(494)	(494)		05/20/2030.
3837H0 XX 6	CMO/RMBS - GNR 1996-22 Z	..	12/16/2015.	Direct		67,342	67,342	60,950	65,196		61		61		65,258		2,084	2,084	2,420	10/16/2026.
912810 EQ 7	US TREASURY N/B	..	07/28/2015.	MERRILL LYNCH PIERCE FENNER		3,142,959	2,400,000	3,219,103			(36,964)		(36,964)		3,182,139		(39,180)	(39,180)	68,785	08/15/2023.
912810 FF 0	US TREASURY N/B	..	01/01/2015.	VARIOUS			12,230	15,934	15,899				0		15,899		(15,899)	(15,899)		11/15/2028.
912828 NT 3	US TREASURY N/B	..	09/09/2015.	VARIOUS		8,694,541	8,300,000	8,701,510			(2,095)		(2,095)		8,699,415		(4,875)	(4,875)	65,673	08/15/2020.
0599999.	Total - Bonds - U.S. Government					27,161,524	25,001,839	27,351,742	15,190,080	0	(50,933)	0	(50,933)	0	27,292,266	0	(130,743)	(130,743)	275,926	XXX
Bonds - U.S. States, Territories and Possessions																				
677521 BD 7	OH REF-HGR ED-SER A	..	03/18/2015.	MERRILL LYNCH PIERCE FENNER SMITH INC		2,095,520	1,750,000	1,988,053	1,897,763		(4,400)		(4,400)		1,893,363		202,157	202,157	56,389	08/01/2021.
76222N HT 1	RI PROV REF-DEV LN-A	..	06/26/2015.	Stifel Nicolaus & Co		6,855,012	6,800,000	7,190,593	6,939,636		(117,419)		(117,419)		6,822,217		32,795	32,795	311,667	08/01/2018.
956553 UV 1	WEST VIRGINIA	..	03/21/2015.	Unknown		7,205,992	6,900,000	7,420,918	7,246,705		(40,713)		(40,713)		7,205,992			0	134,167	11/01/2024.
1799999.	Total - Bonds - U.S. States, Territories & Possessions					16,156,524	15,450,000	16,599,564	16,084,104	0	(162,532)	0	(162,532)	0	15,921,572	0	234,952	234,952	502,223	XXX
Bonds - U.S. Political Subdivisions of States																				
09088R RR 9	BIRMINGHAM REF SER A	..	10/22/2015.	Goldman Sachs		6,192,638	5,935,000	6,376,030	6,193,138		(119,677)		(119,677)		6,073,460		119,178	119,178	318,182	04/01/2022.
180847 M4 4	CLARK CNTY-REF-FLOOD	..	11/23/2015.	JP MORGAN SECURITIES INC		6,116,820	6,000,000	6,094,980	6,060,968		(40,693)		(40,693)		6,020,275		96,545	96,545	304,000	11/01/2023.
251129 Y2 2	DETROIT SD-REF-A	..	05/01/2015.	NON-BROKER TRADE, BOSTON		5,000,000	5,000,000	5,282,400	5,139,957		(7,264)		(7,264)		5,132,693		(132,693)	(132,693)	125,000	05/01/2021.
341535 VG 4	FL ST BOE-REF-SER D	..	06/01/2015.	Redemption		5,050,000	5,000,000	5,372,050	5,223,726		(173,726)		(173,726)		5,050,000			0	125,000	06/01/2024.
439239 HH 0	HOOVER BOE	..	02/17/2015.	Redemption		3,500,000	3,500,000	3,718,085	3,581,890		(81,890)		(81,890)		3,500,000			0	87,500	02/15/2019.
478700 A9 8	JOHNSON USD #229-RF-B	..	10/19/2015.	VARIOUS		1,020,000	1,020,000	1,079,463	1,043,860		(23,860)		(23,860)		1,020,000			0	53,408	10/01/2017.
681712 PQ 2	OMAHA-REF-CONVNTN/ARE	..	03/02/2015.	BB&T SECURITIES, LLC		2,546,940	2,000,000	2,169,770	2,131,130		(1,456)		(1,456)		2,129,674		417,266	417,266	44,625	04/01/2026.
2499999.	Total - Bonds - U.S. Political Subdivisions of States					29,426,398	28,455,000	30,092,778	29,374,669	0	(448,566)	0	(448,566)	0	28,926,102	0	500,296	500,296	1,057,715	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
114894 MR 6	BROWARD ARPT-P1-REF	..	10/22/2015.	Raymond James Financial		4,677,366	4,070,000	4,757,952	4,739,583		(91,001)		(91,001)		4,648,582		28,784	28,784	218,197	10/01/2020.
152708 AW 3	CENTRAL BROWN WTR	..	08/31/2015.	MERRILL LYNCH PIERCE FENNER		5,059,200	5,000,000	5,199,850	5,159,100		(116,747)		(116,747)		5,042,353		16,847	16,847	188,889	12/01/2030.
161037 QW 9	CHARLOTTE COPS-RF-CON	..	08/31/2015.	JP MORGAN SECURITIES INC		956,123	945,000	1,018,941	960,436		(11,307)		(11,307)		949,129		6,994	6,994	35,700	12/01/2016.
161037 QX 7	CHARLOTTE COPS-RF-CON	..	08/31/2015.	JP MORGAN SECURITIES INC		1,011,770	1,000,000	1,070,088	1,020,495		(15,022)		(15,022)		1,005,474		6,296	6,296	37,778	12/01/2017.
161037 QY 5	CHARLOTTE COPS-RF-CON	..	08/31/2015.	JP MORGAN SECURITIES INC		1,011,770	1,000,000	1,065,273	1,023,705		(17,381)		(17,381)		1,006,325		5,445	5,445	37,778	12/01/2018.
161037 RA 6	CHARLOTTE COPS-RF-CON	..	09/29/2015.	Unknown		1,008,210	1,000,000	1,063,139	1,030,016		(24,626)		(24,626)		1,005,389		2,821	2,821	41,806	12/01/2020.
161037 RF 5	CHARLOTTE COPS-RF-CON	..	09/29/2015.	Unknown		2,041,625	2,025,000	2,107,640	2,078,369		(43,777)		(43,777)		2,034,592		7,033	7,033	84,656	12/01/2025.
224616 AN 2	CRAVEN CNTY COPS	..	06/01/2015.	Maturity		1,480,000	1,480,000	1,542,217	1,485,385		(5,385)		(5,385)		1,480,000			0	33,300	06/01/2015.
3128MJ S6 8	RMBS - FG G08540	..	12/15/2015.	Direct		236,854	236,854	233,967	233,999		33		33		234,032		2,821	2,821	4,106	08/01/2043.
3128MJ TA 8	RMBS - FG G08544	..	12/15/2015.	Direct		251,913	251,913	247,111	247,165		64		64		247,229		4,684	4,684	4,332	09/01/2043.
3128MJ UV 0	RMBS - FG G08595	..	12/15/2015.	Direct		2,285,669	2,285,669	2,414,417	2,412,802		3,584		3,584		2,416,387		(130,718)	(130,718)	41,362	07/01/2044.
3128MJ UX 6	RMBS - FG G08597	..	12/15/2015.	Direct		1,893,919	1,893,919	1,939,492	1,938,895		1,309		1,309		1,940,204		(46,284)	(46,284)	29,201	07/01/2044.
312936 6F 9	RMBS - FG A89870	..	12/15/2015.	Direct		1,932,979	1,932,979	2,091,242	2,088,607		4,133		4,133		2,092,740		(159,761)	(159,761)	43,134	11/01/2039.
312939 RG 8	RMBS - FG A91387	..	02/17/2015.	VARIOUS		5,050,160	4,560,417	5,062,775	5,054,711		(611)		(611)		5,054,100		(3,941)	(3,941)	48,641	03/01/2040.
312943 UJ 0	RMBS - FG A95085	..	12/15/2015.	Direct		1,826,741	1,826,741	1,928,638	1,926,987		1,256		1,256		1,928,243		(101,503)	(101,503)	38,079	11/01/2040.
3133XC T6 0	RMBS - FHLB SK-2015 1	..	08/18/2015.	VARIOUS		482,781	482,781	480,971	482,520		244		244		482,764		17	17	15,516	08/18/2015.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
31371K XS 5	RMBS - FN 254589	..	12/01/2015.	VARIOUS		1,480	1,344	1,392	1,363		(2)		(2)		1,361		119	119	48	01/01/2023.
3137B5 J8 7	CMBS - FHMS KF02 A2	..	05/18/2015.	VARIOUS		5,236,508	5,217,244	5,256,713	5,254,276		(2,061)		(2,061)		5,252,214		(15,706)	(15,706)	14,337	07/25/2020.
3138E0 RA 9	RMBS - FN AJ7680	..	12/28/2015.	Direct		1,017,927	1,017,927	1,045,523	1,045,065		(76)		(76)		1,044,989		(27,062)	(27,062)	18,869	12/01/2041.
3138EP EP 5	RMBS - FN AL6441	..	12/28/2015.	Direct		75,718	75,718	80,723			(104)		(104)		80,618		(4,900)	(4,900)	766	02/01/2045.
3138WF AD 8	RMBS - FN AS5403	..	12/28/2015.	Direct		75,467	75,467	76,210			(16)		(16)		76,194		(727)	(727)	462	07/01/2030.
3138WF HA 7	RMBS - FN AS5624	..	12/28/2015.	Direct		51,759	51,759	53,914			(39)		(39)		53,874		(2,116)	(2,116)	329	08/01/2030.
3138WT RW 8	RMBS - FN AT5900	..	12/28/2015.	Direct		843,645	843,645	832,967	833,084		13		13		833,097		10,548	10,548	14,186	06/01/2043.
3138X0 Y3 6	RMBS - FN AU1629	..	12/28/2015.	Direct		242,880	242,880	239,730	239,762		17		17		239,779		3,101	3,101	4,140	07/01/2043.
3138Y6 4A 9	RMBS - FN AX5316	..	12/28/2015.	Direct		561,765	561,765	611,972	611,950		1,431		1,431		613,381		(51,617)	(51,617)	12,678	01/01/2042.
31392B 5Y 8	CMO/RMBS - FNR 2002-10 FB	..	12/28/2015.	Direct		9,603	9,603	9,603	9,603				0		9,603			0	33	03/25/2017.
31403D BY 4	RMBS - FN 745355	..	02/25/2015.	VARIOUS		2,610,018	2,356,809	2,616,794	2,611,519		(423)		(423)		2,611,096		(1,078)	(1,078)	25,124	03/01/2036.
31410K HA 5	RMBS - FN 889525	..	12/28/2015.	Direct		155,230	155,230	173,760			482		482		174,242		(19,012)	(19,012)	2,461	05/01/2036.
31418A M3 9	RMBS - FN MA1277	..	12/28/2015.	Direct		1,239,198	1,239,198	1,257,205	1,256,512		(641)		(641)		1,255,871		(16,673)	(16,673)	17,250	12/01/2027.
31418M GG 1	RMBS - FN AD0198	..	12/28/2015.	Direct		1,641,988	1,641,988	1,834,922	1,832,103		38		38		1,832,141		(190,153)	(190,153)	47,810	09/01/2038.
31418U EL 4	RMBS - FN AD6438	..	12/28/2015.	Direct		1,267,820	1,267,820	1,406,091	1,403,875		2,436		2,436		1,406,311		(138,491)	(138,491)	32,915	06/01/2040.
34160P AP 4	FL DEPT MGTM SVS-COPS	..	06/26/2015.	US BANCORP INVESTMENTS INC		1,013,940	1,000,000	1,068,471	1,036,861		(22,917)		(22,917)		1,013,944		(4)	(4)	45,833	08/01/2019.
34160P AR 0	FL DEPT MGTM SVS-COPS	..	08/03/2015.	Redemption		7,499,250	7,425,000	7,844,133	7,648,256		(149,006)		(149,006)		7,499,250			0	371,250	08/01/2021.
385492 FF 5	GRAND FORKS S/TAX-A	..	12/15/2015.	VARIOUS		2,505,000	2,505,000	2,665,070	2,550,468		(45,468)		(45,468)		2,505,000			0	125,250	12/15/2017.
45528S LX 2	INDIANAPOLIS IMPT-D	..	07/27/2015.	Redemption		2,135,000	2,135,000	2,215,852	2,182,081		(47,081)		(47,081)		2,135,000			0	114,460	07/01/2023.
56041M HJ 6	ME GOVT FACS-REF-A	..	10/01/2015.	Redemption		2,000,000	2,000,000	2,160,560	2,029,531		(29,531)		(29,531)		2,000,000			0	100,000	10/01/2016.
56041M HN 7	ME GOVT FACS-REF-A	..	10/01/2015.	Redemption		4,500,000	4,500,000	4,815,360	4,606,157		(106,157)		(106,157)		4,500,000			0	225,000	10/01/2018.
56041M HQ 0	ME GOVT FACS-REF-A	..	10/01/2015.	Redemption		4,700,000	4,700,000	5,004,654	4,821,214		(121,214)		(121,214)		4,700,000			0	235,000	10/01/2019.
593464 AA 8	MIAMI RENT TAXABLE-88	..	07/01/2015.	Redemption		50,000	50,000	54,061	51,529		(145)		(145)		51,384		(1,384)	(1,384)	4,325	07/01/2019.
594614 B3 2	MI ST BLDG AUTH-REF	..	09/02/2015.	CITIGROUP GLOBAL MARKETS INC		4,521,690	4,500,000	4,778,865	4,654,851		(134,984)		(134,984)		4,519,867		1,823	1,823	201,875	10/15/2022.
594614 W7 0	MI ST BLDG-CABS-REF	..	09/28/2015.	Unknown		4,341,770	5,000,000	3,348,733	4,185,505		156,265		156,265		4,341,770			0		10/15/2018.
613209 BS 3	MONTGOMERY BLDG-PRERF	..	11/18/2015.	US BANCORP INVESTMENTS INC		3,094,684	3,055,000	3,201,631	3,111,167		(42,894)		(42,894)		3,068,274		26,411	26,411	187,543	03/01/2024.
613209 BV 6	MONTGOMERY BLDG-UNREF	..	11/17/2015.	MERRILL LYNCH PIERCE FENNER		2,254,593	2,225,000	2,294,710	2,251,809		(20,257)		(20,257)		2,231,552		23,041	23,041	135,663	03/01/2024.
63968M EW 5	NE INVT SFH-A	..	02/12/2015.	BB&T SECURITIES, LLC		1,005,000	1,000,000	934,050	941,572		757		757		942,329		62,671	62,671	12,757	03/01/2024.
63968M EX 3	NE INVT SFH-A	..	02/12/2015.	BB&T SECURITIES, LLC		1,507,500	1,500,000	1,397,250	1,408,337		1,117		1,117		1,409,454		98,046	98,046	19,135	09/01/2024.
646133 GU 6	NJ ST TRAN CORP CTF-A	..	06/26/2015.	Goldman Sachs		5,052,250	5,000,000	5,630,750	5,049,006		(34,518)		(34,518)		5,014,489		37,761	37,761	208,542	09/15/2015.
646136 R8 6	NJ TRANSPRTN AUTH-AA	..	08/06/2015.	CITIGROUP GLOBAL MARKETS INC		2,551,850	2,500,000	2,639,300	2,636,695		(8,311)		(8,311)		2,628,384		(76,534)	(76,534)	81,944	06/15/2036.
649883 F2 6	NY MTGE AGY-191-REF	..	08/20/2015.	NON-BROKER TRADE, BOSTON		145,000	145,000	153,509			(413)		(413)		153,096		(8,096)	(8,096)	2,453	10/01/2034.
658196 PK 0	NC ESTRN MUN PWR RF-B	..	04/16/2015.	JANNEY MONTGOMERY SCOTT INC		3,910,890	3,000,000	3,577,170	3,529,717		(11,793)		(11,793)		3,517,924		392,966	392,966	145,000	01/01/2026.
658196 QS 2	NC ESTRN PWR PREREF-A	..	01/02/2015.	Redemption		140,000	140,000	146,850	142,235				0		142,235		(2,235)	(2,235)	3,500	01/01/2017.
65820Q BY 8	NC FIN-CAP IMPT-SER A	..	02/02/2015.	Redemption		2,000,000	2,000,000	2,110,373	2,068,231		(68,231)		(68,231)		2,000,000			0	50,000	02/01/2021.
65820Q CA 9	NC FIN-CAP IMPT-SER A	..	02/02/2015.	Redemption		9,000,000	9,000,000	9,544,501	9,324,118		(324,118)		(324,118)		9,000,000			0	225,000	02/01/2023.
65820Q CC 5	NC FIN-CAP IMPT-SER A	..	02/02/2015.	Redemption		5,500,000	5,500,000	5,722,445	5,642,824		(142,824)		(142,824)		5,500,000			0	137,500	02/01/2025.
65820Q DT 7	NC INFRA CAP IMPTS-A	..	10/22/2015.	MERRILL LYNCH PIERCE FENNER		9,516,600	9,000,000	9,690,030	9,447,649		(173,391)		(173,391)		9,274,257		242,343	242,343	557,500	02/01/2024.
658289 XS 7	NC UNIV GEN-SER A	..	06/26/2015.	OPPENHEIMER & CO. INC		3,845,144	3,800,000	4,044,340	3,885,168		(56,515)		(56,515)		3,828,654		16,490	16,490	142,500	10/01/2018.
684610 BB 3	ORANGE CTFS	..	10/01/2015.	Unknown		1,130,846	1,105,000	1,145,132	1,131,724		(16,130)		(16,130)		1,115,593		15,252	15,252	55,864	04/01/2022.
71883R GW 7	PHOENIX IMPT-JR LIEN	..	07/01/2015.	Redemption		2,000,000	2,000,000	2,078,673	2,057,714		(57,714)		(57,714)		2,000,000			0	95,000	07/01/2024.
724500 GN 7	PITT CNTY COPS	..	07/01/2015.	VARIOUS		2,006,492	1,960,000	2,042,371	2,011,545		(5,053)		(5,053)		2,006,492			0	47,639	04/01/2021.
860820 DQ 9	STILLWATER UTILS-A	..	01/23/2015.	JANNEY MONTGOMERY SCOTT INC		2,350,180	2,000,000	2,232,340	2,243,489		(1,548)		(1,548)		2,241,942		108,239	108,239	32,500	10/01/2039.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
914353 A8 0	UNIV OF IL-PREREF	..	02/10/2015.	BB&T SECURITIES, LLC		1,052,860	1,000,000	1,046,653	1,021,481		(2,001)		(2,001)		1,019,480		33,380	33,380	18,333	04/01/2022.
914716 B2 0	UNIV OF NC CHARLOTTE	..	01/23/2015.	JANNEY MONTGOMERY SCOTT INC.		3,518,700	3,000,000	3,186,750	3,175,096		(1,111)		(1,111)		3,173,985		344,715	344,715	48,750	04/01/2043.
914720 AR 8	UNV NC SYS POOL-SER B	..	10/01/2015.	Redemption		115,000	115,000	111,824	113,429		298		298		113,727		1,273	1,273	5,175	10/01/2018.
924211 3M 5	VERMONT BD BK-SER 1	..	12/01/2015.	Redemption		1,365,000	1,365,000	1,459,472	1,423,186		(58,186)		(58,186)		1,365,000			0	68,250	12/01/2024.
928075 DT 4	VA PORT AMT-SER A	..	07/01/2015.	Redemption		3,055,000	3,055,000	2,767,372	2,848,834		206,166		206,166		3,055,000			0	160,388	07/01/2024.
928172 LJ 2	VA PUB BLDG REF-SER A	..	06/26/2015.	MORGAN STANLEY CO		2,007,980	2,000,000	2,098,710	2,046,729		(39,864)		(39,864)		2,006,865		1,115	1,115	91,667	08/01/2018.
971673 EB 0	WILMINGTON COPS	..	06/01/2015.	Redemption		5,610,000	5,610,000	5,674,291	5,654,206		(44,206)		(44,206)		5,610,000			0	140,250	06/01/2025.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					153,240,305	149,639,670	156,607,488	153,914,301	0	(1,715,157)	0	(1,715,157)	0	152,737,261	0	503,041	503,041	5,189,729	XXX
Bonds - Industrial and Miscellaneous																				
059513 AE 1	CMBS - BACM 2007-4 A4	..	12/10/2015.	Direct		48,398	48,398	53,283	52,808		(454)		(454)		52,353		(3,956)	(3,956)	1,344	02/10/2051.
07387J AE 6	CMBS - BSCMS 2006-PW12 A4	..	06/30/2015.	VARIOUS		2,333,156	2,287,629	2,429,086	2,401,910		(42,485)		(42,485)		2,359,425		(26,269)	(26,269)	97,585	09/11/2038.
07388N AE 6	CMBS - BSCMS 2006-T24 A4	..	12/14/2015.	Direct		379,390	379,390	406,347	402,065		(5,774)		(5,774)		396,292		(16,902)	(16,902)	10,926	10/12/2041.
12514A AE 1	CMBS - CD 2007-CD5 A4	..	12/17/2015.	Direct		111,728	111,728	122,898	121,680		(1,959)		(1,959)		119,721		(7,993)	(7,993)	4,027	11/15/2044.
126171 AF 4	CMBS - COMM 2005-C6 A5A	..	07/10/2015.	Direct		3,579,137	3,579,137	3,641,365	3,620,722		(23,215)		(23,215)		3,597,507		(18,370)	(18,370)	66,546	06/10/2044.
12624B AC 0	CMBS - COMM 2012-CR1 A3	..	11/18/2015.	MORGAN STANLEY CO		2,811,676	2,675,000	2,766,117	2,758,645		(9,762)		(9,762)		2,748,883		62,793	62,793	79,887	05/15/2045.
126650 BQ 2	CVS PASS-THROUGH TRUST	..	12/10/2015.	Direct		38,771	38,771	42,399	41,769		(77)		(77)		41,692		(2,922)	(2,922)	1,474	01/10/2030.
161571 GL 2	ABS - CHAIT 2014-A3 A3	..	10/01/2015.	Adjustment		4,896,938	4,900,000	4,903,742	4,902,722		(1,249)		(1,249)		4,901,473		(4,535)	(4,535)	15,240	05/15/2018.
172967 EM 9	CITIGROUP INC	..	12/10/2015.	NON-BROKER TRADE, BOSTON		2,014,342	1,900,000	2,128,513	2,001,759		(31,783)		(31,783)		1,969,977		44,365	44,365	179,517	11/21/2017.
172967 EV 9	CITIGROUP INC	..	11/06/2015.	NON-BROKER TRADE, BOSTON		2,430,190	1,996,000	2,446,075	2,257,214		(45,905)		(45,905)		2,211,309		218,881	218,881	162,120	05/22/2019.
17313K AF 8	CMBS - CGCMT 2008-C7 A4	..	12/11/2015.	Direct		126,365	126,365	140,359	138,822		(3,715)		(3,715)		135,107		(8,742)	(8,742)	6,932	12/10/2049.
20047Q AE 5	CMBS - COMM 2006-C7 A4	..	12/10/2015.	Direct		1,551,981	1,551,981	1,645,464	1,627,434		(31,915)		(31,915)		1,595,519		(43,538)	(43,538)	64,128	06/10/2046.
225470 AP 8	CMBS - CSFB 2005-C5 A4	..	07/17/2015.	Direct		3,416,993	3,416,993	3,495,877	3,465,556		(25,357)		(25,357)		3,440,200		(23,207)	(23,207)	65,070	08/15/2038.
246317 FT 3	DELAWARE RVR-PREREF	..	01/02/2015.	Redemption		795,000	795,000	823,758	822,969				0		822,969		(27,969)	(27,969)	19,875	01/01/2020.
246317 GA 3	DELAWARE RVR-UNREF	..	01/02/2015.	Redemption		1,510,000	1,510,000	1,564,623	1,563,123				0		1,563,123		(53,123)	(53,123)	37,750	01/01/2020.
29365T AB 0	ENTERGY TEXAS INC	..	06/01/2015.	Maturity		1,000,000	1,000,000	999,130	999,877		123		123		1,000,000			0	18,000	06/01/2015.
319477 AF 2	FIRST-CITIZENS BANK/TRST	..	06/01/2015.	Maturity		2,000,000	2,000,000	1,947,280	1,997,027		2,973		2,973		2,000,000			0	68,618	06/01/2015.
34528Q CE 2	ABS - FORDF 2013-1 A2	..	10/27/2015.	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)		3,449,596	3,450,000	3,457,143	3,455,087		(4,054)		(4,054)		3,451,034		(1,438)	(1,438)	17,194	01/15/2018.
36164N FF 7	GE CAPITAL INTERNATIONAL FUNDING CO	R	10/26/2015.	NON-BROKER TRADE, BOSTON		182	182	182					0		182			0		11/15/2020.
36962G 2T 0	GENERAL ELEC CAP CORP	..	10/26/2015.	NON-BROKER TRADE, BOSTON		2,078,098	1,784,000	2,074,257	2,052,227		(38,694)		(38,694)		2,013,533		64,565	64,565	83,263	05/04/2020.
369668 AA 6	GECC/LJ VP HOLDINGS LLC	..	10/26/2015.	General Electric Co		2,703,792	2,500,000	2,497,000	2,497,942		377		377		2,498,319		205,473	205,473	81,278	06/18/2019.
50064Y AB 9	KOREA HYDRO & NUCLEAR PO	R	09/16/2015.	Maturity		850,000	850,000	871,403	863,497		(13,497)		(13,497)		850,000			0	26,563	09/16/2015.
50180L AC 4	CMBS - LBUBS 2008-C1 A2	..	12/17/2015.	Direct		418,874	418,874	463,439	316,874		(8,036)		(8,036)		455,403		(36,529)	(36,529)	16,093	04/15/2041.
50188F AB 1	LG&E & KU ENERGY LLC	..	11/16/2015.	Maturity		1,000,000	1,000,000	996,096	999,182		818		818		1,000,000			0	21,250	11/15/2015.
52109R BM 2	CMBS - LBUBS 2007-C7 A3	..	12/17/2015.	Direct		63,935	63,935	71,063	70,453		(1,499)		(1,499)		68,954		(5,019)	(5,019)	2,603	09/15/2045.
55312V AD 0	CMBS - MLCFC 2006-4 A3	..	12/14/2015.	Direct		863,232	863,232	915,060	909,523		(11,217)		(11,217)		898,305		(35,073)	(35,073)	23,688	12/12/2049.
60688C AE 6	CMBS - MLCFC 2007-9 A4	..	12/14/2015.	Direct		116,866	116,866	128,013	127,159		(3,551)		(3,551)		123,608		(6,743)	(6,743)	6,518	09/12/2049.
617451 CL 1	CMBS - MSC 2005-HQ7 A4	..	09/14/2015.	Direct		1,849,088	1,849,088	1,915,395	1,915,395		(45,050)		(45,050)		1,870,345		(21,257)	(21,257)	52,888	11/14/2042.
61751X AE 0	CMBS - MSC 2007-T25 A3	..	12/14/2015.	Direct		1,000,156	1,000,156	1,081,653	1,069,010		(29,634)		(29,634)		1,039,376		(39,220)	(39,220)	53,079	11/12/2049.
61754J AF 5	CMBS - MSC 2007-T27 A4	..	12/11/2015.	Direct		89,402	89,402	98,352	97,130		(2,099)		(2,099)		95,031		(5,630)	(5,630)	3,809	06/11/2042.
61759L AA 6	CMBS - MSRR 2010-GG10 A4A	..	12/15/2015.	Direct		48,187	48,187	52,187	52,187		(504)		(504)		51,683		(3,496)	(3,496)	1,061	08/15/2045.
92976B BN 1	CMBS - WBCMT 2005-C22 A4	..	09/18/2015.	Direct		4,513,845	4,513,845	4,719,790	4,626,237		(71,983)		(71,983)		4,554,254		(40,408)	(40,408)	148,986	12/15/2044.
931422 AE 9	WALGREEN CO	..	08/10/2015.	Redemption		750,000	750,000	746,078	748,149		271		271		748,420		1,580	1,580	108,114	01/15/2019.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
3899999.	Total - Bonds - Industrial and Miscellaneous					48,839,318	47,614,159	49,643,427	48,976,154	0	(448,906)	0	(448,906)	0	48,673,997	0	165,318	165,318	1,545,426	XXX
8399997.	Total - Bonds - Part 4					274,824,069	266,160,668	280,294,999	263,539,308	0	(2,826,094)	0	(2,826,094)	0	273,551,198	0	1,272,864	1,272,864	8,571,019	XXX
8399998.	Total - Bonds - Summary Item from Part 5					13,055,259	12,140,000	13,172,907			(98,876)		(98,876)		13,074,030		(18,771)	(18,771)	439,521	XXX
8399999.	Total - Bonds					287,879,328	278,300,668	293,467,906	263,539,308	0	(2,924,970)	0	(2,924,970)	0	286,625,228	0	1,254,093	1,254,093	9,010,540	XXX
Preferred Stocks - Industrial and Miscellaneous																				
010392 47 0	ALABAMA POWER 6 1/2 NON CUM PRF	..	11/24/2015.	JANNEY MONTGOMERY, SCOTT INC	665.000	18,540		17,623					0		17,623		917	917	540	XXX
020002 87 9	ALL STATE DS REP SRS E 1/1000 PRF	..	12/04/2015.	PERSHING LLC	2,886.000	79,075		78,788					0		78,788		287	287	2,390	XXX
054937 40 4	BB&T DS REP 1/1000 SRS E NON CUM PRF	..	12/30/2015.	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	13,405.000	349,998		339,147					0		339,147		10,852	10,852	14,138	XXX
172967 34 1	CITIGROUP DS REP 1/1000TH SRS K PRF	..	11/17/2015.	Citigroup (SSB)	4,000.000	109,198		108,280					0		108,280		918	918	5,156	XXX
316773 60 5	FIFTH DS REP 1/1000TH SRS I PERP PRF	..	11/30/2015.	PERSHING LLC	2,621.000	75,379		73,650					0		73,650		1,728	1,728	2,171	XXX
55261F 60 9	M&T BANK SRS A FXD RATE CUM PERP PRF	..	10/19/2015.	MERRILL LYNCH PIERCE FENNER	600.000	614,989		612,000					0		612,000		2,989	2,989	19,125	XXX
758849 70 7	REGENCY CEN 6.625% SRS 6 CUM RED PRF	..	11/18/2015.	VARIOUS	32,062.000	837,897		819,184					0		819,184		18,713	18,713	26,551	XXX
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					2,085,076	XXX	2,048,672	0	0	0	0	0	0	2,048,672	0	36,404	36,404	70,071	XXX
8999997.	Total - Preferred Stocks - Part 4					2,085,076	XXX	2,048,672	0	0	0	0	0	0	2,048,672	0	36,404	36,404	70,071	XXX
8999998.	Total - Preferred Stocks - Summary Item from Part 5					2,115,215	XXX	2,115,258					0		2,115,258		(42)	(42)	76,875	XXX
8999999.	Total - Preferred Stocks					4,200,291	XXX	4,163,930	0	0	0	0	0	0	4,163,930	0	36,362	36,362	146,946	XXX
Common Stocks - Industrial and Miscellaneous																				
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	12/21/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	213,995.000	11,696,788	XXX	9,527,160	12,993,776	(3,466,617)			(3,466,617)		9,527,160		2,169,628	2,169,628	460,089	XXX
209115 10 4	CONSOLIDATED EDISON ORD	..	12/15/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	160,966.000	9,791,204	XXX	9,466,652	10,625,366	(1,158,713)			(1,158,713)		9,466,652		324,552	324,552	418,512	XXX
22025Y 40 7	CORRECTIONS CORP OF AMERICA	..	08/05/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	337.000	11,586	XXX		12,247	(12,247)			(12,247)				11,586	11,586	364	XXX
25746U 10 9	DOMINION RESOURCES ORD	..	12/28/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	68,305.000	4,610,994	XXX	3,871,007	5,252,655	(1,381,647)			(1,381,647)		3,871,007		739,987	739,987	176,910	XXX
26441C 20 4	DUKE ENERGY ORD	..	12/28/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	67,064.000	4,825,079	XXX	4,718,587	5,602,527	(883,940)			(883,940)		4,718,587		106,492	106,492	217,287	XXX
281020 10 7	EDISON INTERNATIONAL	..	12/11/2015.	VARIOUS	200,550.000	12,171,177	XXX	9,412,562	13,132,014	(3,719,452)			(3,719,452)		9,412,562		2,758,615	2,758,615	178,925	XXX
30161N 10 1	EXELON ORD	..	12/11/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	286,234.000	7,444,981	XXX	9,355,584	10,613,557	(1,257,973)			(1,257,973)		9,355,584		(1,910,603)	(1,910,603)	354,930	XXX
337932 10 7	FIRSTENERGY CORP	..	03/20/2015.	PERSHING LLC JERSEY CITY	222,645.000	8,033,151	XXX	9,224,821	8,680,929	543,892			543,892		9,224,821		(1,191,670)	(1,191,670)	80,152	XXX
552690 10 9	MDU RESOURCES GROUP ORD	..	12/15/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	419,110.000	6,934,511	XXX	9,740,737	9,498,113	(56,066)			(56,066)		9,740,737		(2,806,225)	(2,806,225)	224,964	XXX
69351T 10 6	PPL CORP	..	12/11/2015.	VARIOUS	638,696.000	19,953,639	XXX	18,376,337	11,338,666	(2,060,960)			(2,060,960)		18,376,337		1,577,301	1,577,301	356,885	XXX
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD	..	12/31/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	91,429.000	3,531,600	XXX	3,089,060	3,786,075	(697,015)			(697,015)		3,089,060		442,540	442,540	142,629	XXX
773111 10 9	ROCKET FUEL INC	..	03/16/2015.	Unknown	77,959.000	734,120	XXX	917,110	1,256,699	(339,589)			(339,589)		917,110		(182,990)	(182,990)		XXX
842587 10 7	SOUTHERN ORD	..	12/28/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	100,000.000	4,704,323	XXX	4,671,901	4,911,000	(239,099)			(239,099)		4,671,901		32,422	32,422	215,250	XXX
969457 10 0	WILLIAMS ORD	..	12/28/2015.	MELLON FINANCIAL MRKTS LLC, JERSEY	272,583.000	7,207,807	XXX	9,557,879	12,249,880	(2,692,001)			(2,692,001)		9,557,879		(2,350,072)	(2,350,072)	667,828	XXX
9099999.	Total - Common Stocks - Industrial and Miscellaneous					101,650,960	XXX	101,929,397	109,953,504	(17,421,427)	0	0	(17,421,427)	0	101,929,397	0	(278,437)	(278,437)	3,494,725	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																				
00092# 10 5	ACS Benefit Services, Inc.	..	12/31/2015.	VARIOUS	8,000.000	4,552,066	XXX	4,552,066	12,885,270	(8,333,204)			(8,333,204)		4,552,066			0		XXX
39947@ 10 2	Group Insurance Service, Inc.	..	12/31/2015.	VARIOUS	600.000	30,000	XXX	30,000	4,440,193	(4,410,193)			(4,410,193)		30,000			0		XXX
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					4,582,066	XXX	4,582,066	17,325,463	(12,743,397)	0	0	(12,743,397)	0	4,582,066	0	0	0	0	XXX
Common Stocks - Mutual Funds																				
003021 71 4	ABERDEEN EMER MKTS-INST	R	01/02/2015.	Unknown	394.103	5,285	XXX	5,997	5,316	681			681		5,997		(712)	(712)		XXX
02368A 20 8	AMERICAN BEACON L/C VALU-IS	..	01/02/2015.	Unknown	44.285	1,290	XXX	948	1,290	(342)			(342)		948		342	342		XXX
04314H 70 9	ARTISAN MID CAP VALUE FD-INV	..	10/15/2015.	Unknown	300.164	7,129	XXX	8,183	7,393	790			790		8,183		(1,055)	(1,055)		XXX
233203 58 7	DFA EMERGING MRKTS VALUE	..	05/15/2015.	Unknown	2,834,569.890	79,144,690	XXX	76,315,608	72,990,175	3,325,433			3,325,433		76,315,608		2,829,082	2,829,082		XXX
256206 10 3	DODGE & COX INTL STOCK FUND	..	05/15/2015.	Unknown	1,801,927.550	82,831,442	XXX	82,708,786	75,879,169	6,829,617			6,829,617		82,708,786		122,656	122,656		XXX
315792 21 8	FIDELITY FREEDOM K 2030 FUND	..	07/01/2015.	Unknown	2,053.683	31,750	XXX	27,935	31,154	(3,220)			(3,220)		27,935		3,815	3,815	733	XXX

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 For eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest / Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase (Decrease)	12 Current Year's (Amortization) / Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
315792 23 4	FIDELITY FREEDOM K 2020 FUND	..	10/09/2015.	Unknown	567.280	8,044	XXX	8,004	4,446	(209)			(209)		8,004		40	40	371	XXX
315792 24 2	FIDELITY FREEDOM K 2015 FUND	..	10/01/2015.	Unknown	267.599	3,492	XXX	3,553	3,639	(86)			(86)		3,553		(61)	(61)	73	XXX
315792 25 9	FIDELITY FREEDOM K 2010 FUND	..	05/18/2015.	Unknown	1,296.794	17,132	XXX	16,577	17,118	(541)			(541)		16,577		556	556	47	XXX
315792 26 7	FIDELITY FREEDOM K 2005 FUN	..	01/20/2015.	Unknown	1,292.913	16,782	XXX	16,190	16,769	(579)			(579)		16,190		592	592		XXX
315792 28 3	FIDELITY FREEDOM K INCO FUND	..	01/20/2015.	Unknown	169.361	2,012	XXX	1,968	2,005	(37)			(37)		1,968		44	44		XXX
315910 28 1	FIDELITY DIVERSIFIED INTL-K	..	10/01/2015.	Unknown	1,362.822	50,012	XXX	42,551	46,867	(4,317)			(4,317)		42,551		7,462	7,462		XXX
315911 87 5	FIDELITY SPART INTL INDEX-FA	..	01/02/2015.	Unknown	21.432	794	XXX	666	798	(132)			(132)		666		128	128		XXX
316200 85 6	FIDELITY GROWTH COMPANY-K	..	10/01/2015.	Unknown	51.397	6,716	XXX	4,781	6,770	(1,989)			(1,989)		4,781		1,936	1,936	7	XXX
316345 80 0	FIDELITY LOW PRICED STOCK-K	..	10/01/2015.	Unknown	378.987	17,945	XXX	15,582	19,030	(3,448)			(3,448)		15,582		2,363	2,363	708	XXX
38141W 61 2	GOLDMAN SACHS S/C VALUE-A	..	01/02/2015.	Unknown	61.211	3,191	XXX	3,395	3,203	193			193		3,395		(205)	(205)		XXX
592905 76 4	METROPOLITAN WEST T/R BD-PLN	..	11/24/2015.	VARIOUS	1,000.013	10,220	XXX	10,310					0		10,310		(90)	(90)	112	XXX
617440 50 8	MORGAN STANLEY INS M/C GR-I	..	10/15/2015.	Unknown	161.054	5,966	XXX	7,342	6,336	1,007			1,007		7,342		(1,376)	(1,376)		XXX
693390 70 0	PIMCO TOTAL RETURN FUND-INST	R	03/04/2015.	Unknown	18,131.322	195,557	XXX	198,836	193,280	5,556			5,556		198,836		(3,279)	(3,279)	418	XXX
921937 60 3	VANGUARD TOT BD MKT IDX-ADM	..	11/01/2015.	VARIOUS	74,015.923	803,553	XXX	799,718	400,367	(1)			(1)		799,718		3,835	3,835	4,271	XXX
922040 20 9	VANGUARD INST INDEX-INST+	..	10/01/2015.	VARIOUS	404,499.000	76,788,477	XXX	43,350,324	76,313,403	(32,963,079)			(32,963,079)		43,350,324		33,438,153	33,438,153		XXX
922908 39 7	VANGUARD SML CAP INDX-INST+	..	12/22/2015.	VARIOUS	1,304,700.310	216,382,896	XXX	103,479,707	210,388,950	(106,909,242)			(106,909,242)		103,479,707		112,903,188	112,903,188	134,701	XXX
922908 64 5	VANGUARD MID CAP INDEX-ADM	..	10/02/2015.	Unknown	63.196	9,332	XXX	10,041	1,207	(16)			(16)		10,041		(710)	(710)	77	XXX
922908 68 6	VANGUARD SML CAP INDX-ADM	..	01/02/2015.	Unknown	22.307	1,243	XXX	1,245	1,246	(2)			(2)		1,245		(1)	(1)		XXX
922908 71 0	VANGUARD 500 INDEX FUND-ADM	..	10/02/2015.	Unknown	367.734	66,920	XXX	71,444	1,247	(53)			(53)		71,444		(4,524)	(4,524)	190	XXX
9299999.	Total - Common Stocks - Mutual Funds					456,411,870	XXX	307,109,691	436,341,178	(129,724,016)	0	0	(129,724,016)	0	307,109,691	0	149,302,179	149,302,179	141,708	XXX
Common Stocks - Money Market Mutual Funds																				
316191 60 0	FIDELITY MM TR-RETIRMNT MM	..	12/31/2015.	Direct	609,835.230	609,835	XXX	609,835	326,935				0		609,835			0	24	XXX
9399999.	Total - Common Stocks - Money Market Mutual Funds					609,835	XXX	609,835	326,935	0	0	0	0	0	609,835	0	0	0	24	XXX
9799997.	Total - Common Stocks - Part 4					563,254,731	XXX	414,230,989	563,947,080	(159,888,840)	0	0	(159,888,840)	0	414,230,989	0	149,023,742	149,023,742	3,636,457	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					6,347,045	XXX	7,036,670					0		7,036,670		(689,625)	(689,625)	63,045	XXX
9799999.	Total - Common Stocks					569,601,776	XXX	421,267,659	563,947,080	(159,888,840)	0	0	(159,888,840)	0	421,267,659	0	148,334,117	148,334,117	3,699,502	XXX
9899999.	Total - Preferred and Common Stocks					573,802,067	XXX	425,431,589	563,947,080	(159,888,840)	0	0	(159,888,840)	0	425,431,589	0	148,370,479	148,370,479	3,846,448	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					861,681,395	XXX	718,899,495	827,486,388	(159,888,840)	(2,924,970)	0	(162,813,810)	0	712,056,817	0	149,624,572	149,624,572	12,856,988	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
912828 NT 3	US TREASURY N/B		03/31/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE	07/09/2015	MERRILL LYNCH PIERCE FENNER	1,575,000	1,669,014	1,652,267	1,664,402		(4,612)		(4,612)			(12,135)	(12,135)	17,017	5,710
0599999.	Total - Bonds - U.S. Government						1,575,000	1,669,014	1,652,267	1,664,402	0	(4,612)	0	(4,612)	0	0	(12,135)	(12,135)	17,017	5,710
Bonds - U.S. Special Revenue and Special Assessment																				
266781 HQ 9	NC 4.250 06/01/15 MATd		12/01/2015	Adjustment	12/01/2015	Adjustment	500,000	500,569	500,000	500,000		(569)		(569)				0	10,625	3,542
70869P HZ 3	PA ECON DEV FING		02/25/2015	JPMORGAN SECURITIES INC, NEW YORK	10/23/2015	BAIRD, ROBERT W & CO INC, MILWAUKEE	455,000	505,824	498,248	496,604		(9,219)		(9,219)			1,644	1,644	13,840	
95648V AV 1	WV EDA-A-REF		03/31/2015	INC	09/17/2015	JP MORGAN SECURITIES INC	2,085,000	2,085,000	2,082,394	2,085,000				0			(2,606)	(2,606)	18,817	
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments						3,040,000	3,091,393	3,080,642	3,081,604	0	(9,788)	0	(9,788)	0	0	(962)	(962)	43,282	3,542
Bonds - Industrial and Miscellaneous																				
369622 SN 6	GENERAL ELEC CAP CORP		03/24/2015	WELLS FARGO SECURITIES LLC, CHARLOTTE	12/04/2015	Unknown	5,000,000	5,887,500	5,803,024	5,803,024		(84,476)		(84,476)				0	344,375	100,938
842400 GF 4	SOUTHERN CAL EDISON		01/13/2015	JPMORGAN SECURITIES INC, NEW YORK	10/16/2015	VARIOUS	2,525,000	2,525,000	2,519,326	2,525,000				0			(5,674)	(5,674)	34,847	
3899999.	Total - Bonds - Industrial and Miscellaneous						7,525,000	8,412,500	8,322,350	8,328,024	0	(84,476)	0	(84,476)	0	0	(5,674)	(5,674)	379,222	100,938
8399998.	Total - Bonds						12,140,000	13,172,907	13,055,259	13,074,030	0	(98,876)	0	(98,876)	0	0	(18,771)	(18,771)	439,521	110,190
Preferred Stocks - Industrial and Miscellaneous																				
020002 87 9	ALLSTATE CORP		09/01/2015	VARIOUS	12/04/2015	VARIOUS	40,649.000	1,114,598	1,113,014	1,114,598				0			(1,584)	(1,584)	40,260	
054937 40 4	BB&T CORPORATION		10/01/2015	VARIOUS	12/29/2015	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	4,495.000	113,724	117,362	113,724				0			3,639	3,639	4,741	
172967 34 1	CITIGROUP INC		09/01/2015	VARIOUS	11/17/2015	Citigroup (SSB)	20,000.000	545,400	545,990	545,400				0			590	590	25,781	
316773 60 5	FIFTH THIRD BANCORP		09/01/2015	VARIOUS	11/30/2015	PERSHING LLC	1,589.000	44,810	45,699	44,810				0			889	889	1,316	
74251V 30 0	PRINCIPAL FINL GROUP		04/08/2015	PERSHING LLC JERSEY CITY	06/30/2015	Redemption	11,726.000	296,726	293,150	296,726				0			(3,576)	(3,576)	4,777	
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous						2,115,258	2,115,215	2,115,258	2,115,258	0	0	0	0	0	0	(42)	(42)	76,875	0
8999998.	Total - Preferred Stocks						2,115,258	2,115,215	2,115,258	2,115,258	0	0	0	0	0	0	(42)	(42)	76,875	0
Common Stocks - Industrial and Miscellaneous																				
025537 10 1	AMERICAN ELECTRIC POWER		12/10/2015	VARIOUS	12/11/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	8,544.000	466,770	466,818	466,770				0			48	48	6,814	
209115 10 4	CONSOLIDATED EDISON INC		12/15/2015	VARIOUS	12/21/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	6,960.000	425,217	427,904	425,217				0			2,687	2,687	6,809	
25746U 10 9	DOMINION RESOURCES INC/VA		12/21/2015	VARIOUS	12/28/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	6,695.000	460,441	451,952	460,441				0			(8,489)	(8,489)	6,335	
26441C 20 4	DUKE ENERGY CORP		12/16/2015	VARIOUS	12/28/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	7,936.000	567,100	570,974	567,100				0			3,874	3,874	9,322	
281020 10 7	EDISON INTERNATIONAL		11/02/2015	VARIOUS	12/11/2015	VARIOUS	4,205.000	263,801	255,288	263,801				0			(8,513)	(8,513)	1,232	
30161N 10 1	EXELON CORP		12/10/2015	VARIOUS	12/21/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	11,829.000	359,968	311,651	359,968				0			(48,317)	(48,317)	5,100	
337932 10 7	FIRSTENERGY CORP		03/04/2015	PERSHING LLC JERSEY CITY	03/20/2015	PERSHING LLC JERSEY CITY	2,336.000	80,143	84,284	80,143				0			4,141	4,141		
69351T 10 6	PPL CORP		04/01/2015	PERSHING LLC JERSEY CITY	06/02/2015	Unknown	6,704.000	233,677	233,677	233,677				0				0	1,186	
744573 10 6	PUBLIC SERVICE ENTERPRISE GP		10/01/2015	VARIOUS	12/31/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	8,571.000	350,199	331,069	350,199				0			(19,130)	(19,130)	6,637	
87422J 10 5	TALEN ENERGY CORP		06/02/2015	Unknown	12/11/2015	VARIOUS	39,820.782	653,346	248,460	653,346				0			(404,887)	(404,887)		

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
969457 10 0	WILLIAMS COS INC	..	10/01/2015	VARIOUS	12/28/2015	MELLON FINANCIAL MRKTS LLC, JERSEY	11,053.000	499,001	292,270	499,001				0			(206,731)	(206,731)	12,779	
9099999.	Total - Common Stocks - Industrial and Miscellaneous							4,359,663	3,674,347	4,359,663	0	0	0	0	0	0	(685,317)	(685,317)	56,214	0
Common Stocks - Mutual Funds																				
233203 58 7	DFA EMERGING MRKTS VALUE	..	05/14/2015	Unknown	05/15/2015	Unknown	0.010							0				0		
315792 21 8	FIDELITY FREEDOM K 2030 FUND	..	05/15/2015	Unknown	07/01/2015	Unknown	46.491	733	719	733				0			(14)	(14)		
315792 23 4	FIDELITY FREEDOM K 2020 FUND	..	05/13/2015	Unknown	10/09/2015	Unknown	687.686	10,200	9,934	10,200				0			(266)	(266)	313	
315792 24 2	FIDELITY FREEDOM K 2015 FUND	..	05/19/2015	Unknown	10/01/2015	Unknown	170.365	2,370	2,210	2,370				0			(160)	(160)		
315792 25 9	FIDELITY FREEDOM K 2010 FUND	..	05/15/2015	Unknown	05/18/2015	Unknown	3.510	47	47	47				0				0		
316200 85 6	FIDELITY GROWTH COMPANY-K	..	01/16/2015	Unknown	10/01/2015	Unknown	0.292	38	38	38				0				0		
316345 80 0	FIDELITY LOW PRICED STOCK-K	..	09/11/2015	Unknown	10/01/2015	Unknown	76.594	3,816	3,627	3,816				0			(189)	(189)	54	
592905 76 4	METROPOLITAN WEST T/R BD-PLN	..	04/30/2015	Unknown	11/01/2015	VARIOUS	4,071.945	41,984	41,706	41,984				0			(278)	(278)	336	
693390 70 0	PIMCO TOTAL RETURN FUND-INST	R	03/04/2015	Unknown	03/04/2015	Unknown	38.429	418	415	418				0			(3)	(3)		
921937 60 3	VANGUARD TOT BD MKT IDX-ADM	..	07/31/2015	Unknown	09/01/2015	Unknown	487.169	5,315	5,298	5,315				0			(16)	(16)	18	
922908 39 7	VANGUARD SML CAP INDX-INST+	..	12/22/2015	Unknown	12/22/2015	Unknown	12,056.745	1,852,703	1,849,323	1,852,703				0			(3,380)	(3,380)	6,110	
922908 71 0	VANGUARD 500 INDEX FUND-ADM	..	06/19/2015	Unknown	08/27/2015	Unknown	0.172	34	32	34				0			(2)	(2)		
9299999.	Total - Common Stocks - Mutual Funds							1,917,658	1,913,349	1,917,658	0	0	0	0	0	0	(4,308)	(4,308)	6,831	0
Common Stocks - Money Market Mutual Funds																				
316191 60 0	FIDELITY MM TR-RETIRMNT MM	..	03/31/2015	Direct	07/31/2015	Direct	4,864.330	4,864	4,864	4,864				0				0		
996087 09 4	MELLON BSDT-LATE MONEY DEPOSIT ACCT	..	10/26/2015	Direct	11/02/2015	Direct	754,485.400	754,485	754,485	754,485				0				0		
9399999.	Total - Common Stocks - Money Market Mutual Funds							759,349	759,349	759,349	0	0	0	0	0	0	0	0	0	0
9799998.	Total - Common Stocks							7,036,670	6,347,045	7,036,670	0	0	0	0	0	0	(689,625)	(689,625)	63,045	0
9899999.	Total - Preferred and Common Stocks							9,151,928	8,462,260	9,151,928	0	0	0	0	0	0	(689,667)	(689,667)	139,920	0
9999999.	Total - Bonds, Preferred and Common Stocks							22,324,835	21,517,519	22,225,958	0	(98,876)	0	(98,876)	0	0	(708,438)	(708,438)	579,441	110,190

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	Stock of Such Company Owned by Insurer on Statement Date	
				Naic Valuation				9	10
			NAIC Company	Method (See *Purposes and*	Do Insurer's Assets Include				
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	Code or Alien Insurer Identification Number	*Procedures Manual of the NAIC Investment Analysis Office)*	Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding
Common Stocks - Other Affiliates									
655100 10 5	NobleHealth Inc.			2ciB3	NO		203,879,420	372.000	100.0
1799999. Total - Common Stocks - Other Affiliates						0	203,879,420	XXX	XXX
1899999. Total - Common Stocks						0	203,879,420	XXX	XXX
1999999. Total - Preferred and Common Stock						0	203,879,420	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
			Total Amount of Intangible Assets	5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Included in Amount Shown in Column 7, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																				
	GE CAPITAL INTERNATIONAL FUNDING CO		..	10/26/2015.	General Electric Co	04/15/2016.	2,702,934		42			2,703,000	2,702,892	4,705		0.964	0.973	MAT		
3299999.	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						2,702,934	0	42	0	0	2,703,000	2,702,892	4,705	0	XXX	XXX	XXX	0	0
3899999.	Total - Industrial & Miscellaneous (Unaffiliated)						2,702,934	0	42	0	0	2,703,000	2,702,892	4,705	0	XXX	XXX	XXX	0	0
Total Bonds																				
7799999.	Subtotals - Issuer Obligations						2,702,934	0	42	0	0	2,703,000	2,702,892	4,705	0	XXX	XXX	XXX	0	0
8399999.	Subtotals - Bonds						2,702,934	0	42	0	0	2,703,000	2,702,892	4,705	0	XXX	XXX	XXX	0	0
Exempt Money Market Mutual Funds																				
262006 20 8	DREYFUS GOVT CASH MGMT CL INST MMF		..	12/31/2015.	Direct	XXX	54,101,559					54,101,559	54,101,559	2,296		0.120		N/A	641	
31846V 41 9	First Amer:Tres Oblg;II	SD	..	12/30/2015.	VARIOUS	XXX	2,500,032					2,500,032	2,500,032	4		0.010		N/A	31	
8899999.	Total - Exempt Money Market Mutual Funds						56,601,591	0	0	0	0	XXX	56,601,591	2,300	0	XXX	XXX	XXX	672	0
9199999.	Total - Short-Term Investments						59,304,525	0	42	0	0	XXX	59,304,483	7,005	0	XXX	XXX	XXX	672	0

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination - Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18	Hedge	
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories						
General Fund-Bank of America	Bank of America				105,521	XXX
Lobby Fees-BCBSNC Credit Union	BCBSNC Credit Union				6,506	XXX
Claims-FEP Std Option-Wachovia	Wachovia				(15,964,206)	XXX
Clms-FEP Basic Opt Wachovia	Wachovia				(5,303,946)	XXX
Claims-Traditional-Wachovia	Wachovia				(1,426)	XXX
Claims Master Account	Wachovia				991,065	XXX
FEP Master Account	Wachovia				7,327,380	XXX
Fiscal Agent-Mellon	Mellon				145,778	XXX
Wachovia - Payroll	Wachovia				68,370	XXX
BB&T Money market	BB&T				(839)	XXX
A/P Wach - 2079900141205	Wachovia				(6,185,043)	XXX
Broker Comm Cash	Wachovia				(33,183)	XXX
BB&T General Fund	BB&T				5,518,088	XXX
Workers' Compensation Wachovia	Wachovia				7,725	XXX
Bank of America - Accounts payable	Bank of America				858,260	XXX
NC Student Group Disbursements	Wachovia				25,000	XXX
Cash-Claims Payments-BE	Wachovia				(76,622,822)	XXX
MedSupp Premium Refunds	Wachovia				(671,703)	XXX
Cash Clearing-Nonunderw-BE	Wachovia				(36,555,494)	XXX
Draft Representments	Wachovia				15,282	XXX
Med supp Claims Disburs	BB&T				(3,197,909)	XXX
Credit Memos Cash	Wachovia				(1,138,625)	XXX
PARTNERS-General Cash	Wachovia				(3,325,464)	XXX
Bank-Claims Disbursement account	Wachovia				(1,281,891)	XXX
Bank-Premium Refunds	Wachovia				(69,771)	XXX
BBT Trust Dep NCSHP	BB&T				1,834,235	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	(133,449,112)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	(133,449,112)	XXX
0599999. Total Cash		XXX	XXX	0	0	(133,449,112)	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(37,833,000)	4. April	(87,405,161)	7. July	(104,086,557)	10. October	(68,922,388)
2. February	(37,702,392)	5. May	(69,005,176)	8. August	65,050,560	11. November	(96,410,243)
3. March	(93,070,839)	6. June	(55,288,146)	9. September	(156,039,747)	12. December	(133,449,112)

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusting Carrying Value	4 Fair Value	5 Book/Adjusting Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	ST	Coll St Employees MM Plan (NCGS Ch 58), DOI dep, HMO-LOB dep	2,500,000	2,500,000	28,070,012	30,491,669
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	2,500,000	2,500,000	28,070,012	30,491,669
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Supplement for the year 2015 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2015
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....0
Address (City, State and Zip Code).....5901 Chapel Hill Blvd
Person Completing This Exhibit.....Durham, NC 27707-3346

NAIC Company Code.....54631

Title.....Telephone Number.....919-489-7431

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2012				Policies Issued in 2013, 2014 & 2015			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	M4	P	NO	35	.02/23/1968		.05/22/2000	.10/01/1982	BC65 High Option	1,119,184	428,152	38.3	83			0.0	
YES	M140	P	NO	35	.08/17/1982		.09/08/1999	.07/01/1984	Med. Supp. Plan 1	13,282	18,961	142.8	4			0.0	
YES	M141	P	NO	35	.08/17/1982		.05/22/2000	.09/07/1986	Med. Supp. Plan 2	33,619	46,116	137.2	5			0.0	
YES	M142	P	NO	35	.08/17/1982		.09/08/1999	.07/01/1984	Med. Supp. Plan 3	143,278	221,164	154.4	17			0.0	
YES	M143	P	NO	35	.08/17/1982		.05/22/2000	.01/01/1992	Med. Supp. Plan 4	12,811,015	13,615,830	106.3	1,445			0.0	
YES	M144	P	NO	35	.06/08/1984		.09/08/1999	.01/01/1992	Med. Supp. Plan 5	18,135	25,674	141.6	3			0.0	
YES	M145	P	NO	35	.06/08/1984		.09/08/1999	.01/01/1992	Med. Supp. Plan 6	221,810	315,390	142.2	39			0.0	
YES	M146	P	NO	35	.06/08/1984		.09/08/1999	.01/01/1992	Med. Supp. Plan 7	85,239	123,318	144.7	20			0.0	
YES	M147	P	NO	35	.06/08/1984		.05/22/2000	.01/01/1992	Med. Supp. Plan 8	7,205	2,456	34.1	3			0.0	
YES	M148	P	NO	35	.06/08/1984		.09/08/1999	.01/01/1992	Med. Supp. Plan 9	5,671,057	3,952,944	69.7	817			0.0	
YES	M150	P	NO	35	.06/08/1984		.05/22/2000	.01/01/1992	Med. Supp. Plan 11	29,207	36,231	124.0	2			0.0	
YES	M151	P	NO	35	.06/08/1984		.05/22/2000	.01/01/1992	Med. Supp. Plan 12	6,092,386	4,227,034	69.4	392			0.0	
YES	K74A	A	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan A	6,042,320	5,397,952	89.3	706			0.0	
YES	K74B	B	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan B	9,310,074	8,234,711	88.4	1,274			0.0	
YES	K74C	C	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan C	8,989,532	9,108,406	101.3	1,851			0.0	
YES	K74D	D	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan D	4,365,548	4,727,840	108.3	775			0.0	
YES	K74E	E	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan E	2,240,791	2,420,390	108.0	372			0.0	
YES	K74F	F	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan F	66,407,835	46,989,427	70.8	46,142			0.0	
YES	K74H	H	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan H	2,191,961	2,564,489	117.0	359			0.0	
YES	K74I	I	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan I	8,687,676	9,358,816	107.7	1,451			0.0	
YES	K74J	J	NO	234	.11/26/1991		.09/08/1999	.03/11/2010	Med. Supp. Plan J	41,089,889	39,314,521	95.7	14,584			0.0	
YES	BMS A	A	NO	234	.03/14/2011				Med. Supp. Plan A	861,425	2,369,763	275.1	189	2,802,654	3,791,685	135.3	268
YES	BMS B	B	NO	234	.03/14/2011				Med. Supp. Plan B	3,645,409	7,343,993	201.5	631	2,695,791	4,438,130	164.6	127
YES	BMS C	C	NO	234	.03/14/2011				Med. Supp. Plan C	728,733	1,104,524	151.6	169	1,421,176	1,106,920	77.9	192
YES	BMS D	D	NO	234	.03/14/2011				Med. Supp. Plan D	306,947	305,969	99.7	106	224,170	186,496	83.2	23
YES	BMS F	F	NO	234	.03/14/2011				Med. Supp. Plan F	64,640,244	35,738,107	55.3	21,803	82,372,446	50,329,236	61.1	52,993
YES	BMS HDF	F	NO	234	.03/14/2011				Med. Supp. Plan HDF	1,080,124	403,885	37.4	1,041	4,021,913	1,310,172	32.6	224
YES	BMS G	G	NO	234	.03/14/2011				Med. Supp. Plan G	3,654,316	5,075,770	138.9	1,786	6,469,867	6,990,835	108.1	1,272

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2015
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....0
Address (City, State and Zip Code).....5901 Chapel Hill Blvd
Person Completing This Exhibit.....Durham, NC 27707-3346

NAIC Company Code.....54631

Title.....Telephone Number.....919-489-7431

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2012				Policies Issued in 2013, 2014 & 2015			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
.....YES.....	BMS K.....	K.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan K.....	33,135	33,968	.....102.5	8,160	31,157	17,094	.....54.9	36
.....YES.....	BMS L.....	L.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan L.....	44,651	41,052	.....91.9	88	86,927	48,238	.....55.5	38
.....YES.....	BMS M.....	M.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan M.....	21,823	15,529	.....71.2	95	28,238	10,122	.....35.8	46
.....YES.....	BMS N.....	N.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp. Plan N.....	122,871	172,540	.....140.4	525	703,078	324,447	.....46.1	215
0199999.	Total Policy Experience on Individual Policies.....									250,710,721	203,734,922	.....81.3	104,937	100,857,417	68,553,375	.....68.0	55,434

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... Durham NC Last Name
   2.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... Durham NC Last Name
   3.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
4. Explain any policies identified as policy type "O".

54631201536500100

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....0 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	70,642,061	XXX		XXX	70,642,061
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	1,934,274	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	(27,843)	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	72,604,178	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	72,604,178	XXX	0	XXX	70,642,061
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	47,593,379	XXX		XXX	47,593,379
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	444,569	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	1,535,666	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	46,502,282	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	46,502,282	XXX	0	XXX	47,593,379
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	12,778,989	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	20,207,446	XXX		XXX	20,207,446
15. Expenses Incurred	20,207,446	XXX		XXX	XXX
16. Underwriting Gain/Loss	5,894,450	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	2,841,236

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	59,287	32,646
2.	Net premium income (including $.....0 non-health premium income)	XXX	18,232,460	30,652,415
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	18,232,460	30,652,415
Hospital and Medical:				
9.	Hospital/medical benefits		7,657,197	16,766,422
10.	Other professional services	89	471,583	1,032,591
11.	Outside referrals			
12.	Emergency room and out-of-area		855,651	1,873,559
13.	Prescription drugs		2,092,000	4,580,704
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	89	11,076,431	24,253,276
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	89	11,076,431	24,253,276
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....409,993 cost containment expenses	298	1,272,155	1,605,231
21.	General administrative expenses		2,158,910	2,709,390
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	387	14,507,496	28,567,897
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,724,964	2,084,518
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		286,458	495,972
26.	Net realized capital gains or (losses) less capital gains tax of $.....0		238,574	209,435
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	525,032	705,407
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	4,249,996	2,789,925
31.	Federal and foreign income taxes incurred	XXX	1,487,499	976,474
32.	Net income (loss) (Lines 30 minus 31)	XXX	2,762,497	1,813,451

DETAILS OF WRITE-INS

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	18,232,460	18,232,460								
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	18,232,460	18,232,460	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	7,657,197	7,657,197								XXX
9. Other professional services	471,583	471,583								XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	855,651	855,651								XXX
12. Prescription drugs	2,092,000	2,092,000								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	11,076,431	11,076,431	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	11,076,431	11,076,431	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....409,993 cost containment expenses	1,272,155	1,272,155								
20. General administrative expenses	2,158,910	2,158,910								
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	14,507,496	14,507,496	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	3,724,964	3,724,964	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	18,232,460			18,232,460
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	18,232,460	0	0	18,232,460
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	18,232,460	0	0	18,232,460

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	11,600,688	11,600,688								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	11,600,688	11,600,688	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,384,622	1,384,622								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	1,384,622	1,384,622	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,908,879	1,908,879								
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	1,908,879	1,908,879	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	11,076,431	11,076,431	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	11,076,431	11,076,431	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	135,693	135,693								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	135,693	135,693	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct	1,248,929	1,248,929								
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	1,248,929	1,248,929	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	1,384,622	1,384,622	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	1,384,622	1,384,622	0	0	0	0	0	0	0	0

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)	573,176	11,027,512	11,766	1,372,856	584,942	1,908,879
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	573,176	11,027,512	11,766	1,372,856	584,942	1,908,879
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	573,176	11,027,512	11,766	1,372,856	584,942	1,908,879

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,821	3,603	3,604	3,604	3,603
2. 2011	17,356	16,164	16,164	16,164	16,164
3. 2012	XXX	9,508	10,265	10,265	10,265
4. 2013	XXX	XXX	14,213	16,824	16,824
5. 2014	XXX	XXX	XXX	21,054	21,628
6. 2015	XXX	XXX	XXX	XXX	11,028

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,821	3,603	3,604	3,604	3,603
2. 2011	18,046	16,164	16,164	16,164	16,164
3. 2012	XXX	9,985	10,265	10,265	10,265
4. 2013	XXX	XXX	15,533	16,824	16,824
5. 2014	XXX	XXX	XXX	22,963	21,628
6. 2015	XXX	XXX	XXX	XXX	12,412

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	20,841	16,164	4,058	25.1	20,222	97.0			20,222	97.0
2. 2012	12,619	10,265	869	8.5	11,134	88.2			11,134	88.2
3. 2013	17,000	16,824	521	3.1	17,345	102.0			17,345	102.0
4. 2014	30,652	21,628	121	0.6	21,749	71.0			21,749	71.0
5. 2015	18,232	11,028	887	8.0	11,915	65.4	1,385	55	13,355	73.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,821	3,603	3,604	3,604	3,603
2. 2011	17,356	16,164	16,164	16,164	16,164
3. 2012	XXX	9,508	10,265	10,265	10,265
4. 2013	XXX	XXX	14,213	16,824	16,824
5. 2014	XXX	XXX	XXX	21,054	21,628
6. 2015	XXX	XXX	XXX	XXX	11,028

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,821	3,603	3,604	3,604	3,603
2. 2011	18,046	16,164	16,164	16,164	16,164
3. 2012	XXX	9,985	10,265	10,265	10,265
4. 2013	XXX	XXX	15,533	16,824	16,824
5. 2014	XXX	XXX	XXX	22,963	21,628
6. 2015	XXX	XXX	XXX	XXX	12,412

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2011	20,841	16,164	4,058	25.1	20,222	97.0			20,222	97.0
2. 2012	12,619	10,265	869	8.5	11,134	88.2			11,134	88.2
3. 2013	17,000	16,824	521	3.1	17,345	102.0			17,345	102.0
4. 2014	30,652	21,628	121	0.6	21,749	71.0			21,749	71.0
5. 2015	18,232	11,028	887	8.0	11,915	65.4	1,385	55	13,355	73.3

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only

NONE

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)	8,191	17,245	25,103		50,539
2. Salaries, wages and other benefits	163,122	379,061	561,355	2,833	1,106,371
3. Commissions (less $.....0 ceded plus $.....0 assumed)			589,936		589,936
4. Legal fees and expenses	3	55	3,277		3,335
5. Certifications and accreditation fees	832	2,071	2,444		5,347
6. Auditing, actuarial and other consulting services	64,386	141,902	219,019		425,307
7. Traveling expenses	685	2,657	13,017		16,359
8. Marketing and advertising			55,410		55,410
9. Postage, express and telephone	3,169	18,849	32,412		54,430
10. Printing and office supplies	758	8,781	18,939		28,478
11. Occupancy, depreciation and amortization	2,287	13,060	15,799		31,146
12. Equipment	190	447	1,069		1,706
13. Cost or depreciation of EDP equipment and software	10,131	24,385	32,322		66,838
14. Outsourced services including EDP, claims, and other services	101,378	121,044	180,596	9,776	412,794
15. Boards, bureaus and association fees	643	875	11,487		13,005
16. Insurance, except on real estate	18	46	4,098		4,162
17. Collection and bank service charges		30	5,840		5,870
18. Group service and administration fees	42,271	103,427	29,601		175,299
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses	2,382	3,695	35,379		41,456
22. Real estate taxes	860	1,822	2,707		5,389
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			290,633		290,633
23.3 Regulatory authority licenses and fees			282		282
23.4 Payroll taxes	8,687	22,710	28,185		59,582
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	409,993	862,162	2,158,910	12,609	(a) 3,443,674
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year					0
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	409,993	862,162	2,158,910	12,609	3,443,674

DETAILS OF WRITE-INS

2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0	0	0

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	3,068		3,068							
2. First quarter	4,253		4,253							
3. Second quarter	4,714		4,714							
4. Third quarter	5,316		5,316							
5. Current year	6,248		6,248							
6. Current year member months	59,287		59,287							
Total Member Ambulatory Encounters for Year:										
7. Physician	5,032		5,032							
8. Non-physician	0									
9. Totals	5,032	0	5,032	0	0	0	0	0	0	0
10. Hospital patient days incurred	219		219							
11. Number of inpatient admissions	51		51							
12. Health premiums written (b)	18,232,460		18,232,460							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	18,232,460		18,232,460							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	11,600,688		11,600,688							
18. Amount incurred for provision of health care services	11,076,431		11,076,431							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

* 5 4 6 3 1 2 0 1 5 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	3,068		3,068							
2. First quarter	4,253		4,253							
3. Second quarter	4,714		4,714							
4. Third quarter	5,316		5,316							
5. Current year	6,248		6,248							
6. Current year member months	59,287		59,287							
Total Member Ambulatory Encounters for Year:										
7. Physician	5,032		5,032							
8. Non-physician	0									
9. Totals	5,032	0	5,032	0	0	0	0	0	0	0
10. Hospital patient days incurred	219		219							
11. Number of inpatient admissions	51		51							
12. Health premiums written (b)	18,232,460		18,232,460							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	18,232,460		18,232,460							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	11,600,688		11,600,688							
18. Amount incurred for provision of health care services	11,076,431		11,076,431							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

Blue Cross and Blue Shield of North Carolina

Consolidated Financial Statements
December 31, 2016, 2015 and 2014

With Independent Auditor's Report Thereon

Blue Cross and Blue Shield of North Carolina

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Ernst & Young LLP
4131 Parklake Avenue
Suite 500
Raleigh, NC 27612

Tel: 1 919 981 2800
Fax: 1 866 478 3363
ey.com

Building a better working world

Report of Independent Auditors

The Board of Trustees

BlueCross BlueShield North Carolina

We have audited the accompanying consolidated financial statements of Blue Cross Blue Shield of North Carolina and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Blue Cross and Blue Shield of North Carolina and its subsidiaries at

December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Report of Other Auditors on December 31, 2014 Financial Statements

The consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the period ended December 31, 2014, were audited by other auditors who expressed an unmodified opinion on those statements on March 2, 2015.

Ernst & Young LLP

Raleigh, North Carolina

February 22, 2017

Blue Cross and Blue Shield of North Carolina
Consolidated Balance Sheets
(dollars in thousands)

	As of December 31,	
	2016	**2015**
Assets		
Current assets:		
Cash and cash equivalents	$95,134	$80,640
Investments available for sale, at fair value:		
Fixed income securities	82,822	65,705
Equity securities	725,185	745,412
Premiums and other receivables, net	573,171	583,724
Affordable Care Act receivables	268,879	337,454
Income tax receivable	-	3,779
Deferred tax asset	16,088	119,649
Other current assets	102,480	93,121
Total current assets	1,863,759	2,029,484
Investments available for sale, at fair value, less current portion:		
Fixed income securities	1,789,075	1,694,393
Equity securities	211,267	173,459
Real estate funds	221,667	200,355
Property and equipment, net of accumulated depreciation	470,557	391,676
Goodwill	95,218	87,097
Intangible assets, net of accumulated amortization	26,690	29,275
Prepaid pension	23,180	21,406
Affordable Care Act receivables	12,081	54,814
Other assets	236,849	214,015
Total assets	$4,950,343	$4,895,974
Liabilities and Accumulated Capital		
Current liabilities:		
Medical and other benefits payable	$727,389	$725,970
Accounts payable and accrued expenses	544,366	535,578
Unearned premiums	130,742	112,198
Book overdrafts	133,674	140,660
Payable for securities	4,558	478
Contract reserves	157,104	57,996
Current portion of long term debt and lines of credit	49,245	174,861
Income tax payable	4,741	-
Total current liabilities	1,751,819	1,747,741
Contract reserves, less current portion	126,210	276,139
Pension, postretirement and other retirement benefits	72,692	75,699
Long-term debt, less current portion	155,260	158,395
Deferred tax liability	66,784	31,856
Other long-term liabilities	45,261	37,882
Total liabilities	2,218,026	2,327,712
Commitments and contingent liabilities (Note 13)	-	-
Accumulated capital:		
Accumulated earnings	2,630,368	2,445,327
Accumulated other comprehensive income	101,949	122,935
Total accumulated capital	2,732,317	2,568,262
Total liabilities and accumulated capital	$4,950,343	$4,895,974

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Comprehensive Income
(dollars in thousands)

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Revenues:			
Premiums	$7,178,071	$7,415,234	$7,339,580
Administrative fees and other revenue	484,131	445,974	414,727
Total operating revenues	7,662,202	7,861,208	7,754,307
Net investment income	95,145	100,819	101,520
Net realized gains on investments	61,843	152,534	80,092
Other-than-temporary impairment losses on investments	(982)	(2,009)	-
Other income (loss)	31,267	42,932	33,107
Total revenues	7,849,475	8,155,484	7,969,026
Expenses:			
Claims and medical expenses	5,814,601	6,468,308	6,407,210
Operating expenses	1,212,686	1,113,110	1,094,160
Broker commissions	164,600	213,472	268,844
Affordable Care Act fees and premium taxes	291,190	312,377	251,389
Interest expense	25,436	18,129	13,256
Total expenses	7,508,513	8,125,396	8,034,859
Income (loss) before income taxes (benefits)	340,962	30,088	(65,833)
Income taxes (benefits)	155,921	29,564	(15,232)
Net income (loss)	185,041	524	(50,601)
Other comprehensive income (loss) net of tax			
Investments available for sale:			
Unrealized gains (losses) arising during period, net of income tax expense (benefit) of $12,169, $(10,418), and $51,168	22,599	(19,348)	95,027
Amounts reclassified in to earnings, net of income tax expense (benefit) of $(21,645), $(53,387), and $(28,032)	(40,198)	(99,147)	(52,060)
Net unrealized gain (loss) on securities	(17,599)	(118,495)	42,967
Non-credit component of other-than-temporary impairment (losses) on investments, net of income tax expense of $344, $703, and $0	638	1,306	-
Qualified retirement plan:			
Deferred net actuarial gain (loss) net of income tax expense (benefit) of $(3,649), $(9,807), and $(18,084)	(6,777)	(18,212)	(33,584)
Postretirement and other benefit plans:			
Deferred net actuarial gain (loss), net of income tax expense (benefit) of $1,023, $2,649, and $(3,093)	1,899	4,919	(10,272)
Deferred prior service credit, net of income tax expense (benefit) of $459, $(82), and $(142)	853	(153)	(262)
Total other comprehensive income (loss)	(20,986)	(130,635)	(1,151)
Total comprehensive income (loss)	$164,055	$(130,111)	$(51,752)

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statement of Changes in Accumulated Capital
(dollars in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Total Accumulated Capital
Balance, January 1, 2014	$2,495,404	$254,721	$2,750,125
Net loss	(50,601)	-	(50,601)
Other comprehensive loss	-	(1,151)	(1,151)
Balance, December 31, 2014	$2,444,803	$253,570	$2,698,373
Net income	524	-	524
Other comprehensive loss	-	(130,635)	(130,635)
Balance, December 31, 2015	$2,445,327	$122,935	$2,568,262
Net income	185,041	-	185,041
Other comprehensive loss	-	(20,986)	(20,986)
Balance, December 31, 2016	$2,630,368	$101,949	$2,732,317

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Cash Flows
(dollars in thousands)

	For the years ended December 31,		
	2016	**2015**	**2014**
Cash flows from operating activities:			
Net income (loss)……	$185,041	$524	$(50,601)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	41,608	30,890	22,312
Deferred income taxes	149,747	(28,868)	(9,090)
Net change of deferred acquisition costs.....	1,882	3,158	11,155
Accretion of discounts and amortization of premiums, net.....	11,719	15,946	9,032
Net gain (loss) on sale of property and equipment ...	362	(28,724)	640
Net realized gains on disposition of investments.....	(61,843)	(152,534)	(80,092)
Other-than-temporary impairment losses recognized in earnings	982	2,009	-
(Gain) loss on equity affiliates	(5,445)	(47,513)	(22,384)
Changes in operating assets and liabilities:			
Premiums and other receivables	10,553	(45,176)	(124,951)
Affordable Care Act receivables	154,041	(37,278)	(352,045)
Prepaid pension asset.....	(1,774)	15,159	53,034
Other assets.....	(53,068)	19,176	60,196
Medical and other benefits payable	1,419	(18,454)	263,695
Contract reserves	(50,821)	(37,173)	(76,774)
Unearned premiums.....	18,544	(29,933)	(10,468)
Accounts payable and accrued expenses.....	16,167	130,238	118,300
Changes in book overdrafts……	(6,986)	(25,864)	127,954
Income taxes receivable/payable	8,520	58,190	(50,900)
Pension, postretirement and other retirement benefits	(8,217)	(25,262)	(49,828)
Net cash provided by (used in) operating activities…….	412,431	(201,489)	(160,815)
Cash flows from investing activities:			
Purchases of investments……...	(1,009,200)	(600,015)	(1,045,052)
Sales and maturities of investments……..	854,392	914,937	1,040,877
Net purchases of property and equipment…….	(118,458)	(128,566)	(169,351)
Change in receivable/payable for securities……..	4,080	3	275
Proceeds from sale of property and equipment…….	-	33,368	-
Net cash (used in) investing activities…….	(269,186)	219,727	(173,251)
Cash flows from financing activities:			
Changes in debt.....	(128,751)	68,960	264,296
Changes in bank overdrafts……	-	(44,310)	44,310
Net cash provided by (used in) financing activities……..	(128,751)	24,650	308,606
Net increase (decrease) in cash and cash equivalents.....	14,494	42,888	(25,460)
Cash and cash equivalents at beginning of year.....	80,640	37,752	63,212
Cash and cash equivalents at end of year	$95,134	$80,640	$37,752
Supplemental disclosure of cash paid for:			
Interest……...	$25,436	$18,129	$13,256
Income taxes…….	$1,060	$3,050	$37,673

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Blue Cross and Blue Shield of North Carolina (BCBSNC; we; our; us; the Company) is a health services company domiciled in the state of North Carolina. The membership of BCBSNC and its subsidiaries (collectively the Company) totaled approximately 2.6 million members as of December 31, 2016. Including members served on behalf of other Blue plans, the Company's membership totaled approximately 3.7 million members served as of December 31, 2016. The Company's customers are located primarily in North Carolina, where the Company is licensed and operates. The Company provides a comprehensive spectrum of health benefits products and BCBSNC holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefits offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, Health Savings Account, or HSA, Medicare Advantage plans. The Company also offers a broad range of health benefits services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical cost management and other administrative services. In addition, the Company offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, vision hardware, mental health, substance abuse, and chiropractic benefits. The Company offers these products and services to large and small employers, groups and government units as well as individuals.

As of December 31, 2016, BCBSNC had four wholly-owned subsidiaries: Corium, LLC ("Corium"); Corium II, LLC ("Corium II"); Blue Cross and Blue Shield of North Carolina Senior Health ("Senior Health"); and NobleHealth, Inc. ("NobleHealth"). Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Senior Health will provide Medicare plans in the future. NobleHealth holds non-controlling strategic investments in certain health services companies and has four wholly-owned subsidiaries: Mosaic Group Services, LLC ("Mosaic Group"); Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); Noble Benefit Services, LLC ("NBS"); and Topaz Shared Services, LLC ("Topaz"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions has one wholly-owned subsidiary, ACS Benefit Services, LLC ("ACS") and also holds non-controlling strategic investments in certain health services companies. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NBS will function as a third-party administrator for self-insured employer groups. Topaz provides a healthcare payer operating system.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles (GAAP) in the United States (US). Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary impairments and other valuation accruals. Actual results could differ materially from those estimates.

The consolidated financial statements include the accounts of BCBSNC and all of its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Certain prior year balances have been reclassified to conform to current year presentation in the accompanying consolidated financial statements. These reclassifications resulted in no change to previously reported amounts of accumulated capital, income before taxes, or net income. As a result of the change of presentation of Book and Bank overdrafts, the Consolidated Statements of Cash Flows changed. The line Net cash provided by (used in) operating activities decreased by $25,864 in 2015 and increased by $127,954 in 2014. The

line Net cash provided by (used in) financing activities increased by $25,864 in 2015 and decreased by $127,954 in 2014.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance that would require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP, except those related to insurance contracts, when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. In July 2015, the FASB deferred the effective date provided in the new revenue guidance by one year. Giving effect to this deferral, the new guidance is effective for annual reporting periods beginning after December 15, 2018. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In August 2014, the FASB issued guidance over the disclosure of uncertainties about an entity's ability to continue as a going concern. The guidance explicitly requires management to evaluate, at each annual or interim reporting period, whether there are conditions or events that exist which raise substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. We adopted this new guidance effective January 1, 2016 which did not have a material impact on our consolidated financial statements.

In February 2015, the FASB issued consolidation guidance that modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, eliminates the presumption that a general partner should consolidate a limited partnership, and affects the consolidation analysis of reporting entities that are involved with variable interest entities. The new guidance is effective beginning with annual reporting periods beginning after December 15, 2016, with early adoption permitted. All legal entities are subject to reevaluation under the revised consolidation model. We adopted this new guidance effective January 1, 2016 which did not have a material impact on our consolidated financial statements.

In April 2015, the FASB issued new guidance requiring entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. This standard is effective beginning with annual reporting periods beginning after December 15, 2016. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In April 2015, the FASB issued new guidance to help entities determine whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software or as a service contract. The guidance is effective beginning with annual reporting periods beginning after December 15, 2016, with early adoption permitted. Upon adoption, an entity has the option to apply the provisions either prospectively to all arrangements entered into or materially modified, or retrospectively. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In May 2015, the FASB issued new guidance requiring insurance entities to provide additional disclosures about claim liabilities including paid claims development information by accident year and claim frequency data and related methodologies. The guidance is effective for annual periods beginning after December 15, 2016 with early adoption permitted. We are currently evaluating the impact the new guidance will have on our disclosures.

In November 2015, the FASB issued new guidance which eliminates the current requirement to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, we will be required to classify all deferred tax assets and liabilities as noncurrent. The guidance is effective for annual periods beginning after December 15, 2017. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued new guidance related to classification and measurement of financial instruments which requires equity securities that are not accounted for using the equity method or that do not result in consolidation, to be accounted for at fair value with changes in fair value recognized through net income. The

new guidance is effective beginning after December 15, 2018 with early adoption permitted under certain circumstances. We are currently evaluating the impact on our consolidated financial statements.

In February 2016, the FASB issued new guidance related to accounting for leases which requires lessees to record assets and liabilities reflecting the leased assets and lease obligations, respectively, while following the dual model for recognition in statements of income requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). The guidance is effective beginning with annual periods beginning after December 15, 2019, with earlier adoption permitted, and requires retrospective application to previously issued financial statements. We are currently evaluating the impact on our consolidated financial statements.

In June 2016, the FASB issued new guidance introducing a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The new current expected credit losses (CECL) model generally calls for the immediate recognition of all expected credit losses and applies to loans, accounts and trade receivables as well as other financial assets measured at amortized cost, loan commitments and off-balance sheet credit exposures, debt securities and other financial assets measured at fair value through other comprehensive income, and beneficial interests in securitized financial assets. The new guidance replaces the current incurred loss model for measuring expected credit losses, requires expected losses on available-for-sale debt securities to be recognized through an allowance for credit losses rather than as reductions in the amortized cost of the securities, and provides for additional disclosure requirements. Our investment portfolio consists of available for sale debt securities. The guidance is effective beginning with annual periods beginning after December 15, 2020. We are currently evaluating the impact on our consolidated financial statements.

In August 2016, the FASB issued new guidance addressing the classification of certain cash receipts and cash payments. The intent of this guidance is to provide consistency in the presentation and classification of cash receipts and payments within the statement of cash flows. The guidance is effective beginning with annual periods beginning after December 15, 2018 with early adoption permitted and should be applied on a retrospective basis. We are currently evaluating the impact on our consolidated financial statements.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise a majority of the fair value of our investments as of December 31, 2016.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an

adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of our investment.

We routinely process, store, and transmit large amounts of data in our day to day operations. Such data includes sensitive personal, proprietary or confidential information relating to our customers, our business or other third-parties. Some of this data may be processed, stored, and transmitted outside of the U.S. because of operational reliance on strategic vendors.

The possibility of security incidents resulting in a breach of our information systems and/or sensitive information are constant risks to our organization. Notwithstanding the proactive and aggressive measures we employ to prevent them, experienced cyber criminals may be able to penetrate our layered security controls and misappropriate or compromise sensitive information given sufficient time and resources. Such attacks could create system disruptions or cause shutdowns, or may result in the deployment of malicious software programs, such as viruses and worms, that could infect our systems or otherwise exploit any security vulnerabilities. Physical attacks and disruptions are also a risk. Our facilities may be subjected to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs associated with threat mitigation and vulnerability remediation to prevent a breach or cyber-incident are significant, but potentially much greater when such activities are forced to occur after an event. Such efforts are always impactful and may not always be successful. Service interruptions, delays or complete lack of service resulting in customer dissatisfaction and the loss of existing or new customers are additional impacts associated with these activities. Breaches of our security measures and the unauthorized disclosure of sensitive information could expose our customers to the risk of medical identity theft or financial harm. Additionally, such breaches could expose us or other third-parties to loss or misuse of sensitive information, resulting in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationship with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu America, Inc (Fujitsu). for the operation of our Information Technology systems and are dependent upon them for support functions. We also have agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support. Additionally, we have vendor dependencies associated with various workflow and transactional systems critical to our operations. Should these vendors be unable to provide their services, our operations and financial stability may be significantly impacted, but more importantly we may not be able to meet the demands of our customers.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. Our new core technology suite and business model is intended to provide core operating capabilities including enrollment, claims-processing and customer services with the explicit goals of reducing our operating costs and increasing speed-to-market and

market offer flexibility. This core platform has been in service for our Small Group market since July 2014 and Individual Under 65 market since January 2016, with additional markets migrating as we add new functionality. The migration of our Individual Under 65 market initially had challenges which impacted customers and required additional expenses to mitigate. These challenges have now been stabilized. We will migrate remaining markets over a number of years. Completion of this program could favorably position the Company and improve our price competitiveness and speed-to-market. However, changes in the Topaz business model could also impact the migration plan. Execution risk exists on a program of this magnitude and complexity, while the business and operating cost value is largely delivered upon completion of the migration.

In addition, federal and state regulatory agencies may further restrict our ability to implement necessary changes in premium rates to earn our target contribution to surplus or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

A wide variety of factors could result in volatility of medical losses in any given year. These factors include economic and regulatory risks whereby state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare. A reduction in state reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows. New types of medical treatments or prescription drugs could emerge during the policy period or after the time premiums are established and approved by regulators, resulting in higher medical losses than expected. Finally, the actual size of a buying market or participation in a given market may vary from what is assumed at the time premiums are set, resulting in higher average medical costs in a risk pool and insufficient revenue.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services ("CMS"), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or "pay for performance", which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

Additionally, accountable care organizations; practice management companies (which are companies that aggregate physician practices for administrative efficiency); and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Another risk that may develop relates to changes and disruption being incurred in our marketplace. The traditional payer-provider dynamic is being challenged by providers looking to expand into the payer space and create their own health plans. New entrants into the insurance space that heavily focus on automation and lower administrative expense create competition for payers. And finally, new technologies and delivery models may

carve out the need for the traditional payer and provider service models. As these disruptive risks appear on the horizon, we are assessing them and planning for our best mitigation strategies to adapt our business model to take advantage of the changes while still providing value to our members as an enterprise.

The passage of the Affordable Care Act (ACA) in 2010 has resulted in dynamic changes in the provision of health insurance. The law brought many substantive changes to the health insurance market and has had a significant impact on health insurer operations. Some of the larger and more far-reaching requirements of the law include the individual and employer mandates, federal subsidies for low and middle income consumers, establishment of a standard set of benefits in the individual and small group markets (known as the Essential Health Benefits), a new online Marketplace for consumers to compare and purchase health insurance, more stringent rating restrictions as well as increased review and scrutiny of rate increases. Additionally, the law has imposed numerous new taxes and fees on insurers. While many of these provisions of the law have been in effect for several years, health insurance issuers continue to feel the far-reaching effects of a litany of subsequent regulations and guidance implementing the law.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their current pre-ACA plans that are not compliant with health care reform, which led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers across many states, this resulted in many consumers who would have bought ACA compliant plans, staying in either grandfathered or transitional (grandmothered) plans. Per federal guidance, these policies are now set to end at the end of 2017.

In addition, the ACA has increased federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes.

Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, health care reform broadly has and will continue to change how we do business. These changes are likely to impact pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings has caused some disruption in health care markets. Several national and state level issuers have experienced significant losses as a result of older and sicker members than expected enrolling in ACA plans, both within and outside of the Exchange. It is possible that health care reform and related regulations, as well as future legislative and regulatory changes, including legislative restrictions on issuers' ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows.

In the 2015 federal budget bill, Congress specified that the ACA's risk corridor program must be budget neutral, with distributions not exceeding collections. In October 2015, CMS announced that for the 2014 benefit year, they would pay insurers expecting risk corridor payments 12.6% of their requested amount due to a shortfall with insurers having requested $2.87 billion in payments and CMS has received $362 million (in aggregate). The notice repeated CMS' intention to pay the remaining 2014 amounts due out of 2015 and 2016 receivables. CMS stated that in the event of a shortfall in the program after the 2016 benefit year, they will 'explore other sources of funding for risk corridors payments'. In November of 2016, CMS announced that all 2015 risk corridor collection amounts will be used to pay outstanding 2014 due amounts and that no funding would be available to pay 2015 amounts due. The 2015 payment amount is approximately 3.5% of the total 2014 requested amount. This continued uncertainty regarding receipt of risk corridor owed amounts makes financial forecasting and reporting increasingly challenging.

The election of Donald Trump as President, coupled with Republican majorities in both houses of Congress and promises to repeal and replace the ACA, indicate some level of change is expected for health reform. While the actual policy changes are unknown, it is likely that reform efforts will focus on common Republican-supported themes including repeal of both the individual and employer mandates, the pursuit of the sale of health insurance across state lines, promoting greater use of health savings accounts (HSAs) and continuous coverage incentives such as late enrollment penalties seen in Medicare.

The US House of Representatives lawsuit (US House of Representatives v. Burwell) challenging the ability of the Department of Health and Human Services (HHS) to make Cost Sharing Reduction (CSR) payments to insurers is an additional source of financial uncertainty. CSR plans are available to enrollees at or below 250% of the Federal Poverty Level (FPL). CSR Plans provide lower deductibles, copayments, coinsurance, and out-of-pocket maximums for enrollees. HHS makes CSR payments directly to BCBSNC as reimbursement for the lower cost-sharing amounts provided in CSR plans.

In the lawsuit, the House of Representatives maintains that the funds HHS is using to make CSR payments requires a direct appropriation from Congress. The House of Representatives maintains that as Congress did not provide a specific line item appropriation for CSR payments, HHS has not been granted the right or authority to make a distribution from the Treasury. The Obama administration maintains that CSR payments and the Advance Premium Tax Credit (APTC or subsidies as they are known) are inextricably linked (as eligibility for CSR is triggered by APTC eligibility); thus the appropriation of funds for APTC serves as an appropriation for CSRs as well.

In May 2016, a federal judge ruled in favor of the House of Representatives that the Administration does not have the power to spend money on CSR payments to insurers without an appropriation from Congress. Though Congress authorized the program, they never actually provided money for it. The Administration appealed the ruling to the U.S. Court of Appeals for the DC Circuit Court and will continue to make CSR payments while the case is on appeal. The judge stayed the ruling so it will not go into effect while the decision is being appealed. A decision is expected early in 2017. However, there is some uncertainty as to how vigorously the current Administration will pursue the appeal.

Absent a change in direction from the current Administration, many believe that the case will continue to be appealed and ultimately decided by the U.S. Supreme Court. The challenge for BCBSNC is that we are required to offer CSR plans to eligible individuals as part of our Qualified Health Plan (QHP) issuer agreement with the Federal Exchange, and this agreement covers the entire plan year. If the CSR payments from HHS are deemed inappropriate, CSR payments to BCBSNC could possibly be stopped soon after a ruling but we would still be required to offer CSR plans for the remainder of the plan year, as stipulated in our signed issuer agreement. The timing of a final decision is unknown, but may still be years away.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash equivalents totaled $56,752 and $55,903 as of December 31, 2016 and 2015, respectively. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

Included in other noncurrent assets as of both December 31, 2016 and 2015 are restricted money market funds and bonds of $30,949 and $33,005, respectively, which were on deposit with the state of North Carolina in accordance with contractual requirements.

Investments

All investments are categorized as available-for-sale and are recorded at their fair values as of the balance sheet date. The Company records purchases and sales as of the trade date. Fixed income securities are classified as either current or noncurrent assets based on their contractual maturities as well as management's expectations as to when they will be sold. If the Company does not intend to sell the fixed income security, management considers available evidence to assess whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost basis. Equity securities are primarily classified as current as they are available for use for current operations. Certain securities, which are used to satisfy contractual, regulatory or other requirements, continue to be classified as long-term, without regard to contractual maturity. Venture capital investments, real estate funds, private equity funds and private equity securities are classified as noncurrent assets.

Realized gains and losses, including other-than-temporary impairments that are determined to be due to credit, are included in income. Unrealized gains, unrealized losses estimated to be temporary in nature and other-than-temporary impairments determined to be non-credit related, net of deferred income taxes, are reflected in

accumulated capital as Accumulated Other Comprehensive Income (Loss) (AOCI). Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other-than-temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. For fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, if the Company does not intend to sell the fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost are not assumed to be other-than-temporary.

When an other-than-temporary impairment loss is determined to have occurred on equity securities, the losses are recognized in the Consolidated Statements of Comprehensive Income. The way in which impairment losses on fixed income securities are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the Company recognizes an other-than-temporary impairment in the Consolidated Statements of Comprehensive Income for the difference between amortized cost and fair value. If the Company does not expect to recover the amortized cost basis, does not plan to sell the security and if it is not more likely than not that the Company would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the recognition of the other-than-temporary impairment is bifurcated. The Company recognizes the credit loss portion in net income and the noncredit loss portion in AOCI.

The credit component of an other-than-temporary impairment is determined by comparing the net present value of projected future cash flows with the amortized cost basis of the fixed income security. The net present value is calculated by discounting our best estimate of projected future cash flows at the effective interest rate implicit in the fixed income security at the date of acquisition. For mortgage-backed and asset-backed securities, cash flow estimates are based on assumptions regarding the underlying collateral including expected prepayments, vintage, type of underlying asset, geographic concentrations, default rates, recoveries and changes in value of the underlying collateral. For all other fixed income securities, cash flow estimates are driven by assumptions regarding probability of default, including changes in credit ratings, and estimates regarding timing and amount of recoveries associated with a default.

Fair value is determined by quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

Ownership in Investee Companies

The Company, through its wholly-owned subsidiary, NobleHealth, had ownership in Mosaic Health Solutions which has ownership in several investee companies in the amount of $166,589 and $135,079 as of December 31, 2016 and 2015, respectively. Ownership interest amounts ranged from 1% to 45%. These investments are included in the Other assets line item in the Consolidated Balance Sheets and make up 7.0% and 4.4% of total invested assets at year end in 2016 and 2015, respectively.

These investments are accounted for under the equity method of accounting and the Company has elected the fair value method for such investments as they have determined that fair value best reflects the economics of these investments. These investments were valued using quantifiable data from the portfolio company, recent portfolio company financing events, discounted cash flows, and relevant revenue, market, earnings before interest, tax, depreciation and amortization (EBITDA), or similar multiples for comparable companies and transactions. Earnings in 2016 and 2015 for these investments were $14,372 and $34,194, respectively, which was recorded in Other income.

Premiums and Other Receivables

Premiums and other receivables include the uncollected amounts due from insured and self-funded customers and the federal government for amounts related to Medicare Advantage. Also, included in other receivables are the uncollected amounts of drug rebates, interest, certain profit sharing arrangements and other miscellaneous receivables. Premiums and other receivables are reported net of any allowance for uncollectible amounts. The allowance for uncollectible receivables is estimated each period and a valuation allowance is recorded based upon the age of unpaid amounts and other information about the customers as well as management's judgment regarding the ability of the customers to pay outstanding amounts. Estimates of uncollectible accounts receivable are revised each period, and changes are reflected in the operating expense line of the Consolidated Statements of Comprehensive Income in the period they become known. At December 31, 2016 and 2015, the Company recorded a valuation allowance of $12,956 and $17,402 respectively.

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expenses. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts.

Affordable Care Act Risk Management Programs

Beginning in 2014, as prescribed by health care reform, three programs, commonly referred to as the 3R's, went into effect to reduce the risk for participating health insurance companies selling coverage on the public exchanges.

A three-year (2014-2016) reinsurance program is designed to provide reimbursement to insurers for high claims dollars resulting from individual business sold on or off the public exchanges. The reinsurance entity established by HHS is funded by a per-customer reinsurance fee assessed on all commercial medical plans, including self-insured group health plans. Only non-grandfathered individual plans are eligible for recoveries if claims exceed a specified threshold, up to a reinsurance cap. Reinsurance contributions associated with non-grandfathered individual plans are reported as a reduction in premium revenue, and estimated reinsurance recoveries are established with an offsetting reduction in medical claims expense. Reinsurance fee contributions for other insured business are reported in other operating expenses. After fully reflecting completed actual claims experience and sufficient claims run-out, development factors were set and used to record the reinsurance receivable. At December 31, 2016 and 2015, the Company had a reinsurance receivable of $100,839 and $235,434, respectively. In 2016, the Company collected $197,800 reinsurance with outstanding reinsurance receivable of $24,257 related to 2015. In 2015, the Company collected all of the reinsurance for 2014.

A permanent risk adjustment program reallocates funds from insurers with lower risk populations to insurers with higher risk populations based on the relative risk scores of participants in non-grandfathered plans in the individual and small group markets, both on and off the exchanges. Based on the risk of our members compared to the risk of other members in the same state and market, considering data obtained from industry studies and our proprietary market data, we estimate our year-to-date risk adjustment. The Company records a risk adjustment receivable or payable, with an offsetting adjustment to premium revenue when the amounts are reasonably estimable and collection is reasonably assured. To determine this amount, we used 3rd party consultant studies to supplement our own estimates in both years. These results were validated with internal

actuarial models. At December 31, 2016 and 2015, the Company had a risk adjustment receivable of $165,000 and $98,980, respectively. In 2016, the Company collected $83,300 of the risk adjustment receivable for 2015. The Company does not have an outstanding receivable on risk adjustment for 2015. In 2015, the Company collected the vast majority of the risk adjustment receivable established in 2014.

A three year (2014-2016) risk corridor program is designed to limit insurer gains and losses by comparing allowable costs to a target amount as defined by HHS. This program applies to individual and small group qualified health plans, operating on and off the exchanges. Variances from the target amount exceeding certain thresholds may result in amounts due to or due from HHS. The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on our year-to-date experience when the amounts are reasonably estimable. At December 31, 2016 and 2015, the Company had a risk corridor receivable of $341,041 and $359,722 respectively.

In December 2014, the 2015 Continuing Resolution Omnibus Bill was approved by Congress and signed into law. Due to the lack of appropriation in the budget for the risk corridor program and the likelihood that payments required to be made by CMS would exceed amounts collected to fund the program, the Company evaluated the collectability of the risk corridor receivable and determined that it was probable that none of the 2015 amounts due from CMS would be collected and none of the 2016 amounts would be collected. As a result, the Company had a reserve of $325,919 and $301,868 as of December 31, 2016 and 2015, respectively.

The following is a summary of the 3R's as of December 31, 2016. Amounts are classified as current or long-term in the accompanying Consolidated Balance Sheets based on the timing of expected settlement.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$100,839	$165,000	$3,040
Non-current assets	-	-	$12,081
Net asset (liability)	$100,839	$165,000	$15,121

The following is a summary of the 3R's as of December 31, 2015.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$235,434	$98,980	$3,040
Non-current assets	-	-	54,814
Net asset (liability)	$235,434	$98,980	$57,854

Federal Employee Program

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and the Blue Cross Blue Shield Association (BCBSA), which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM.

Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $6,824,353 and $4,970,499 as of September 30, 2016 and December 31, 2015, respectively. The unaudited amounts being held in the contingency reserve are $8,441,095 and $9,459,079 as of September 30, 2016 and December 31, 2015, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $43,286 and $15,429 as of December 31, 2016 and 2015, respectively, and are included in Other current assets and Other current liabilities in the accompanying Consolidated Balance Sheets. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $33,388 and $30,024 as of December 31, 2016 and 2015, respectively, and are included in Cash and other non-current liabilities in the accompanying Consolidated Balance Sheets.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, investments and premium and other receivables. All cash equivalents and investments are managed within established guidelines, which provide us diversity among issuers. Concentrations of credit risk with respect to premium and other receivables are related to our large number of payers comprising our customer base and the federal government.

FEP represented approximately 16.1% and 16.0%, of accounts receivable as of December 31, 2016 and 2015, respectively. ACA receivables represented 32.9% and 40.2% of accounts receivable as of December 31, 2016 and 2015, respectively. FEP and ACA receivables represented approximately 49.0% and 56.2% of accounts receivable for the years ended December 31, 2016 and 2015, respectively.

FEP represented approximately 14.4%, 13.6%, and 13.1% of net revenue for the years ended December 31, 2016, 2015 and 2014, respectively. FEP and ACA revenue represented approximately 42.3%, 41.2%, and 44.9% of net revenue for the years ended December 31, 2016, 2015 and 2014, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets, which are 40 to 50 years for buildings, 3 to 10 years for furniture and equipment, and 2 to 10 years for computer equipment and software. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Upon disposition or retirement, assets and related accumulated depreciation accounts are relieved and any related gain or loss is reflected in the Consolidated Statements of Comprehensive Income. Property and equipment is evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

The Company develops software for internal use. Certain costs associated with the development or purchase of internal-use software are capitalized and amortized over the estimated useful lives of the software. All other development costs are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost of acquisition over the fair value of net assets acquired. Intangible assets represent the values assigned to acquired subscriber relationships and provider networks. Intangible assets are recognized as assets apart from goodwill because they meet one of two criteria: the contractual-legal criterion or the separability criterion. Goodwill is evaluated for impairment on an annual basis and more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after completing this assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then proceed to a two-step impairment testing methodology using the income approach (discounted cash flow method). In the first step of this testing methodology, we compare the carrying value of the reporting unit, including goodwill, with its fair value, as determined by its estimated discounted cash flows. If the carrying value of a reporting unit is less than its fair value, no impairment is considered to have occurred and step two of the impairment test is unnecessary. If the carrying value of a reporting unit exceeds its fair value, we then complete the second step of the impairment test to determine the amount of impairment to be recognized. In the second step, we estimate an implied fair value of the reporting unit's goodwill by deducting the fair value of all net assets of the reporting unit (including any unrecognized intangible assets, and excluding the goodwill) from its fair value as determined in the first step. Any remaining fair value after assigning fair value to the reporting unit's net assets represents the implied fair value of the goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference in that period.

Intangible assets are amortized over their useful lives. Intangible assets are evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the intangible assets' fair value is less than its carrying amount. Based on the results of this assessment, the Company may conduct a quantitative impairment test if the fair value of the intangible assets was determined to be, more likely than not, less than its carrying amount. Recoverability of intangible assets is primarily determined by a comparison of the carrying amount of the assets to future net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Medical and Other Benefits Payable

The reserve for medical and other benefits payable includes management's estimate of the ultimate cost of the claims in process of settlement, claims incurred but not yet reported, and claims adjustment expenses needed to settle these claims.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for medical and other benefits payable are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in medical cost trend and claims payment patterns used in estimating reserves would impact the balance of medical and other benefits payable. These estimates may change as actuarial methods change or as underlying

facts upon which these estimates are based change. There have been no significant changes to the Company's actuarial methods in the last three fiscal years.

Contract Reserves

Contract reserves are established for long duration insurance products where, because of the policy's design, future benefit costs increase because of factors that the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include locked in assumptions such as interest rates, claim trends, persistency, and other assumptions. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for Blue Advantage, NAIC Medicare Supplement, and individual Blue Options HSA grandfathered products. In 2017, our Blue Advantage policies will no longer be offered to our customers; the North Carolina Department of Insurance (NCDOI) has been notified that we will be terminating all Blue Advantage policies at the end of 2017.

The current portion of contract reserves relates to the estimated amount by which the Company expects claims costs to exceed premiums collected over the next twelve months.

Book Overdrafts

Under our cash management system, checks issued but not yet presented to banks frequently result in overdraft balances for accounting purposes. These amounts are classified as a current liability in the Consolidated Balance Sheet and was $133,674 and $140,660 for the years ended December 31, 2016 and 2015, respectively. Changes in book overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as an operating activity. In prior years, all overdrafts were reported in the Consolidated Statement of Cash Flows as a financing activity; these have been reclassified to book overdrafts as allowable under GAAP. As a result of this change, the Consolidated Statements of Cash Flows changed. The line Net cash provided by (used in) operating activities decreased by $25,864 in 2015 and increased by $127,954 in 2014. The line Net cash provided by (used in) financing activities increased by $25,864 in 2015 and decreased by $127,954 in 2014.

Bank Overdrafts

Under our cash management system, payments issued and presented to our banks can result in overdraft balances at those banks when immediate funding is not available; an extension of credit from the bank is granted. These amounts are classified as a current liability in the Consolidated Balance Sheets and was $0 for each of the years ended December 31, 2016 and 2015. Changes in bank overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Premium Deficiency

Premium deficiencies are recognized when it is probable that expected future claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with the consideration of investment income and overhead expense allocation. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2016 and 2015.

Revenue Recognition and Unearned Premiums

Revenue is principally derived from health benefit premiums. Generally, membership contracts have one-year terms. Group contracts are subject to cancellation upon 30 days written notice. Premiums are generally due monthly and are recognized as revenue during the period in which the Company is obligated to provide services or benefits. Amounts that are billed and received but unearned are recorded as unearned premiums. Because employer groups generally provide changes to their eligible member population one month in arrears, each billing includes an adjustment to premiums for the prior month's changes in member status that were not reflected in the original billing. Premium refunds are shown as a reduction in premium.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. The Company estimates Medicare Advantage risk adjustment revenues based upon the data submitted and expected to be submitted to CMS.

Beginning in 2014, HHS pays us a portion of the health care costs for low-income individual members for which we assume no risk in accordance with the Health Care Reform Law. We account for these subsidies as a deposit in our Consolidated Balance Sheets and as a financing activity in our Consolidated Statements of Cash Flows. We do not recognize premiums revenue or benefits expense for these subsidies as these payments are a reimbursement. Receipt and payment activity is recorded in our Consolidated Balance Sheets in other current assets or accounts payable and accrued expenses depending on the balance at the end of the reporting period. Receipts from HHS associated with these cost sharing subsidies for which we do not assume risk were $50,119 and $55,286 higher than claims payments for the year ended December 31, 2016 and 2015, respectively.

Administrative fees include revenue from those group contracts that provide for the group to be at risk for all or, in the case of stop-loss agreements, a portion of its claims experience. These self-funded groups are charged an administrative fee that is based upon the number of members in the group and the group's claims experience. In addition, administrative fees include amounts received for the administration of certain other contracts, including cost plus arrangements. Administrative fees are recognized in accordance with the terms of the Company's contractual relationship with the customer. Administrative fees are included in the administrative fees and other revenue in the Consolidated Statements of Comprehensive Income. All benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are excluded from the claims and medical expenses line of the Consolidated Statements of Comprehensive Income. Reimbursements of all medical benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are also excluded from the operating revenue in the Consolidated Statements of Comprehensive Income.

Medicare Part D Prescription Drug Program

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with CMS. Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Consolidated Statements of Comprehensive Income as they are reviewed and agreed to by the Company. As of December 31, 2016, years 2006 through 2016 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period. Premiums received in advance are recorded in unearned premiums. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

The Company's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company's annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract

were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS's portion of prescription drug costs which exceed the member's out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursements from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company's annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2016 and 2015, the net estimated risk sharing payable with CMS was $0 for both years. The net estimated subsidies receivable from CMS was $3,299 and $9,388 at December 31, 2016 and 2015, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in premiums and other receivables. Any estimated payables related to the CMS risk sharing or subsidies are included in accounts payable and other accrued expenses.

Accounting for Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. A valuation allowance is recorded to reduce the Company's deferred tax asset to the amount the Company believes is more-likely-than-not to be realized. This determination is based upon a number of assumptions, including: the types of deferred tax assets; the expected reversal patterns and periods of the temporary differences; taxes paid in prior periods available for carry-back claims; estimates of future taxable income; and other significant issues or developments likely to impact the realization of the benefits from the deferred tax assets. If facts are ultimately inconsistent with the Company's expectations, an adjustment to the Company's deferred tax asset may be required in the future. Any such adjustment would be charged or credited to income tax expense in the Consolidated Statements of Comprehensive Income in the period the determination is made.

When tax returns are filed, some positions taken will be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more-likely-than-not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceed the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying Consolidated Balance Sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are charged to income tax expense in the Consolidated Statements of Comprehensive Income.

Employee Benefit Programs

The funded status of the Company's defined benefit pension plans and nonpension postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit

pension plans, the benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on estimated compensation levels and service. For the nonpension postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, which represents the actuarial present value of postretirement benefits attributed to employee services already rendered.

The fair value of plan assets represents the current fair value of cumulative Company contributions and investment earnings on those contributions less amounts paid out. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a pension, postretirement and other retirement benefits liability equal to this excess. The current portion of the pension and nonpension postretirement benefit obligations represents the actuarial present value of benefits payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets. Net periodic pension and nonpension postretirement benefit expense (income) is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Certain events, such as changes in employee base, plan amendments and changes in actuarial assumptions, result in a change in the benefit obligation which results in corresponding changes in the gains and losses or prior service costs. The result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy of the participants, provided such amounts exceed certain thresholds which are based upon the benefit obligation or the value of plan assets. (Gains) losses and prior service costs (credits) not recognized as a component of net periodic benefit expense (income) in the Consolidated Statements of Comprehensive Income as they arise are recognized as a component of gains (losses) and prior service costs (credits) recognized in AOCI in the Consolidated Statements of Changes in Accumulated Capital. Those (gains) losses and prior service costs (credits) are subsequently amortized and recognized as a component of net periodic benefit expense (income).

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

3. Investments

The amortized cost and fair values of investment securities were as follows:

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:				
U.S. government and agency obligations	$106,466	$72	$(3,647)	$102,891
States and political subdivisions	1,124,482	62,162	(4,601)	1,182,043
Corporate fixed income securities	318,520	6,699	(4,038)	321,181
Commercial mortgage-backed securities	63,555	761	(727)	63,589
Residential mortgage-backed securities	142,412	236	(1,772)	140,876
Other fixed income securities	61,335	92	(110)	61,317
	1,816,770	70,022	(14,895)	1,871,897
Equity securities:				
Equity index mutual funds	346,729	213,676	(22,299)	538,106
Common stock	105,654	11,226	(1,075)	115,805
Preferred stock	75,750	976	(1,482)	75,244

Private equity securities	73,901	12,220	(463)	85,658
Venture capital investments	119,979	4,416	(2,756)	121,639
	722,013	242,514	(28,075)	936,452
Real estate				
Real estate funds	173,440	48,227	-	221,667
	$2,712,223	$360,763	$(42,970)	$3,030,016

	December 31, 2015			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Fixed income securities:				
U.S. government and agency obligations	$67,823	$1	$(1,908)	$65,916
States and political subdivisions	1,143,113	92,384	(320)	1,235,177
Corporate fixed income securities	249,510	6,923	(6,354)	250,079
Commercial mortgage-backed securities	68,013	567	(945)	67,635
Residential mortgage-backed securities	94,106	513	(160)	94,459
Other fixed income securities	47,121	9	(298)	46,832
	1,669,686	100,397	(9,985)	1,760,098
Equity securities:				
Equity index mutual funds	378,899	221,822	(26,404)	574,317
Common stock	80,218	20,068	(19)	100,267
Preferred stock	69,412	1,551	(134)	70,829
Private equity securities	64,977	2,641	(7)	67,611
Venture capital investments	105,847	-	-	105,847
	699,353	246,082	(26,564)	918,871
Real estate				
Real estate funds	167,735	32,620	-	200,355
	$2,536,774	$379,099	$(36,549)	$2,879,324

As of December 31, 2016 and 2015, the non-credit component of other-than-temporary impairments, net of tax, was $638 and $1,306, respectively.

Expected Maturities of Fixed Income Securities

The amortized cost and fair values of fixed income securities, by contractual maturity, as of December 31, 2016 are as follows:

	Amortized Cost	**Fair Value**
Due in one year or less	$83,517	$84,775
Due after one year through five years	346,612	361,522
Due after five years through ten years	385,054	396,617
Due after ten years	734,285	763,201
	1,549,468	1,606,115
Commercial mortgage-backed securities	63,555	63,589
Residential mortgage-backed securities	142,412	140,876
Other asset backed fixed income securities	61,335	61,317
	$1,816,770	$1,871,897

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. As of December 31, 2016 and 2015, 99.8% and 100%, respectively of the fixed income portfolio was held in issues with investment grade credit ratings.

The following is a summary of the sources of net investment income for the year ended December 31:

	2016	2015	2014
Fixed income securities	$67,673	$63,593	$68,215
Equity securities	27,515	33,270	28,564
Cash and cash equivalents	79	508	261
Real estate funds	6,558	7,703	6,642
Total investment income	101,825	105,074	103,682
Investment expenses	(6,680)	(4,255)	(2,162)
Net investment income	$95,145	$100,819	$101,520

The net realized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2016	2015	2014
Gross realized gains on sales:			
Fixed income securities	$4,049	$3,357	$20,362
Equity securities	67,733	161,287	72,020
Total	71,782	164,644	92,382
Gross realized losses on sales:			
Fixed income securities	2,448	(1,720)	(1,882)
Equity securities	7,491	(10,390)	(10,408)
Total	9,939	(12,110)	(12,290)
Net realized gains	61,843	152,534	80,092
OTTI losses recognized in operations:			
Equity securities	(982)	(2,009)	-
Total	(982)	(2,009)	-
Net realized gains (losses) including OTTI losses	$60,861	$150,525	$80,092

The change in net unrealized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2016	2015	2014
Change in net unrealized gains (losses) on securities:			
Fixed income securities	$(37,562)	$(21,252)	$49,227
Equity securities	(18,538)	(180,714)	6,924
Private equity and venture capital	13,418	-	-
Real estate funds	15,607	19,666	9,952
	(27,075)	(182,300)	66,103
Deferred federal income tax expense	9,476	63,805	(23,136)
Change in net unrealized gains losses on securities net of income tax	$(17,599)	$(118,495)	$42,967

Other-Than-Temporary Impairment

Other-than-temporary impairment losses recognized in income were $982, $2,009, and $0, for the years ended December 31, 2016, 2015 and 2014, respectively, and consisted primarily of losses on equity securities.

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

	2016							
	Less Than 12 Months			12 Months or Greater			Total	
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:								
U.S. government and agency obligations	1	95,453	(3,647)	-	-	-	95,453	(3,647)
States and political subdivisions	61	163,005	(4,601)	-	-	-	163,005	(4,601)
Corporate fixed income securities	55	109,429	(3,619)	6	9,853	(419)	119,282	(4,038)
Commercial mortgage-backed securities	10	26,659	(644)	6	18,236	(83)	44,895	(727)
Residential mortgage-backed securities	33	105,386	(1,731)	2	2,108	(41)	107,494	(1,772)
Other fixed income securities	6	12,953	(78)	3	11,430	(32)	24,383	(110)
Equity securities:								
Equity index mutual funds	4	68,251	(1,989)	1	75,177	(20,310)	143,428	(22,299)
Common stock	53	23,078	(1,036)	1	522	(39)	23,600	(1,075)
Preferred stock	20	44,221	(1,482)	-	-	-	44,221	(1,482)
Private Equity	5	3,936	(463)	-	-	-	3,936	(463)
Venture Capital	8	55,957	(2,756)	-	-	-	55,957	(2,756)
Total	256	$708,328	$(22,046)	19	$117,326	$(20,924)	$825,654	$(42,970)

	2015							
	Less Than 12 Months			12 Months or Greater			Total	
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:								
U.S. government and agency obligations	4	64,121	(1,908)	-	-	-	64,121	(1,908)
States and political subdivisions	8	17,612	(113)	5	17,890	(207)	35,502	(320)
Corporate fixed income securities	25	62,078	(2,054)	22	34,937	(4,300)	97,015	(6,354)
Commercial mortgage-backed securities	9	34,694	(501)	9	28,008	(444)	62,702	(945)
Residential mortgage-backed securities	5	16,101	(106)	2	5,676	(55)	21,777	(161)
Other fixed income securities	11	33,398	(267)	2	2,016	(31)	35,414	(298)
Equity securities:								
Equity index mutual funds	23	11,813	(799)	2	109,152	(25,604)	120,965	(26,403)
Common stock	2	297	(13)	1	553	(7)	850	(20)
Preferred stock	7	9,785	(140)	-	-	-	9,785	(140)
Total	94	$249,899	$(5,901)	43	$198,232	$(30,648)	$448,131	$(36,549)

Fixed Income Securities – For both 2016 and 2015, the unrealized losses on the Company's fixed income investments were not the result of any credit related issues. In 2016, the unrealized losses on the Company's fixed income investments were mostly attributable to changes in interest rates. All of the issuers have investment grade credit ratings and therefore, the Company believes each issuer will be able to meet the contractual terms of the obligation. At December 31, 2016 and 2015, the Company did not have the intent to sell and it was not more-likely-than-not that the Company would be required to sell the investments before the recovery of its amortized cost basis. The Company therefore did not consider the investments at December 31, 2016 and 2015 to be other-than-temporarily impaired.

Equity Securities – For both 2016 and 2015, the Company's investments in equity securities primarily consists of investments in mutual funds and exchange-traded funds (ETF's). Various investment lots were below

cost at December 31, 2016 and 2015 and were primarily in emerging market debt ETF's, the vast majority of which had been in a loss position more than twelve months. The unrealized losses in these investments in 2016 were due to uncertainty concerning Fed interest rate actions, changes in commodity prices, and exchange rate movements. The Company believes the declines are not permanent in nature and are due to the lack of clarity regarding Fed policy and commodity price changes, and not related to increased credit risk.

The Company continues to review its investment portfolios under its impairment review policy. Given the unpredictability of market conditions and the significant judgments involved, there is a continuing risk that declines in fair value may occur and other-than-temporary impairments may be recorded in future periods.

4. Goodwill and Intangible Assets

The gross carrying amounts and accumulated amortization for the major intangible asset classes and goodwill at December 31 are as follows:

	2016		2015	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Amortized intangible assets				
Subscriber relationships	$65,881	$40,055	$65,881	$37,616
Provider networks	7,198	6,334	7,198	6,188
	$73,079	$46,389	$73,079	$43,804
Goodwill	95,218		87,097	
Total	$168,297		$160,176	

Amortization expense of intangible assets for 2016, 2015, and 2014, was $2,585, $2,724, and $3,159, respectively.

The intangibles are amortized over periods that originally range from 12 to 31 years using the undiscounted cash flow method. Estimated amortization expense for the next five years is as follows: 2017, $2,131; 2018, $2,034; 2019, $1,943; 2020, $1,857 and 2021, $1,774.

5. Property and Equipment

Property and equipment as of December 31 consists of:

	2016	**2015**
Land and improvements	$34,250	$19,437
Buildings	107,545	79,474
Furniture, equipment and leasehold improvements	52,095	39,792
Construction in progress and equipment not in service	92,158	105,595
Computer equipment and software internally developed and purchased	404,386	333,885
	690,434	578,183
Less – accumulated depreciation and amortization	$(219,877)	$(186,507)
	$470,557	$391,676

Depreciation and amortization expense of property and equipment, excluding amortization of intangibles for 2016, 2015 and 2014, was $39,023, $28,166, and $19,153, respectively.

Accumulated amortization for capitalized software and hardware was $163,634 and $137,630 at December 31, 2016 and 2015, respectively. Amortization expense, included in depreciation and amortization above, for capitalized software and hardware for 2016, 2015 and 2014 was $27,195, $21,028, and $11,776, respectively.

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two buildings in Durham to create this central campus. During 2015, the Company sold its Headquarters property. The gain on Headquarters was $30,937 and is in the Operating Expense line of the Consolidated Statements of Comprehensive Income. The original cost of the Headquarters property was $16,260 and accumulated depreciation at the date of sale was $13,788.

At December 31, 2016 and 2015, the Company capitalized $37,045 and $54,972, respectively of internally developed software related to its core operating platform.

6. Medical and Other Benefits Payable

Activity in the medical and other benefits payable liability is summarized as follows:

	2016	2015
Medical and other benefits payable at beginning of year	$708,666	$726,684
Incurred related to:		
Current year	6,043,226	6,631,617
Prior years	(179,664)	(98,764)
Total incurred	5,863,562	6,532,853
Paid related to:		
Current year	5,288,143	5,873,703
Prior years	575,860	677,168
Total paid	5,864,003	6,550,871
Medical and other benefits payable at end of year	708,225	708,666
Liability for claims processing costs	19,164	17,304
Total	$727,389	$725,970

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately settled. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claims payments becomes known. This information is compared to the originally established year end liability. The favorable development for the years ended December 31, 2016 and December 31, 2015, was the result of actual claim payment patterns and cost trends differing from those assumed at the time the liability was established, and changes in the estimate for CSR of $55,286 and $54,124, respectively. The claims payment patterns and cost trends were influenced by utilization levels, unit costs, mix of business, benefit plan designs, provider reimbursement levels, core operating system conversions and changes, claim inventory levels, claim processing patterns, and claim submission patterns. In addition, the favorable development for the year ended December 31, 2016 was the result of flattening cost trends that are not expected to recur.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31:

	2016	2015
Accounts payable	$108,786	$71,742
Accrued salaries and other benefit expenses	110,590	104,921
Accrued ACA cost sharing reduction	50,119	55,286
Other accrued expenses	320,132	341,511
	589,627	573,460
Less non-current portion	45,261	37,882
Total	$544,366	$535,578

8. Lines of Credit and Long-Term Debt

BCBSNC has established three credit lines providing a total borrowing capacity of $400,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA). The interest rate for borrowings on the revolving lines is LIBOR plus 65 basis points. The interest rate for borrowings on the secured line is based on rates published by the FHLB for the specific term requested for the borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000, and extend the termination date until July 2017. In July 2016, BCBSNC extended the termination date an additional year to July 2018.

In September 2015, BCBSNC entered into a second $50,000 revolving line of credit terminating in September 2017. In December 2016, BCBSNC extended the termination date to September 2018.

In September 2016, BCBSNC entered into a credit agreement with the FHLBA providing secured borrowing capacity up to $200,000. The capacity is based on our internal limits and the collateral included cash and securities in our investment portfolio deemed eligible by the FHBLA. Collateral is only encumbered to the extent borrowings are outstanding.

Amounts drawn under these credit lines were $46,109 and $171,851 at December 31, 2016 and 2015, respectively.

In September 2014, Corium entered into a $165,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender. This note is classified as long term in the accompanying consolidated balance sheets

Long-term debt consists of the following at December 31:

	2016	2015
Long-term debt	$158,396	$161,405
Less current portion of long-term debt	3,136	3,010
Long-term debt, less current portion	$155,260	$158,395

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2016 and 2015, the Company was in compliance with the covenants and requirements outlined in these agreements.

Future maturities of debt are as follows: 2017, $3,136; 2018, $3,267; 2019, $3,403; 2020, $3,544; 2021, $3,692 and thereafter $141,354.

9. Fair Value Measurements

The carrying amounts reported in the Consolidated Balance Sheets for cash, cash equivalents, premiums and other receivables, Affordable Care Act receivables, income tax receivable, unearned premiums, medical and other benefits payable, accounts payable, other assets and accrued expenses, book overdrafts and payables for securities approximate fair value because of the short term nature of these items.

Certain assets and liabilities recorded at estimated fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

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

Transfers between Levels, if any, are recorded as if they had occurred at the beginning of the reporting period during which the change in method for valuing the underlying assets occurred.

Fair values of fixed income and equity securities are based on quoted market prices, where available. We have outsourced our investment accounting function. Our service provider obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, the pricing service uses model processes such as the Option Adjusted Spread model to assess interest rate impact and develop prepayment scenarios.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value.

Following is a description of the valuation methodologies used by the Company to value assets, including the pension and postretirement assets, measured at fair value:

Major Category	Valued at
Mutual funds	Net asset value (NAV) of shares which are provided by the administrator of the fund.
State and/or U.S. government obligations and common and/or preferred stock	Closing price reported in the active market in which the individual security is traded. If in an inactive market, based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.
Interest in collective trust funds	NAV of shares which are provided by the administrator of the fund.
Pooled separate accounts	Based on underlying value provided by the fund manager
Partnership and real estate funds	Based on net asset value provided by the fund manager
Private equity funds	Based on net asset value provided by the fund manager

Major Category	Valued at
Other investments	Dealer quotes, trade data, two-sided markets institutional bids, comparable trades and/or other news media
Privately held fixed income and equity securities, including venture capital investments	Reviewing the value ascribed to the most recent financing, comparing the security with securities of publicly traded companies in a similar line of business, and/or reviewing the underlying financial performance including estimating discounted cash flows
Fixed income securities including corporate, commercial and residential mortgage backed securities	Closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings or discounted cash flows approach that maximized observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks

The carrying value of corporate-owned life insurance policies is the cash surrender value as reported by the respective insurer.

The fair value of our long-term debt, included in liabilities on the Consolidated Balance Sheets, is based on current market observable rates estimated to be available to us for debt of similar terms and remaining maturities.

The following table summarizes fair value measurements by level at December 31 for assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
December 31, 2016	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	102,891	-	-	102,891
State and political subdivisions	-	1,182,043	-	1,182,043
Corporate fixed income securities	-	321,181	-	321,181
Commercial mortgage-backed securities	-	63,589	-	63,589
Residential mortgage-backed securities	-	140,876	-	140,876
Other fixed income securities	-	61,317	-	61,317
Total fixed income securities	102,891	1,769,006	-	1,871,897
Equity index mutual funds	538,106	-	-	538,106
Common stock	111,836	-	3,969	115,805
Preferred stock	817	74,427	-	75,244
Private equity securities	-	-	85,658	85,658
Venture capital investments	37,577	-	84,062	121,639
Total equity securities	688,336	74,427	173,689	936,452
Real estate trust:				
Real estate funds	-	-	221,667	221,667
Total investment assets	$791,227	$1,843,433	$395,356	$3,030,016

	Fair Value Measurements Using			
December 31, 2015	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	65,916	-	-	65,916
State and political subdivisions	-	1,235,177	-	1,235,177
Corporate fixed income securities	-	250,079	-	250,079
Commercial mortgage-backed securities	-	67,635	-	67,635
Residential mortgage-backed securities	-	94,459	-	94,459
Other fixed income securities	-	46,832	-	46,832
Total fixed income securities	65,916	1,694,182	-	1,760,098
Equity index mutual funds	574,317	-	-	574,317
Common stock	100,267	-	-	100,267
Preferred stock	801	70,028	-	70,829
Private equity securities	-	-	67,611	67,611
Venture capital investments	-	-	105,847	105,847
Total equity securities	675,385	70,028	173,458	918,871
Real estate trust:				
Real estate funds	-	-	200,355	200,355
Total investment assets	$741,301	$1,764,210	$373,813	$2,879,324

There was one material transfer and no material transfers between Levels I, II or III during the years ended December 31, 2016 and 2015, respectively.

A reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using Level III inputs for the years ended December 31, 2016 and 2015 is as follows:

	Common Stock	**Private Equity**	**Venture Capital**	**Real Estate Trust**	**Total**
Beginning Balance at January 1, 2015	$3,589	$40,124	$83,080	$173,794	$300,587
Total gains (losses)					
Recognized in net income	-	-	(2,009)	18	(1,991)
Recognized in AOCI	-	-	-	19,666	19,666
Purchases, sales, maturities, calls and redemptions	-	23,898	24,776	6,877	55,551
Ending balance at December 31, 2015	3,589	64,022	105,847	200,355	373,813
Transfer out	-	-	(37,192)	-	(37,192)
Total gains (losses)					
Recognized in net income	-	(342)	(640)	(500)	(1,482)
Recognized in AOCI	380	11,751	2,902	15,607	30,640
Purchases, sales, maturities, calls and redemptions	-	10,227	13,145	6,205	29,577
Ending balance at December 31, 2016	$3,969	$85,658	$84,062	$221,667	$395,356

Private equity, Venture capital and Real estate trusts included in Level III are valued at net asset value as a practical expedient. For Real Estate Investments, the Company anticipates that net asset value is consistent with the liquidation value of these assets. There is a limited market for private equity and venture capital investments, and as a result, if the Company were required to sell these investments, the full fair value of these assets may not be realized. As of December 31, 2016, the Company has unfunded commitments of $53,157 for Private Equity Investments and $79,895 for venture capital investments.

Non-financial assets and liabilities including long-lived assets, goodwill, asset retirement obligations, and certain investments are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

10. Employee Benefit Programs

BCBSNC has a non-contributory qualified defined benefit retirement plan covering a significant number of employees (excluding employees of ACS). The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of participation in the plan.

BCBSNC also provides non-contributory, non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain health care and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for health care insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of health care insurance costs and life insurance benefits. BCBSNC funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the BCBSA. The Company did not make a contribution for the years 2015 or 2016 to fund the liability for eligible retired employees.

In October 2014, the Company offered a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and, in certain limited situations, the SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $100.2 million were paid from the qualified retirement plan in 2014, with $35.6 million of those lump sum payments attributable to the COW. Because these qualified plan payments exceeded the sum of estimated 2014 service and interest costs, settlement accounting was triggered. As a result, $17.6 million of unrecognized actuarial loss associated with the payments was relieved from AOCI and recognized in income.

Effective January 1, 2017, the Company has moved the majority of its Medicare eligible retirees to a private exchange. Medicare eligible retirees will receive a benefit in the form of a Healthcare Reimbursement Account (HRA). The proposed HRA is expected to equal to current expected plan subsidy for each group as of 2016.

The components of the net periodic benefit cost are as follows for the year ended December 31:

	Retirement Benefits						Other Postretirement Benefits		
	Qualified			Non-Qualified					
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Service cost	$900	$800	$525	$85	$86	$91	$1,936	$2,302	$1,964
Interest cost	16,879	19,693	22,701	1,715	2,274	2,425	2,933	3,249	3,213
Expected return on assets	(32,832)	(35,146)	(39,976)	-	-	-	(3,269)	(3,429)	(3,217)
Amortization of prior service cost	-	-	-	-	-	-	(235)	(235)	(404)
Amortization of net loss from past experience	2,853	1,794	522	234	475	321	396	625	-
Settlement gain/loss recognized	-	-	17,595	-	-	-	-	-	-
Net periodic benefit expense (income)	$(12,200)	$(12,860)	$1,367	$2,034	$2,835	$2,837	$1,761	$2,512	$1,556

In 2016, 2015 and 2014, the Company recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes.

The reconciliations of the benefit obligation as of December 31 are as follows:

	Retirement Benefits				Other Postretirement Benefits	
	Qualified		Non-Qualified			
	2016	2015	2016	2015	2016	2015
Change in benefit obligation:						
Benefit obligation at beginning of year	$498,717	$517,327	$56,497	$62,349	$80,747	$83,707
Service cost earned during the period	900	800	85	86	1,936	2,302
Interest cost on benefit obligation	16,879	19,693	1,715	2,274	2,933	3,249
Plan amendments	-	-	-	-	(1,547)	-
Loss (gain) from past experience.	20,317	(18,045)	1,724	(6,470)	(5,535)	(7,805)
Benefits paid from plan assets	(23,643)	(21,058)	(1,668)	(1,741)	(3,767)	(2,868)
Retiree contributions	-	-	-	-	1,739	2,163
Benefit obligation at end of year	$513,170	$498,717	$58,353	$56,497	$76,506	$80,747

The changes in plan assets are as follows:

	Retirement Benefits				Other Postretirement Benefits	
	Qualified		Non-Qualified			
	2016	2015	2016	2015	2016	2015
Change in plan assets:						
Fair value of plan assets at beginning of year	$520,122	$553,892	$-	$-	$60,767	$63,532
Actual return on plan assets	39,870	(12,712)	-	-	2,508	(2,149)
Company contributions	-	-	1,668	1,741	391	89
Benefits paid	(23,643)	(21,058)	(1,668)	(1,741)	(3,768)	(2,868)
Retiree contributions	-	-	-	-	1,739	2,163
Fair value of plan assets at end of year	$536,349	$520,122	$-	$-	$61,637	$60,767

Amounts recognized in the Consolidated Balance Sheets consist of:

	Retirement Benefits				Other Postretirement Benefits	
	Qualified		Non-Qualified			
	2016	2015	2016	2015	2016	2015
Prepaid Asset/(Unfunded liabilities)						
Noncurrent assets	$23,180	$21,406	$-	$-	$-	$-
Due within one year	-	-	(1,836)	(1,851)	(686)	(705)
Due after one year	-	-	(56,517)	(54,646)	(14,183)	(19,275)
Net amount recognized	$23,180	$21,406	$(58,353)	$(56,497)	$(14,869)	$(19,980)

Amounts recognized in other comprehensive income (loss) net of income tax that have not been recognized as components of net period benefit costs are as follows:

	2016	2015	2014
Net actuarial gains/(losses)	$(6,649)	$(13,725)	$(54,406)
Prior service (costs)	1,006	-	-
Items amortized:			
Net actuarial losses	2,264	1,881	11,985
Prior service costs/(credits)	(153)	(153)	(263)
Net amount recognized in other comprehensive income (loss)	$(3,532)	$(11,997)	$(42,684)

The estimated prior service credit and net actuarial loss that will be amortized from AOCI into net periodic benefit expense in 2017 are $(365) and $3,501, respectively.

The accumulated benefit obligation was $513,170 and $498,717 at December 31, 2016 and 2015, for the qualified retirement plan and $58,353 and $56,497 for the non-qualified retirement plans, respectively.

Due to the freeze, there will not be a difference in the accumulated benefit obligation and the projected benefit obligation prospectively.

The following tables present assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified and non-qualified retirement plans as of a measurement date:

	December 31, 2016	December 31, 2015	December 31, 2014
Discount rate	see detail below	see detail below	see detail below
Long-term rate of return on qualified plan assets	6.00%	6.50%	6.50%
Rate of increase in future compensation level	N/A	N/A	N/A

	Effective Discount Rate for Benefit Obligations by Benefit Plan	
	2016	2015
Qualified	4.19%	4.25%
Nonqualified:		
Partners SERP	3.70%	3.91%
ACS SERP	3.53%	3.80%
Senior SERP	3.97%	3.04%
Restoration SERP	4.06%	4.18%

	Effective Rate for Interest on Benefit Obligations by Benefit Plan	
	2016	2015
Qualified	3.61%	3.48%
Nonqualified:		
Partners SERP	3.12%	3.24%
ACS SERP	3.19%	3.46%
Senior SERP	3.41%	2.28%
Restoration SERP	3.47%	3.26%

The Company uses the Mercer Yield Curve to select a discount rate and uses separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2016 and 2015, the combined duration of all plans was 14 years and 13 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

On December 31, 2015 we changed the method we use to estimate the service and interest components of net periodic benefit cost for defined benefit pensions and other postretirement benefits. This new estimation approach discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. Historically, we estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period.

We have made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. The benefit obligation measured under this

approach was unchanged as of December 31, 2015. The new approach was used to measure the service and interest cost for the pension benefits, other postretirement benefits and other postemployment benefits in 2016. The service cost and interest cost for those plans was reduced by approximately $6.4 million in 2016 as a result of the change.

Starting with the 2016 net periodic benefit cost, the Company elected to use a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Instead of using a single fixed discount rate, each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company also elected to use split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale. This change resulted in an increase of this benefit obligation in 2014.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

The following table presents assumptions used in determining the accumulated postretirement benefit obligation and the subsequent year's net periodic benefit cost for the other postretirement benefit plans:

	December 31, 2016	December 31, 2015	December 31, 2014
Discount rate……..	see detail below	see detail below	3.95%
Rate of increase in future compensation level……	3.50%	3.50%	4.00%
Expected return on plan assets net of tax……..	5.50%	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.21%	4.40%
Retiree Life Insurance	4.16%	4.32%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2016	2015
Retiree Medical and Dental	3.61%	3.74%
Retiree Life Insurance	3.49%	3.59%

Effective Discount Rate for Service Cost by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.47%	4.63%
Retiree Life Insurance	4.32%	4.47%

Effective Rate for Interest on Service Cost by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.26%	4.39%
Retiree Life Insurance	4.00%	4.06%

To set the expected return on plan assets for the other postretirement benefit plans, historical markets are studied and long-term relationships between equities and fixed income securities indicate that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The following table presents the medical trend rate used in determining the accumulated postretirement benefit obligation at December 31 for the other postretirement benefit plans:

	2016	**2015**
Health care cost trend rate assumed for next year:		
Under age 65	6.70%	7.1%
Age 65 and older	6.70%	7.1%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2037
Age 65 and older	2037	2037

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies. The health care cost trend rate assumption can have a significant effect on the amounts reported. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of fiscal 2016 service and interest cost components....	$421	$(327)
Effect on the December 31, 2016 postretirement benefit obligation...	$4,923	$(3,938)

Future expected benefit payments and 2017 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
2017	$22,359	$1,836	$3,252
2018	$22,684	$18,851	$3,325
2019	$23,082	$2,087	$3,438
2020	$23,594	$2,106	$3,532
2021……..	$24,336	$2,083	$3,669
2022-2026	$134,041	$17,339	$20,434
2017 Contributions	$ -	$1,836	$686

BCBSNC's benefit plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2016	2015	Target	2016	2015
Asset Category:						
Equity securities:						
Mutual funds……	-%	26%	28%	-%	-%	-%
Common stock……...	-	3	3	-	50	50
Total……	35	29	31	50-60	50	50
Fixed income securities:						
State and U.S. government obligations……	-	37	30	-	49	49
Domestic corporate fixed income securities….	-	31	36	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total……	63	68	66	40-50	49	49
Cash and cash equivalents……..	2	1	1	0-3	1	1
Collective trust fund - real estate……	-	-	-	-	-	-
Other……	-	2	2	-	-	-
Total……	100%	100%	100%	100%	100%	100%

The Company utilizes a partial liability matching investment strategy. The Plan's funding ratio exceeded 100% at year end and approximately 50% of the portfolio was transitioned to a liability driven investment strategy (LDI) in 2014. As the Plan's funding ratio grows, more investments will be allocated to the LDI strategy.

The Plan's investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2016				
Equity securities:				
Common stocks……	$16,591	$ -	$ -	$16,591
Mutual funds……	145,635	-	-	145,635
Total equity securities……	162,226	-	-	162,226
Fixed income securities:				
US Treasury and agency securities……..	49,366	1,216	-	50,582
States and political subdivisions……...	-	4,862	-	4,862
Corporate fixed income securities……	-	151,530	-	151,530
Residential mortgage-backed securities...	-	18,025	-	18,025
Collective trust fund – US Fixed Income	-	-	140,310	140,310
Total fixed income securities……...	49,366	175,633	140,310	365,309
Cash and cash equivalents……...	12,747	-	-	12,747
Other……	-	695	11,099	11,794
Total investments……	224,339	176,328	151,409	552,076
Plan receivables……..	9,902	-	-	9,902
Total assets…….	234,241	176,328	151,409	561,978
Plan liabilities……..	(25,629)	-	-	(25,629)
Total net assets……	$208,612	$176,328	$151,409	$536,349

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2015				
Equity securities:				
Common stocks……	$15,408	$ -	$ -	$15,408
Mutual funds……	145,763	-	-	145,763
Total equity securities……..	161,171	-	-	161,171
Fixed income securities:				
US Treasury and agency securities……....	51,575	670	-	52,245
States and political subdivisions……...	-	3,419	-	3,419
Corporate fixed income securities……	-	144,816	-	144,816
Residential mortgage-backed securities...	-	15,917	-	15,917
Collective trust fund – US Fixed Income	-	-	133,530	133,530
Total fixed income securities……	51,575	164,822	133,530	349,927
Cash and cash equivalents……...	6,650	-	-	6,650
Other……	108	523	11,475	12,106
Total investments……	219,504	165,345	145,005	529,854
Plan receivables……..	1,446	-	-	1,446
Total assets……..	220,950	165,345	145,005	531,300
Plan liabilities……..	(10,971)	(207)	-	(11,178)
Total net assets……..	$209,979	$165,138	$145,005	$520,122

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2016 and 2015 is as follows:

	Cash & Cash Equivalents	**Equity Securities**	**Collective Trust Fund – Real Estate**	**Other**	**Total**
Beginning balance at January 1, 2015……	-	49,822	-	11,310	61,132
Total gains (losses)					
Recognized in net income……..	-	3,252	-	-	3,252
Recognized in AOCI……..	-	(1,988)	(13,330)	-	(15,318)
Purchases……	-	200	146,860	1,346	148,406
Sales……	-	(51,286)	-	(1,181)	(52,467)
Ending balance at December 31, 2015…..	$-	$-	$133,530	$11,475	$145,005
Total gains (losses)					
Recognized in net income……	-	-	103	-	103
Recognized in AOCI……...	-	-	9,429	-	9,429
Purchases……	-	-	8,257	-	8,257
Sales……..	-	-	(11,009)	(376)	(11,385)
Ending balance at December 31, 2016……	$-	$-	$140,310	$11,099	$151,409

There were no material transfers between Levels I, II or III during the years ended December 31, 2016 and 2015. The following table summarizes fair value measurements by level at December 31 for other postretirement benefit plan assets and liabilities:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2016			
Equity securities……	$33,308	$-	$33,308
States and political subdivisions……	-	27,924	27,924
Total investments……..	33,308	27,924	61,232
Plan receivables……..	405	-	405
Total assets……..	33,713	27,924	61,637
Plan liabilities……	-	-	-
Total net assets……...	$33,713	$27,924	$61,637

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2015			
Equity securities……	$32,372	$ -	$32,372
States and political subdivisions……	-	27,713	27,713
Total investments……..	32,372	27,713	60,085
Plan receivables……..	682	-	682
Total assets……..	33,054	27,713	60,767
Plan liabilities……	-	-	-
Total net assets……..	$33,054	$27,713	$60,767

Other Employee Benefits

BCBSNC sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code, the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and Transition Contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition Contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $32,856, $31,021 and $31,249 for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plan totaled $1,958, $1,975 and $1,427, for the years ended December 31, 2016, 2015, and 2014, respectively.

11. Income Taxes

BCBSNC files a consolidated federal income tax return with its subsidiaries. Current taxes are allocated among all affiliated companies based on a written tax sharing agreement, primarily on a separate company return basis using a wait-and-see method. These agreements have the effect of crediting each separate company within the consolidated group for the use of its net operating or other losses in the year in which the separate company could utilize the losses on a separate company return basis while charging those companies that previously benefited from use of the losses.

The significant components of income tax expense (benefit) in the Consolidated Statements of Comprehensive Income for the years ended December 31 are as follows:

	2016	2015	2014
Current tax expense (benefit):			
Federal……	$4,741	$(4,933)	$(6,259)
State……	936	128	117
	5,677	(4,805)	(6,142)
Deferred tax expense (benefit)……	150,244	34,369	(9,090)
Total tax expense (benefit)……	$155,921	$29,564	$(15,232)

The differences between taxes computed at the federal statutory rate and recorded income tax expense for the years ended December 31 are as follows:

	2016	2015	2014
Federal tax provision at statutory rate……....	$118,776	$10,531	$(23,041)
Tax exempt income…….....	(15,840)	(17,357)	(18,459)
ACA insurer fee……	43,745	46,054	27,822
ACA compensation limitation……..	3,025	4,107	4,786
Energy credit and treasury grant……	15	(10,245)	(6,119)
Change in taxable status……	-	(4,409)	-
Other, net……...	6,200	883	(221)
	$155,921	$29,564	$(15,232)

The components of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2016	2015
Deferred tax assets:		
Insurance reserve	$92,292	$114,195
Minimum pension liability	57,037	55,213
Federal credit carryforward	41,896	79,855
Accrued post and supplemental retirement benefits	15,775	14,204
AMT credit carryforwards	15,724	1,576
Impairment of investments	13,763	17,819
Investment in state credit funds	7,650	6,268
State NOL carryforward	5,130	5,834
Charitable contributions carryforward	4,276	9,879
NOL carryforward	-	60,808
Other	14,204	19,546
	267,747	385,197
Less: Valuation allowance	(1,790)	(7,624)
	$265,957	$377,573
Deferred liabilities:		
Fixed assets	$113,815	$87,643
Unrealized appreciation on securities	111,920	121,355
Pension accrual	60,786	56,516
Prepaid accounts	10,712	8,391
Acquired intangibles	8,642	9,453
Investment in partnerships	8,375	3,372
Other	2,403	3,050
	316,653	289,780
Net deferred tax asset (liability)	$(50,696)	$87,793

A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based upon all the available evidence, management recorded a valuation allowance of $1,790 and $7,624 as of December 31, 2016 and 2015, respectively. The change during the year in the total valuation allowance was a decrease of $5,834. Management believes it is more likely than not that the Company will realize its remaining net deferred tax assets as of the respective balance sheet dates.

As of December 31, 2016, we have no remaining federal income tax net operating loss (NOL) carryforward. We have $128,259 in state net operating loss carryforwards which will begin to expire in 2017. In addition, we have federal credit carryforwards in the amount of $41,896 which will begin to expire on December 31, 2034 and an AMT credit carryforward in the amount of $15,724 which can be used to offset regular tax in future years without expiration.

As of December 31, 2016, as further described below, certain tax years remain open to examination by the IRS and various state authorities. As of December 31, 2016, we have recorded no interest or penalties related to uncertain tax positions in the statement of operations or statement of financial position. We do not anticipate the amount of unrecognized tax benefits related to the open tax years will change in the next twelve months. The ultimate resolution of such items is dependent on a number of factors.

The Company's tax years 2011 through 2016 remain open to examination by the IRS. ACS and NobleHealth tax years 2011 to 2016 remain open to examination by various state Departments of Revenue.

12. Related Party Transactions

In December 2011, BCBSNC established Topaz as a partnership. Its purpose was to develop a technology-enabled and market-competitive business solution to address the individual and small group health insurance markets. The initial focus of Topaz was to deliver a shared technology solution based on The TriZetto Group's

software for administering business in the retail marketplace, including individual (less than 65 years old) and small group (defined as up to 100 lives) health insurance products. This solution will be expanded to serve additional lines of business in the future.

Topaz was owned by Noble and a wholly-owned subsidiary of Blue Cross and Blue Shield of Kansas City ("BCBSKC"). The initial capital contribution of Noble was $5,000 in exchange for 100 units and a 50% voting interest. The initial capital contribution of BCBSKC's subsidiary was $5,000 in exchange for 100 units and a 50% voting interest. The Company and BCBSKC were funding Topaz and its development of a software infrastructure. The Company and BCBSKC planned to become customers of Topaz as software was placed in service. Topaz was a variable interest entity because its capital contributions were not sufficient to fund the development of its software infrastructure. Funding sources other than capital contributions were required to accomplish this endeavor. Additional funding was in the form of investments in research and development. Through January 23, 2014, the Company has concluded that it was not the primary beneficiary of Topaz, because it did not hold the power to direct the activities that most significantly impact Topaz, since it shared a voting interest on a 50% - 50% basis with BCBSKC. Accordingly, the investment in Topaz was accounted for as an equity method investment for the years ended December 31, 2013 and December 31, 2012.

During 2013 the Company and BCBSKC entered into discussions regarding the withdrawal of BCBSKC from Topaz as an owner and customer. These discussions culminated in a Settlement Letter Agreement and Release that became effective January 23, 2014. As a result of this transaction, Noble acquired the 50% voting interest from BCBSKC and prospectively, the Company consolidated the operations of Topaz based on its 100% ownership. The Company intends to continue funding the development of Topaz.

Effective January 23, 2014, The Company acquired the BCBSKC investment interest by assuming certain liabilities valued at approximately $11.5 million. As a result, the Company recognized the following assets acquired and liabilities assumed related to Topaz: cash $4.3 million, accounts receivable $31.8 million, prepaid expenses $0.2 million, internally developed software $52.9 million, prepaid software licenses $15.2 million, accounts payable $15.2 million, and research and development liability $66.1 million. Additionally, the Company's existing investment in Topaz was revalued to fair value at the date of acquisition. This resulted in the recognition of a $20.1 million gain recorded in Other income of the Consolidated Statements of Comprehensive Income.

13. Commitments and Contingencies

Leases

The Company leases office space and certain computer equipment under non-cancelable operating leases. Related lease expense for 2016, 2015 and 2014 was $5,712, $4,161 and $2,591, respectively.

At December 31, 2016, future lease payments for operating leases with initial or remaining non-cancelable terms of one year or more are $12,721 and consist of the following: 2017, $4,391; 2018, $3,972; 2019, $1,695; 2020, $1,485; and 2021, $1,178.

Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2017, $6,420; 2018, $6,289; 2019, $6,153; 2020, $6,011; 2021, $5,864 and thereafter $76,042.

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2016, 2015 and 2014 were $46,772, $32,578, and $24,673 respectively. Future expected costs for this system are as follows: 2017, $4,836; 2018, $4,836; 2019, $4,698; 2020, $4,010; and 2021, $4.010.

At December 31, 2016, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2017, $70,414 and $0 thereafter.

At December 31, 2016, we have various other non-cancelable arrangements with our vendors for outsourced claims processing, healthcare programs, and IT support with future costs estimated as follows: 2017, $137,616; 2018, $76,658; 2019, $36,387; 2020, $14,953; and 2021, $1,286.

Litigation against the Company

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-three of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation (In Re: Anthem Data Breach Litigation(United States District Court, Northern District of California)). The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans, arising out of a cyber-attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. The Company is vigorously defending the case.

The Company is also a defendant in litigation (Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al). This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

Other Contingencies

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. On July 27, 2016, the Pennsylvania Insurance Commissioner filed a petition to move Penn Treaty from rehabilitation to liquidation. It is anticipated that the Pennsylvania court will approve the petition to liquidate Penn Treaty in early 2017. In that event, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through state guaranty association assessments in future periods. Given the uncertainty around whether Penn Treaty will ultimately be declared insolvent and, if so, the amount of the insolvency, the amount and timing of any associated future guaranty fund assessments and the availability and amount of any potential premium tax and other offsets, the Company currently cannot estimate its net exposure, if any, to this potential insolvency. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, which could be material to its cash flows and results of operations.

14. Administrative Services

Claims processed for others under contract, which have been excluded from the financial statements, are summarized for the years ended December 31 as follows:

	2016	2015	2014
Claims processed for:			
State of North Carolina	$2,167,470	$2,068,634	$1,951,133
Other self-funded groups	7,711,509	7,340,238	6,419,447
	$9,878,979	$9,408,872	$8,370,580

Administrative fees received for processing these claims totaled $479,168, $443,919 and $410,846 in 2016, 2015 and 2014, respectively. All claims payments are subject to audit by the program administrators. If the program administrators determine that the claims or expenses have not been paid in accordance with the contract, the Company may be required to reimburse the program administrators.

15. Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) in the Consolidated Balance Sheets consists of the following:

	Unrealized Gains on Securities	Non-credit Component of Other-Than-Temporary Impairment	Qualified Retirement Plans	Post Retirement and Other Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance, December 31, 2013	$300,997	$-	$(39,223)	$(7,053)	$254,721
Change for 2014	42,967	-	(33,584)	(10,534)	(1,151)
Balance, December 31, 2014	$343,964	$-	$(72,807)	$(17,587)	$253,570
Change for 2015	(118,495)	1,306	(18,212)	4,766	(130,635)
Balance, December 31, 2015	$225,469	$1,306	$(91,019)	$(12,821)	$122,935
Change for 2016	(17,599)	638	(6,777)	2,752	(20,986)
Balance, December 31, 2016	$207,870	$1,944	$(97,796)	$(10,069)	$101,949

16. Subsequent Events

The Company has evaluated subsequent events through February 22, 2017, which is the date that the financial statements were available to be issued, for recognition or disclosure in our consolidated financial statements. All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

17. Supplemental Statutory Financial Information

The Company is required to file unconsolidated financial statements with, and is subject to exam by, the NCDOI. These financial statements are presented on the basis of accounting practices prescribed or permitted by the NCDOI.

The NCDOI recognizes only Statutory Accounting Practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The NAIC's Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

A reconciliation of net income – statutory basis for the years ended December 31, 2016, 2015 and 2014 and capital and surplus – statutory basis at December 31, 2016 and 2015 to amounts reported in the accompanying consolidated financial statement follows:

	2016	2015	2014
Consolidated GAAP net income (loss)……..	$185,041	$524	$(50,601)
Contract reserve difference……	(45,645)	(33,609)	(71,886)
Income tax……..	148,731	41,503	(11,260)
Subsidiaries' net income……	1,365	(12,950)	(8,177)
Other……	(17,472)	(1,179)	4,347
BCBSNC SAP net income……...	$272,020	$(5,711)	$(137,577)

	2016	2015
Consolidated GAAP accumulated capital……..	$2,732,317	$2,568,262
Adjustments:		
Investment carrying value……	(60,042)	(79,865)
Contract reserve……	59,276	76,506
Non-admitted assets…….	(596,193)	(570,019)
Deferred income taxes…….	231,590	212,932
Goodwill and intangible assets……..	(111,073)	(113,319)
Other…….	(45,346)	(27,447)
BCBSNC SAP capital and surplus……..	$2,210,529	$2,067,050

The NAIC adopted the RBC for Health Organizations Model Act in 1998. The NCDOI subsequently adopted this act in 2001. Under this act, a company's risk-based capital (RBC) is calculated by applying certain factors to various asset, premium and reserve items. If a company's calculated RBC falls below certain thresholds,

regulatory intervention or oversight is required. BCBSNC's RBC level, calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of December 31, 2016 and 2015. The Company is also subject to insurance laws and regulations of the State of North Carolina that include but are not limited to restrictions on dividends, types of investments that insurers are allowed to invest in, and the amount of capital and surplus.

ANNUAL STATEMENT

OF THE

Blue Cross and Blue Shield of North Carolina

Of

Durham

in the state of

North Carolina

to the Insurance Department

of the state of North Carolina

For the Year Ended

December 31, 2016

2016

HEALTH

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ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code....0758 (Current Period) (Prior Period) NAIC Company Code..... 54631 Employer's ID Number..... 56-0894904

Organized under the Laws of North Carolina State of Domicile or Port of Entry North Carolina Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 Commenced Business..... January 1, 1968

Statutory Home Office	4705 University Drive, Building 700..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	4615 University Drive..... Durham..... NC.....27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291..... Durham..... NC..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	4705 University Drive, Building 700..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)*
	tom.krebs@bcbsnc.com *(E-Mail Address)*	919-287-5458 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. James Bradley Wilson	President & Chief Executive Officer	2. Maureen Kelley O'Connor	EVP, Diversified Businesses
3. Mitchell Wade Perry #	SVP, Chief Financial Officer & Treasurer	4. Nathan King Prather	SVP, General Counsel & Corporate Secretary

OTHER

Gerald Allan Petkau	SVP, Chief Operating Officer	John Thomas Roos	SVP, Sales, Marketing & Communications Officer
Fara Marie Palumbo	SVP, Chief Human Resources Officer	John Michael Parkerson #	SVP, Chief Strategy Officer
Jogenia Harrell Abernathy	Chief Information Officer	Daniel Fulton Atherton	VP, Federal Programs
Joseph Bastante	VP, Enterprise Architecture & Strategy	Tracy Rudolph Bennett #	VP, Audit
Gary Paul Bolt #	VP, Individual Under 65/Small Group & Federal Segments	Samantha Jane Bureau-Johnson	VP, Business Process Excellence & Project Management Office
Lisa Lindoe Cade	Chief Service Operations Officer	Brian James Caveney, MD #	Chief Medical Officer
Richard Allen Chilton	Chief Information Security Officer	Kenneth Steven Crist	VP, Group Segment
Diane Grace DeGroff #	VP, Corporate Services	James Patrick Emmons	VP, Corporate Administrative Services
Robert Mark Fleming	VP, Government Affairs	John Hock-Kong Fong	Executive Medical Director, Healthcare Operations
Patrick Kim Getzen	Chief Actuary	Robert Taylor Gofourth	VP, Operational Strategy and Performance

DIRECTORS OR TRUSTEES

Frank Brown Holding, Jr., Chairman #	James Bradley Wilson	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Lars Steven Nelson	William Hardy Bryan	Harold Lee Martin, Sr., Ph.D.
Anita Rose Brown-Graham	John Onslow McNairy	Jimmy Walker Phillips	Lisa Anne Carey, MD
John Davis Kimberly #			

State of..... North Carolina
County of.....Durham

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

(Signature)	(Signature)	(Signature)
James Bradley Wilson	Nathan King Prather	Mitchell Wade Perry
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	SVP, General Counsel & Corporate Secretary	SVP, Chief Financial Officer & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 23 day of February 2017

Wendy C Compton

WENDY C COMPTON Notary Public Person County NORTH CAROLINA

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

OTHER (continued)

Laura Haymes Gorry	VP, Claims & Membership	Kathryn Mary Higgins	VP, Corporate Affairs
Sean Michael Kerns #	VP, Ancillary Segment & Division Operations	Joseph Blakely Long	Chief Clinical Officer
Adrienna Yvette Maisonet-Morales	VP, Enterprise Learning & Development	Debbie Livengood Miller	VP, Care Management Operations
Robin Carole Miller	VP, People Strategies	Barbara Christine Morales-Burke	VP, Health Policy & Chief Compliance Officer
Susan Lorraine Murray	VP, State Segment	Louis Patalano IV	VP, Deputy General Counsel
Tarsha Vanessa Rowland	VP, Customer Service Operations	Maticia Cotton Sims #	VP, Corporate Controller
Pariyast Joeseph Sinsangkeo	VP, IT Solution & Information Delivery	Mark Eric Werner #	VP, Provider Network & Transformation
			VP, Provider Network & Transformation

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,992,782,995	26,171,944	1,966,611,051	1,791,027,868
2. Stocks (Schedule D):				
2.1 Preferred stocks	74,811,635		74,811,635	70,186,926
2.2 Common stocks	700,561,991	252,412	700,309,579	777,554,972
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....98,339,570 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)	2,657,583		2,657,583	2,860,885
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(109,757,719), Schedule E-Part 1), cash equivalents ($.....0, Schedule E-Part 2) and short-term investments ($.....54,628,536, Schedule DA)	(52,719,218)	2,409,965	(55,129,183)	(77,978,822)
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	428,964,043		428,964,043	370,218,199
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	679,931	679,931	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,147,738,960	29,514,252	3,118,224,708	2,933,870,028
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	20,727,403		20,727,403	20,236,288
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	227,579,372	7,765,842	219,813,530	216,454,352
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....1,557,398) and contracts subject to redetermination ($.....0)	15,121,158	13,563,760	1,557,398	2,628,328
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	87,970,753		87,970,753	211,062,519
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	247,769,145	23,396,367	224,372,778	207,898,878
18.1 Current federal and foreign income tax recoverable and interest thereon			0	9,933,281
18.2 Net deferred tax asset	168,470,826		168,470,826	269,421,654
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	159,053,274	146,512,163	12,541,111	1,484,147
21. Furniture and equipment, including health care delivery assets ($.....0)	23,031,544	23,031,544	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	3,858,240		3,858,240	11,951,709
24. Health care ($.....49,465,474) and other amounts receivable	136,506,863	87,041,389	49,465,474	71,843,402
25. Aggregate write-ins for other-than-invested assets	468,544,959	265,367,445	203,177,514	145,874,308
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,706,372,497	596,192,762	4,110,179,735	4,102,658,894
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	4,706,372,497	596,192,762	4,110,179,735	4,102,658,894
DETAILS OF WRITE-INS				
1101. Goodwill	679,931	679,931	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	679,931	679,931	0	0
2501. Investment In Topaz R & D	134,909,233	134,909,233	0	
2502. Risk Adjustment Receivable	165,000,000		165,000,000	98,979,644
2503. Renewable Energy Credits	66,534,823	41,721,715	24,813,108	34,378,858
2598. Summary of remaining write-ins for Line 25 from overflow page	102,100,903	88,736,497	13,364,406	12,515,806
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	468,544,959	265,367,445	203,177,514	145,874,308

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....14,981,159 reinsurance ceded)	682,652,847	13,931,691	696,584,538	684,240,466
2.	Accrued medical incentive pool and bonus amounts			0	
3.	Unpaid claims adjustment expenses	18,780,264	383,271	19,163,535	17,303,350
4.	Aggregate health policy reserves, including the liability of $.....1,610,003 for medical loss ratio rebate per the Public Health Service Act	268,934,068		268,934,068	273,058,231
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserves			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	126,794,620		126,794,620	108,625,997
9.	General expenses due or accrued	433,599,574		433,599,574	443,987,996
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	7,390,975		7,390,975	
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	429,677		429,677	316,862
13.	Remittances and items not allocated	4,696,366		4,696,366	4,960,251
14.	Borrowed money (including $.....106,165,508 current) and interest thereon $.....0 (including $.....0 current)	106,165,508		106,165,508	236,006,052
15.	Amounts due to parent, subsidiaries and affiliates	2,850,910		2,850,910	56,580,616
16.	Derivatives			0	
17.	Payable for securities	4,557,202		4,557,202	477,999
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	114,624,022		114,624,022	115,012,930
23.	Aggregate write-ins for other liabilities (including $.....0 current)	113,859,028	0	113,859,028	95,037,982
24.	Total liabilities (Lines 1 to 23)	1,885,335,061	14,314,962	1,899,650,023	2,035,608,732
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	138,472,491
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other-than-special surplus funds	XXX	XXX	936,116,044	863,861,427
31.	Unassigned funds (surplus)	XXX	XXX	1,274,413,668	1,064,716,244
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,210,529,712	2,067,050,162
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	4,110,179,735	4,102,658,894

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	74,842,812		74,842,812	76,704,989
2302.	Accounts Payable	36,824,568		36,824,568	14,853,739
2303.	Non ACA Risk Adjustment Payable	1,984,137		1,984,137	3,232,634
2398.	Summary of remaining write-ins for Line 23 from overflow page	207,511	0	207,511	246,620
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	113,859,028	0	113,859,028	95,037,982
2501.	Special Surplus - ACA Health Insurer Tax	XXX	XXX		138,472,491
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	138,472,491
3001.	Contingency Reserve	XXX	XXX	936,116,044	863,861,427
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	936,116,044	863,861,427

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	19,334,113	21,719,849
2.	Net premium income (including $.....0 non-health premium income)	XXX	7,205,926,949	7,433,252,453
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(27,856,542)	(7,300,692)
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	10,965,543	31,098,538
8.	Total revenues (Lines 2 to 7)	XXX	7,189,035,950	7,457,050,299
Hospital and Medical:				
9.	Hospital/medical benefits		4,118,511,745	4,776,404,257
10.	Other professional services	45,453,277	258,240,915	298,434,665
11.	Outside referrals			
12.	Emergency room and out-of-area	1,757,616	417,556,865	466,471,907
13.	Prescription drugs		1,142,173,096	1,218,723,020
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	47,210,893	5,936,482,621	6,760,033,849
Less:				
17.	Net reinsurance recoveries		71,060,357	254,553,312
18.	Total hospital and medical (Lines 16 minus 17)	47,210,893	5,865,422,264	6,505,480,537
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....172,144,547 cost containment expenses	15,739,973	490,162,428	468,546,991
21.	General administrative expenses		748,553,883	795,147,111
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(5,176,153)	(3,564,554)
23.	Total underwriting deductions (Lines 18 through 22)	62,950,866	7,098,962,422	7,765,610,085
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	90,073,528	(308,559,786)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		106,143,290	117,160,807
26.	Net realized capital gains or (losses) less capital gains tax of $.....21,430,660		39,799,797	97,576,407
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	145,943,087	214,737,214
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	20,722,691	23,362,720
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	256,739,306	(70,459,852)
31.	Federal and foreign income taxes incurred	XXX	(15,280,534)	(64,749,535)
32.	Net income (loss) (Lines 30 minus 31)	XXX	272,019,840	(5,710,317)

DETAILS OF WRITE-INS

0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	Gain on Fixed Assets	XXX	(327,231)	28,863,594
0702.	North Carolina State Tax Credits	XXX	11,292,774	2,234,944
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	10,965,543	31,098,538
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		24,322,691	23,362,720
2902.	NC DOI Penalties & Fines		(3,600,000)	
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	20,722,691	23,362,720

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,067,050,162	2,298,315,012
34. Net income or (loss) from Line 32	272,019,840	(5,710,317)
35. Change in valuation basis of aggregate policy and claim reserves	28,414,555	18,814,434
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....(1,273,660)	(7,594,519)	(85,711,573)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(121,171,060)	17,014,295
39. Change in nonadmitted assets	(26,174,009)	(164,596,365)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(2,015,257)	(11,075,324)
48. Net change in capital and surplus (Lines 34 to 47)	143,479,550	(231,264,850)
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,210,529,712	2,067,050,162

DETAILS OF WRITE-INS

4701. Additional Liability for Pension Benefits	(2,015,257)	(11,075,324)
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(2,015,257)	(11,075,324)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	7,200,427,682	7,384,255,235
2.	Net investment income	121,308,219	132,679,699
3.	Miscellaneous income	10,965,543	31,098,538
4.	Total (Lines 1 through 3)	7,332,701,444	7,548,033,472
5.	Benefit and loss related payments	5,736,960,337	6,538,520,562
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,267,125,164	1,242,996,228
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....21,430,660 tax on capital gains (losses)	(32,604,780)	(63,737,207)
10.	Total (Lines 5 through 9)	6,971,480,721	7,717,779,583
11.	Net cash from operations (Line 4 minus Line 10)	361,220,723	(169,746,111)
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	351,124,127	287,879,326
	12.2 Stocks	484,364,048	573,802,068
	12.3 Mortgage loans		
	12.4 Real estate		34,109,725
	12.5 Other invested assets	99,751,062	106,038,378
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	4,079,203	3,361
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	939,318,440	1,001,832,858
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	556,718,664	347,358,075
	13.2 Stocks	370,688,676	201,956,118
	13.3 Mortgage loans		
	13.4 Real estate	12,059,215	32,753,444
	13.5 Other invested assets	129,327,589	159,105,781
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	1,068,794,144	741,173,418
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(129,475,704)	260,659,440
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	(129,840,544)	41,159,218
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(80,479,106)	(22,298,576)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(210,319,650)	18,860,642
	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)	21,425,369	109,773,971
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	(74,144,587)	(183,918,558)
	19.2 End of year (Line 18 plus Line 19.1)	(52,719,218)	(74,144,587)

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 and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	7,205,926,949	4,478,872,781	375,586,323	73,243,207	7,340,993	1,121,822,366	1,000,697,948		148,363,331	
2. Change in unearned premium reserves and reserve for rate credit	(27,856,542)					(27,856,542)				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	10,965,543	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,965,543
7. Total revenues (Lines 1 to 6)	7,189,035,950	4,478,872,781	375,586,323	73,243,207	7,340,993	1,093,965,824	1,000,697,948	0	148,363,331	10,965,543
8. Hospital/medical benefits	4,118,511,745	2,473,566,779	182,104,217			676,311,603	740,807,986		45,721,160	XXX
9. Other professional services	258,240,915	148,026,592	10,897,731	51,278,816	4,883,968	40,472,771			2,681,037	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	417,556,865	287,197,047	21,143,473			78,524,136	25,490,536		5,201,673	XXX
12. Prescription drugs	1,142,173,096	739,096,645	54,412,364			202,080,510	83,386,003		63,197,574	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	5,936,482,621	3,647,887,063	268,557,785	51,278,816	4,883,968	997,389,020	849,684,525	0	116,801,444	XXX
16. Net reinsurance recoveries	71,060,357	63,250,647							7,809,710	XXX
17. Total hospital and medical (Lines 15 minus 16)	5,865,422,264	3,584,636,416	268,557,785	51,278,816	4,883,968	997,389,020	849,684,525	0	108,991,734	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....172,144,547 cost containment expenses	490,162,428	289,723,083	36,579,919	3,833,690	350,327	55,210,329	91,692,240		12,772,840	
20. General administrative expenses	748,553,883	561,274,146	38,316,013	10,884,724	994,660	32,404,163	80,934,790		23,745,387	
21. Increase in reserves for accident and health contracts	(5,176,153)	(11,831,336)	6,655,183							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	7,098,962,422	4,423,802,309	350,108,900	65,997,230	6,228,955	1,085,003,512	1,022,311,555	0	145,509,961	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	90,073,528	55,070,472	25,477,423	7,245,977	1,112,038	8,962,312	(21,613,607)	0	2,853,370	10,965,543
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Loss on Fixed Assets	(327,231)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(327,231)
0602. North Carolina State Tax Credits	11,292,774	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,292,774
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	10,965,543	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,965,543
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	4,489,659,469		10,786,688	4,478,872,781
2. Medicare supplement	375,586,323			375,586,323
3. Dental only	73,243,207			73,243,207
4. Vision only	7,340,993			7,340,993
5. Federal employees health benefits plan	1,121,822,366			1,121,822,366
6. Title XVIII - Medicare	1,000,697,948			1,000,697,948
7. Title XIX - Medicaid				0
8. Other health	158,301,945		9,938,614	148,363,331
9. Health subtotal (Lines 1 through 8)	7,226,652,251	0	20,725,302	7,205,926,949
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	7,226,652,251	0	20,725,302	7,205,926,949

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	5,942,245,315	3,620,555,218	272,743,395	51,580,064	4,875,127	1,002,028,829	874,025,777		116,436,905	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	205,284,963	197,846,663							7,438,300	
1.4 Net	5,736,960,352	3,422,708,555	272,743,395	51,580,064	4,875,127	1,002,028,829	874,025,777	0	108,998,605	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	711,565,698	456,418,758	28,558,390	3,154,629	191,540	120,209,877	93,708,885		9,323,619	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	14,981,160	12,867,754							2,113,406	
3.4 Net	696,584,538	443,551,004	28,558,390	3,154,629	191,540	120,209,877	93,708,885	0	7,210,213	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	6,973,923	6,453,503	415,514						104,906	
7. Amounts recoverable from reinsurers December 31, current year	87,970,753	87,970,753								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	710,354,467	422,633,409	32,328,485	3,455,878	182,699	124,849,686	118,050,137		8,854,173	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	26,114,001	24,372,007							1,741,994	
8.4 Net	684,240,466	398,261,402	32,328,485	3,455,878	182,699	124,849,686	118,050,137	0	7,112,179	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	211,062,516	211,062,516								
12. Incurred benefits:										
12.1 Direct	5,936,482,623	3,647,887,064	268,557,786	51,278,815	4,883,968	997,389,020	849,684,525	0	116,801,445	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	71,060,359	63,250,647	0	0	0	0	0	0	7,809,712	0
12.4 Net	5,865,422,264	3,584,636,417	268,557,786	51,278,815	4,883,968	997,389,020	849,684,525	0	108,991,733	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	202,719,594	134,187,115	1,142,336			35,341,704	32,048,439			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	202,719,594	134,187,115	1,142,336	0	0	35,341,704	32,048,439	0	0	0
2. Incurred but unreported:										
2.1 Direct	0									
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	0	0	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	508,846,104	322,231,643	27,416,054	3,154,629	191,540	84,868,173	61,660,446		9,323,619	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	14,981,160	12,867,754							2,113,406	
3.4 Net	493,864,944	309,363,889	27,416,054	3,154,629	191,540	84,868,173	61,660,446	0	7,210,213	0
4. Totals:										
4.1 Direct	711,565,698	456,418,758	28,558,390	3,154,629	191,540	120,209,877	93,708,885	0	9,323,619	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	14,981,160	12,867,754	0	0	0	0	0	0	2,113,406	0
4.4 Net	696,584,538	443,551,004	28,558,390	3,154,629	191,540	120,209,877	93,708,885	0	7,210,213	0

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)	344,192,613	3,201,607,705	6,262,298	437,288,706	350,454,911	398,261,403
2. Medicare supplement	25,728,783	247,014,612	11,639	28,546,750	25,740,422	32,328,485
3. Dental only	3,848,987	47,731,077	1,173	3,153,456	3,850,160	3,455,878
4. Vision only	504,889	4,370,239		191,540	504,889	182,699
5. Federal employees health benefits plan	107,392,026	894,636,803	1,808,782	118,401,095	109,200,808	124,849,685
6. Title XVIII - Medicare	93,927,380	780,098,396	119,014	93,589,871	94,046,394	118,050,137
7. Title XIX - Medicaid					0	
8. Other health	2,125,895	106,872,710		7,210,214	2,125,895	7,112,179
9. Health subtotal (Lines 1 to 8)	577,720,573	5,282,331,542	8,202,906	688,381,632	585,923,479	684,240,466
10. Healthcare receivables (a)	110,255,677				110,255,677	103,281,754
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	467,464,896	5,282,331,542	8,202,906	688,381,632	475,667,802	580,958,712

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	358,203	360,144	360,142	360,142	360,143
2. 2012	4,106,780	4,506,542	4,597,204	4,597,297	4,597,297
3. 2013	XXX	4,597,788	5,020,474	5,033,211	5,033,211
4. 2014	XXX	XXX	5,735,536	6,399,876	6,406,057
5. 2015	XXX	XXX	XXX	5,871,537	6,443,074
6. 2016	XXX	XXX	XXX	XXX	5,282,333

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	372,394	360,143	360,143	360,143	360,143
2. 2012	4,528,963	4,533,700	4,597,204	4,597,297	4,597,297
3. 2013	XXX	5,040,150	5,029,227	5,033,211	5,033,211
4. 2014	XXX	XXX	6,453,467	6,404,753	6,406,057
5. 2015	XXX	XXX	XXX	6,550,900	6,451,276
6. 2016	XXX	XXX	XXX	XXX	5,970,712

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	5,242,403	4,597,297	254,227	5.5	4,851,524	92.5			4,851,524	92.5
2. 2013	5,819,893	5,033,211	224,526	4.5	5,257,737	90.3			5,257,737	90.3
3. 2014	7,344,344	6,406,057	241,088	3.8	6,647,145	90.5			6,647,145	90.5
4. 2015	7,433,252	6,443,073	62,476	1.0	6,505,549	87.5	8,203	222	6,513,974	87.6
5. 2016	7,205,926	5,282,331	433,990	8.2	5,716,321	79.3	688,381	18,941	6,423,643	89.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	186,573	187,809	187,809	187,809	187,810
2. 2012	2,384,117	2,593,065	2,682,337	2,682,430	2,682,430
3. 2013	XXX	2,608,975	2,786,698	2,795,258	2,795,258
4. 2014	XXX	XXX	3,346,929	3,739,829	3,745,929
5. 2015	XXX	XXX	XXX	3,721,874	4,059,964
6. 2016	XXX	XXX	XXX	XXX	3,201,608

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	188,943	187,810	187,810	187,810	187,810
2. 2012	2,614,385	2,619,409	2,682,337	2,682,430	2,682,430
3. 2013	XXX	2,828,398	2,789,840	2,795,258	2,795,258
4. 2014	XXX	XXX	3,743,605	3,740,729	3,745,929
5. 2015	XXX	XXX	XXX	4,119,236	4,066,226
6. 2016	XXX	XXX	XXX	XXX	3,638,897

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	3,087,463	2,682,430	189,623	7.1	2,872,053	93.0			2,872,053	93.0
2. 2013	3,308,814	2,795,258	165,156	5.9	2,960,414	89.5			2,960,414	89.5
3. 2014	4,296,357	3,745,929	174,173	4.6	3,920,102	91.2			3,920,102	91.2
4. 2015	4,651,137	4,059,964	43,689	1.1	4,103,653	88.2	6,262	172	4,110,087	88.4
5. 2016	4,478,873	3,201,608	272,359	8.5	3,473,967	77.6	437,291	12,031	3,923,289	87.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	28,910	29,203	29,202	29,203	29,204
2. 2012	191,072	218,007	218,300	218,300	218,300
3. 2013	XXX	201,730	226,600	226,893	226,893
4. 2014	XXX	XXX	223,977	252,491	252,784
5. 2015	XXX	XXX	XXX	243,701	269,136
6. 2016	XXX	XXX	XXX	XXX	247,016

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	29,384	29,204	29,204	29,204	29,204
2. 2012	216,845	218,139	218,300	218,300	218,300
3. 2013	XXX	228,998	226,641	226,893	226,893
4. 2014	XXX	XXX	254,469	252,516	252,784
5. 2015	XXX	XXX	XXX	276,007	269,147
6. 2016	XXX	XXX	XXX	XXX	275,562

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	295,458	218,300	19,043	8.7	237,343	80.3			237,343	80.3
2. 2013	314,647	226,893	16,381	7.2	243,274	77.3			243,274	77.3
3. 2014	337,578	252,784	15,213	6.0	267,997	79.4			267,997	79.4
4. 2015	351,568	269,136	2,796	1.0	271,932	77.3	12		271,944	77.4
5. 2016	375,586	247,016	17,558	7.1	264,574	70.4	28,545	785	293,904	78.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	3,438	3,454	3,453	3,454	3,455
2. 2012	54,161	58,610	58,630	58,630	58,630
3. 2013	XXX	63,987	67,703	67,732	67,732
4. 2014	XXX	XXX	53,769	57,379	57,331
5. 2015	XXX	XXX	XXX	50,926	54,823
6. 2016	XXX	XXX	XXX	XXX	47,731

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	3,490	3,455	3,455	3,455	3,455
2. 2012	56,735	58,638	58,630	58,630	58,630
3. 2013	XXX	67,615	67,722	67,732	67,732
4. 2014	XXX	XXX	58,278	57,406	57,331
5. 2015	XXX	XXX	XXX	54,355	54,825
6. 2016	XXX	XXX	XXX	XXX	50,885

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	77,653	58,630	1,761	3.0	60,391	77.8			60,391	77.8
2. 2013	87,971	67,732	2,037	3.0	69,769	79.3			69,769	79.3
3. 2014	86,116	57,331	92	0.2	57,423	66.7			57,423	66.7
4. 2015	78,523	54,823	295	0.5	55,118	70.2	1		55,119	70.2
5. 2016	73,243	47,731	1,957	4.1	49,688	67.8	3,153	87	52,928	72.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	257	257	257	256	256
2. 2012	2,036	2,344	2,344	2,344	2,344
3. 2013	XXX	3,063	3,450	3,450	3,450
4. 2014	XXX	XXX	3,360	3,818	3,818
5. 2015	XXX	XXX	XXX	4,003	4,508
6. 2016	XXX	XXX	XXX	XXX	4,370

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	258	256	256	256	256
2. 2012	2,167	2,344	2,344	2,344	2,344
3. 2013	XXX	3,253	3,450	3,450	3,450
4. 2014	XXX	XXX	3,496	3,818	3,818
5. 2015	XXX	XXX	XXX	4,183	4,508
6. 2016	XXX	XXX	XXX	XXX	4,559

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	2,561	2,344	74	3.2	2,418	94.4			2,418	94.4
2. 2013	4,828	3,450	63	1.8	3,513	72.8			3,513	72.8
3. 2014	5,809	3,818	6	0.2	3,824	65.8			3,824	65.8
4. 2015	6,574	4,508	19	0.4	4,527	68.9			4,527	68.9
5. 2016	7,341	4,370	117	2.7	4,487	61.1	191	5	4,683	63.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	92,976	93,372	93,372	93,372	93,370
2. 2012	727,035	808,801	809,878	809,878	809,878
3. 2013	XXX	754,034	871,357	875,212	875,212
4. 2014	XXX	XXX	771,326	884,202	884,038
5. 2015	XXX	XXX	XXX	848,470	956,027
6. 2016	XXX	XXX	XXX	XXX	894,637

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	100,827	93,370	93,370	93,370	93,370
2. 2012	808,133	808,801	809,878	809,878	809,878
3. 2013	XXX	841,370	874,683	875,212	875,212
4. 2014	XXX	XXX	897,116	888,000	884,038
5. 2015	XXX	XXX	XXX	969,521	957,835
6. 2016	XXX	XXX	XXX	XXX	1,013,038

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	872,820	809,878	15,161	1.9	825,039	94.5			825,039	94.5
2. 2013	896,883	875,212	19,887	2.3	895,099	99.8			895,099	99.8
3. 2014	1,018,780	884,038	17,091	1.9	901,129	88.5			901,129	88.5
4. 2015	1,073,537	956,026	12,251	1.3	968,277	90.2	1,809	50	970,136	90.4
5. 2016	1,121,822	894,635	73,467	8.2	968,102	86.3	118,401	3,257	1,089,760	97.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	45,272	45,272	45,273	45,272	45,271
2. 2012	639,565	715,751	715,751	715,751	715,751
3. 2013	XXX	860,580	955,910	955,910	955,910
4. 2014	XXX	XXX	1,236,311	1,360,509	1,360,509
5. 2015	XXX	XXX	XXX	926,850	1,020,778
6. 2016	XXX	XXX	XXX	XXX	780,098

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	48,714	45,271	45,271	45,271	45,271
2. 2012	719,636	716,405	715,751	715,751	715,751
3. 2013	XXX	963,658	958,135	955,910	955,910
4. 2014	XXX	XXX	1,396,012	1,360,636	1,360,509
5. 2015	XXX	XXX	XXX	1,044,773	1,020,897
6. 2016	XXX	XXX	XXX	XXX	873,688

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	760,776	715,751	21,540	3.0	737,291	96.9			737,291	96.9
2. 2013	1,065,687	955,910	15,661	1.6	971,571	91.2			971,571	91.2
3. 2014	1,466,708	1,360,509	29,383	2.2	1,389,892	94.8			1,389,892	94.8
4. 2015	1,127,824	1,020,778	2,872	0.3	1,023,650	90.8	119		1,023,769	90.8
5. 2016	1,000,698	780,098	63,945	8.2	844,043	84.3	93,590	2,578	940,211	94.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	777	777	776	776	777
2. 2012	108,794	109,964	109,964	109,964	109,964
3. 2013	XXX	105,419	108,756	108,756	108,756
4. 2014	XXX	XXX	99,864	101,648	101,648
5. 2015	XXX	XXX	XXX	75,713	77,838
6. 2016	XXX	XXX	XXX	XXX	106,873

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	778	777	777	777	777
2. 2012	111,062	109,964	109,964	109,964	109,964
3. 2013	XXX	106,858	108,756	108,756	108,756
4. 2014	XXX	XXX	100,491	101,648	101,648
5. 2015	XXX	XXX	XXX	82,825	77,838
6. 2016	XXX	XXX	XXX	XXX	114,083

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	145,672	109,964	7,025	6.4	116,989	80.3			116,989	80.3
2. 2013	141,063	108,756	5,341	4.9	114,097	80.9			114,097	80.9
3. 2014	132,996	101,648	5,130	5.0	106,778	80.3			106,778	80.3
4. 2015	144,089	77,838	554	0.7	78,392	54.4			78,392	54.4
5. 2016	148,363	106,873	4,587	4.3	111,460	75.1	7,210	198	118,868	80.1

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	211,739								211,739
2. Additional policy reserves (a)	235,837,815	96,331,287	127,706,915						11,799,613
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	44,895,866					43,285,863	1,610,003		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	280,945,420	96,331,287	127,706,915	0	0	43,285,863	1,610,003	0	12,011,352
7. Reinsurance ceded	12,011,352								12,011,352
8. Totals (net) (Page 3, Line 4)	268,934,068	96,331,287	127,706,915	0	0	43,285,863	1,610,003	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. FEP Stabilization Reserve	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $.....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 ($.....14,975,145 for occupancy of own building)	3,456,822	6,012,997	5,505,326		14,975,145
2. Salaries, wages and other benefits	117,333,695	210,240,026	222,449,181	899,248	550,922,150
3. Commissions (less $.....0 ceded plus $.....0 assumed)			161,483,421		161,483,421
4. Legal fees and expenses	26,465	40,829	3,423,688		3,490,982
5. Certifications and accreditation fees	705,620	1,001,833	1,083,308		2,790,761
6. Auditing, actuarial and other consulting services	34,440,633	53,036,605	56,975,947		144,453,185
7. Traveling expenses	643,810	3,195,395	5,437,125		9,276,330
8. Marketing and advertising			20,282,814		20,282,814
9. Postage, express and telephone	2,173,943	9,660,713	9,079,765		20,914,421
10. Printing and office supplies	327,614	4,029,603	6,268,834		10,626,051
11. Occupancy, depreciation and amortization	5,911,521	7,220,599	7,593,842		20,725,962
12. Equipment	108,552	168,322	234,903		511,777
13. Cost or depreciation of EDP equipment and software	8,629,111	15,840,075	14,781,303		39,250,489
14. Outsourced services including EDP, claims, and other services	69,407,047	71,318,054	83,324,075	5,577,795	229,626,971
15. Boards, bureaus and association fees	1,280,460	558,849	3,742,110		5,581,419
16. Insurance, except on real estate	6,308	12,098	2,351,174		2,369,580
17. Collection and bank service charges	552	1,369	4,917,284		4,919,205
18. Group service and administration fees	36,791,361	32,090,696	10,648,153		79,530,210
19. Reimbursements by uninsured plans	(95,154,886)	(96,378,922)	(118,136,862)		(309,670,670)
20. Reimbursements from fiscal intermediaries	(20,897,079)	(38,213,027)	(77,221,860)		(136,331,966)
21. Real estate expenses	521,432	6,945,769	11,726,996	6,402,974	25,597,171
22. Real estate taxes	513,517	763,468	887,574		2,164,559
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			99,711,565		99,711,565
23.3 Regulatory authority licenses and fees	48	71	76,266		76,385
23.4 Payroll taxes	5,918,001	11,688,626	10,450,366		28,056,993
23.5 Other (excluding federal income and real estate taxes)			191,477,585		191,477,585
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	18,783,833	10,000,000	0	28,783,833
26. Total expenses incurred (Lines 1 to 25)	172,144,547	318,017,881	748,553,883	12,880,017	(a) 1,251,596,328
27. Less expenses unpaid December 31, current year	1,745,320	17,418,215	433,599,574		452,763,109
28. Add expenses unpaid December 31, prior year	1,575,904	15,727,446	443,987,996		461,291,346
29. Amounts receivable relating to uninsured plans, prior year	31,194,419	55,894,172	138,922,510		226,011,101
30. Amounts receivable relating to uninsured plans, current year	34,197,500	61,275,093	152,296,552		247,769,145
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	174,978,212	321,708,033	772,316,347	12,880,017	1,281,882,609

DETAILS OF WRITE-INS

2501. Interest Expense		18,783,833			18,783,833
2502. Charitable foundation contributions			10,000,000		10,000,000
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	18,783,833	10,000,000	0	28,783,833

(a) Includes management fees of $.....3,680,117 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) 2,250,646	2,297,065
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 71,842,743	72,423,370
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 4,518,682	4,549,784
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	10,610,814	10,415,287
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 19,105,626	19,105,626
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 167,586	178,229
7.	Derivative instruments	(f)	
8.	Other invested assets	10,980,419	11,151,918
9.	Aggregate write-ins for investment income	3,206,084	3,206,084
10.	Total gross investment income	122,682,600	123,327,363
11.	Investment expenses		(g) 12,880,017
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) 3,944,711
15.	Aggregate write-ins for deductions from investment income		359,345
16.	Total deductions (Lines 11 through 15)		17,184,073
17.	Net investment income (Line 10 minus Line 16)		106,143,290
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income	2,826,520	2,826,520
0902.	FEP Interest	379,564	379,564
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	3,206,084	3,206,084
1501.	Rental property expense		359,345
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		359,345

(a) Includes $.....1,064,825 accrual of discount less $.....12,758,496 amortization of premium and less $.....2,190,272 paid for accrued interest on purchases.
(b) Includes $.....9,790 accrual of discount less $.....27,458 amortization of premium and less $.....(67,483) 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 $.....19,105,626 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....66 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 $.....3,944,711 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	(57,934)		(57,934)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	2,027,888		2,027,888	(20,351,430)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	(156,726)		(156,726)	(1,712,910)	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	58,766,006		58,766,006	(19,443,713)	
2.21	Common stocks of affiliates			0	3,614,867	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets	1,126,309	(475,086)	651,223	29,025,007	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	61,705,543	(475,086)	61,230,457	(8,868,179)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 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)	26,171,944	26,235,778	63,834
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	252,412	257,168	4,756
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	2,409,965	3,834,235	1,424,270
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	679,931	819,931	140,000
12. Subtotals, cash and invested assets (Lines 1 to 11)	29,514,252	31,147,112	1,632,860
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	7,765,842	9,134,444	1,368,602
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	13,563,760	55,225,869	41,662,109
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	23,396,367	18,112,223	(5,284,144)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset		17,213,806	17,213,806
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	146,512,163	123,851,400	(22,660,763)
21. Furniture and equipment, including health care delivery assets	23,031,544	17,070,171	(5,961,373)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	87,041,389	64,775,651	(22,265,738)
25. Aggregate write-ins for other-than-invested assets	265,367,445	233,488,077	(31,879,368)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	596,192,762	570,018,753	(26,174,009)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	596,192,762	570,018,753	(26,174,009)

DETAILS OF WRITE-INS

1101. Goodwill	679,931	819,931	140,000
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	679,931	819,931	140,000
2501. Investment in Topaz R & D	134,909,233	135,629,047	719,814
2502. Prepaid Expenses	65,556,757	46,711,494	(18,845,263)
2503. Prepaid Retirement	23,179,740	21,405,707	(1,774,033)
2598. Summary of remaining write-ins for Line 25 from overflow page	41,721,715	29,741,829	(11,979,886)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	265,367,445	233,488,077	(31,879,368)

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	75,808	70,142	70,168	70,248	70,064	841,873
2. Provider service organizations						
3. Preferred provider organizations	1,211,548	1,141,135	1,065,172	1,034,825	1,001,515	12,792,626
4. Point of service	5,729	6,922	7,806	8,958	9,911	98,046
5. Indemnity only	210,585	204,485	209,236	209,278	208,459	2,513,535
6. Aggregate write-ins for other lines of business	269,445	261,604	259,203	251,095	250,954	3,088,033
7. Total	1,773,115	1,684,288	1,611,585	1,574,404	1,540,903	19,334,113
DETAILS OF WRITE-INS						
0601. Dental	186,659	177,163	174,307	168,271	165,961	2,079,457
0602. Vision	82,786	84,441	84,896	82,824	84,993	1,008,576
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	269,445	261,604	259,203	251,095	250,954	3,088,033

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	181,652,022					181,652,022
0299997. Group subscribers subtotal	181,652,022	0	0	0	0	181,652,022
0299998. Premiums due and unpaid not individually listed	32,855,664	281,198	134,334	6,775,360	6,775,360	33,271,196
0299999. Total group	214,507,686	281,198	134,334	6,775,360	6,775,360	214,923,218
0399999. Premiums due and unpaid from Medicare entities	4,269,841	358,652	261,819	990,482	990,482	4,890,312
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	218,777,527	639,850	396,153	7,765,842	7,765,842	219,813,530

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeuticis	19,130,583	13,160,652	17,174,239	60,790,203	60,790,203	49,465,474
0199999. Total Pharmaceutical Rebate Receivables	19,130,583	13,160,652	17,174,239	60,790,203	60,790,203	49,465,474
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				18,822,129	18,822,129	0
0299999. Total Claim Overpayment Receivables	0	0	0	18,822,129	18,822,129	0
Other Receivables						
0699998. Other Receivables Not Listed Individually				7,429,057	7,429,057	0
0699999. Total Other Receivables	0	0	0	7,429,057	7,429,057	0
0799999. Gross Health Care Receivables	19,130,583	13,160,652	17,174,239	87,041,389	87,041,389	49,465,474

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	103,281,756	92,583,343		110,255,677	103,281,756	103,281,756
2. Claim overpayment receivables	12,370,111			18,822,129	12,370,111	12,370,111
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	20,967,186			7,429,057	20,967,186	20,967,186
7. Totals (Lines 1 through 6)	136,619,053	92,583,343	0	136,506,863	136,619,053	136,619,053

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	4,138,830	500,520	108,352	62,154	193,789	5,003,645
0399999. Aggregate accounts not individually listed - covered	239,321,772	28,941,829	6,265,276	3,593,973	11,205,583	289,328,433
0499999. Subtotals	243,460,602	29,442,349	6,373,628	3,656,127	11,399,372	294,332,078
0599999. Unreported claim and other claim reserves						417,233,619
0799999. Total claims unpaid						711,565,697

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Mosaic Group Services, LLC	473,393					473,393	
ACS Benefit Services, Inc	2,294,000					2,294,000	
Mosaic Health Solutions, LLC	601,358					601,358	
NobleHealth	459,495					459,495	
Topaz, LLC	29,994					29,994	
0199999. Individually listed receivables	3,858,240	0	0	0	0	3,858,240	0
0399999. Total gross amounts receivable	3,858,240	0	0	0	0	3,858,240	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	2,850,910	2,850,910	
0199999. Individually listed payables		2,850,910	2,850,910	0
0399999. Total gross payables		2,850,910	2,850,910	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	48,988,634	0.8	1,540,903	100.0		48,988,634
4. Total capitation payments	48,988,634	0.8	1,540,903	100.0	0	48,988,634
Other Payments:						
5. Fee-for-service	1,760,244,289	29.6	XXX	XXX		1,760,244,289
6. Contractual fee payments	4,133,012,390	69.6	XXX	XXX		4,133,012,390
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	5,893,256,679	99.2	XXX	XXX	0	5,893,256,679
13. Total (Line 4 plus Line 12)	5,942,245,313	100.0	XXX	XXX	0	5,942,245,313

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	43,504,602	8,635,105	(22,345,690)	20,969,822	20,969,822	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	7,191,796		(5,130,074)	2,061,722	2,061,722	0
6. Total	50,696,398	8,635,105	(27,475,764)	23,031,544	23,031,544	0

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (BCBSNC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the State of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of North Carolina is show below:

		State of Domicile	2016	2015
NET INCOME				
1.	BCBSNC state basis (Page 4, Line 32, Columns 2&3)	NC	$272,019,840	($5,710,317)
2.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
3.	State Permitted Practices that increase/(decrease) NAIC SAP:			
4.	NAIC SAP (1-2-3=4)	NC	$272,019,840	($5,710,317)
SURPLUS				
5.	BCBSNC state basis (Page 3, Line 33, Columns 3 & 4)	NC	$2,210,529,712	$2,067,050,162
6.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
7.	State Permitted Practices that increase/(decrease) NAIC SAP:			
8.	NAIC SAP (5-6-7=8)	NC	$2,210,529,712	$2,067,050,162

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

C. Accounting Policies

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

2. Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Prepayment assumptions are determined by using broker data.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment

3. Common stocks of subsidiaries are stated in accordance with SSAP 97. Common, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

4. Preferred stocks are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

5. The Company does not have any mortgage loans.

6. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

7. As of December 31, 2016, BCBSNC had four wholly-owned subsidiaries: Corium, LLC ("Corium"); Corium II, LLC ("Corium II"); Blue Cross and Blue Shield of North Carolina Senior Health ("Senior Health"); and NobleHealth, Inc. ("NobleHealth"). Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Senior Health will provide Medicare plans in the future. NobleHealth holds non-controlling strategic investments in certain health services companies and has four wholly-owned subsidiaries: Mosaic Group Services, LLC ("Mosaic Group"); Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); Noble Benefit Services, LLC ("NBS"); and Topaz Shared Services, LLC ("Topaz"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions has one wholly-owned subsidiary, ACS Benefit Services, LLC ("ACS") and also holds non-controlling strategic investments in certain health services companies. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NBS will function as a third-party administrator for self-insured employer groups. Topaz provides a healthcare payer operating system.

Noble investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies. The investment which is Common Stock is carried at cost.

8. As of December 31, 2016, the Company holds ownership interest in 35 joint ventures. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies. For the year to date periods ended December 31, 2016 and 2015, certain securities became other-than-temporarily impaired and were written down to their fair value, resulting in a realized loss of $982,000 and $2,009,000, respectively.

9. There have been no significant changes to the accounting policy related to derivative instruments since the fiscal year 2015 filing.

10. There have been no significant changes related to the methodology used in the premium deficiency calculation.

11. Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon

which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

12. The Company has not modified its capitalization policy for the prior period.

13. The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on the use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed primarily quarterly. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts. Of these receivables, $60,790,203 and $52,405,540 at December 31, 2016 and 2015, respectively, were nonadmitted because they were outstanding in excess of 90 days.

D. Going Concern

The Company is a going concern as of December 31, 2016.

2. Accounting Changes and Corrections of Errors

A. Material changes in accounting principles and/or corrections of errors:

The Company did not have any material changes in accounting principles and/or corrections of errors at December 31, 2016 and 2015.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

There have been no significant changes since the fiscal year 2015 filing.

B. Statutory Mergers

There have been no significant changes since the fiscal year 2015 filing.

C. Assumption Reinsurance

The Company has not assumed any reinsurance related to statutory purchase or mergers since the fiscal year 2015 filing.

D. Impairment Loss

There have been no significant changes since the fiscal year 2015 filing. The Company did not recognize any impairment losses.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2016 and 2015.

(1) Not Applicable.

(2) Not Applicable.

(3) Not Applicable.

(4) Not Applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have any mortgage loans as of December 31, 2016 and 2015.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable
(5) Not applicable
(6) Not applicable
(7) Not applicable

(8) Not applicable

(9) Not applicable

B. Debt Restructuring

The Company did not have any debt restructuring as of December 31, 2016 and 2015.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2016 and 2015.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2016.

(3) Loan-backed securities with a recognized other-than-temporary impairment, currently held by the Company, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities are as follows as of December 31, 2016:

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of financial statement Where Reported
None	$-	$-	$-	$-	$-	$-

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

B. The aggregate amount of unrealized losses:

1. Less than 12 Months $2,452,816
2. 12 Months or Longer $156,630

C. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months $144,998,240
2. 12 Months or Longer $31,773,368

(5) For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2016 and 2015.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

F. Real Estate

During 2013, the Company announced its intention to create a central campus and leave the Headquarters building. The Company purchased two additional buildings in Durham to create this central campus. During 2015, the Company sold its Headquarters property. The gain on Headquarters was $30,936,960. The original cost of the Headquarters property was $16,259,885 and accumulated depreciation at the date of sale was $13,788,439. As of June 30, 2016, the Company has completed relocation to our central campus.

(1) The Company has not recognized any impairment losses related to real estate in 2016.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

(4) The Company did not engage in retail land sales operations.

(5) The Company does not hold real estate investments with participating mortgage loan features.

G. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2016 and 2015.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

H. Restricted Assets

(1) On deposit with government authorities as required by law:

Restricted Asset Category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreement	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-

h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	28,581,909	30,070,012	(1,488,103)	-	0.70%	-
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in order categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	$28,581,909	$30,070,012	($1,488,103)	-	0.70%	-

(2) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2016.

(3) The Company does not have any other restricted assets as of December 31, 2016.

(4) The Company does not have collateral that is reflected as assets as of December 31, 2016.

I. Working Capital Finance Investments

(1) The Company did not have any working capital finance investments as of December 31, 2016 and 2015.

(2) Not applicable

(3) Not applicable

J. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities as of December 31, 2016 and 2015.

K. Structured Notes

The Company did not have joint and several liabilities as of December, 2016 and 2015.

L. 5* Securities

The Company did not have any 5* securities as of December 31, 2016 and 2015.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

All investment income due and accrued at December 31, 2016 and 2015 was included in the financial statements, and had not been outstanding greater than 90 days.

8. Derivative Instruments

The Company does not hold any derivative instruments at December 31, 2016 and 2015.

9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2016 are as follows:

1.

	12/31/16			12/31/15			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	305,234,301	8,289,102	313,523,403	411,430,761	9,506,895	420,937,655	(106,196,460)	(1,217,793)	(107,414,252)
(b) Statutory valuation allowance adjustments	(1,789,850)	-	(1,789,850)	(1,789,850)	-	(1,789,850)	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	303,444,451	8,289,102	311,733,553	409,640,911	9,506,895	419,147,805	(106,196,460)	(1,217,793)	(107,414,252)
(d) Deferred tax assets nonadmitted	-	-	-	(17,213,806)	-	(17,213,806)	17,213,806	-	17,213,806
(e) Subtotal net admitted deferred tax asset (1c - 1d)	303,444,451	8,289,102	311,733,553	392,427,105	9,506,895	401,933,999	(88,982,654)	(1,217,793)	(90,200,446)
(f) Deferred tax liabilities	57,612,725	85,650,002	143,262,727	49,660,947	82,851,399	132,512,346	7,951,778	2,798,603	10,750,381
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liabi	245,831,726	(77,360,900)	168,470,826	342,766,158	(73,344,504)	269,421,653	(96,934,432)	(4,016,396)	(100,950,827)

2.

	12/31/16			12/31/15			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
(a) Federal income taxes paid in prior years recoverable though loss carrybacks	-	-	-	-	-	-	-	-	-
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below.)	205,245,453	-	205,245,453	269,421,654	-	269,421,654	(64,176,201)	N/A	(64,176,201)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	N/A	N/A	205,245,453	N/A	N/A	296,204,457	N/A	N/A	(90,959,004)
limitation threshold	N/A	N/A	300,899,240	N/A	N/A	269,421,654	N/A	N/A	31,477,586
(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)	98,198,999	8,289,102	106,488,100	123,005,451	9,506,895	132,512,346	(24,806,453)	(1,217,793)	(26,024,245)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	303,444,452	8,289,102	311,733,554	392,427,106	9,506,895	401,934,000	(88,982,654)	(1,217,793)	(90,200,447)

a. The ratio percentage used to determine recovery period and threshold limitation amount was 765% and 631% in 2016 and 2015, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $263,761,161 and $285,014,973 in 2016 and 2015, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

	(1)	(2)	(3) (Col 1-2)
	12/31/2016	12/31/2015	Change
1. Current Income Tax			
(a) Federal income taxes incurred	(15,280,539)	(64,749,535)	49,468,996
(b) Foreign	-	-	-
(c) Subtotal	(15,280,539)	(64,749,535)	49,468,996
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	-	-	-
	(15,280,539)	(64,749,535)	49,468,996
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Medical and Other Benefits Payable	71,545,066	89,200,385	(17,655,319)
(2) Accrued Postretirement Benefits	15,201,551	15,471,602	(270,051)
(3) Fixed Assets	16,332,899	13,766,564	2,566,335
(4) Other Nonadmitted Assets	52,365,359	58,679,685	(6,314,325)
(5) Accrued Liabilities	12,624,443	12,236,346	388,097
(6) Additional Minimum Pension Liability (impact on other compr. Income)	-	-	-
(7) Additional Pension Liability (impact on OCI)	-	-	-
(8) State ASO Loss Accrual	-	-	-
(9) Investment in Topaz R&D	47,218,232	47,470,166	(251,935)
(10) Net Operating Loss Carryforward	-	60,808,016	(60,808,016)
(11) Federal Credit Carryforward	41,896,477	79,854,578	(37,958,101)
(12) Investment in State Credit Funds	22,252,780	16,670,534	5,582,245
(13) Other - Ordinary	25,797,495	17,272,884	8,524,610
(99) Subtotal	305,234,301	411,430,761	(106,196,460)
(b) Statutory Valuation Allowance Adjustment	(1,789,849)	(1,789,849)	-
(c) Nonadmitted	-	(17,213,806)	17,213,806
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	303,444,452	392,427,106	(88,982,654)
(e) Capital:			-
(1) Other - Capital	8,289,102	9,506,895	(1,217,793)
(99) Subtotal	8,289,102	9,506,895	(1,217,793)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	8,289,102	9,506,895	(1,217,793)
(i) Admitted deferred tax assets (2d + 2h)	311,733,554	401,934,000	(90,200,447)
			-
3. Deferred tax liabilities:			-
(a) Ordinary			-
(1) Federal NOL & Due to Subs (Tax Sharing)	57,612,725	49,660,947	7,951,778
(2) Capitalized Software	-	-	-
(99) Subtotal	57,612,725	49,660,947	7,951,778
(b) Capital:			-
(1) Stocks	66,193,530	69,202,675	(3,009,145)
(2) Investments in State Credit Funds	-	-	-
(3) Other	19,456,472	13,648,724	5,807,748
(99) Subtotal	85,650,002	82,851,399	2,798,603
(c) Deferred Tax Liabilities (3a99 + 3b99)	143,262,727	132,512,346	10,750,381
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	$168,470,827	$269,421,654	($100,950,827)

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

	12/31/2016	12/31/2015	Change
Total deferred tax assets	313,523,403	420,937,655.49	(107,414,253)
Total deferred tax liabilities	143,262,727	132,512,346	10,750,381
Net deferred tax asset (liability)	170,260,676	288,425,310	(118,164,634)
Tax effect of unrealized gains (losses)			(1,273,660)
Pension Adjustments to Surplus			(1,084,921)
Deferred Tax Impact of Separate Co Audit Adj			(624,399)
Adjust Book Basis for Federal Credit			(23,447)
Change in net deferred income tax			(121,171,060)

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

	12/31/2016	Effective Tax Rate
Provision computed at statutory rate	75,928,828	35.0%
ACA Nondeductible Insurer Fee	43,745,214	20.2%
Change in Valuation Basis of Aggregate Policy and Claim Rese	9,945,094	4.6%
ACA Compensation Limitation	3,024,886	1.4%
Energy Credit and Treasury Grant	15,241	0.0%
Change in Nonadmitted Assets	(15,185,734)	-7.0%
Tax Exempt Income	(15,815,420)	-7.3%
Other	4,232,413	2.0%
Total	105,890,521	48.8%
Federal income taxes incurred	(15,280,539)	-7.0%
Change in net deferred income taxes	121,171,060	55.9%
Total statutory income taxes	105,890,521	48.8%

E. The Company had no net capital loss carryforwards and no federal income tax net operating loss (NOL) carryforwards. As of December 31, 2016, we have a federal credit carryforwards in the amount of $41,986,000 which will expire on December 31, 2034. In addition, we have an AMT credit carryforward in the amount of $15,724,000 which can be used to offset regular tax in future years without expiration.

	Ordinary	Capital	Total
Year-to-date 2016	($15,280,539)	$21,430,660	$6,150,121
Year ended 2015	$-	$-	$-

F. The Company's federal income tax return is consolidated with the following entities:

ACS Benefit Services, LLC. (ACS)
Corium, LLC (Corium)
Corium II, LLC (Corium II)
Mosaic Health Solutions, LLC (MHSI)
Mosaic Group Services, LLC (Mosaic)
NobleHealth, Inc.
Blue Cross and Blue Shield of North Carolina Senior Health, Inc. (Senior Health)
Noble Benefit Services, LLC. (NBS)
Topaz, LLC

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

G. Not applicable

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

A., B. &
C. The Company earned management fees of $9,211,889 and $10,881,847 during 2016 and 2015, respectively, from its wholly-owned subsidiaries. The Company has agreed to provide its wholly-owned subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. The Company also paid management fees of $5,531,772 and $6,000,440 during 2016 and

2015, respectively, to its wholly-owned subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2016 and 2015, the Company reported $3,858,240 and $11,951,710 as amounts due from its wholly-owned subsidiaries, respectively. At December 31, 2016 and 2015, the Company reported $2,850,910 and $56,580,616 as amounts due to its wholly-owned subsidiaries, respectively. These inter-company transactions are settled monthly.

E. The Company had no guarantees or undertakings, written or otherwise.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the periods ended December 31, 2016 and 2015, respectively. In addition, ACS paid BCBSNC $66,098 and $13,899 as additional amounts due under an administrative services agreement and BCBSNC paid ACS $904,002 and $573,884 for electronic data interchange services for the periods ended December 31, 2016 and 2015, respectively.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2016 and 2015.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in Corium, Corium II, Senior Health and Noble whose carrying values are less than 10% of the Company's admitted assets. The Company carries Senior Heath at the subsidiaries' statutory equity. The Company carries Noble at GAAP audited equity. Corium and Corium II are recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2016 and 2015.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

M. All SCA Investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8(ii) Entities	XXX			
c. SSAP No. 97 8b (iii) Entities				
Total SSAP No. 97 8b(iii)	100%	$193,997,215	$193,997,215	$-
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	100%	$193,997,215	$193,997,215	$-
f. Aggregate Total (a+e)	XXX	$193,997,215	$193,997,215	$-

2. NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above)	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX					
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8(ii) Entities	XXX					
c. SSAP No. 97 8b (iii) Entities						
Total SSAP No. 97 8b(iii)	XXX	In process**		N		
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 8b(iv) Entities	XXX					
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX					
f. Aggregate Total (a+e)	XXX					

**The Company is in process of completing the necessary steps to obtain the required NAIC valuation for our subsidiary.

N. Investment in Insurance SCAs

1. The Company has received an exemption from the North Carolina Department of Insurance pursuant to 58-10-185 for Senior Health for year-end December 31, 2016. The statute requires an annual audit of financial statements reporting the financial position and the results of operations of insurers by independent certified public accountants.

2. The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA has completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements
Blue Cross Blue Shield of NC Senior Health	$0	$0	$0	$1,500,000

3. Senior Health is not required to file an HRBC at this time.

11. Debt

A. BCBSNC has established three credit lines providing a total borrowing capacity of $400,000,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA). The interest rate for borrowings on the revolving lines is LIBOR plus 65 basis points. The interest rate for borrowings on the secured line is based on rates published by the FHLB for the specific term requested for the borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000,000 and extend the termination date until July 2017. In July 2016, BCBSNC extended the termination date an additional year to July 2018.

In September 2015, BCBSNC entered into a second $50,000,000 revolving line of credit terminating in September 2017. In December 2016, BCBSNC extended the termination date to September 2018.

In September 2016, BCBSNC entered into a credit agreement with the FHLBA providing secured borrowing capacity up to $200,000,000. The capacity is based on our internal limits and the collateral will included cash and securities in our investment portfolio deemed eligible by the FHBLA. Collateral is only encumbered to the extent borrowings are outstanding.

Amounts drawn under these revolving lines of credit were $46,109,000 and $171,851,000 at December 31, 2016 and 2015, respectively.

In September 2014, the Company entered into a $165,000,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2016 and December 31, 2015, the Company was in compliance with the covenants and requirements outlined in these agreements.

B. FHLB (Federal Home Loan Bank) Agreements

1. In 2016, the Company became a member of the Federal Home Loan Bank (FHLB) of Atlanta. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as a component of its working capital financing structure. The Company has determined the actual/estimated maximum borrowing capacity as $200,000,000. The Company calculated this amount in accordance with current debt policy.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current Year

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	37,354
(c)	Activity Stock	-
(d)	Excess Stock	-

(e)	Aggregate Total	37,354
(f)	Actual or estimated borrowing capacity as determined by the insurer	$200,000,000

2. Prior Year-end

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	-
(c)	Activity Stock	-
(d)	Excess Stock	-
(e)	Aggregate Total	-
(f)	Actual or estimated borrowing capacity as determined by the insurer	-

b. Membership Stock (Class A and B) Eligible and Not Eligible for redemption

					Eligible for Redemption		
Membership Stock		1. Current Year Total	2. Not Eligible for Redemption	3. Less Than 6 Months	4. 6 Months to Less than 1 Year	5. 1 to Less than 3 Years	6. 3 to 5 Years
1.	Class A	-	-	-	-	-	-
2.	Class B	37,354	-	-	-	-	37,354

3. Collateral Pledged to FHLB

a. Amount Pledged to FHLB

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	$-	$-	$-
2. Prior Year-end Total Maximum collateral Pledged	$-	$-	$-

b. Maximum amount Pledged During Reporting Period

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	$35,273,000	$110,815,000	$25,000,000
2. Prior Year-end Total Maximum collateral Pledged	$-	$-	$-

4. Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	Total	Funding Agreements Reserves Established
(a) Debt	$-	XXX
(b) Funding Agreements	$-	$-
(c) Other	$-	XXX
(d) Aggregate Total	$-	$-

2. Prior Year-end

	Total	Funding Agreements Reserves Established
(a) Debt	$-	XXX
(b) Funding Agreements	$-	$-
(c) Other	$-	XXX
(d) Aggregate Total	$-	$-

b. Maximum Amount During reporting Period (Current Year)

	Total
1. Debt	$25,000,000
2. Funding Agreements	$-

3. Other	$-
4. Aggregate Total	$-

c. FHLB – Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has a non-contributory qualified defined benefit retirement plan covering a significant number of employees. No new participants are allowed into the plan. In addition, certain participants have no additional service accrual based on a defined contribution plan participation choice. The benefits are based on years of service and the employee's highest sixty consecutive months of earnings in the last one hundred and twenty months of employment.

The Company also provides non-contributory non-qualified defined benefit supplemental executive retirement plans (SERP) for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

BCBSNC provides certain healthcare and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for healthcare insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of healthcare insurance costs and life insurance benefits. BCBSNC funds retiree healthcare benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the Blue Cross and Blue Shield Association (BCBSA). The Company did not make a contribution for the years 2015 or 2016 to fund the liability for eligible retire employees.

Effective January 1, 2017, the Company has moved the majority of its Medicare eligible retirees to a private exchange. Medicare eligible retirees will receive a benefit in the form of a Healthcare Reimbursement Account (HRA). The HRA is expected to equal to current expected plan subsidy for each group as of 2016.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2016 and 2015:

1. Change in Benefit Obligation

	Over Funded		Underfunded	
	2016	2015	2016	2015
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$498,716,810	$517,327,026	$ -	$ -
2 Service Cost	900,000	800,000	-	-
3 Interest Cost	16,878,589	19,692,780	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	20,316,959	(18,044,983)	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	(23,642,628)	(21,058,013)	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitutres, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$513,169,730	$498,716,810	$ -	$ -

	Over Funded		Underfunded	
	2016	2015	2016	2015
b. Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$ -	$ -	$136,079,198	$144,962,573
2 Service Cost	-	-	1,957,793	2,324,578
3 Interest Cost	-	-	4,607,580	5,483,862
4 Contribution by plan participants	-	-	1,739,073	2,162,806
5 Actuarial (Gain)/Loss	-	-	(3,785,254)	(14,245,126)
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	-	-	(5,436,130)	(4,609,495)
8 Plan Amendments	-	-	(1,546,779)	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$ -	$ -	$133,615,481	$136,079,198

	Over Funded		Underfunded	
	2016	2015	2016	2015
c. Special or Contractual Benefits per SSAP No. 11				
1 Benefit Obligation, Beginning of Year	$ -	$ -	$ -	$ -
2 Service Cost	-	-	-	-
3 Interest Cost	-	-	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	-	-	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	-	-	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$ -	$ -	$ -	$ -

2. Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2016	2015	2016	2015	2016	2015
a Plan Assets as Fair Value, Beginning of Year	$520,122,517	$553,892,171	$ 60,766,536	$ 63,532,255	$ -	$ -
b Actual Return on Plan Assets	39,869,581	(12,711,641)	2,508,144	(2,149,197)	-	-
c Foreign currency exhcnage rate changes	-	-	-	-	-	-
d Company Contributions	-	-	2,059,455	1,830,167	-	-
e Plan participants' contributions	-	-	1,739,073	2,162,806	-	-
f Benefits Paid	(23,642,628)	(21,058,013)	(5,436,130)	(4,609,495)	-	-
g Plan Settlements	0	-	-	-	-	-
h Plan Assets as Fair Value, End of Year	$536,349,470	$520,122,517	$61,637,078	$60,766,536	$ -	$ -

3. Funded Status

Overfunded:	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
a Assets (nonadmitted)				
1. Prepaid benefits costs	$176,149,254	$164,032,130	$ -	$ -
2. Overfunded plan assets	(152,969,514)	(142,626,423)	-	-
3. Total assets (nonadmitted)	$23,179,740	$21,405,707	$ -	$ -
Underfunded:				
b Liabilities recognized				
1. Accrued benefit costs	$ -	$ -	($55,669,262)	($51,601,290)
2. Liability for pension benefits	-	-	(19,173,550)	(24,944,381)
3. Total liabilities recognized	$ -	$ -	($74,842,812)	($76,545,671)
c Unrecognized liabilities	$ -	$ -	$ -	($159,318)

4. Components of net period benefit cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2016	2015	2016	2015	2016	2015
a Service cost	$900,000	$800,000	$1,957,793	$2,324,578	$ -	$ -
b Interest cost	16,878,589	19,692,780	4,607,580	5,483,862	-	-
c Expected return on plan assets	(32,832,011)	(35,146,035)	(3,268,843)	(3,428,611)	-	-
d Expense Load	-	-	-	-	-	-
e Amortization of actuarial (gain)/loss	2,936,298	1,877,232	(137,772)	125,112	-	-
f Amortization of prior service cost/(credit)	-	-	2,968,669	2,968,669	-	-
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit.	-	-	-	-		
h Total net periodic benefit cost	($12,117,124)	($12,776,023)	$6,127,427	$7,473,610	$ -	$ -

5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

		Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a	Items not yet recognized as a component of net periodic cost - prior year	$ -	$ -	$ -	$ -
b	Net transition asset or obligation recognized	$ -	$ -	$ -	$ -
c	Net prior service cost or credit arising during the period	$ -	$ -	$ -	$ -
d	Net prior service (cost) or credit recognized	$ -	$ -	($2,968,669)	($2,968,669)
e	Net gain and loss arising during the period	$ -	$ -	$ -	$ -
f	Net gain and (loss) recognized	($2,936,298)	($1,877,232)	($137,772)	($125,112)
g	Items not yet recognized as a component of net periodic cost-current year	$ -	$ -	$ -	$ -

6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

		Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a	Net transition asset or obligation	$ -	$ -	$ -	$ -
b	Net prior service cost or credit	($3,303,444)	($2,936,298)	($2,844,029)	($2,968,669)
c	Net recognized gain and (loss)	$ -	$ -	$112,271	$137,772

7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost.

		Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a	Net transition asset or obligation				
b	Net prior service cost or credit	$ -	$ -	$3,266,506	$4,082,950
c	Net recognized gain and (loss)	$ -	$ -	$4,284,061	$3,388,571

(8) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified		Non Qualified		Other Postretirement	
	2016	2015	2016	2015	2016	2015
Discount Rate	See detail below	See detail below	See detail below	See detail below	See detail below	See detail below
Rate of Compensation Increase	n/a	n/a	n/a	n/a	3.50%	3.50%
Expected long-term rate of return on plan assets	6.00%	6.50%	n/a	n/a	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2016	2015
Qualified	4.19%	4.25%
Nonqualified:		
Partners SERP	3.70%	3.91%
Senior SERP	3.97%	3.04%
Restoration SERP	4. 06%	4.18%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2016	2015
Qualified	3.61%	3.48%
Nonqualified:		
Partners SERP	3.12%	3.24%
Senior SERP	3.41%	2.28%
Restoration SERP	3.47%	3.26%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.21%	4.40%

Effective Discount Rate for Benefit Obligations by Benefit Plan

Retiree Life Insurance	4.16%	4.32%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2016	2015
Retiree Medical and Dental	3.61%	3.74%
Retiree Life Insurance	3.49%	3.59%

Effective Discount Rate for Service Cost by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.47%	4.63%
Retiree Life Insurance	4.32%	4.47%

Effective Rate for Interest on Service Cost by Benefit Plan

	2016	2015
Retiree Medical and Dental	4.26%	4.39%
Retiree Life Insurance	4.00%	4.06%

A measurement date of December 31, 2016 and 2015, respectively, was used for the benefit plans.

The medical trend rate used in determining the accumulated postretirement benefit obligation at December 31:

	2016	**2015**
Health care cost trend rate assumed for next year:		
Under age 65	6.70%	7.1%
Age 65 and older	6.70%	7.1%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2037
Age 65 and older	2037	2037

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was $513,169,730 for the current year and $498,716,810 for the prior year.

(10) BCBSNC provides certain healthcare and life insurance benefits for retired employees. Substantially all of BCBSNC's employees who reach retirement age while working at BCBSNC with at least 5 years of service may become eligible for healthcare insurance benefits. In addition, substantially all of those BCBSNC employees hired prior to January 1, 2006, who will reach retirement age while working at BCBSNC with at least 15 years of service may become eligible for both a Company subsidy of healthcare insurance costs and life insurance benefits. BCBSNC funds retiree healthcare benefits by making contributions to the VEBA administered by the BCBSA. The Company did not make a contribution in 2015 or 2016 to fund the liability for eligible retired employees.

(11) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	**1-Percentage Point Decrease**
Effect on total of service and interest cost components	$420,862	$(327,153)
Effect on postretirement benefit obligation	$4,923,003	$(3,937,520)

(12) Future expected benefit payments and 2016 contributions are as follows:

	Retirement Benefits		**Other Postretirement Benefits**
	Qualified	**Non-Qualified**	
a. 2017	$22,358,733	$1,836,279	$3,252,297
b. 2018	$22,684,437	$18,089,027	$3,324,513
c. 2019	$23,082,041	$1,973,251	$3,437,577
d. 2020	$23,593,555	$1,992,660	$3,531,500

e. 2021	$24,336,490	$1,969,042	$3,668,848
f. Thereafter Total	$134,040,763	$16,494,979	$20,434,358

(13) The Company anticipates that it will make cash contributions in 2017 of $1,836,279 and $686,095 to the non-qualified and postretirement pension plan. The Plan does not expect to make a cash contribution to the qualified pension plan. Expected contributions are dependent on many variables, including the variability of the market value of the assets as compared to the obligation and other market or regulatory conditions. The Plan takes into consideration its business investment opportunities and resulting cash requirements. Accordingly, actual funding may differ from current estimates. The Pension Protection Act established certain minimum funding standards for defined benefit plans, and the Plan is in compliance with these funding standards.

(14) Not Applicable

(15) In 2016 and 2015, BCBSNC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes. The loss is amortized over the average life expectancy of plan participants.

(16) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(17) No significant special or contractual termination benefits were recognized during the period.

(18) There was no significant change in the benefit obligation or plan asset in 2016 or 2015 not otherwise apparent in the disclosures herein.

(19) There are no plan assets expected to be returned to the employer.

(20) The accumulated postretirement and pension benefit obligation, fair value of plan assets and funded status of the benefit plans are disclosed in the tables herein.

(21) The full surplus impacts of SSAP No. 102 and SSAP No. 92 have been recognized. There is no transition liability, nor will there be any future recognition of the initial application if this guidance.

B. Investment Plan Policies for Plan Assets

BCBSNC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2016	2015	Target	2016	2015
Asset Category:						
Equity securities:						
Mutual funds	-%	26%	28%	-%	-%	-%
Common stock	-	3	3	-	50	50
Total	35	29	31	50 -60	50	50
Fixed income securities:						
State and U.S. government obligations	-	37	30	-	49	49
Domestic corporate fixed income securities	-	31	36	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total	63	68	66	40-50	49	49
Cash and cash equivalents	2	1	1	0-3	1	1
Collective trust fund - real estate	-	-	-	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The Company utilizes a partial liability matching investment strategy. The Plan's funding ratio exceeded 100% at year end and approximately 50% of the portfolio was transitioned to a liability driven investment strategy (LDI) in 2014. As the Plan's funding ratio grows, more investments will be allocated to the LDI strategy.

The Plan's investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic and international equities, real estate and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation.

Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

On December 31, 2015 we changed the method we use to estimate the service and interest components of net periodic benefit cost for defined benefit pensions and other postretirement benefits. This new estimation approach discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. Historically, we estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period.

We have made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. The benefit obligation measured under this approach is unchanged as of December 31, 2015. The new approach will be used to measure the service and interest cost for the pension benefits, other postretirement benefits and other postemployment benefits in 2016. Based on current economic conditions, we estimate the service cost and interest cost for those plans will be reduced by approximately $6,400,000 in 2016 as a result of the change.

Starting with the 2016 net periodic benefit cost, the Company elected to use a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Instead of using a single fixed discount rate, each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company also elected to use split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company has decided to move to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale on December 31, 2014. In previous years, the Company used the RP-2000 base mortality table and the Scale AA generational projection scale. This change resulted in an increase of this benefit obligation in 2014.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

C. Fair Value Measurement of Plan Assets

(1) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total Fair Value
December 31, 2016				
Equity securities:				
Common stocks	$ 16,591,348	$ -	$ -	$16,591,348
Mutual funds	145,635,271	-	-	145,635,271
Total equity securities	162,226,619	-	-	162,226,619
Fixed income securities:				
US Treasury and agency securities	49,365,724	1,215,752	-	50,581,476
States and political subdivisions	-	4,861,667	-	4,861,667
Corporate fixed income securities	-	151,529,805	-	151,529,805
Residential mortgage-backed	-	18,025,469	-	18,025,469
Collective trust fund – US Fixed Income	-	-	140,310,384	140,310,384
Total fixed income securities	49,365,724	175,632,693	140,310,384	365,308,801

Cash and cash equivalents.....	12,746,683	-	-	12,746,683
Other	-	695,112	11,099,362	11,794,474
Total investments	224,339,026	176,327,805	151,409,746	552,076,577
Plan receivables	9,901,625	-	-	9,901,625
Total assets	234,240,651	176,327,805	151,409,746	561,978,202
Plan liabilities	(131,387)	-	-	(131,387)
Total net assets	$234,109,264	$176,327,805	$151,409,746	$561,846,815

(2) A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2016 is as follows:

	Cash & Cash Equivalents	Fixed Income Securities	Collective Trust Fund – Real Estate	Other	Total
Beginning balance at January 1, 2015	-	$49,821,847	-	$11,310,000	$61,131,847
Total gains (losses)					
Realized	-	3,251,597	-	-	3,251,597
Unrealized	-	(1,987,455)	(13,329,611)	-	(15,317,066)
Purchases	-	200,000	146,860,184	1,345,467	148,405,651
Sales	-	(51,285,989)	-	(1,180,719)	(52,466,708)
Ending balance at December 31, 2015	-	-	133,530,573	$11,474,748	$145,005,321
Total gains (losses)					
Realized	-	-	103,396	-	103,396
Unrealized	-	-	9,428,801	-	9,428,801
Purchases	-	-	8,256,944	-	8,256,944
Sales	-	-	(11,009,330)	(375,386)	(11,384,716)
Ending balance at December 31, 2016	$-	$-	$140,310,384	$11,099,362	$151,409,746

(3) The following is a description of the valuation methodologies used for the benefit plan assets. There have been no changes in the methodologies used during the years ended December 31, 2016 and 2015.

D. Rate of Return on Assets Assumption

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

E. Defined Contribution Plans

BCBSNC has two defined contribution retirement plans qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Participant pretax and Roth contributions are matched at a rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and Transition Contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition Contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $32,632,458 and $30,794,362 for the years ended December 31, 2016 and 2015, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $1,958,045 and $1,974,567 for the years ended December 31, 2016 and 2015, respectively.

F. Multiemployer Plans

BCBSNC does not participate in any multiemployer plans.

G. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

H. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits

(1) The Medicare Prescription Drug, Improvement and Modernization Act of 2003 allows employers who offer actuarially equivalent prescription drug benefits to retirees to receive a federal subsidy starting in 2006. The Plan did not apply for these federal subsidies during 2016 or 2015 and does not expect to apply for them in 2017.

(2) Not applicable.

(3) Not applicable.

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2016 and 2015.

(2) The Company has no preferred stock outstanding.

(3) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(4) The Company did not pay any dividends as of December 31, 2016 or 2015.

(5) The Company did not pay any dividends to stockholders as of December 31, 2016 or 2015.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2016 and 2015.

(7) The Company had no unpaid advances of surplus as of December 31, 2016 and 2015.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2016 and 2015.

(9) The Company does not have any special surplus funds as of December 31, 2016 and 2015. The Affordable Care Act (ACA) imposes a nondeductible assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. The liability related to the Section 9010 ACA assessment shall be estimated and recorded in full once the entity provides qualifying health insurance (typically January 1) in the applicable calendar year in which the assessment is paid (fee year) with a corresponding entry to expense. The Section 9010 ACA assessment shall be recognized in full on January 1 of the fee year, in the operating expense category of Taxes, Licenses and Fees. On January 1, 2016 and 2015, respectively, the Company recognized in full $138,472,491 and $135,202,257 related to the Section 9010 ACA assessment. At September 30, 2016, the Company adjusted our initial amount for 2016 by ($13,486,166), based on the final fee calculation from the Internal Revenue Service. At September 30, 2016 and 2015, the Company paid $124,986,325 and $131,583,917, respectively, based on the final fee calculation from the Internal Revenue Service.

On January 1 of the fee year, the prior year segregation in special surplus is reversed and the full current fee year assessment liability shall be accrued. As of December 31, 2015, the Company segregated amount of special surplus is $138,472,491. As of and for the year ended December 31, 2016, the Company has not segregated special surplus for the health insurer fee to be paid in 2017. Per the Consolidated Appropriations Act of 2016, Title II, Moratorium on Annual Fee on Health Insurance Providers, the collection of the health insurer fee is suspended for calendar year 2017.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses, including accumulated amortized goodwill of $3,759,778 were ($209,456,306) and ($218,327,718) in 2016 and 2015, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2016 and 2015.

(12) The Company does not have any quasi-reorganizations as of December 31, 2016 and 2015.

(13) The Company was not involved in any quasi-reorganizations; therefore, there is no effective date(s) for quasi-reorganization.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2017, $6,420,000; 2018, $6,289,000; 2019, $6,153,000; 2020, $6,011,000; 2021, 5,864,000 and thereafter $76,041,000.

The Company has a commitment to Trizetto to develop a claims processing system. Related funding for 2016 and 2015 were $46,771,663 and $32,257,766, respectively. Future expected costs for this system are as follows: 2017, $4,835,753; 2018, $4,835,753; 2019, $4,698,061; 2020, $4,009,597; and 2021, $4,009,597.

At December 31, 2016, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu for outsourced IT infrastructure are estimated as follows: 2017, $70,413,700; 2018, $0; 2019, $0; 2020, $0 and 2021, $0.

At December 31, 2016, we have various other non-cancelable arrangements with our vendors for outsourced claims processing, healthcare programs, and IT support with future costs estimated as follows: 2017, $137,616,350; 2018, $76,658,404; 2019, $36,387,370; 2020, $14,92,7793; and 2021, $1,285,968.

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. On July 27, 2016, the Pennsylvania Insurance Commissioner filed a petition to move Penn Treaty from rehabilitation to liquidation. It is anticipated that the Pennsylvania court will approve the petition to liquidate Penn Treaty in early 2017. In that event, the Company and other insurers may be required to pay a portion of Penn Treaty's policyholder claims through state guaranty association assessments in future periods. The Company will continue to monitor the situation and may record a liability and expense in future reporting periods, as well as an asset for a premium tax offset which could be material to its cash flows and results of operations.

B. Assessments

As of December 31, 2016 and 2015, the Company is not aware of any assessments against the Company.

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2016 and 2015.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2016 and 2015.

F. All Other Contingencies

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-three of the consolidated cases. The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation (In Re: Anthem Data Breach Litigation(United States District Court, Northern District of California)). The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans, arising out of a cyber-attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. The Company is vigorously defending the case.

The Company is also a defendant in litigation (Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al). This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating leases. Rental expense was $5,352,385 and $3,820,228 for periods ended December 31, 2016 and 2015, respectively.

b. The Company does not have contingent rental payments.

c. Certain rental commitments have renewal options extending through the year 2017 and are subject to adjustments in future periods.

d. The Company does not have lease agreement that include restrictions.

e. The Company does not have lease agreements that were terminated early or for which the Company is no longer using the leased property benefits, and the liability recognized in the financial statements.

(2) a. At December 31, 2016, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2017	$4,028,150
2.	2018	$3,609,341
3.	2019	$1,683,356
4.	2020	$1,484,936
5.	2021 and thereafter	$1,178,158
6.	Total	$11,983,941

b. The Company does not have any total minimum rentals to be received in the future under non-cancelable subleases as of December 31, 2016.

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2016 and 2015.

B.

(1) For Operating Leases:

Properties that BCBSNC owns and leases to others do not represent a significant portion of BCBSNC's revenues, net income or assets.

(2) For leveraged Leases

The Company did not have any leveraged leases as of December 31, 2016 and 2015.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2016 and 2015.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2016 and 2015.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2016 and 2015.

C. Wash Sales

The Company had no wash sales during 2016 and 2015.

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2016:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$(30,251,071)	$ -	$(30,251,071)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	$(30,251,071)	$ -	$(30,251,071)
Total claim payment volume	$2,167,470,015	$ -	$2,167,470,015

Administrative fees incurred under this plan were $78,927,916 during 2016.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration.

B. ASC Plans

The income from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2016:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including other BlueCard claims)	$7,535,863,898	$ -	$7,535,863,898
Gross administrative fees accrued	384,337,903	-	384,337,903
Other income or expenses (including interest paid to or received from plans)	-	-	-
	$7,920,201,801		7,920,201,801
Gross expenses incurred (claims and administrative)	7,885,911,713	-	7,885,911,713
Total gain from operations	$34,290,088	$ -	$34,290,088

C. **Medicare or Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

1. Reinsurance subsidy cash receipts deposit from CMS net of claims incurred for the period ended December 31, 2016 is a receivable of $19,676,997. These cash receipts are subject to quarterly true up for actual claims incurred.

2. Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2016 is a payable of $16,378,193. These cash receipts are subject to quarterly true up for actual claims incurred.

3. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2016.

4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$891,524

C – Claims Payment
CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

December 31, 2016	**Level I**	**Level II**	**Level III**	**Total**
Cash Equivalents and Short Term Investments	$54,628,536	$-	$-	$54,628,536
Fixed Income Securities				
US government obligations	102,891,148	106,812,215	-	209,703,363
State and political subdivision	-	1,106,022,032	-	1,106,022,032
Corporate fixed income securities	-	416,361,989	-	416,361,989
Residential mortgage-backed securities	-	266,858,823	-	266,858,823
Other fixed income securities	-	51,585,784	-	51,585,784
Total fixed income securities	102,891,148	1,947,640,843	-	2,050,531,991
Investments available-for-sale				
Equity index mutual funds	389,330,887	-	-	389,330,887
Unaffiliated common stock	111,764,437	-	3,819,450	115,583,887
Unaffiliated preferred stock	-	75,244,077	-	75,244,077
Total equity securities	501,095,324	75,244,077	3,819,450	580,158,851
Real estate trust:				
Real estate trust	-	-	221,666,593	221,666,593
Total assets	$658,615,008	$2,022,884,920	$225,486,043	$2,906,985,971

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2016	Tfrs into Level #	Tfrs out of Level #	Total g/l incl in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
Real Estate Trust	200,354,602	-	-	5,704,863	15,607,128	-	-	-	221,666,593
Total Investments	$200,354,602	$-	$-	$5,704,863	$15,607,128	$-	$-	$-	$221,666,593

There were no material transfers between Levels I, II or III during the years ended December 31, 2016 and 2015.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2016 Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash Equivalents, and Short Term Investments	$54,628,536	$54,628,536	$54,628,536	-	-	-
Bond Securities	$2,050,531,991	$2,024,360,047	$102,891,148	$1,947,640,844	-	-
Unaffiliated preferred stock	$75,244,077	$75,244,077	-	$75,244,077	-	-
Equity index mutual funds	$389,330,887	$389,330,887	$389,330,887	-	-	-
Unaffiliated common stock	111,764,437	$111,764,437	$111,764,437	-	-	-
Parents, Subsidiaries, and Affiliates	$172,070,314	$172,070,314	-	-	-	$172,070,314
Private equity securities	$3,969,450	$3,717,038	-	-	$3,819,450	$150,000
Private equity funds and other alternatives	$178,639,534	$178,639,534	-	-	-	$178,639,534
Venture capital invesments	15,240,038.00	$15,240,038	-	-	-	$15,240,038
Real Estate Trust	$221,666,593	$221,666,593	-	-	$221,666,593	-

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturiy Date	Explanation
Parents, Subsidiaries and Affiliates	$172,070,314	-	-	Affiliates of the company
Private equity securities	$150,000	-	-	Investments are not actively traded
Private equity funds and other alternatives	$178,639,534	-	-	Investments are not actively traded
Venture capital investments	$15,240,038	-	-	Investments are not actively traded

21. Other Items

A. Unusual or Infrequent Items

The Company had no unusual or infrequent events or transactions during 2016 and 2015.

B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructurings during 2016 and 2015.

C. Other Disclosures

The Company had no other disclosures during 2016 and 2015.

D. Business Interruption Insurance Recoveries

The Company had no business interruption recoveries recognized in December 31, 2016 and 2015.

E. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	$66,534,823	$25,891,141
Total		$66,534,823	$25,891,141

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$24,813,108	$41,721,715

F. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk at December 31, 2016 and 2015.

G. Retained Assets

The Company did not have any retained assets at December 31, 2016 or 2015.

H. Insurance-Linked Securities (ILS) Contracts

The Company did not have any ILS contracts at December 31, 2016 or 2015.

22. Events Subsequent

Type I: Recognized Subsequent Events:

The Company has evaluated subsequent events through February 28, 2017, which is the date that the financial statements were available to be issued, for recognition or disclosure in our statutory financial statements. All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

Type II: Non-recognized Subsequent Events:

On January 1, 2017, the Company would be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). However, per the Consolidated Appropriations Act of 2016, Title II, Moratorium on Annual Fee on Health Insurance Providers, the collection of the health insurer fee is suspended for calendar year 2017. This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2016.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subjected to Section 9010 of the Federal Affordable Care Act?	Yes	
B.	ACA fee assessment payable for the upcoming year	$-	$138,472,491
C.	ACA fee assessment paid	$124,986,325	$131,583,917
D.	Premium written subject to ACA 9010 assessment	$6,750,769,404	$7,032,630,389
E.	Total Adjusted Capital before surplus adjustment	$2,187,040,450	
F.	Authorized Control Level before surplus adjustment	$2,187,040,450	
G.	Authorized Control level	$263,761,161	
H.	Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level	No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
   (X) No

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
   (X) No

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
   (X) No

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
(X) No

Section 3 – Ceded Reinsurance Report – Part B

1. What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
NONE

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
(X) No

B. Uncollectible Reinsurance

The Company does not have any uncollectible reinsurance balances due as of December 31, 2016 and 2015.

C. Commutation of Ceded Reinsurance

The Company had no commutation of reinsurance agreements during 2016 and 2015.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

1. Reporting Entity ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

The Company does not have certified reinsurer with a rating downgrade or a status subject to revocation.

a. Not applicable

b. Not applicable

2. Reporting Entity's certified Reinsurer Rating Downgraded or Status Subject to Revocation.

The Company does not have certified reinsurer with a rating downgraded rating or a status subject to revocation.

1. Not applicable

2. Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

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. Accrued Retrospective Premium Disclosure

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

C. Net Premiums Written Disclosure

The amount of net premiums written by the Company for the period ended December 31, 2016 that are subject to retrospective rating features was $6,750,769,404, that represented 94% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

The Company does not anticipate having to pay a rebate as of the current reporting period year to date, and as a result, there have been no rebates accrued for the Company's Individual, Small, Student, or Large Group business as of December 31, 2016.

Beginning in 2014, Medicare Advantage plans are also subject to the 85% minimum MLR. MLR rebates to Centers for Medicare and Medicaid Services (CMS) are to be provided annually if the insurer fails to meet the requirements in the market for the prior year. Medicare rebates are due for the 2015 reporting year and will be paid in 2017. As of December 31, 2016, activity related to Medicare MLR rebate reserves and premium adjustments was as follows:

		Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	-	-	-	-	-
(2)	Medical loss ratio rebates paid	-	-	-	-	-
(3)	Medical loss ratio rebates unpaid	-	-	-	-	-
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	-	-	-	$1,610,003	$1,610,003
(8)	Medical loss ratio rebates paid	-	-	-	-	-
(9)	Medical loss ratio rebates unpaid	-	-	-	$1,610,003	$1,610,003
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	$1,610,003	$1,610,003

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

(1) In 2016, the Company did write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provision.

(2) Impact of risk-Sharing Provision of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a	Permanent Risk Adjustment Program	
	Assets	
	1. Premium adjustments receivable due to ACA Risk Adjustment	$165,000,000
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	$189,201
	3. Premium adjustments payable due to ACA Risk Adjustment	$0
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment	$147,731,850
	5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$395,684
b	Transitional Reinsurance Program	
	Assets	
	1. Amounts recoverable for claims paid to ACA Reinsurance	$87,970,753
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	$12,867,754
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	$0
	Liabilities	
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$25,417,443
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	$0
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$0
	Operations	
	7. Ceded reinsurance premiums due to ACA Reinsurance	$10,786,688
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	$63,250,647
	9. ACA Reinsurance contributions – not reported as ceded premium	$14,672,838
c	Temporary Risk Corridors Program	
	Assets	
	1. Accrued retrospective premium due to ACA Risk Corridors	$1,557,398
	Liabilities	
	2. Reserve for rate credits or policy experience rating refunds due to ACA risk Corridors	$0
	Operations	
	3. Effect of ACA Risk Corridors on net premium income (paid/received)	($36,765,239)
	4. Effect of ACA Risk Corridors on change in reserves for rate credits	$0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

	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	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1 Premium adjustments receivable	99,034,029		83,326,072	-	15,707,957	-	(15,707,957)	-	a	-	-
2 Premium adustments (payable)				-		-	-			-	-
3 Subtotal ACA Permanent Risk Adjustment Program	**99,034,029**	**-**	**83,326,072**	**-**	**15,707,957**	**-**	**(15,707,957)**	**-**		**-**	**-**
b. Transitional ACA Reinsurance Program											
1 Amounts recoverable for claims paid	222,566,743		197,846,666	-	24,720,077	-	(13,330,902)		a	11,389,175	-
2 Amounts recoverable for claims unpaid (contra liability)	12,867,754	-		-	12,867,754	-	-			12,867,754	-
3 Amounts receivable relating to uninsured plans	-		-	-	-	-	-	-		-	-
4 Liabilities for contributions payable due to ACA Reinsurane - not reported as ceded premium	-	-	-	-		-	-			-	-
5 Ceded reinsurance premiums payable	-		-	-	-	-	-	-		-	-
6 Liability for amounts held under uninsured plans	-	-	-	-		-	-			-	-
7 Subtotal ACA Transitional Reinsurance Program	**235,434,497**	**-**	**197,846,666**	**-**	**37,587,831**	**-**	**(13,330,902)**	**-**		**24,256,929**	**-**
c. Temporary ACA Risk Corridors Program											
1 Accrued retrospective premium	57,784,916	-	4,034,423	-	53,750,493		(38,629,335)		b	15,121,158	-
2 Reserve for rate credits or policy experience rating refunds	-	-	-	-		-				-	-
3 Subtotal ACA Risk Corridors Program	**57,784,916**	**-**	**4,034,423**	**-**	**53,750,493**	**-**	**(38,629,335)**	**-**		**15,121,158**	**-**
d **Total for ACA Risk Sharing Provisions**	**392,253,442**	**-**	**285,207,161**	**-**	**107,046,281**	**-**	**(67,668,194)**	**-**		**39,378,087**	**-**

Explanations of Adjustments:

a. Adjustment is based on updated data
b. Adjustment is based on updated data

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

						Differences		Adjustments		Unsettled Balances as of the Reporting Date	
		Accrued As of December 31 of the prior reporting year		Received or Paid as of the Current Period on business Written For the Risk Corridors Program Year		Accred Less Payments (Col 1 - 3)	Accred Less Payments (Col 2 - 4)	Balances	Balances	Cumulative Balance (Col 1-3+7)	Cumulative Balance (Col 2-4+8)
		1	2	3	4	5	6	7	8	9	10
Risk Corridors Program Year:		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
2014	Accrued Retrospective premium	57,784,916	-	4,034,423	-	53,750,493	-	(38,629,335)	-	15,121,158	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2015	Accrued Retrospective premium	-		-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2016	Accrued Retrospective premium	-	-	-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
Total for Risk Corridors		$57,784,916	$0	$4,034,423	$0	$53,750,493	$0	($38,629,335)	$0	$15,121,158	$0

(5) ACA Risk Corridors Receivable as of Reporting date:

Risk Corridors Program Year	(A) Estimated Amount to be Filed or Final Amount Filed with CMS	(B) Non-Accrued Amounts for Impairment or Other Reasons	(C) Amounts received from CMS	(D)=(A)-(B)-(C) Asset Balance (Gross of Non-admissions)	(E) Non-admitted Amount	(F)=(D)-(E) Net Admitted Asset
2014	147,474,876	112,372,466	19,981,251	15,121,159	13,563,760	1,557,399
2015	215,313,094	215,313,094		-	-	-
2016	-	-	-	-	-	-
Total	$362,787,970	$327,685,560	$19,981,251	$15,121,159	$13,563,760	$1,557,399

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2015 were $684,240,466. As of December 31, 2016, $577,720,573 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $8,202,906 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of business. Therefore, there has been a $98,316,987 favorable prior-year development since December 31, 2015 to December 31, 2016, primarily a result of cost sharing reduction impact, favorable claims development, and timing of ACA reinsurance estimates.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements recognized in December 31, 2016 and 2015.

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $110,255,677 and $103,281,755 as pharmaceutical rebate receivables and admitted $49,465,474 and $50,876,215 at December 31, 2016 and 2015, respectively. The Company received a pharmaceutical rebate of $48,216,720 in fourth quarter 2016 for receivables as of December of 2015 through June of 2016.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2016	$49,465,474	$-	$-	$-	$-
9/30/2016	$54,714,231	$58,411,089	$-	$-	$-
6/30/2016	$47,392,545	$47,522,810	$-	$47,001,799	$-
3/31/2016	$44,789,555	$47,439,646	$-	$45,358,766	$222,778
12/31/2015	$51,632,441	$55,186,929	$-	$53,424,029	$1,762,899
9/30/2015	$45,613,874	$52,218,247		$50,895,335	$1,322,912
6/30/2015	$40,712,000	$46,642,127	$-	$43,632,011	$3,010,116
3/31/2015	$34,602,784	$40,264,859	$-	$39,651,410	$613,450
12/31/2014	$37,713,156	$39,552,823		$38,721,534	$831,288
9/30/2014	$35,992,172	$36,760,047	$-	$36,599,521	$160,526
6/30/2014	$32,563,881	$35,703,304	$-	$35,497,971	$205,332
3/31/14	$26,873,395	$32,320,759	$-	$31,701,188	$619,571

B. Risk Share Receivables

The Company estimates our risk sharing receives by consulting with a 3rd party vendor with internal validation and review. As of December 31, 2016, the Company reported a receivable in the amount of $165,000,000 and a payable of 1,984,137.

Calendar Year	Evaluation Period Year Ending	Risk Sharing receivable as Estimated in the Prior Year	Risk Sharing receivable as Estimated in the Current Year	Risk Sharing receivable Billed	Risk Sharing receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing amounts Received First Year Subsequent	Actual Risk Sharing amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2015	2015	$99,034,029	-	$83,326,072	-	$83,326,072	-	-	-
2016	2016	-	$165,000,000	-	-	-	-	-	-

29. Participating Policies

The Company had no participating policies recognized in December 31, 2016 and 2015.

30. Premium Deficiency Reserves

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, *Individual and Group and Health Contracts*. Premium deficiency reserves as of both December 31, 2016 and December 31, 2015 was $0.

1. Liability carried for premium deficiency reserves $ -
2. Date of most recent evaluation of this liability 12/31/2016
3. Was anticipated investment income utilized in the calculation? Yes

31. Anticipated Salvage and Subrogation

No Change.

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$7,226,652,251
Add: Uncollected premiums PY	225,588,796
Less: Uncollected premiums CY	(227,579,372)

Premiums collected, excluding reinsurance	**$7,224,661,675**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000
Remaining amount @ 1%	$72,242,617
Total	$72,254,617
BCBSNC Contingency Reserve @ 12/31/2015	863,861,427
BCBSNC Contingency Reserve @ 12/31/2016	**$936,116,044**

33. Premium and Premium Equivalent Reporting

The information below presents BCBSNC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	89.7%
Operating expense ratio (with premium equivalents)	9.8%
Net income ratio (with premium equivalents)	2.0%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2016 are as follows:

Premiums	
Net premium income	$7,205,926,949
Change in unearned premium reserves	($27,856,542)
Total premium income	7,178,070,407
Claims processed for self funded business	
ASO Plan	2,167,470,015
ASC Plan	7,535,863,898
Total claims processed for self funded business	9,703,333,913
Administrative fees	
ASO Plan	78,927,916
ASC Plan	384,337,903
Total administrative fees	463,265,819
Premium equivalents	10,166,599,732
Total premiums and premium equivalents	$17,344,670,139
Other revenues (including BlueCard Access Fees)	$20,722,691
Net investment gains or (losses)	$106,143,290
Total revenues	$17,471,536,120
Claims	
Total hospital and medical	$5,865,422,264
Increase in reserves for life and accident and health contracts	($5,176,153)
Total claims	5,860,246,111
Claims processed for self funded business	
ASO Plan	2,167,470,015
ASC Plan	7,535,863,898
Total claims processed for self funded business	9,703,333,913
Total claims (insured and self funded)	$15,563,580,024
Operating Expenses	
Claims adjustment expenses	$490,162,428
General administrative expenses	$748,553,883
Total operating expenses	1,238,716,311
Operating expenses reimbursed through administrative fees	
ASO Plan	78,927,916
ASC Plan	384,337,903
Total operating expenses reimbursed through administrative fees	463,265,819
Total operating expenses (insured and self funded)	$1,701,982,130
Net Income	$272,019,830

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? If yes, complete Schedule Y, Parts 1, 1A and 2. Yes [X] No [ ]

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? North Carolina

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. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2013

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [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 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 %

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 with the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 4131 Parklake Avenue, Suite 500, Raleigh, NC 27612

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Patrick K. Getzen, FSA, MAAA, Vice President & Chief Actuary (Employee), Blue Cross and Blue Shield of North Carolina, 4705 University Drive, Durham, NC 27707-3346

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 [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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 subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers $ 0

20.23 Trustees, supreme or grand (Fraternal only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

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

21.21 Rented from others $

21.22 Borrowed from others $

21.23 Leased from others $

21.24 Other $

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $

22.22 Amount paid as expenses $

22.23 Other amounts paid $

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01 Were all of 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. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] 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]

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

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

25.21	Subject to repurchase agreements	$ 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 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	$ 28,581,909
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: $

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America, NA	200 N. College St. Charlotte, NC

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)
Mellon Bank, NA	One Mellon Center, Pittsburgh, PA	Written to comply with provisions contained in the
		Model Custodian and Fiscal Agency agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved by NCDOI.

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"].

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

1 Name of Firm or Individual	2 Affiliation
Robert W. Baird & Co. Incorporated	U
Wellington Management Company	U
Madison Scottsdale, L.C.	U
Van Eck Securities Corporation	U
The Vanguard Group	U
Columbia Management	U
NISA Investment Advisors, LLC	U
Flaherty & Crumrine Inc	U

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 [X] No [ ]

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
8158	Robert W. Baird & Co. Incorporated	549300772UJAHRD6LO53	SEC	DS
106595	Wellington Management Company	549300YHP12TEZNLCX41	SEC	DS
110297	Madison Scottsdale, L.C.		SEC	DS
2269	Van Eck Securities Corporation	549300GEIRRGSDOHI251	SEC	DS
7452	The Vanguard Group	5493002789CX3L0CJP65	SEC	DS
111168	Columbia Management	6YVO3H2OUHJXER5SGR23	SEC	DS
107313	NISA Investment Advisors, LLC		SEC	DS
105499	Flaherty & Crumrine Inc		SEC	DS

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	30,906
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF	6,201
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF	51,052,560
256206 10 3	DODGE & COX INTL STOCK MF	38,051
315792 23 4	FIDELITY FREEDOM K 2020 MF	328,715
315792 24 2	FIDELITY FREEDOM K 2015 MF	238,955
315792 25 9	FIDELITY FREEDOM K 2010 MF	15,640
315792 26 7	FIDELITY FREEDOM K 2005 MF	20,342
315792 28 3	FIDELITY FREEDOM K INC MF	4,152
315910 28 1	Fidelity Dvsd Intl;K	14,068
315911 87 5	SPARTAN INTL INX FUND: CL FID ADV MF	19,229
316200 85 6	Fidelity Gro Company;K	17,087
316345 80 0	Fidelity Low-Prcd Stk;K	248,392
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF	5,527
413838 40 0	OAKMARK EQT AND INC CL I MF	4,324
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF	80,548
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	42,068
922040 20 9	VANGUARD INST INX CL INST PLS MF	220,185,440
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF	116,391,513
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF	93,345
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF	15,498
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF	406,912
29.2999 TOTAL		389,259,473

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
Aberdeen Emerging Markets Fund;Institutional	SAMSUNG ELECTRONICS CO LTD PFD	36,865	12/31/2016
	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	26,987	12/31/2016

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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
	ORD		
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD ORD	25,228	12/31/2016
	ASTRA INTERNATIONAL TBK PT ORD	25,072	12/31/2016
	AIA GROUP LTD ORD	19,617	12/31/2016
American Beacon Large Cap Value Fund;Institutional	CITIGROUP INC ORD	20,262	12/31/2016
	BANK OF AMERICA CORP ORD	20,065	12/31/2016
	JPMORGAN CHASE & CO ORD	16,197	12/31/2016
	AMERICAN INTERNATIONAL GROUP INC ORD	12,115	12/31/2016
	AMERICAN BEACON US GOVT MONEY MARKET SELECT FUND	11,875	12/31/2016
Columbia Acorn International Mutual Fund Class Z	CCL INDUSTRIES INC ORD	8,133	12/31/2016
	HEXAGON AB ORD	6,846	12/31/2016
	PARTNERS GROUP HOLDING AG ORD	6,805	12/31/2016
	WIRECARD AG ORD	6,140	12/31/2016
	RIGHTMOVE PLC ORD	5,884	12/31/2016
Dodge & Cox International Stk Fund	NASPERS LTD ORD	225,393	12/31/2016
	SANOFI SA ORD	184,165	12/31/2016
	SCHLUMBERGER NV ORD	177,887	12/31/2016
	SAMSUNG ELECTRONICS CO LTD ORD	176,144	12/31/2016
	SCHNEIDER ELECTRIC SA ORD	165,391	12/31/2016
Fidelity Freedom K 2020 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	391,319	12/31/2016
	FIDELITY SERIES EMERGING MARKETS FUND;F	123,950	12/31/2016
	FIDELITY SERIES EQUITY-INCOME FUND;F	108,335	12/31/2016
	FIDELITY SERIES INTERNATIONAL VALUE FUND;F	102,435	12/31/2016
	FIDELITY SERIES INTERNATIONAL GROWTH FUND;F	100,312	12/31/2016
Fidelity Freedom K 2015 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	135,675	12/31/2016
	FIDELITY SERIES EMERGING MARKETS FUND;F	36,722	12/31/2016
	FIDELITY SERIES GOVERNMENT MONEY MARKET FUND;F	36,356	12/31/2016
	FIDELITY SERIES EQUITY-INCOME FUND;F	30,627	12/31/2016
	FIDELITY SERIES INTERNATIONAL VALUE FUND;F	29,067	12/31/2016
Fidelity Freedom K 2010 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	81,032	12/31/2016
	FIDELITY SERIES GOVERNMENT MONEY MARKET FUND;F	27,501	12/31/2016
	FIDELITY SERIES EMERGING MARKETS FUND;F	17,551	12/31/2016
	FIDELITY SERIES EQUITY-INCOME FUND;F	13,280	12/31/2016
	FIDELITY SERIES SHORT-TERM CREDIT FUND;F	12,952	12/31/2016
Fidelity Freedom K 2005 Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	13,781	12/31/2016
	FIDELITY SERIES GOVERNMENT MONEY MARKET FUND;F	5,589	12/31/2016
	FIDELITY SERIES SHORT-TERM CREDIT FUND;F	2,632	12/31/2016
	FIDELITY SERIES EMERGING MARKETS FUND;F	2,322	12/31/2016
	FIDELITY SERIES EQUITY-INCOME FUND;F	1,610	12/31/2016
Fidelity Freedom K Income Mutual Fund	FIDELITY SERIES INVESTMENT GRADE BOND FUND;F	61,592	12/31/2016
	FIDELITY SERIES GOVERNMENT MONEY MARKET FUND;F	30,259	12/31/2016
	FIDELITY SERIES SHORT-TERM CREDIT FUND;F	14,231	12/31/2016
	FIDELITY SERIES EMERGING MARKETS FUND;F	7,576	12/31/2016
	FIDELITY SERIES INFLATION-PROTECTED BOND IDX FD;F	6,312	12/31/2016
Fidelity Diversified International Mutual Fund Class K	FIDELITY CASH CENTRAL FUND	22,159	12/31/2016
	BAYER AG ORD	17,611	12/31/2016
	ORIX CORP ORD	15,806	12/31/2016
	HOYA CORP ORD	13,730	12/31/2016
	ANHEUSER BUSCH INBEV NV ORD	12,222	12/31/2016
Fidelity Spartan International Index Fund;Fid Adv	NESTLE SA ORD	14,670	12/31/2016
	NOVARTIS AG ORD	10,686	12/31/2016
	HSBC HOLDINGS PLC ORD	10,641	12/31/2016
	ROCHE HOLDING AG PAR	10,538	12/31/2016
	TOYOTA MOTOR CORP ORD	10,299	12/31/2016
Fidelity Growth Company Mutual Fund Class K	NVIDIA CORP ORD	122,885	12/31/2016

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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
	APPLE INC ORD	72,541	12/31/2016
	AMAZON.COM INC ORD	66,001	12/31/2016
	ALPHABET INC ORD	56,449	12/31/2016
	FACEBOOK INC ORD	42,384	12/31/2016
Fidelity Low-Priced Stock Mutual Fund Class K	FIDELITY CASH CENTRAL FUND	110,940	12/31/2016
	UNITEDHEALTH GROUP INC ORD	59,324	12/31/2016
	ROSS STORES INC ORD	31,070	12/31/2016
	BEST BUY CO INC ORD	28,786	12/31/2016
	SEAGATE TECHNOLOGY PLC ORD	26,484	12/31/2016
Goldman Sachs Small Cap Value Fund;A	ISHARES RUSSELL 2000 VALUE ETF	1,710	12/31/2016
	WEBSTER FINANCIAL CORP ORD	1,398	12/31/2016
	PEBBLEBROOK HOTEL TRUST	1,092	12/31/2016
	USD CASH	1,049	12/31/2016
	RADIAN GROUP INC ORD	1,031	12/31/2016
Oakmark Equity and Income Fund;I	BANK OF AMERICA CORP ORD	65,903	12/31/2016
	GENERAL MOTORS CO ORD	64,573	12/31/2016
	STATE STREET/FICC REPO	50,218	12/31/2016
	TE CONNECTIVITY LTD ORD	47,378	12/31/2016
	US TREASURY 1.250% 15-JUL-2020	44,850	12/31/2016
Metropolitan West Total Return Bond Mutual Fund	US TREASURY 1.125% 31-JUL-2021	70,728	12/31/2016
	FIXED INCOME GENERAL SECURITY	50,051	12/31/2016
	USD/JPY FORWARD CONTRACT	48,165	12/31/2016
	US TREASURY 0.750% 31-JUL-2018	47,525	12/31/2016
	US TREASURY 2.250% 15-AUG-2046	38,767	12/31/2016
Vanguard Total Bond Market Index Fund;Admiral	VANGUARD MARKET LIQUIDITY FUND	119,451	12/31/2016
	US TREASURY 2.125% 15-MAY-2025	39,969	12/31/2016
	US TREASURY 1.000% 15-SEP-2018	35,723	12/31/2016
	US TREASURY 3.625% 15-AUG-2019	34,009	12/31/2016
	US TREASURY 2.625% 15-NOV-2020	33,726	12/31/2016
Vanguard Institutional Index Mutual Fund Institutional Plus Class	APPLE INC ORD	292,110	12/31/2016
	MICROSOFT CORP ORD	228,521	12/31/2016
	EXXON MOBIL CORP ORD	177,026	12/31/2016
	JOHNSON & JOHNSON ORD	148,246	12/31/2016
	JPMORGAN CHASE & CO ORD	146,041	12/31/2016
Vanguard Small-Cap Index Fund;Inst Plus	VANGUARD MARKET LIQUIDITY FUND	125,844	12/31/2016
	TARGA RESOURCES CORP ORD	24,724	12/31/2016
	DIAMONDBACK ENERGY INC ORD	22,979	12/31/2016
	SVB FINANCIAL GROUP ORD	22,955	12/31/2016
	ADVANCED MICRO DEVICES INC ORD	22,939	12/31/2016
Vanguard Mid-Cap Index Fund;Admiral	EQUINIX INC ORD	23,223	12/31/2016
	FISERV INC ORD	20,999	12/31/2016
	ELECTRONIC ARTS INC ORD	20,551	12/31/2016
	M&T BANK CORP ORD	19,871	12/31/2016
	NEWELL BRANDS INC ORD	19,608	12/31/2016
Vanguard Small-Cap Index Fund;Admiral	VANGUARD MARKET LIQUIDITY FUND	43,265	12/31/2016
	TARGA RESOURCES CORP ORD	8,500	12/31/2016
	DIAMONDBACK ENERGY INC ORD	7,900	12/31/2016
	SVB FINANCIAL GROUP ORD	7,892	12/31/2016
	ADVANCED MICRO DEVICES INC ORD	7,886	12/31/2016
Vanguard 500 Index Fund;Admiral	APPLE INC ORD	579,207	12/31/2016
	MICROSOFT CORP ORD	453,129	12/31/2016
	EXXON MOBIL CORP ORD	351,028	12/31/2016
	JOHNSON & JOHNSON ORD	293,960	12/31/2016
	JPMORGAN CHASE & CO ORD	289,586	12/31/2016

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	2,021,239,587	2,019,372,210	(1,867,377)
30.2	Preferred Stocks	74,811,635	75,244,077	432,442

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.3	Totals	2,096,051,222	2,094,616,287	(1,434,935)

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

Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 3,677,606

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

1 Name	2 Amount Paid
Blue Cross and Blue Shield Association	$ 3,677,606

34.1 Amount of payments for legal expenses, if any? $ 3,535,045

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

1 Name	2 Amount Paid
Kilpatrick Stockton LLP	$ 1,254,327

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 400,163

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

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only.	$	375,586,329
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.	$	268,557,783
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned	$	84,854,534
	1.62 Total incurred claims	$	62,841,563
	1.63 Number of covered lives	$	47,028
	All years prior to most current three years:		
	1.64 Total premium earned	$	290,731,795
	1.65 Total incurred claims	$	205,716,220
	1.66 Number of covered lives	$	112,997
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	$ 7,205,926,949	$ 7,433,252,453
2.2	Premium Denominator	$ 7,205,926,949	$ 7,433,252,453
2.3	Premium Ratio (2.1/2.2)	$ 100.000	$ 100.000
2.4	Reserve Numerator	$ 965,518,606	$ 957,298,697
2.5	Reserve Denominator	$ 965,518,606	$ 957,298,697
2.6	Reserve Ratio (2.4/2.5)	$ 100.000	$ 100.000

3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [ ] No [X]
3.2	If yes, give particulars:	
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [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 [ ]
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	$	1,000,000
	5.32 Medical Only	$	0
	5.33 Medicare Supplement	$	0
	5.34 Dental and 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:

NC Life and Guaranty Associations; appropriate provisions in provider agreements protecting members in case of insolvency, as required by law.

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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		52,827
8.2	Number of providers at end of reporting year		56,067
9.1	Does the reporting entity have business subject to premium rate guarantees?		Yes [X] No [ ]
9.2	If yes, direct premium earned:		
9.21	Business with rate guarantees with rate guarantees between 15-36 months	$	3,847,234
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. North Carolina		
11.4	If yes, show the amount required.	$	936,116,044
11.5	Is this amount included as part of a contingency reserve in stockholder's equity?		Yes [X] No [ ]
11.6	If the amount is calculated, show the calculation See Footnote #32		

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

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, authorized reinsurers?		Yes [ ] No [ ] N/A [X]

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		$	$	$	$

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
15.3	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 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	4,110,179,735	4,102,658,894	4,206,136,280	3,786,788,030	3,498,552,257
2. Total liabilities (Page 3, Line 24)	1,899,650,023	2,035,608,732	1,907,821,268	1,398,255,210	1,417,547,908
3. Statutory minimum capital and surplus requirement	936,116,044	863,861,427	789,097,678	716,071,701	658,380,110
4. Total capital and surplus (Page 3, Line 33)	2,210,529,712	2,067,050,162	2,298,315,012	2,388,532,820	2,081,004,349
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	7,189,035,950	7,457,050,299	7,351,796,416	5,816,079,768	5,252,299,086
6. Total medical and hospital expenses (Line 18)	5,865,422,264	6,505,480,537	6,483,983,831	5,035,915,571	4,523,997,618
7. Claims adjustment expenses (Line 20)	490,162,428	468,546,991	460,093,279	455,081,921	342,003,353
8. Total administrative expenses (Line 21)	748,553,883	795,147,111	776,568,491	406,297,483	434,256,292
9. Net underwriting gain (loss) (Line 24)	90,073,528	(308,559,786)	(363,960,993)	(34,510,710)	(12,835,860)
10. Net investment gain (loss) (Line 27)	145,943,087	214,737,214	169,187,702	158,126,832	102,026,507
11. Total other income (Lines 28 plus 29)	20,722,691	23,362,720	23,689,450	25,721,943	27,548,534
12. Net income or (loss) (Line 32)	272,019,840	(5,710,317)	(137,577,232)	180,060,588	89,122,788
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	361,220,723	(169,746,111)	(276,173,986)	137,800,814	172,376,109
Risk-Based Capital Analysis					
14. Total adjusted capital	2,210,529,712	2,067,050,162	2,298,315,012	2,388,532,820	2,081,004,349
15. Authorized control level risk-based capital	263,761,161	285,108,826	291,744,856	231,193,669	199,180,619
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,540,903	1,773,115	1,859,662	1,723,426	1,584,066
17. Total member months (Column 6, Line 7)	19,334,113	21,719,849	22,427,397	20,162,345	18,395,481
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 (Line 18 plus Line 19)	81.7	87.6	88.3	86.5	86.2
20. Cost containment expenses	2.4	2.0	2.2	2.8	2.9
21. Other claims adjustment expenses	4.4	4.3	4.1	5.0	3.7
22. Total underwriting deductions (Line 23)	98.9	104.6	105.1	100.5	100.3
23. Total underwriting gain (loss) (Line 24)	1.3	(4.2)	(5.0)	(0.6)	(0.2)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	475,667,802	578,761,115	446,135,205	374,957,311	315,209,835
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	580,958,712	624,180,448	415,619,515	379,192,876	320,175,037
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	195,497,215	203,879,420	108,512,343	65,993,403	78,534,954
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	195,497,215	203,879,420	108,512,343	65,993,403	78,534,954
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 [ ]

If no, please explain:

* 5 4 6 3 1 2 0 1 6 4 3 0 5 9 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....758

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,773,115	511,085	490,479	160,371	82,786	186,659	164,543	126,978		50,214
2. First quarter	1,684,097	475,725	470,914	155,652	84,441	177,163	164,368	107,192		48,642
3. Second quarter	1,611,585	416,105	455,796	160,542	84,896	174,307	164,011	107,234		48,694
4. Third quarter	1,574,404	395,548	446,591	160,698	82,824	168,271	164,383	107,509		48,580
5. Current year	1,540,903	373,673	436,157	160,025	84,993	165,961	164,388	107,272		48,434
6. Current year member months	19,334,113	5,005,614	5,467,220	1,929,413	1,008,576	2,079,457	1,972,281	1,287,430		584,122
Total Member Ambulatory Encounters for Year:										
7. Physician	8,983,672	1,573,859	1,552,593	3,792,617		69,747	89,335	1,905,521		
8. Non-physician	0									
9. Totals	8,983,672	1,573,859	1,552,593	3,792,617	0	69,747	89,335	1,905,521	0	0
10. Hospital patient days incurred	780,216	104,337	92,392	330,718			35,256	217,513		
11. Number of inpatient admissions	116,298	19,628	20,350	39,993			7,350	28,977		
12. Health premiums written (b)	7,226,652,251	2,381,529,190	2,108,130,279	375,586,323	7,340,993	73,243,207	1,121,822,366	1,000,697,948		158,301,945
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,198,795,709	2,381,529,190	2,108,130,279	375,586,323	7,340,993	73,243,207	1,093,965,824	1,000,697,948		158,301,945
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	5,942,245,313	1,931,279,599	1,689,275,619	272,743,395	4,875,127	51,580,064	1,002,028,829	874,025,777		116,436,903
18. Amount incurred for provision of health care services	5,936,482,624	1,975,509,952	1,672,377,112	268,557,785	4,883,968	51,278,816	997,389,020	849,684,525		116,801,446

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,001,515 and number of persons insured under indemnity only products.....208,459.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,069,490,057

* 5 4 6 3 1 2 0 1 6 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....758

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,773,115	511,085	490,479	160,371	82,786	186,659	164,543	126,978		50,214
2. First quarter	1,684,097	475,725	470,914	155,652	84,441	177,163	164,368	107,192		48,642
3. Second quarter	1,611,585	416,105	455,796	160,542	84,896	174,307	164,011	107,234		48,694
4. Third quarter	1,574,404	395,548	446,591	160,698	82,824	168,271	164,383	107,509		48,580
5. Current year	1,540,903	373,673	436,157	160,025	84,993	165,961	164,388	107,272		48,434
6. Current year member months	19,334,113	5,005,614	5,467,220	1,929,413	1,008,576	2,079,457	1,972,281	1,287,430		584,122
Total Member Ambulatory Encounters for Year:										
7. Physician	8,983,672	1,573,859	1,552,593	3,792,617		69,747	89,335	1,905,521		
8. Non-physician	0									
9. Totals	8,983,672	1,573,859	1,552,593	3,792,617	0	69,747	89,335	1,905,521	0	0
10. Hospital patient days incurred	780,216	104,337	92,392	330,718			35,256	217,513		
11. Number of inpatient admissions	116,298	19,628	20,350	39,993			7,350	28,977		
12. Health premiums written (b)	7,226,652,251	2,381,529,190	2,108,130,279	375,586,323	7,340,993	73,243,207	1,121,822,366	1,000,697,948		158,301,945
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	7,198,795,709	2,381,529,190	2,108,130,279	375,586,323	7,340,993	73,243,207	1,093,965,824	1,000,697,948		158,301,945
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	5,942,245,313	1,931,279,599	1,689,275,619	272,743,395	4,875,127	51,580,064	1,002,028,829	874,025,777		116,436,903
18. Amount incurred for provision of health care services	5,936,482,624	1,975,509,952	1,672,377,112	268,557,785	4,883,968	51,278,816	997,389,020	849,684,525		116,801,446

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,001,515 and number of persons insured under indemnity only products.....208,459.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,069,490,057

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
.....	AA-9990032...	01/01/2014	U.S. Department of Health and Human Services.....	DC.....	87,970,753	12,867,754
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates.....				87,970,753	12,867,754
2199999.	Total - Accident and Health Non-Affiliates.....				87,970,753	12,867,754
2299999.	Total - Accident and Health.....				87,970,753	12,867,754
2399999.	Total U.S.....				87,970,753	12,867,754
9999999.	Total.....				87,970,753	12,867,754

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Affiliates - Non-U.S. - Captive													
.....	AA-9990032...	.01/14/2014	US Dept of HHS	USA	Oth/A/I	CMM	10,786,688						
26921	22-2005057	.12/01/2002	Everest Reinsurance Company	USA	Oth/A/G	SLEL	9,047,090						
69515	34-0977231	.12/01/2002	MedAmerica Insurance Co	USA	LTC/A/G	LTC	891,524	211,739	11,799,613				
0499999.	Total - General Account - Authorized - Affiliates - Non-U.S. - Captive						20,725,302	211,739	11,799,613	0	0	0	0
0699999.	Total - General Account - Authorized - Affiliates - Non-U.S. - Total						20,725,302	211,739	11,799,613	0	0	0	0
0799999.	Total - General Account - Authorized - Affiliates						20,725,302	211,739	11,799,613	0	0	0	0
1199999.	Total - General Account - Authorized						20,725,302	211,739	11,799,613	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						20,725,302	211,739	11,799,613	0	0	0	0
7099999.	Total - Non-U.S.						20,725,302	211,739	11,799,613	0	0	0	0
9999999.	Total						20,725,302	211,739	11,799,613	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2016	2 2015	3 2014	4 2013	5 2012
A.	**OPERATIONS ITEMS**					
1.	Premiums	20,725	31,618	9,192	10,884	11,055
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	2,368	1,816	1,628	2,067	2,213
5.	Total hospital and medical expenses	71,060	254,553	4,406	6,899	7,919
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses	87,971	211,063	247,785		
9.	Experience rating refunds due or unpaid				299	
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers					
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust					
18.	Funds deposited by and withheld from (F)					
19.	Letters of credit (L)					
20.	Trust agreements (T)					
21.	Other (O)					

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	3,118,224,708		3,118,224,708
2.	Accident and health premiums due and unpaid (Line 15)	221,370,928		221,370,928
3.	Amounts recoverable from reinsurers (Line 16.1)	87,970,753		87,970,753
4.	Net credit for ceded reinsurance	XXX	26,992,511	26,992,511
5.	All other admitted assets (balance)	682,613,346		682,613,346
6.	Totals assets (Line 28)	4,110,179,735	26,992,511	4,137,172,246
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	696,584,538	14,981,159	711,565,697
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)	126,794,620		126,794,620
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	1,076,270,865	12,011,352	1,088,282,217
15.	Total liabilities (Line 24)	1,899,650,023	26,992,511	1,926,642,534
16.	Total capital and surplus (Line 33)	2,210,529,712	XXX	2,210,529,712
17.	Total liabilities, capital and surplus (Line 34)	4,110,179,735	26,992,511	4,137,172,246

	NET CREDIT FOR CEDED REINSURANCE	
18.	Claims unpaid	14,981,159
19.	Accrued medical incentive pool	0
20.	Premiums received in advance	0
21.	Reinsurance recoverable on paid losses	0
22.	Other ceded reinsurance recoverables	0
23.	Total ceded reinsurance recoverables	14,981,159
24.	Premiums receivable	0
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0
26.	Unauthorized reinsurance	0
27.	Reinsurance with certified reinsurers	0
28.	Funds held under reinsurance treaties with certified reinsurers	0
29.	Other ceded reinsurance payables/offsets	(12,011,352)
30.	Total ceded reinsurance payables/offsets	(12,011,352)
31.	Total net credit for ceded reinsurance	26,992,511

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	4,993,165,326	1,000,697,948		1,121,822,366			7,115,685,640	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	110,966,611	0	0	0	0	0	110,966,611	0
59. Subtotal	XXX	5,104,131,937	1,000,697,948	0	1,121,822,366	0	0	7,226,652,251	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	5,104,131,937	1,000,697,948	0	1,121,822,366	0	0	7,226,652,251	0
DETAILS OF WRITE-INS									
58001. ACA Risk Adjustment		147,731,850						147,731,850	
58002. ACA Risk Corridor		(36,765,239)						(36,765,239)	
58003.								0	
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998)		110,966,611	0	0	0	0	0	110,966,611	0

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

Explanation of basis of allocation by states, premiums by state, etc.

The Company only has business in the State of North Carolina.

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

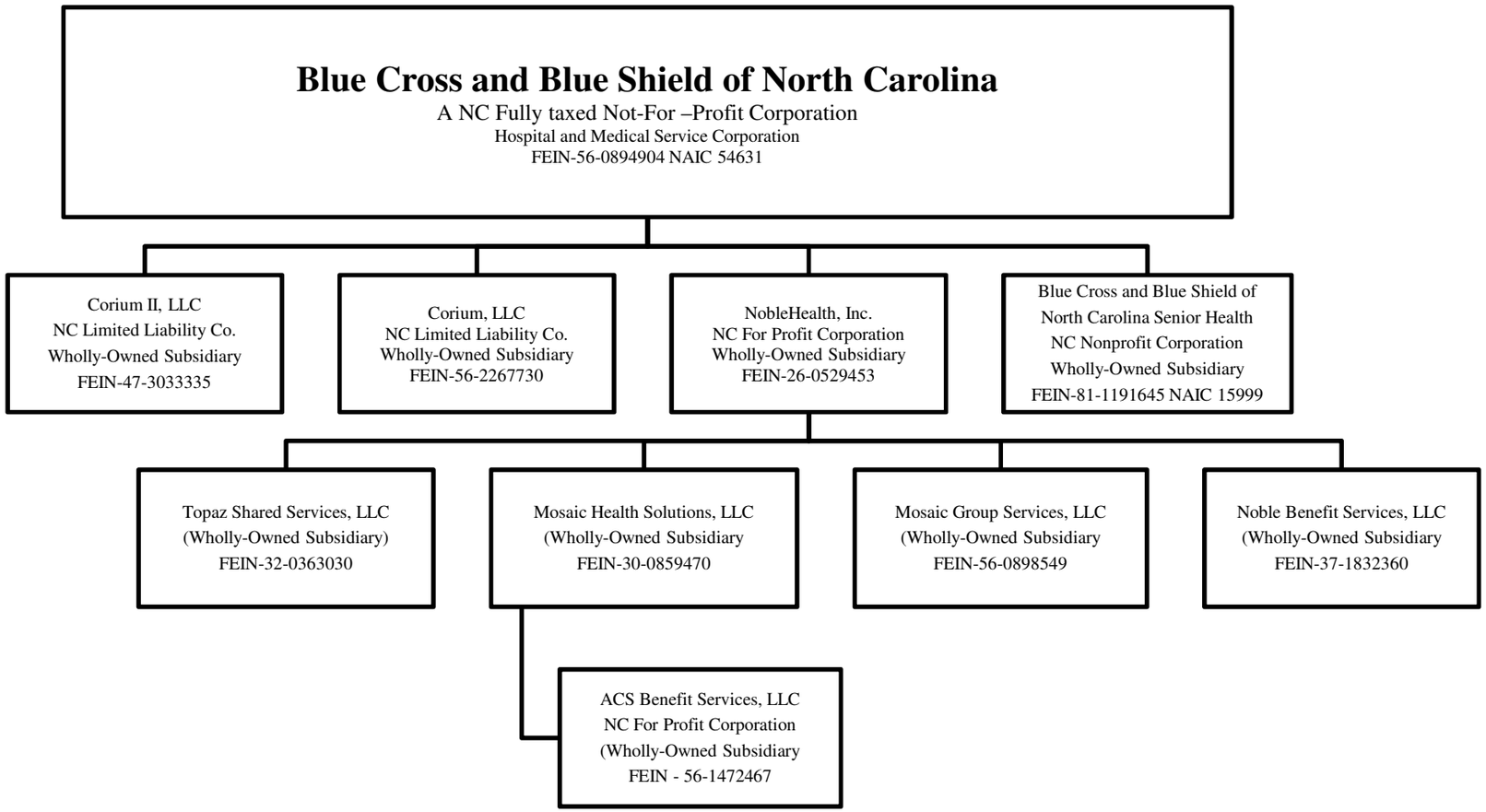
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				891,524		891,524
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	891,524	0	891,524

Corporate Structure
Blue Cross and Blue Shield of North Carolina



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
Members															
0758	BCBS of NC Grp	54631	56-0894904				Blue Cross and Blue Shield of North Carolina	NC	UDP	BCBSNC	Ownership	100.000	Board of Directors	N	A
0758	BCBS of NC Grp	15999	81-1191645				Blue Cross and Blue Shield of North Carolina Senior Health	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			56-2267730				Corium, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			47-3033335				Corium II. LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			26-0529453				NobleHealth, Inc	NC	DS	BCBSNC	Owership	100.000	BCBSNC	Y	
			32-0363030				Topaz Shared Services, LLC	NC	DS	NobleHealth, Inc	Owership	100.000	BCBSNC	N	
			56-0898549				Mosaic Group Services, LLC	NC	DS	NobleHealth, Inc	Owership	100.000	BCBSNC	N	
			37-1832360				Noble Benefit Services, LLC	NC	DS	NobleHealth, Inc	Owership	100.000	BCBSNC	N	
			30-0859470				Mosaic Health Soluctions, LLC	NC	DS	NobleHealth, Inc	Owership	100.000	BCBSNC	N	
			56-1472467				ACS Benefit Services, LLC	NC	DS	Mosaic Health Solutions, LLC	Owership	100.000	BCBSNC	N	

Aster	Explanation
A	BCBSNC has agreed to provide its NobleHealth, administrative services which include but are not limited to management duties, production of business and servicing of the subsidiaries business.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
	56-0898549	Mosaic Group Services, LLC					(9,211,889)				(9,211,889)	
	56-1472467	ACS Benefit Services, Inc.					5,531,772				5,531,772	
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina					3,680,117				3,680,117	
9999999	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
18.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
21.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
22.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
23.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12. The data for this supplement is not required to be filed.

13. The data for this supplement is not required to be filed.

14.

15. The data for this supplement is not required to be filed.

16. The data for this supplement is not required to be filed.

17.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20. The data for this supplement is not required to be filed.

21.

22.

23. The data for this supplement is not required to be filed.

24.

25.

26.

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Prepaid Expenses	65,556,757	65,556,757	0	
2505. Prepaid Retirement	23,179,740	23,179,740	0	
2506. Cash Surrender Value of Life Insurance	11,315,253		11,315,253	10,904,491
2507. AR- VEBA	1,681,525		1,681,525	1,611,315
2508. Mill Credit Note Receivable	367,628		367,628	
2597. Summary of remaining write-ins for Line 25	102,100,903	88,736,497	13,364,406	12,515,806

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Unearned Rent	207,511		207,511	237,500
2305. Reserve for Unclaimed Property			0	9,120
2397. Summary of remaining write-ins for Line 23	207,511	0	207,511	246,620

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Renewable Energy Credits	41,721,715	29,721,040	(12,000,675)
2505. Automobiles		20,789	20,789
2597. Summary of remaining write-ins for Line 25	41,721,715	29,741,829	(11,979,886)

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	106,465,939	3.4	106,465,939		106,465,939	3.4
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	997,365	0.0	997,365		997,365	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	115,666,018	3.7	115,666,018		115,666,018	3.7
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	143,497,854	4.6	143,497,854		143,497,854	4.6
1.43 Revenue and assessment obligations	791,105,413	25.1	764,933,469		764,933,469	24.5
1.44 Industrial development and similar obligations	102,030,258	3.2	102,030,258		102,030,258	3.3
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	18,068,157	0.6	18,068,157		18,068,157	0.6
1.512 Issued or guaranteed by FNMA and FHLMC	95,271,915	3.0	95,271,915		95,271,915	3.1
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	10,137,366	0.3	10,137,366		10,137,366	0.3
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other	82,490,051	2.6	82,490,051		82,490,051	2.6
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	441,245,943	14.0	441,245,943		441,245,943	14.2
2.2 Unaffiliated non-U.S. securities (including Canada)	85,806,716	2.7	85,806,716		85,806,716	2.8
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	389,330,891	12.4	389,330,891		389,330,891	12.5
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated	74,811,635	2.4	74,811,635		74,811,635	2.4
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	1,500,000	0.0	1,500,000		1,500,000	0.0
3.32 Unaffiliated	111,764,437	3.6	111,764,437		111,764,437	3.6
3.4 Other equity securities:						
3.41 Affiliated	193,997,215	6.2	193,997,215		193,997,215	6.2
3.42 Unaffiliated	3,969,450	0.1	3,717,036		3,717,036	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0			0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	2,657,583	0.1	2,657,583		2,657,583	0.1
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	(52,719,218)	(1.7)	(55,129,183)		(55,129,183)	(1.8)
11. Other invested assets	428,964,043	13.6	428,964,043		428,964,043	13.8
12. Total invested assets	3,147,059,031	100.0	3,118,224,708	0	3,118,224,708	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		2,860,885
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)	12,059,215	12,059,215
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13	(1,089,254)	
	3.2 Totals, Part 3, Column 11		(1,089,254)
4.	Total gain (loss) on disposals, Part 3, Column 18		(7,228,549)
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	3,944,714	
	8.2 Totals, Part 3, Column 9		3,944,714
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		2,657,583
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		2,657,583

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		370,218,200
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	82,143,154	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	47,184,435	129,327,589
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	45,705,113	
	5.2 Totals, Part 3, Column 9	(16,680,106)	29,025,007
6.	Total gain (loss) on disposals, Part 3, Column 19		1,126,309
7.	Deduct amounts received on disposals, Part 3, Column 16		99,751,062
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15	982,000	
	10.2 Totals, Part 3, Column 11		982,000
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		428,964,043
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		428,964,043

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		2,665,262,712
2.	Cost of bonds and stocks acquired, Part 3, Column 7		927,407,340
3.	Accrual of discount		1,074,621
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	(20,351,935)	
	4.2 Part 2, Section 1, Column 15	(1,577,930)	
	4.3 Part 2, Section 2, Column 13	43,974,166	
	4.4 Part 4, Column 11	(59,937,458)	(37,893,157)
5.	Total gain (loss) on disposals, Part 4, Column 19		60,579,230
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		835,488,175
7.	Deduct amortization of premium		12,785,950
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14		
	9.4 Part 4, Column 13		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		2,768,156,621
11.	Deduct total nonadmitted amounts		26,424,356
12.	Statement value at end of current period (Line 10 minus Line 11)		2,741,732,265

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	124,534,096	120,733,998	124,810,596	119,729,745
Governments (Including all obligations	2. Canada	997,365	1,002,240	995,900	1,000,000
guaranteed by governments)	3. Other Countries				
	4. Totals	125,531,461	121,736,238	125,806,496	120,729,745
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	115,666,019	119,960,252	119,833,710	110,820,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	143,497,849	149,484,276	147,190,862	134,050,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	998,544,955	1,046,457,438	1,022,424,288	953,291,564
Industrial and Miscellaneous, SVO Identified	8. United States	523,735,995	526,935,721	551,682,877	364,792,161
Funds and Hybrid Securities (unaffiliated)	9. Canada	7,060,963	7,090,376	7,223,289	7,000,000
	10. Other Countries	78,745,753	78,867,694	78,862,407	78,500,000
	11. Totals	609,542,711	612,893,791	637,768,573	450,292,161
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	1,992,782,995	2,050,531,995	2,053,023,929	1,769,183,470
PREFERRED STOCKS	14. United States	74,811,635	75,244,077	75,788,524	
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	74,811,635	75,244,077	75,788,524	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	74,811,635	75,244,077	75,788,524	
COMMON STOCKS	20. United States	502,490,689	502,490,689	278,874,825	
Industrial and Miscellaneous (Unaffiliated)	21. Canada	5,528	5,528	5,163	
	22. Other Countries	2,568,559	2,568,559	2,575,114	
	23. Totals	505,064,776	505,064,776	281,455,102	
Parent, Subsidiaries and Affiliates	24. Totals	195,497,215	195,497,215	185,703,964	
	25. Total Common Stocks	700,561,991	700,561,991	467,159,066	
	26. Total Stocks	775,373,626	775,806,068	542,947,590	
	27. Total Bonds and Stocks	2,768,156,621	2,826,338,063	2,595,971,519	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. **U.S. Governments**												
1.1 NAIC 1	57,032,083	18,669,809	52,520,152	3,137,965	47,802,623	XXX	179,162,632	8.8	137,562,217	7.3	179,162,632	
1.2 NAIC 2						XXX	0	0.0		0.0		
1.3 NAIC 3						XXX	0	0.0		0.0		
1.4 NAIC 4						XXX	0	0.0		0.0		
1.5 NAIC 5						XXX	0	0.0		0.0		
1.6 NAIC 6						XXX	0	0.0		0.0		
1.7 Totals	57,032,083	18,669,809	52,520,152	3,137,965	47,802,623	XXX	179,162,632	8.8	137,562,217	7.3	179,162,632	0
2. **All Other Governments**												
2.1 NAIC 1			997,365			XXX	997,365	0.0	996,972	0.1	997,365	
2.2 NAIC 2						XXX	0	0.0		0.0		
2.3 NAIC 3						XXX	0	0.0		0.0		
2.4 NAIC 4						XXX	0	0.0		0.0		
2.5 NAIC 5						XXX	0	0.0		0.0		
2.6 NAIC 6						XXX	0	0.0		0.0		
2.7 Totals	0	0	997,365	0	0	XXX	997,365	0.0	996,972	0.1	997,365	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**												
3.1 NAIC 1	20,647,030	66,552,482	25,895,497			XXX	113,095,009	5.5	100,433,426	5.4	113,095,009	
3.2 NAIC 2			2,571,010			XXX	2,571,010	0.1	2,579,017	0.1	2,571,010	
3.3 NAIC 3						XXX	0	0.0		0.0		
3.4 NAIC 4						XXX	0	0.0		0.0		
3.5 NAIC 5						XXX	0	0.0		0.0		
3.6 NAIC 6						XXX	0	0.0		0.0		
3.7 Totals	20,647,030	66,552,482	28,466,507	0	0	XXX	115,666,019	5.6	103,012,443	5.5	115,666,019	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 NAIC 1	7,721,868	53,420,330	65,235,160	16,191,100	929,391	XXX	143,497,849	7.0	134,457,848	7.2	143,497,849	
4.2 NAIC 2						XXX	0	0.0		0.0		
4.3 NAIC 3						XXX	0	0.0		0.0		
4.4 NAIC 4						XXX	0	0.0		0.0		
4.5 NAIC 5						XXX	0	0.0		0.0		
4.6 NAIC 6						XXX	0	0.0		0.0		
4.7 Totals	7,721,868	53,420,330	65,235,160	16,191,100	929,391	XXX	143,497,849	7.0	134,457,848	7.2	143,497,849	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 NAIC 1	104,023,305	415,202,190	361,324,582	79,595,787	15,512,152	XXX	975,658,016	47.7	988,166,009	52.7	975,658,016	
5.2 NAIC 2		12,485,833	10,401,106			XXX	22,886,939	1.1	18,967,019	1.0	22,886,939	
5.3 NAIC 3						XXX	0	0.0		0.0		
5.4 NAIC 4						XXX	0	0.0		0.0		
5.5 NAIC 5						XXX	0	0.0		0.0		
5.6 NAIC 6						XXX	0	0.0		0.0		
5.7 Totals	104,023,305	427,688,023	371,725,688	79,595,787	15,512,152	XXX	998,544,955	48.8	1,007,133,028	53.7	998,544,955	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 NAIC 1	32,373,399	105,179,080	83,981,132	4,364,485	13,106,269	XXX	239,004,365	11.7	333,884,569	17.8	177,875,821	61,128,544
6.2 NAIC 2	8,639,513	45,259,377	90,940,292	11,445,288	6,786,684	XXX	163,071,154	8.0	126,228,276	6.7	141,255,256	21,815,898
6.3 NAIC 3		148,699,393	6,880,000		1,185,000	XXX	156,764,393	7.7	33,292,816	1.8	154,079,393	2,685,000
6.4 NAIC 4						XXX	0	0.0		0.0		
6.5 NAIC 5						XXX	0	0.0		0.0		
6.6 NAIC 6						XXX	0	0.0		0.0		
6.7 Totals	41,012,912	299,137,850	181,801,424	15,809,773	21,077,953	XXX	558,839,912	27.3	493,405,661	26.3	473,210,470	85,629,442
7. **Hybrid Securities**												
7.1 NAIC 1		6,318,770		2,025,207		XXX	8,343,977	0.4		0.0	8,343,977	
7.2 NAIC 2		25,652,378	3,888,504		5,014,678	XXX	34,555,560	1.7		0.0	31,274,630	3,280,930
7.3 NAIC 3		1,906,223	769,433		5,127,606	XXX	7,803,262	0.4		0.0	7,211,752	591,510
7.4 NAIC 4						XXX	0	0.0		0.0		
7.5 NAIC 5						XXX	0	0.0		0.0		
7.6 NAIC 6						XXX	0	0.0		0.0		
7.7 Totals	0	33,877,371	4,657,937	2,025,207	10,142,284	XXX	50,702,799	2.5	0	0.0	46,830,359	3,872,440
8. **Parent, Subsidiaries and Affiliates**												
8.1 NAIC 1						XXX	0	0.0		0.0		
8.2 NAIC 2						XXX	0	0.0		0.0		
8.3 NAIC 3						XXX	0	0.0		0.0		
8.4 NAIC 4						XXX	0	0.0		0.0		
8.5 NAIC 5						XXX	0	0.0		0.0		
8.6 NAIC 6						XXX	0	0.0		0.0		
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. **SVO Identified Funds**												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.7 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. **Total Bonds Current Year**												
10.1 NAIC 1	(d) 221,797,685	665,342,661	589,953,888	105,314,544	77,350,435	0	1,659,759,213	81.1	XXX	XXX	1,598,630,669	61,128,544
10.2 NAIC 2	(d) 8,639,513	83,397,588	107,800,912	11,445,288	11,801,362	0	223,084,663	10.9	XXX	XXX	197,987,835	25,096,828
10.3 NAIC 3	(d) 0	150,605,616	7,649,433	0	6,312,606	0	164,567,655	8.0	XXX	XXX	161,291,145	3,276,510
10.4 NAIC 4	(d) 0	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 NAIC 5	(d) 0	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 NAIC 6	(d) 0	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	230,437,198	899,345,865	705,404,233	116,759,832	95,464,403	0	(b) 2,047,411,531	100.0	XXX	XXX	1,957,909,649	89,501,882
10.8 Line 10.7 as a % of Col. 7	11.3	43.9	34.5	5.7	4.7	0.0	100.0	XXX	XXX	XXX	95.6	4.4
11. **Total Bonds Prior Year**												
11.1 NAIC 1	174,273,059	755,658,347	600,892,287	113,494,648	51,182,700	XXX	XXX	XXX	1,695,501,041	90.4	1,642,908,997	52,592,044
11.2 NAIC 2	3,134,409	48,455,438	82,078,571	10,063,106	4,042,788	XXX	XXX	XXX	147,774,312	7.9	124,938,009	22,836,303
11.3 NAIC 3		29,659,365	1,500,000		2,133,451	XXX	XXX	XXX	33,292,816	1.8	31,792,816	1,500,000
11.4 NAIC 4						XXX	XXX	XXX	0	0.0		
11.5 NAIC 5						XXX	XXX	XXX	(c) 0	0.0		
11.6 NAIC 6						XXX	XXX	XXX	(c) 0	0.0		
11.7 Totals	177,407,468	833,773,150	684,470,858	123,557,754	57,358,939	XXX	XXX	XXX	(b) 1,876,568,169	100.0	1,799,639,822	76,928,347
11.8 Line 11.7 as a % of Col. 9	9.5	44.4	36.5	6.6	3.1	XXX	XXX	XXX	100.0	XXX	95.9	4.1
12. **Total Publicly Traded Bonds**												
12.1 NAIC 1	211,084,288	638,734,417	573,555,588	102,708,866	72,547,510	XXX	1,598,630,669	78.1	1,642,908,997	87.5	1,598,630,669	XXX
12.2 NAIC 2	5,841,873	76,495,448	92,988,169	11,445,288	11,217,057	XXX	197,987,835	9.7	124,938,009	6.7	197,987,835	XXX
12.3 NAIC 3		150,605,616	6,149,433		4,536,096	XXX	161,291,145	7.9	31,792,816	1.7	161,291,145	XXX
12.4 NAIC 4						XXX	0	0.0	0	0.0	0	XXX
12.5 NAIC 5							0	0.0	0	0.0	0	XXX
12.6 NAIC 6							0	0.0	0	0.0	0	XXX
12.7 Totals	216,926,161	865,835,481	672,693,190	114,154,154	88,300,663	0	1,957,909,649	95.6	1,799,639,822	95.9	1,957,909,649	XXX
12.8 Line 12.7 as a % of Col. 7	11.1	44.2	34.4	5.8	4.5	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	10.6	42.3	32.9	5.6	4.3	0.0	95.6	XXX	XXX	XXX	95.6	XXX
13. **Total Privately Placed Bonds**												
13.1 NAIC 1	10,713,392	26,608,242	16,398,301	2,605,676	4,802,933		61,128,544	3.0	52,592,044	2.8	XXX	61,128,544
13.2 NAIC 2	2,797,642	6,902,140	14,812,742		584,304		25,096,828	1.2	22,836,303	1.2	XXX	25,096,828
13.3 NAIC 3			1,500,000		1,776,510		3,276,510	0.2	1,500,000	0.1	XXX	3,276,510
13.4 NAIC 4							0	0.0	0	0.0	XXX	0
13.5 NAIC 5							0	0.0	0	0.0	XXX	0
13.6 NAIC 6							0	0.0	0	0.0	XXX	0
13.7 Totals	13,511,034	33,510,382	32,711,043	2,605,676	7,163,747	0	89,501,882	4.4	76,928,347	4.1	XXX	89,501,882
13.8 Line 13.7 as a % of Col. 7	15.1	37.4	36.5	2.9	8.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.7	1.6	1.6	0.1	0.3	0.0	4.4	XXX	XXX	XXX	XXX	4.4

(a) Includes $.....89,501,883 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....8,810,473 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....54,628,536; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. **U.S. Governments**												
1.1 Issuer Obligations	54,628,535	11,308,447	47,834,843		47,322,649	XXX	161,094,474	7.9	124,424,267	6.6	161,094,474	
1.2 Residential Mortgage-Backed Securities	2,403,548	7,361,362	4,685,309	3,137,965	479,974	XXX	18,068,158	0.9	13,137,951	0.7	18,068,158	
1.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
1.5 Totals	57,032,083	18,669,809	52,520,152	3,137,965	47,802,623	XXX	179,162,632	8.8	137,562,218	7.3	179,162,632	0
2. **All Other Governments**												
2.1 Issuer Obligations			997,365			XXX	997,365	0.0	996,973	0.1	997,365	
2.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
2.5 Totals	0	0	997,365	0	0	XXX	997,365	0.0	996,973	0.1	997,365	0
3. **U.S. States, Territories and Possessions, Guaranteed**												
3.1 Issuer Obligations	20,647,030	66,552,482	28,466,507			XXX	115,666,019	5.6	103,012,442	5.5	115,666,019	
3.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
3.5 Totals	20,647,030	66,552,482	28,466,507	0	0	XXX	115,666,019	5.6	103,012,442	5.5	115,666,019	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 Issuer Obligations	7,721,868	53,420,330	65,235,160	16,191,100	929,391	XXX	143,497,849	7.0	134,457,848	7.2	143,497,849	
4.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
4.5 Totals	7,721,868	53,420,330	65,235,160	16,191,100	929,391	XXX	143,497,849	7.0	134,457,848	7.2	143,497,849	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 Issuer Obligations	69,275,926	341,513,126	306,275,753	61,653,592	12,387,021	XXX	791,105,418	38.6	812,351,821	43.3	791,105,418	
5.2 Residential Mortgage-Backed Securities	11,845,739	36,638,170	25,720,840	17,942,194	3,125,131	XXX	95,272,074	4.7	78,007,883	4.2	95,272,074	
5.3 Commercial Mortgage-Backed Securities		10,137,206				XXX	10,137,206	0.5		0.0	10,137,206	
5.4 Other Loan-Backed and Structured Securities	22,901,635	39,399,527	39,729,095			XXX	102,030,257	5.0	116,773,323	6.2	102,030,257	
5.5 Totals	104,023,300	427,688,029	371,725,688	79,595,786	15,512,152	XXX	998,544,955	48.8	1,007,133,027	53.7	998,544,955	0
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 Issuer Obligations	14,620,869	245,665,328	117,173,422	15,500,183	21,077,952	XXX	414,037,754	20.2	375,311,040	20.0	374,735,867	39,301,887
6.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
6.3 Commercial Mortgage-Backed Securities	22,003,034	9,897,202	50,589,815			XXX	82,490,051	4.0	82,076,165	4.4	78,656,632	3,833,419
6.4 Other Loan-Backed and Structured Securities	4,389,008	43,575,321	14,038,188	309,590		XXX	62,312,107	3.0	36,018,457	1.9	19,817,969	42,494,138
6.5 Totals	41,012,911	299,137,851	181,801,425	15,809,773	21,077,952	XXX	558,839,912	27.3	493,405,662	26.3	473,210,468	85,629,444
7. **Hybrid Securities**												
7.1 Issuer Obligations		33,877,372	4,657,937	2,025,207	10,142,283	XXX	50,702,799	2.5		0.0	46,830,360	3,872,439
7.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
7.5 Totals	0	33,877,372	4,657,937	2,025,207	10,142,283	XXX	50,702,799	2.5	0	0.0	46,830,360	3,872,439
8. **Parent, Subsidiaries and Affiliates**												
8.1 Issuer Obligations						XXX	0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. **SVO Identified Funds**												
9.1 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.2 Bond Mutual Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.3 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10. **Total Bonds Current Year**												
10.1 Issuer Obligations	166,894,228	752,337,085	570,640,987	95,370,082	91,859,296	XXX	1,677,101,678	81.9	XXX	XXX	1,633,927,352	43,174,326
10.2 Residential Mortgage-Backed Securities	14,249,287	43,999,532	30,406,149	21,080,159	3,605,105	XXX	113,340,232	5.5	XXX	XXX	113,340,232	0
10.3 Commercial Mortgage-Backed Securities	22,003,034	20,034,408	50,589,815	0	0	XXX	92,627,257	4.5	XXX	XXX	88,793,838	3,833,419
10.4 Other Loan-Backed and Structured Securities	27,290,643	82,974,848	53,767,283	309,590	0	XXX	164,342,364	8.0	XXX	XXX	121,848,226	42,494,138
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10.6 Totals	230,437,192	899,345,873	705,404,234	116,759,831	95,464,401	0	2,047,411,531	100.0	XXX	XXX	1,957,909,648	89,501,883
10.7 Line 10.6 as a % of Col. 7	11.3	43.9	34.5	5.7	4.7	0.0	100.0	XXX	XXX	XXX	95.6	4.4
11. **Total Bonds Prior Year**												
11.1 Issuer Obligations	141,312,445	676,619,413	571,729,591	106,018,118	54,874,824	XXX	XXX	XXX	1,550,554,391	82.6	1,504,493,856	46,060,535
11.2 Residential Mortgage-Backed Securities	12,091,562	38,450,463	23,646,716	14,472,977	2,484,116	XXX	XXX	XXX	91,145,834	4.9	91,145,834	
11.3 Commercial Mortgage-Backed Securities	19,152,293	28,147,579	34,776,293			XXX	XXX	XXX	82,076,165	4.4	77,611,777	4,464,388
11.4 Other Loan-Backed and Structured Securities	4,851,167	90,555,696	54,318,258	3,066,659		XXX	XXX	XXX	152,791,780	8.1	126,388,355	26,403,425
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.6 Totals	177,407,467	833,773,151	684,470,858	123,557,754	57,358,940	XXX	XXX	XXX	1,876,568,170	100.0	1,799,639,822	76,928,348
11.7 Line 11.6 as a % of Col. 9	9.5	44.4	36.5	6.6	3.1	XXX	XXX	XXX	100.0	XXX	95.9	4.1
12. **Total Publicly Traded Bonds**												
12.1 Issuer Obligations	159,446,542	745,434,935	551,585,911	92,764,405	84,695,559	XXX	1,633,927,352	79.8	1,504,493,856	80.2	1,633,927,352	XXX
12.2 Residential Mortgage-Backed Securities	14,249,287	43,999,531	30,406,149	21,080,159	3,605,106	XXX	113,340,232	5.5	91,145,834	4.9	113,340,232	XXX
12.3 Commercial Mortgage-Backed Securities	18,169,615	20,034,408	50,589,815			XXX	88,793,838	4.3	77,611,777	4.1	88,793,838	XXX
12.4 Other Loan-Backed and Structured Securities	25,060,715	56,366,606	40,111,315	309,590		XXX	121,848,226	6.0	126,388,355	6.7	121,848,226	XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX	0	XXX
12.6 Totals	216,926,159	865,835,480	672,693,190	114,154,154	88,300,665	0	1,957,909,648	95.6	1,799,639,822	95.9	1,957,909,648	XXX
12.7 Line 12.6 as a % of Col. 7	11.1	44.2	34.4	5.8	4.5	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10	10.6	42.3	32.9	5.6	4.3	0.0	95.6	XXX	XXX	XXX	95.6	XXX
13. **Total Privately Placed Bonds**												
13.1 Issuer Obligations	7,447,688	6,902,140	19,055,075	2,605,676	7,163,747	XXX	43,174,326	2.1	46,060,535	2.5	XXX	43,174,326
13.2 Residential Mortgage-Backed Securities						XXX	0	0.0	0	0.0	XXX	0
13.3 Commercial Mortgage-Backed Securities	3,833,419					XXX	3,833,419	0.2	4,464,388	0.2	XXX	3,833,419
13.4 Other Loan-Backed and Structured Securities	2,229,928	26,608,242	13,655,968			XXX	42,494,138	2.1	26,403,425	1.4	XXX	42,494,138
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX	XXX	0
13.6 Totals	13,511,035	33,510,382	32,711,043	2,605,676	7,163,747	0	89,501,883	4.4	76,928,348	4.1	XXX	89,501,883
13.7 Line 13.6 as a % of Col. 7	15.1	37.4	36.5	2.9	8.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10	0.7	1.6	1.6	0.1	0.3	0.0	4.4	XXX	XXX	XXX	XXX	4.4

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	59,304,524	59,304,524			
2. Cost of short-term investments acquired	700,380,477	700,380,477			
3. Accrual of discount	66	66			
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	705,056,531	705,056,531			
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	54,628,536	54,628,536	0	0	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	54,628,536	54,628,536	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
3.1	Section 1, Column 17			
3.2	Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
6.1	Section 1, Column 19			
6.2	Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
7.1	Section 1, Column 20			
7.2	Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
8.1	Section 1, Column 18			
8.2	Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)			
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)			
3.1	Add:			
	Change in variation margin on open contracts - highly effective hedges:			
3.11	Section 1, Column 15, current year minus			
3.12	Section 1, Column 15, prior year		0	
	Change in the valuation margin on open contracts - all other:			
3.13	Section 1, Column 18, current year minus			
3.14	Section 1, Column 18, prior year		0	0
3.2	Add:			
	Change in adjustment to basis of hedged item:			
3.21	Section 1, Column 17, current year to date minus			
3.22	Section 1, Column 17, prior year		0	
	Change in amount recognized:			
3.23	Section 1, Column 19, current year to date minus			
3.24	Section 1, Column 19, prior year		0	0
3.3	Subtotal (Line 3.1 minus Line 3.2)			0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)			
4.2	Less:			
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)			
4.22	Amount recognized (Section 2, Column 16)		0	
4.3	Subtotal (Line 4.1 minus Line 4.2)			0
5.	Dispositions gains (losses) on contracts terminated in prior year:			
5.1	Total gain (loss) recognized for terminations in prior year			
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year			
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)			0
7.	Deduct nonadmitted assets			
8.	Statement value at end of current period (Line 6 minus Line 7)			0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

NONE

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Total (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0
		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0
		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0		
2. Cost of cash equivalents acquired	0		
3. Accrual of discount	0		
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	0		
6. Deduct consideration received on disposals	0		
7. Deduct amortization of premium	0		
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

NONE

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:...

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Administrative																
Building 100		Durham	NC	12/31/2009.	01/01/2014.	34,637,908	18,815,574			966,145		1,055,373	89,228		4,563,950	1,950,928
Building 200 & 250		Durham	NC	12/31/2009.	01/01/2014.	37,996,091	18,415,523			723,425		(573,303)	(1,296,728)		5,006,430	958,711
Parking Deck B		Durham	NC	12/31/2009.	12/31/2009.	6,735,186	3,686,398			285,014		293,657	8,643		887,440	69,601
Building 450		Durham	NC	06/02/2013.	04/16/2016.	17,792,658	17,310,055			324,824		1,474,256	1,149,432		2,344,391	339,383
Parking Deck E		Durham	NC	06/02/2013.	04/16/2016.	8,403,021	7,817,267			560,778		665,693	104,915		1,107,196	13,463
Building 400		Durham	NC	06/02/2013.	04/16/2016.	8,099,732	7,845,817			120,091		668,127	548,036		1,067,235	458,379
Building 500		Durham	NC	06/02/2013.	04/16/2016.	5,233,016	6,004,650			38,323		511,340	473,017		689,511	294,185
Building 600		Durham	NC	03/07/2003.	04/06/2016.	11,855,938	8,505,943			346,952		(4,890,671)	(5,237,623)		1,562,159	280,175
Building 700		Durham	NC	09/03/2013.	10/26/2016.	6,540,196	5,861,756			194,876		223,744	28,868		861,747	295,430
Building 800		Durham	NC	12/31/2008.	10/26/2016.	7,707,602	4,076,587			128,042		(517,470)	(645,512)		1,015,567	237,527
0299999. Properties Occupied by the Reporting Entity - Administrative						145,001,348	98,339,570	0	0	3,688,470	0	(1,089,254)	(4,777,724)	0	19,105,626	4,897,782
0399999. Total - Properties Occupied by the Reporting Entity						145,001,348	98,339,570	0	0	3,688,470	0	(1,089,254)	(4,777,724)	0	19,105,626	4,897,782
Properties Held for the Production of Income																
Dukestrert building		Durham	NC	01/23/1970.	03/05/2010.	5,268,881		2,657,583		256,244			(256,244)		249,522	194,773
0499999. Total - Properties Held for the Production of Income						5,268,881	0	2,657,583	0	256,244	0	0	(256,244)	0	249,522	194,773
0699999. Totals						150,270,229	98,339,570	2,657,583	0	3,944,714	0	(1,089,254)	(5,033,968)	0	19,355,148	5,092,555

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Building 200 & 250	Durham	NC	03/31/2016.	Various				872,048
Building 200 & 250	Durham	NC	06/30/2016.	Various				49,615
Building 200 & 250	Durham	NC	09/30/2016.	Various				1,028,956
Building 200 & 250	Durham	NC	11/30/2016.	Various				30,193
Building 450	Durham	NC	03/31/2016.	Various				1,338,590
Building 450	Durham	NC	06/30/2016.	Various				1,719,851
Building 450	Durham	NC	09/30/2016.	Various				982,874
Building 450	Durham	NC	12/31/2016.	Various				911,222
Building 600	Durham	NC	03/31/2016.	Various				673,229
Building 600	Durham	NC	06/30/2016.	Various				199,366
Building 600	Durham	NC	09/30/2016.	Various				70,757
Building 600	Durham	NC	10/31/2016.	Various				2,900
Building 800	Durham	NC	06/31/2016.	Various				68,027
Building 800	Durham	NC	09/30/2016.	Various				240,328
Building 800	Durham	NC	11/30/2016.	Various				14,259
Parking Deck E	Durham	NC	03/31/2016.	Various				2,246,511
Parking Deck E	Durham	NC	06/30/2016.	Various				772,943
Parking Deck E	Durham	NC	09/30/2016.	Various				682,643
Parking Deck E	Durham	NC	12/31/2016.	Various				46,403
Dukestreet	Durham	NC	10/31/2016.	Various				108,500
0199999. Total - Acquired by Purchase					0	0	0	12,059,215
0399999. Totals					0	0	0	12,059,215

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
Property Disposed																			
Dukestreet Building	Durham	NC	12//15/2016	Various	55,375		55,375				0		55,375			(55,375)	(55,375)		
Building 400, 450 500	Durham	NC	12/31/2016.	Various	7,167,383		7,167,383				0		7,167,383			(7,167,383)	(7,167,383)		
Building800	Durham	NC	12/31/2016.	Various	5,791		5,791				0		5,791			(5,791)	(5,791)		
0199999. Total - Property Disposed					7,228,549	0	7,228,549	0	0	0	0	0	7,228,549	0	0	(7,228,549)	(7,228,549)	0	0
0399999. Totals					7,228,549	0	7,228,549	0	0	0	0	0	7,228,549	0	0	(7,228,549)	(7,228,549)	0	0

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

E04

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	COMVEST INVESTMENT PARTNERS V-A, LP				Comvest Investment Partners V-A, LP		11/02/2015		798,573	750,652	750,652	(47,921)		342,000				3,859,427	1.229
000000 00 0	FLARE CAPITAL PARTNERS I, L.P				Foundation Medical Managers IV, LLC		06/20/2014		767,922	654,417	654,417	(113,505)						2,232,078	1.756
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP				HarbourVest Partners IX - Venture Associ		06/28/2012		8,833,789	10,671,725	10,671,725	1,837,936						6,956,250	1.230
000000 00 0	NORTHGATE VENTURE PARTNERS VI, LLC				Northgate Venture VI, LLC		08/31/2012		14,579,791	16,816,480	16,816,480	2,236,689						5,200,000	8.823
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P				HEP Associates II, LLC		07/10/2013		578,575	680,477	680,477	101,902					51,131	377,222	6.950
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP				Adams Street Partners LLC		07/06/2012		14,373,571	16,044,909	16,044,909	1,671,338					64,096	9,402,500	3.366
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES III				Blue Cross Blue Shield Ventures III, Inc		03/29/2016		1,122,184	941,969	941,969	(180,215)						8,877,816	4.233
000000 00 0	C.B. HEALTHCARE FUND II, L.P				Cain Brothers, LLC		04/24/2001		44,409	27,847	27,847	(16,562)							3.202
000000 00 0	NAUTIC PARTNERS VII-A, L.P				Nautic Partners, LLC		10/27/2014		1,332,904	3,785,767	3,785,767	2,452,862					(37,450)	1,606,064	2.280
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP				HarbourVest Partners IX -Buyout Associat		06/28/2012		5,517,571	6,926,629	6,926,629	1,409,058					149,970	1,312,500	0.640
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P				HEP Associates, LLC		03/30/2007		1,933,136	2,448,250	2,448,250	515,114					(49,527)	99,913	3.288
000000 00 0	HKN VENTURE PARTNERS IV LP				HKN Venture Partners IV LP		09/16/2015		1,475,000	1,314,648	1,314,648	(160,352)						3,525,000	5.710
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P				So. Capital Tech. Fund II Mgmt Co		06/15/2006		246,127	464,838	464,838	218,711						90,000	3.319
000000 00 0	WLSH CARSON ANDERSON & STOWE				Wlsh Carson Anderson & Stowe		04/20/2015		2,780,649	2,974,911	2,974,911	194,262						7,219,351	0.300
000000 00 0	C.B. HEALTHCARE FUND II, L.P. ADD-ON FUND				Cain Brothers, LLC		04/24/2001		(2,758)	268	268	3,026							6.136
000000 00 0	EXCEL MEDICAL FUND I				Excel Medical Ventures, LLC		03/18/2013		1,490,140	1,238,027	1,238,027	(252,113)		496,000			589	805,450	2.434
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II				Blue Cross Blue Shield Ventures II, Inc		06/24/2011		1,477,964	3,159,306	3,159,306	1,681,342						1,738,677	2.623
000000 00 0	NAUTIC PARTNERS VIII-A, L.P				Nautic Partners, LLC		12/14/2016		549,009	550,480	550,480	1,471						9,450,991	3.977
000000 00 0	HATTERAS VENTURE PARTNERS V, LP				Hatteras Venture Partners V, LP		01/12/2016		337,500	271,240	271,240	(66,260)						2,162,500	3.500
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P				Synergy Management, LLC		12/13/2007		1,402,634	1,314,769	1,314,769	(87,865)		124,000				75,179	2.083
000000 00 0	EXCEL VENTURE FUND II				Excel Ventures II GP, LLC		03/28/2013		1,195,205	1,099,684	1,099,684	(95,521)						729,795	2.063
000000 00 0	NORTHGATE VENTURE GROWTH III				NCD Management III, LLC		03/29/2016		17,284,686	19,576,745	19,576,745	2,292,059						1,000,000	8.000
000000 00 0	BULLCITY VENTURE PARTNERS FUND III				Bull City Fund III GP, LLC		02/13/2013		314,500	277,102	277,102	(37,398)		20,000			1,010	631,500	2.891
000000 00 0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P.				Camden Partners Strategic V, LLC		04/03/2014		4,250,000	4,374,505	4,374,505	124,505						750,000	9.200
000000 00 0	NORO-MOSELEY PARTNERS VII, L.P				Moseley and Company VII LLC		10/22/2014		1,800,000	1,892,561	1,892,561	92,561					8,499	1,200,000	6.399
000000 00 0	NORTHGATE VENTURE PARTNERS VII, L.P				NCD Management VII, LLC		07/12/2012		3,600,000	3,185,690	3,185,690	(414,310)						6,400,000	8.231
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P				Hatteras Ventures Advisors IV, LLC		08/25/2011		1,057,499	1,437,724	1,437,724	380,225						439,500	1.620
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									89,140,580	102,881,620	102,881,620	13,741,039	0	982,000	0	0	188,318	76,141,713	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	AEW REAL ESTATE TRUST				AEW Capital Management LP		09/30/2016		49,484,795	61,441,302	61,441,302	1,514,190					1,899,888		1.150
000000 00 0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME				I&G Manager, LLC		08/30/2016		56,163,267	76,132,076	76,132,076	19,968,809					541,663		3.000
000000 00 0	MORGAN STANLEY PRIME PROPERTY FUND				Prime Property Fund LLC		09/30/2013		67,791,935	84,093,214	84,093,214	10,804,234					2,381,318		0.490
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									173,439,997	221,666,592	221,666,592	32,287,233	0	0	0	0	4,822,869	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	PRINCIPAL REAL ESTATE DEBT FUND, L.P				Principal Real Estate Debt Fund GP, LLC		05/07/2014		29,421,678	29,642,846	29,642,846	221,168					2,189,432	935,133	6.400
000000 00 0	CRESCENT MEZZANINE PARTNERS VII				Crescent Mezzanine Partners VII, L.P		01/19/2016		2,745,775	2,944,217	2,944,217	198,442						32,193,400	1.000
000000 00 0	FEDERATED PROJECT & TRADE FINANCE CORE FUND				Federated Investors Inc		05/30/2014		38,819,120	37,577,463	37,577,463	(1,241,657)					1,455,385		7.000
000000 00 0	CRESCENT MEZZANINE PARTNERS VI				Crescent Mezzanine VI, LLC		08/30/2013		22,007,697	23,011,077	23,011,077	1,003,380					1,974,785	5,780,109	1.000

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP				KKR Associates EIGF LP		10/31/2013		11,744,720	11,240,228	11,240,228	(504,492)					(1,032,916)	18,001,390	3.100
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									104,738,990	104,415,831	104,415,831	(323,159)	0	0	0	0	4,586,686	56,910,032	XXX
4499999. Subtotal - Unaffiliated									367,319,567	428,964,043	428,964,043	45,705,113	0	982,000	0	0	9,597,873	133,051,745	XXX
4699999. Totals									367,319,567	428,964,043	428,964,043	45,705,113	0	982,000	0	0	9,597,873	133,051,745	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
000000 00 0	Comvest Investment Partners V-A, LP			VARIOUS	12/27/2016.			767,941		1.229
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P.			SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P.	12/20/2016.			10,000		3.319
000000 00 0	Blue Cross Blue Shield Ventures II			Blue Cross Blue Shield Ventures II	09/23/2016.			514,144		2.623
000000 00 0	Synergy Life Science Partners, L.P.			Synergy Life Science Partners, L.P.	08/06/2016.			99,000		2.083
000000 00 0	Northgate Direct Inv III			Northgate Direct Inv III	03/30/2016.		16,584,686	1,000,000		8.000
000000 00 0	BullCity Venture Partners Fund III			VARIOUS	11/14/2016.			72,016		2.891
000000 00 0	Camden Partners Strategic Fund V - A, L.P.			VARIOUS	12/22/2016.			400,000		9.200
000000 00 0	Northgate Venture Partners VI, LLC			VARIOUS	11/08/2016.			2,400,000		8.823
000000 00 0	Adams Street 2012 Gloabal Fund LP			Adams Street 2012 Gloabal Fund LP	07/31/2016.			1,586,669		3.366
000000 00 0	Blue Cross Blue Shield Ventures III			VARIOUS	12/22/2016.		86,514	1,035,670		4.233
000000 00 0	Noro-Moseley Partners VII, L.P.			Noro-Moseley Partners VII, L.P.	08/22/2016.			675,000		6.399
000000 00 0	Northgate Capital Direct Partners VII, L.P.			VARIOUS	11/04/2016.		2,300,000	1,600,000		8.231
000000 00 0	Health Enterprise Partners II, L.P.			VARIOUS	12/27/2016.			209,785		6.950
000000 00 0	Nautic Partners VII-A, L.P.			VARIOUS	10/28/2016.			1,422,863		2.280
000000 00 0	Health Enterprise Partners, L.P.			VARIOUS	10/05/2016.			33,739		3.288
000000 00 0	Wlsh Carson Anderson & Stowe			Wlsh Carson Anderson & Stowe	08/26/2016.			717,219		0.300
000000 00 0	Hatteras Venture Partners V, LP			Hatteras Venture Partners V, LP	06/30/2016.		87,500	250,000		3.500
000000 00 0	Hatteras Ventures Partners IV, L.P.			Hatteras Ventures Partners IV, L.P.	08/22/2016.			293,250		1.620
000000 00 0	Foundation Medical Partners			VARIOUS	10/24/2016.			272,753		1.756
000000 00 0	HarbourVest Partners IX -Buyout Fund LP			HarbourVest Partners IX -Buyout Fund LP	09/23/2016.			1,753,611		1.230
000000 00 0	HarbourVest Partners IX -Venture Fund LP			VARIOUS	12/19/2016.			1,110,495		0.640
000000 00 0	HKN Venture Partners IV LP			VARIOUS	10/05/2016.			675,000		5.710
000000 00 0	Excel Medical Fund I			Excel Medical Fund I	02/04/2016.			60,838		2.434
000000 00 0	NAUTIC PARTNERS VIII-A, L.P.			NAUTIC PARTNERS VIII-A, L.P.	12/14/2016.		549,009			3.977
000000 00 0	Excel Venture Fund II			VARIOUS	12/05/2016.			418,701		2.063
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							19,607,709	17,378,694	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated										
000000 00 0	Morgan Stanley Prime Property Fund			VARIOUS	10/01/2016.			2,381,318		0.490
000000 00 0	AEW Real Estate Trust			VARIOUS	10/01/2016.		1,899,888			1.150
000000 00 0	J.P. Morgan US Real Estate Income and Growth Dome			VARIOUS	10/01/2016.		57,644,510	761,174		3.000
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							59,544,398	3,142,492	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
000000 00 0	Principal Real Estate Debt Fund, L.P.			VARIOUS	12/15/2016.			11,002,318		6.400
000000 00 0	Crescent Mezzanine Partners VII			VARIOUS	11/04/2016.		2,991,047	8,190,488		1.000
000000 00 0	Federated Project & Trade Finance Core Fund			VARIOUS	12/31/2016.			1,626,884		7.000
000000 00 0	Crescent Mezzanine Paartners VI			VARIOUS	12/23/2016.			3,534,654		1.000
000000 00 0	KKR Energy Income & Growth Fund LP			KKR Energy Income & Growth Fund LP	02/03/2016.			2,308,905		3.100
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							2,991,047	26,663,249	0	XXX
4499999. Subtotal - Unaffiliated							82,143,154	47,184,435	0	XXX
4699999. Totals							82,143,154	47,184,435	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Dispoal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	Blue Cross Blue Shield Ventures II			Blue Cross Blue Shield Ventures II, Inc	06/24/2011.	12/29/2016.						0		92,347	92,347			0	
000000 00 0	Northgate Direct Inv III			NCD Management III, LLC	03/29/2016.	08/31/2016.						0		300,000	300,000			0	
000000 00 0	BullCity Venture Partners Fund III			Bull City Fund III GP, LLC	02/13/2013.	08/31/2016.						0		3,506	3,506			0	
000000 00 0	Northgate Capital Direct Partners VII, L.P.			NCD Management VII, LLC	07/12/2012.	03/29/2016.	18,584,686					0		18,884,686	18,884,686			0	
000000 00 0	Health Enterprise Partners II, L.P.			HEP Associates II, LLC	07/10/2013.	10/20/2016.						0		53,637	121,616		67,979	67,979	
000000 00 0	Nautic Partners VII-A, L.P.			Nautic Partners, LLC	10/27/2014.	12/28/2016.						0		1,907,641	1,907,641			0	
000000 00 0	Health Enterprise Partners, L.P.			HEP Associates, LLC	03/30/2007.	12/15/2016.						0		94,046	202,480		108,434	108,434	
000000 00 0	Hatteras Ventures Partners IV, L.P.			Hatteras Ventures Advisors IV, LLC	08/25/2011.	01/15/2016.						0		125,000	125,000			0	
000000 00 0	HarbourVest Partners IX -Buyout Fund LP			HarbourVest Partners IX - Venture Associ	06/28/2012.	12/19/2016.						0		490,649	846,710		356,061	356,061	
000000 00 0	HarbourVest Partners IX -Venture Fund LP			HarbourVest Partners IX - Buyout Associat	06/28/2012.	12/19/2016.						0		383,371	574,437		191,066	191,066	
000000 00 0	Excel Medical Fund I			Excel Medical Ventures, LLC	03/18/2013.	03/29/2016.						0		106,316	303,600		197,285	197,285	
000000 00 0	C.B. HEALTHCARE FUND II, L.P. ADD-ON FUND			Cain Brothers, LLC	04/24/2001.	12/15/2016.						0		6,509	6,509			0	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							18,584,686	0	0	0	0	0	0	22,447,708	23,368,532	0	920,825	920,825	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	J.P. Morgan US Real Estate Income and Growth Dome			I&G Manager, LLC	08/30/2016.	10/01/2016.	71,419,717	(16,680,106)				(16,680,106)		56,982,028	56,481,475		(500,553)	(500,553)	1,382,546
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							71,419,717	(16,680,106)	0	0	0	(16,680,106)	0	56,982,028	56,481,475	0	(500,553)	(500,553)	1,382,546
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	Principal Real Estate Debt Fund, L.P.			Principal Real Estate Debt Fund GP, LLC	05/07/2014.	12/29/2016.						0		1,842,120	1,842,120			0	
000000 00 0	Crescent Mezzanine Partners VII			Crescent Mezzanine Partners VII, L.P.	01/19/2016.	12/14/2016.						0		8,435,760	8,435,760			0	
000000 00 0	Federated Project & Trade Finance Core Fund			Federated Investors Inc	05/30/2014.	04/29/2016.						0						0	
000000 00 0	Crescent Mezzanine Paartners VI			Crescent Mezzanine VI, LLC.	08/30/2013.	12/23/2016.						0		7,190,099	7,896,136		706,037	706,037	
000000 00 0	KKR Energy Income & Growth Fund LP			KKR Associates EIGF LP	10/31/2013.	12/08/2016.						0		1,727,039	1,727,039			0	
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							0	0	0	0	0	0	0	19,195,018	19,901,055	0	706,037	706,037	0
4499999. Subtotal - Unaffiliated							90,004,403	(16,680,106)	0	0	0	(16,680,106)	0	98,624,754	99,751,062	0	1,126,309	1,126,309	1,382,546
4699999. Totals							90,004,403	(16,680,106)	0	0	0	(16,680,106)	0	98,624,754	99,751,062	0	1,126,309	1,126,309	1,382,546

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912810 QA 9	UNITED STATES TREASURY				1	23,818,782	109.000	22,401,190	20,525,000	23,660,065		(98,689)			3.500	3.000	FA	271,343	648,375	03/22/2016.	02/15/2039.
912810 RB 6	UNITED STATES TREASURY				1	17,672,384	96.000	16,314,177	16,925,000	17,663,077		(9,307)			2.875	3.000	MN	63,177	229,281	11/30/2016.	05/15/2043.
912810 RK 6	UNITED STATES TREASURY				1	1,793,133	89.000	1,777,820	2,000,000	1,797,612		4,479			2.500	3.000	FA	18,886	50,000	12/31/2015.	02/15/2045.
912810 RQ 3	UNITED STATES TREASURY				1	4,201,067	89.000	4,232,608	4,775,000	4,201,895		828			2.500	3.000	FA	45,090		12/05/2016.	02/15/2046.
912828 J7 6	UNITED STATES TREASURY				1	20,178,577	99.000	19,654,219	19,925,000	20,153,660		(24,916)			1.750	2.000	MS	89,088	200,594	06/07/2016.	03/31/2022.
912828 L3 2	UNITED STATES TREASURY				1	11,312,318	98.954	11,107,587	11,225,000	11,308,447		(3,871)			1.375	1.167	FA	52,443		10/31/2016.	08/31/2020.
912828 M5 6	UNITED STATES TREASURY				1	7,579,398	99.000	7,620,017	7,725,000	7,579,661		263			2.250	2.000	MN	23,679		12/30/2016.	11/15/2025.
912828 WJ 5	UNITED STATES TREASURY				1	20,205,891	101.454	19,783,530	19,500,000	20,101,521		(74,219)			2.500	2.047	MN	63,294	487,500	01/29/2016.	05/15/2024.
0199999. U.S. Government - Issuer Obligations						106,761,550	XXX	102,891,148	102,600,000	106,465,938	0	(205,432)	0	0	XXX	XXX	XXX	627,000	1,615,750	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
36179M NH 9	G2 MA0392 - RMBS			4	1	3,407,377	103.779	3,413,470	3,289,173	3,400,534		(9,517)			3.500	2.857	MON	9,593	117,304	07/08/2014.	09/20/2042.
36179M X4 7	G2 MA0699 - RMBS			4	1	4,150,480	104.000	4,059,249	3,911,511	4,159,309		8,829			3.500	2.000	MON	11,409	93,179	04/15/2016.	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS			4	1	4,311,526	103.961	4,220,192	4,059,399	4,326,223		14,700			3.500	2.319	MON	11,840	48,987	08/05/2016.	03/20/2045.
36179R F9 5	G2 MA2892 - RMBS			4	1	3,278,110	104.000	3,275,189	3,149,190	3,271,814		(2,641)			3.500	2.788	MON	9,185	112,598	07/28/2015.	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS			4	1	2,901,553	105.671	2,874,750	2,720,472	2,910,278		14,048			4.000	2.381	MON	9,068	112,567	09/09/2015.	08/20/2045.
36225C NZ 5	G2 080407 - RMBS			4,5	1		104.000								1.750		MON	1		06/15/2000.	05/20/2030.
0299999. U.S. Government - Residential Mortgage-Backed Securities						18,049,046	XXX	17,842,850	17,129,745	18,068,158	0	25,419	0	0	XXX	XXX	XXX	51,096	484,635	XXX	XXX
0599999. Total - U.S. Government						124,810,596	XXX	120,733,998	119,729,745	124,534,096	0	(180,013)	0	0	XXX	XXX	XXX	678,096	2,100,385	XXX	XXX
All Other Governments - Issuer Obligations																					
748149 AG 6	QUEBEC, PROVINCE OF				1FE	995,900	100.000	1,002,240	1,000,000	997,365		392			2.625	3.000	FA	10,063	26,250	02/06/2013.	02/13/2023.
0699999. All Other Governments - Issuer Obligations						995,900	XXX	1,002,240	1,000,000	997,365	0	392	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
1099999. Total - All Other Governments						995,900	XXX	1,002,240	1,000,000	997,365	0	392	0	0	XXX	XXX	XXX	10,063	26,250	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
011770 3N 2	ALASKA ST			2	1FE	2,349,620	111.274	2,225,480	2,000,000	2,323,597		(26,023)			5.000	2.861	FA	41,667	37,222	03/10/2016.	08/01/2035.
041042 KN 1	ARKANSAS ST			2	1FE	5,056,300	101.536	5,076,800	5,000,000	5,006,476		(15,195)			4.500	4.181	JD	18,750	225,000	05/17/2007.	06/01/2024.
13063B FV 9	CALIFORNIA ST			1,2	1FE	5,903,141	116.771	5,955,321	5,100,000	5,696,873		(94,711)			7.950	3.916	MS	135,150	302,100	07/22/2016.	03/01/2036.
13063B JB 9	CALIFORNIA ST			1,2	1FE	302,178	119.577	358,731	300,000	301,355		(295)			7.700	7.562	MN	3,850	23,100	11/19/2010.	11/01/2030.
20772J G3 0	CONNECTICUT ST			2	1FE	2,872,400	114.784	2,869,600	2,500,000	2,821,099		(32,527)			5.000	3.250	JD	5,556	125,000	05/13/2015.	06/15/2029.
20772J RC 8	CONNECTICUT ST			2	1FE	3,434,280	114.413	3,432,390	3,000,000	3,317,340		(41,224)			5.000	3.250	AO	31,667	150,000	01/22/2014.	10/15/2026.
452150 Y6 6	ILLINOIS ST				1FE	4,108,333	104.999	3,963,712	3,775,000	3,948,587		(106,108)			5.500	2.520	FA	86,510	207,625	06/22/2015.	08/01/2018.
452152 XY 2	ILLINOIS ST			2	2FE	2,581,875	100.237	2,505,925	2,500,000	2,571,010		(8,007)			5.000	4.540	MN	20,833	125,000	08/06/2015.	05/01/2029.
574192 TT 7	MARYLAND ST				1FE	8,391,720	102.701	7,558,794	7,360,000	7,435,368		(125,444)			5.500	3.710	FA	168,667	404,800	03/22/2007.	08/01/2017.
57582N UT 0	MASSACHUSETTS ST				1FE	2,268,560	112.533	2,250,660	2,000,000	2,085,406		(21,768)			5.250	3.960	FA	43,750	105,000	01/08/2007.	08/01/2020.
57582P M3 1	MASSACHUSETTS ST			2	1FE	2,086,900	101.323	2,026,460	2,000,000	2,072,713		(14,187)			4.000	3.080	AO	20,000	80,000	02/03/2016.	04/01/2042.
57582R GV 2	MASSACHUSETTS ST			2	1FE	4,847,200	112.195	4,487,800	4,000,000	4,797,041		(50,159)			5.000	2.000	MS	66,667	91,111	07/01/2016.	03/01/2046.
57582R JF 4	MASSACHUSETTS ST			2	1FE	1,145,470	105.239	1,052,390	1,000,000	1,137,443		(8,027)			4.000	2.171	AO	10,000	11,000	06/16/2016.	04/01/2033.
594610 3D 7	MICHIGAN ST			2	1FE	5,405,400	107.337	5,366,850	5,000,000	5,109,254		(56,478)			5.250	4.000	MN	43,750	262,500	03/24/2011.	11/01/2022.
604129 YU 4	MINNESOTA ST			2	1FE	5,000,000	106.772	5,338,600	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011.	10/01/2031.
605581 GY 7	MISSISSIPPI ST			2	1FE	3,530,070	116.856	3,505,680	3,000,000	3,479,926		(47,074)			5.000	2.931	MN	25,000	134,583	11/19/2015.	11/01/2031.
605581 HY 6	MISSISSIPPI ST			2	1FE	2,691,089	116.116	2,757,755	2,375,000	2,690,366		(722)			5.000	3.406	JD	2,969		12/07/2016.	12/01/2035.
641461 ED 6	NEVADA ST			2	1FE	5,283,300	103.671	5,183,550	5,000,000	5,060,185		(63,625)			5.000	3.649	JD	20,833	250,000	04/11/2008.	12/01/2023.
64966M HG 7	NEW YORK N Y			2	1FE	1,240,525	115.653	1,272,183	1,100,000	1,240,130		(395)			5.000	3.471	JD	1,681		12/07/2016.	12/01/2034.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
677521 BD 7	OHIO STATE				1FE	3,692,098	114.251	3,713,158	3,250,000	3,447,748		(39,065)			5.000	3.550	FA	67,708	162,500	01/22/2010.	08/01/2021.
76222R KJ 0	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			2	1FE	2,186,940	114.778	2,295,560	2,000,000	2,096,231		(18,599)			5.500	4.331	FA	45,833	110,000	08/24/2011.	08/01/2031.
76222R KK 7	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			2	1FE	2,202,200	114.778	2,295,560	2,000,000	2,103,871		(20,127)			5.500	4.241	FA	45,833	110,000	08/24/2011.	08/01/2030.
882721 2J 1	TEXAS ST			2	1FE	7,389,483	105.729	7,813,373	7,390,000	7,389,979		3			5.000	5.000	FA	153,958	369,500	09/18/2008.	08/01/2023.
93974C BM 1	WASHINGTON ST			2	1FE	7,387,774	105.689	7,398,230	7,000,000	7,072,403		(45,775)			5.000	4.281	JJ	175,000	350,000	07/15/2008.	07/01/2024.
93974C JP 6	WASHINGTON ST			2	1FE	4,328,640	107.353	4,294,120	4,000,000	4,079,992		(37,709)			5.000	3.950	JJ	100,000	200,000	07/14/2009.	01/01/2024.
93974C Q2 9	WASHINGTON ST			2	1FE	4,157,240	105.310	4,212,400	4,000,000	4,088,555		(15,646)			4.000	3.521	FA	66,667	160,000	04/24/2012.	02/01/2031.
93974C WR 7	WASHINGTON ST			2	1FE	9,031,949	111.970	10,105,293	9,025,000	9,028,249		(701)			5.000	4.990	FA	188,021	451,250	01/20/2011.	02/01/2029.
956553 XJ 5	WEST VIRGINIA ST			2	1FE	3,391,505	100.322	3,155,127	3,145,000	3,145,000		(72,655)			5.000	4.428	MN	26,208	157,250	11/16/2006.	11/01/2024.
97705L NA 1	WISCONSIN ST				1FE	4,410,680	108.357	4,334,280	4,000,000	4,094,081		(37,859)			5.000	3.934	MN	33,333	200,000	01/10/2007.	05/01/2019.
97705L UH 8	WISCONSIN ST			2	1FE	3,156,840	105.149	3,154,470	3,000,000	3,025,741		(18,423)			5.000	4.329	MN	25,000	150,000	09/08/2008.	05/01/2024.
1199999. U.S. States, Territories & Possessions - Issuer Obligations						119,833,710	XXX	119,960,252	110,820,000	115,666,019	0	(1,018,525)	0	0	XXX	XXX	XXX	1,724,861	5,154,541	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						119,833,710	XXX	119,960,252	110,820,000	115,666,019	0	(1,018,525)	0	0	XXX	XXX	XXX	1,724,861	5,154,541	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
033161 VZ 0	ANCHORAGE ALASKA			2	1FE	2,595,225	102.413	2,560,325	2,500,000	2,507,832		(12,964)			5.000	4.450	FA	52,083	125,000	03/09/2009.	08/01/2023.
033161 WA 4	ANCHORAGE ALASKA			2	1FE	4,307,266	102.413	4,306,467	4,205,000	4,212,392		(12,213)			5.000	4.691	FA	87,604	210,250	08/21/2007.	08/01/2024.
033161 WB 2	ANCHORAGE ALASKA			2	1FE	1,017,680	102.413	1,024,130	1,000,000	1,001,644		(2,716)			5.000	4.711	FA	20,833	50,000	08/21/2007.	08/01/2025.
072887 V8 2	BAYONNE N J			2	1FE	1,153,660	111.695	1,116,950	1,000,000	1,144,595		(9,065)			5.000	3.221	JJ	25,000	10,000	03/23/2016.	07/01/2034.
072887 V9 0	BAYONNE N J			2	1FE	1,148,970	111.268	1,112,680	1,000,000	1,140,201		(8,769)			5.000	3.271	JJ	25,000	10,000	03/23/2016.	07/01/2035.
101565 VW 6	BOULDER LARIMER & WELD CNTYS COLO ST VRA				1FE	5,617,900	113.487	5,674,350	5,000,000	5,203,954		(46,603)			5.250	4.121	JD	11,667	262,500	03/22/2006.	12/15/2020.
108151 4F 5	BRIDGEPORT CONN				1FE	3,632,803	113.300	3,534,960	3,120,000	3,504,755		(61,249)			5.000	2.671	AO	39,000	156,000	11/07/2014.	10/01/2022.
108151 5H 0	BRIDGEPORT CONN			2	1FE	1,294,048	112.512	1,260,134	1,120,000	1,282,756		(11,292)			5.000	3.231	FA	21,156	23,022	03/04/2016.	08/15/2033.
108151 5J 6	BRIDGEPORT CONN			2	1FE	1,507,325	111.904	1,465,942	1,310,000	1,494,553		(12,772)			5.000	3.281	FA	24,744	26,928	03/04/2016.	08/15/2034.
147051 SW 7	CARY N C			2	1FE	995,290	106.175	1,061,750	1,000,000	997,602		927			4.000	4.105	JD	3,333	40,000	07/31/2013.	06/01/2025.
167505 DB 9	CHICAGO ILL BRD ED				1FE	5,457,655	105.012	5,250,600	5,000,000	5,140,514		(44,435)			5.250	4.215	JD	21,875	262,500	04/25/2008.	12/01/2019.
167560 SX 0	CHICAGO ILL MET WTR RECLAMATION DIST GTR			2	1FE	4,389,718	117.853	4,154,318	3,525,000	4,353,734		(35,984)			5.000	2.330	JD	14,688	70,500	06/08/2016.	12/01/2028.
172252 A7 3	CINCINNATI OHIO CITY SCH DIST				1FE	3,727,570	122.318	4,281,130	3,500,000	3,651,147		(11,734)			5.250	4.700	JD	15,313	183,750	06/09/2009.	12/01/2026.
172252 A8 1	CINCINNATI OHIO CITY SCH DIST				1FE	5,672,450	122.963	6,148,150	5,000,000	5,437,563		(30,970)			5.250	4.240	JD	21,875	262,500	01/24/2008.	12/01/2027.
213185 JQ 5	COOK CNTY ILL			1,2	1FE	2,615,044	108.352	2,519,184	2,325,000	2,588,713		(26,331)			5.240	2.736	MN	15,567	58,557	06/20/2016.	11/15/2025.
213185 KM 2	COOK CNTY ILL			2	1FE	1,194,240	110.581	1,105,810	1,000,000	1,186,593		(7,647)			5.000	2.821	MN	6,389	16,806	06/15/2016.	11/15/2031.
215615 DW 2	COOK CNTY ILL HIGH SCH DIST NO 212 LEYDE			2	1FE	2,575,012	112.019	2,464,418	2,200,000	2,554,896		(20,116)			5.000	2.721	JD	9,167	45,833	06/03/2016.	12/01/2028.
234667 JL 8	DALLAS CNTY TEX HOSP DIST			1	1FE	941,963	120.692	905,190	750,000	929,391		(3,418)			5.621	4.157	FA	15,926	42,158	02/01/2013.	08/15/2044.
239864 AP 6	DAYTON OHIO METRO LIBR			2	1FE	3,728,480	111.441	3,900,435	3,500,000	3,651,569		(27,390)			5.000	4.020	JD	14,583	175,000	01/24/2014.	12/01/2038.
249174 HM 8	DENVER COLO CITY & CNTY SCH DIST NO 1				1FE	5,977,400	121.770	6,088,500	5,000,000	5,452,097		(55,779)			5.500	3.991	JD	22,917	275,000	06/28/2005.	12/01/2023.
25476F RK 6	DISTRICT COLUMBIA			2	1FE	3,218,024	120.406	3,070,353	2,550,000	3,186,055		(31,968)			5.000	2.070	JD	10,625	55,958	06/08/2016.	06/01/2028.
34153P DT 2	FLORIDA ST BRD ED PUB ED			2	1FE	6,004,500	106.485	6,394,424	6,005,000	6,004,915		11			5.000	5.000	JD	25,021	300,250	09/18/2008.	06/01/2023.
414004 3W 9	HARRIS CNTY TEX			1	1FE	4,939,335	122.924	5,531,580	4,500,000	4,817,812		(23,018)			5.250	4.410	FA	89,250	236,250	02/17/2011.	08/15/2027.
416415 FV 4	HARTFORD CONN			2	1FE	3,594,270	110.067	3,302,010	3,000,000	3,479,628		(55,044)			5.000	2.699	AO	37,500	150,000	10/17/2014.	10/01/2028.
438670 XM 8	HONOLULU HAWAII CITY & CNTY			2	1FE	5,169,450	111.034	5,696,044	5,130,000	5,149,240		(4,361)			5.000	4.894	JD	21,375	256,500	01/12/2011.	12/01/2030.
447025 XJ 1	HUNTSVILLE ALA			2	1	2,233,393	113.021	2,316,931	2,050,000	2,142,431		(9,396)			5.000	3.859	MN	17,083	51,250	11/09/2011.	05/01/2033.
447025 XZ 5	HUNTSVILLE ALA			2	1FE	3,213,907	110.514	3,260,163	2,950,000	3,083,010		(13,521)			5.000	3.859	MN	24,583	73,750	11/09/2011.	05/01/2033.
478718 R5 0	JOHNSON CNTY KANS UNI SCH DIST NO 233			2	1FE	1,647,855	104.498	1,567,470	1,500,000	1,642,832		(5,023)			4.000	2.620	MS	17,667		08/11/2016.	09/01/2036.
490278 5C 8	KENT CNTY MICH			2	1FE	6,395,410	105.320	6,219,146	5,905,000	6,313,261		(44,487)			4.000	3.021	JJ	118,100	236,200	01/23/2015.	01/01/2033.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
503462 UB 7	LA JOYA TEX INDPT SCH DIST			2	1FE	6,183,500	120.266	6,013,300	5,000,000	5,935,725		(69,892)			5.000	3.008	FA	94,444	250,000	04/17/2013.	02/15/2031.
586145 WZ 3	MEMPHIS TENN			2	1FE	2,756,500	110.583	2,764,575	2,500,000	2,600,773		(26,460)			5.000	3.760	JJ	62,500	125,000	06/22/2010.	07/01/2023.
59333F LV 0	MIAMI-DADE CNTY FLA			2	1FE	5,149,400	110.832	5,541,600	5,000,000	5,076,609		(14,990)			5.000	4.619	JJ	125,000	250,000	08/02/2011.	07/01/2031.
602409 GP 3	MILWAUKEE WIS MET SEW DIST			2	1FE	4,894,242	106.596	5,095,289	4,780,000	4,803,654		(12,726)			5.000	4.701	AO	59,750	239,000	07/29/2008.	10/01/2026.
607114 T3 9	MOBILE ALA			2	1FE	2,044,267	103.991	2,079,820	2,000,000	2,007,344		(6,238)			5.000	4.660	FA	37,778	100,000	07/24/2008.	02/15/2020.
642713 6C 0	NEW BRITAIN CONN				1FE	3,670,000	100.741	3,697,195	3,670,000	3,670,000					2.329	2.330	FA	35,614	85,474	04/01/2015.	02/01/2018.
642713 6D 8	NEW BRITAIN CONN				1FE	300,000	101.683	305,049	300,000	300,000					2.778	2.779	FA	3,473	8,334	04/01/2015.	02/01/2019.
64966J AS 5	NEW YORK N Y			1,2	1FE	1,000,000	114.180	1,141,800	1,000,000	1,000,000					6.646	6.646	JD	5,538	66,460	12/15/2010.	12/01/2031.
64966L Q4 6	NEW YORK N Y			2	1FE	3,382,099	113.586	3,379,184	2,975,000	3,327,623		(35,707)			5.000	3.370	JD	12,396	148,750	06/03/2015.	06/01/2035.
673475 CV 9	OAKLAND MICH SCHS INTER SCH DIST			2	1FE	1,182,780	114.598	1,145,980	1,000,000	1,170,612		(12,168)			5.000	2.900	MN	8,333	30,278	03/11/2016.	05/01/2036.
676006 QD 4	ODESSA TEX			2	1FE	1,880,488	112.049	2,072,907	1,850,000	1,871,981		(3,684)			5.000	4.738	MS	30,833	92,500	08/28/2013.	03/01/2033.
718814 J2 3	PHOENIX ARIZ			2	1FE	6,169,496	105.038	6,249,761	5,950,000	6,079,728		(20,999)			4.000	3.560	JJ	119,000	238,000	05/24/2012.	07/01/2033.
759911 2B 5	REGIONAL TRANSN AUTH ILL			2	1FE	3,990,597	113.232	3,827,242	3,380,000	3,951,887		(38,710)			5.000	2.930	JD	14,083	142,711	03/31/2016.	06/01/2034.
796237 C9 4	SAN ANTONIO TEX			2	1FE	5,330,100	111.177	5,558,850	5,000,000	5,211,473		(36,739)			5.000	4.071	FA	104,167	250,000	07/16/2013.	02/01/2033.
810453 7Y 0	SCOTTSDALE ARIZ			2	1FE	1,102,470	109.064	1,090,640	1,000,000	1,086,995		(8,930)			4.000	2.841	JJ	20,000	40,000	02/20/2015.	07/01/2028.
901561 GS 3	TWIN FALLS CNTY IDAHO SCH DIST NO 411			2	1FE	2,189,080	111.377	2,227,540	2,000,000	2,147,760		(16,375)			4.750	3.641	MS	27,972	95,000	05/16/2014.	09/15/2037.
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations						147,190,862	XXX	149,484,276	134,050,000	143,497,849	0	(930,945)	0	0	XXX	XXX	XXX	1,590,805	5,827,969	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions						147,190,862	XXX	149,484,276	134,050,000	143,497,849	0	(930,945)	0	0	XXX	XXX	XXX	1,590,805	5,827,969	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
010608 D6 1	ALABAMA ST PUB SCH & COLLEGE AUTH			2	1FE	3,358,776	103.699	3,323,553	3,205,000	3,224,185		(20,156)			5.000	4.325	JD	13,354	160,250	04/22/2009.	12/01/2023.
011798 LB 9	ALASKA MUN BD BK ALASKA MUN BD BK AUTH			2	1FE	5,369,700	108.498	5,424,900	5,000,000	5,267,621		(38,144)			5.000	4.000	FA	104,167	250,000	03/18/2014.	02/01/2043.
02765U EK 6	AMERICAN MUN PWR OHIO INC REV			1	1FE	408,477	151.934	455,802	300,000	405,566		(1,060)			8.084	5.707	FA	9,162	24,252	02/04/2014.	02/15/2050.
040484 PY 7	ARIZONA BRD REGENTS UNIV ARIZ SYS REV			2	1FE	5,275,217	101.966	4,960,646	4,865,000	5,269,684		(5,533)			4.000	2.980	JD	28,649		10/05/2016.	06/01/2040.
047870 CY 4	ATLANTA GA WTR & WASTEWTR REV				1FE	4,527,840	121.922	4,876,880	4,000,000	4,397,556		(28,248)			5.500	4.340	MN	36,667	220,000	12/15/2011.	11/01/2027.
047870 FC 9	ATLANTA GA WTR & WASTEWTR REV				1FE	5,463,100	133.098	6,654,900	5,000,000	5,371,167		(18,270)			5.750	5.000	MN	47,917	287,500	05/10/2011.	11/01/2030.
051595 BA 3	AURORA COLO WTR REV			2	1FE	2,796,975	116.010	2,610,225	2,250,000	2,778,519		(18,456)			5.000	2.260	FA	42,188		07/22/2016.	08/01/2036.
100216 FR 6	BOSSIER CITY LA UTILS REV			2	1FE	2,259,480	112.780	2,255,600	2,000,000	2,211,656		(23,510)			5.000	3.433	AO	25,000	100,000	10/01/2014.	10/01/2036.
100216 FS 4	BOSSIER CITY LA UTILS REV			2	1FE	1,126,140	112.560	1,125,600	1,000,000	1,102,959		(11,416)			5.000	3.473	AO	12,500	50,000	10/01/2014.	10/01/2037.
114894 MU 9	BROWARD CNTY FLA ARPT SYS REV			2	1FE	3,190,232	111.822	3,008,012	2,690,000	3,151,524		(38,708)			5.000	1.840	AO	33,625	67,250	06/23/2016.	10/01/2023.
12677R BY 2	CABARRUS CNTY N C LTD OBLIG			2	1FE	4,351,433	115.526	4,262,909	3,690,000	4,307,519		(43,914)			5.000	2.922	AO	46,125	92,763	03/11/2016.	04/01/2034.
13033L AS 6	CALIFORNIA HEALTH FACS FING AUTH REV			2	1FE	3,594,570	111.248	3,337,440	3,000,000	3,331,847		(129,358)			6.000	1.477	JJ	90,000	180,000	10/16/2014.	07/01/2029.
160131 DB 1	CHARLESTON EDL EXCELLENCE FING CORP S C			2	1FE	4,648,640	114.766	4,590,640	4,000,000	4,448,694		(57,193)			5.000	3.180	JD	16,667	200,000	04/04/2013.	12/01/2030.
167562 NN 3	CHICAGO ILL MIDWAY ARPT REV			2	1FE	3,431,610	111.412	3,342,360	3,000,000	3,342,703		(43,089)			5.000	3.168	JJ	75,000	150,000	11/14/2014.	01/01/2025.
167593 HU 9	CHICAGO ILL O HARE INTL ARPT REV				1FE	1,108,109	111.042	1,066,003	960,000	1,066,420		(19,672)			5.000	2.620	JJ	24,000	48,000	11/03/2014.	01/01/2022.
167593 QJ 4	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,789,110	110.244	1,653,660	1,500,000	1,770,374		(18,736)			5.000	2.500	JJ	37,500	37,500	05/17/2016.	01/01/2028.
167593 QQ 8	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,076,350	107.286	1,072,860	1,000,000	1,067,776		(7,059)			5.000	4.002	JJ	25,000	35,556	10/08/2015.	01/01/2034.
167727 UG 9	CHICAGO ILL WASTEWATER TRANSMISSION REV			2	1FE	3,030,480	98.423	2,952,690	3,000,000	3,022,991		(4,098)			4.000	3.830	JJ	60,000	120,000	02/10/2015.	01/01/2034.
167736 YU 5	CHICAGO ILL WTR REV			1	1FE	114,267	126.645	126,645	100,000	113,554		(263)			6.742	5.696	MN	1,124	6,742	02/04/2014.	11/01/2040.
18610R BA 1	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	7,505,850	120.504	9,037,800	7,500,000	7,505,536		(212)			5.000	4.993	JJ	187,500	375,000	09/09/2013.	07/01/2033.
18610R BB 9	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	5,140,000	120.339	6,016,950	5,000,000	5,129,537		(3,650)			5.000	4.800	JJ	125,000	250,000	12/17/2013.	07/01/2037.
19464V CT 5	COLLIER CNTY FLA SPL OBLIG REV			2	1FE	5,134,800	103.477	5,173,850	5,000,000	5,087,283		(13,435)			4.000	3.660	AO	50,000	200,000	04/11/2013.	10/01/2032.
196474 5J 5	COLORADO HEALTH FACS AUTH REV				1FE	3,067,650	115.325	2,883,125	2,500,000	3,039,868		(27,782)			5.000	1.661	MN	15,972	30,556	06/23/2016.	11/15/2036.
196707 KW 2	COLORADO ST BRD GOVERNORS UNIV ENTERPRIS				1FE	5,829,468	116.747	5,825,675	4,990,000	5,734,824		(27,950)			5.000	3.850	MS	83,167	249,500	06/04/2013.	03/01/2035.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
20281P FS 6	COMMONWEALTH FING AUTH PA REV			2	1FE	3,375,420	110.830	3,324,900	3,000,000	3,293,068		(49,122)			5.000	3.030	JD	12,500	150,000	04/16/2015.	06/01/2031.
230593 AA 3	CUMBERLAND CNTY N C LTD OBLIG			1,2	1FE	1,000,000	113.572	1,135,720	1,000,000	1,000,000					6.100	6.101	MN	10,167	61,000	01/12/2011.	11/01/2025.
240523 UK 4	DEKALB CNTY GA WTR & SEW REV			2	1FE	12,954,860	120.022	13,202,420	11,000,000	12,376,365		(115,527)			5.250	3.708	AO	144,375	577,500	01/25/2012.	10/01/2032.
266780 AV 7	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	3,061,978	105.886	3,165,991	2,990,000	3,033,532		(7,141)			4.000	3.701	JD	9,967	119,600	07/31/2013.	06/01/2029.
266780 BW 4	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	9,637,640	112.404	9,554,340	8,500,000	9,262,783		(104,681)			5.000	3.430	JD	35,417	425,000	03/14/2013.	06/01/2038.
302716 AM 7	FYI PPTYS WASH LEASE REV			2	1FE	3,098,172	108.276	3,248,280	3,000,000	3,039,938		(15,293)			5.250	4.661	JD	13,125	157,500	08/05/2009.	06/01/2023.
302716 AP 0	FYI PPTYS WASH LEASE REV			2	1FE	4,388,838	108.276	4,655,868	4,300,000	4,325,910		(9,868)			5.250	4.982	JD	18,813	225,750	08/05/2009.	06/01/2025.
341271 AA 2	FLORIDA ST BRD ADMIN FIN CORP REV				1FE	2,600,000	100.738	2,619,188	2,600,000	2,600,000					2.163	2.163	JJ	28,119	17,652	02/23/2016.	07/01/2019.
353187 CN 5	FRANKLIN CNTY OHIO HOSP REV			2	1FE	5,352,145	112.347	5,398,273	4,805,000	5,279,784		(47,808)			5.000	3.621	MN	30,699	240,250	06/04/2015.	05/15/2034.
359900 5Q 6	FULTON CNTY GA DEV AUTH REV			2	1FE	2,211,920	111.613	2,232,260	2,000,000	2,165,592		(19,351)			5.000	3.700	MN	16,667	100,000	07/09/2014.	05/01/2039.
362762 LB 0	GAINESVILLE & HALL CNTY GA HOSP AUTH REV			2,5	1FE	2,300,000	99.615	2,291,145	2,300,000	2,300,000					1.500	1.500	MON	2,922	30,091	12/01/2014.	08/15/2035.
387883 VS 7	GRANT CNTY WASH PUB UTIL DIST NO 2 PRIES			2	1FE	2,595,241	113.707	2,507,239	2,205,000	2,519,018		(37,015)			5.000	2.876	JJ	55,125	110,250	11/01/2014.	01/01/2027.
392274 K6 2	GREATER ORLANDO AVIATION AUTH ORLANDO FL				1FE	1,196,560	113.186	1,131,860	1,000,000	1,182,297		(14,263)			5.000	1.661	AO	12,500	10,972	06/24/2016.	10/01/2022.
395468 FL 0	GREENSBORO N C ENTERPRISE SYS REV			2	1FE	2,115,627	101.740	2,070,409	2,035,000	2,043,348		(19,612)			5.000	3.991	JD	8,479	101,750	06/14/2007.	06/01/2022.
452024 DF 6	ILLINOIS MUN ELEC AGY PWR SUPPLY SYS REV			2	1FE	5,171,900	100.385	5,019,250	5,000,000	5,001,974		(23,075)			5.250	4.770	FA	109,375	262,500	03/07/2008.	02/01/2022.
45203H 4Q 2	ILLINOIS FIN AUTH REV				1FE	1,204,000	114.070	1,140,700	1,000,000	1,187,908		(16,092)			5.000	1.630	MN	6,389	25,000	06/16/2016.	11/15/2022.
45203H X5 6	ILLINOIS FIN AUTH REV			2	2FE	1,686,390	112.829	1,692,435	1,500,000	1,660,185		(15,626)			5.000	3.551	FA	28,333	75,000	03/18/2015.	08/15/2026.
45204E GT 9	ILLINOIS FIN AUTH REV			2	2FE	2,917,457	116.125	2,792,806	2,405,000	2,749,906		(45,742)			7.750	2.099	FA	70,413		08/31/2015.	08/15/2034.
452252 JJ 9	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	1,666,014	114.595	1,604,330	1,400,000	1,617,502		(23,922)			5.000	2.817	JJ	35,000	70,000	10/31/2014.	01/01/2027.
452252 LR 8	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	1,951,664	112.468	1,799,488	1,600,000	1,934,879		(16,785)			5.000	2.510	JJ	43,333		05/19/2016.	01/01/2033.
45528S 4X 1	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,350,040	109.642	3,289,260	3,000,000	3,120,998		(37,057)			5.000	3.587	JJ	69,167	150,000	02/02/2010.	01/15/2022.
45528S 5Q 5	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,332,820	109.579	3,287,370	3,000,000	3,115,689		(35,388)			5.000	3.647	JJ	69,167	150,000	02/25/2010.	01/15/2023.
45528U AP 6	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	4,821,968	111.653	5,147,203	4,610,000	4,709,768		(21,702)			5.250	4.662	FA	100,844	242,025	03/17/2011.	02/01/2027.
45528U AS 0	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	2,953,050	109.051	3,271,530	3,000,000	2,962,804		1,954			5.000	5.131	FA	62,500	150,000	03/25/2011.	02/01/2030.
45528U BV 2	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,508,002	110.705	3,703,082	3,345,000	3,422,379		(16,849)			5.250	4.622	FA	73,172	175,613	04/26/2011.	02/01/2027.
46246K Y4 8	IOWA FIN AUTH REV			2	1FE	5,180,550	106.550	5,327,500	5,000,000	5,125,176		(16,589)			4.000	3.570	FA	83,333	200,000	05/31/2013.	08/01/2033.
46257T AN 9	IOWA ST SPL OBLIG			2	1FE	5,349,050	108.546	5,427,300	5,000,000	5,098,824		(38,181)			5.000	4.131	JD	20,833	250,000	07/14/2009.	06/01/2023.
46257T BB 4	IOWA ST SPL OBLIG			2	1FE	7,739,970	108.546	7,598,220	7,000,000	7,229,395		(89,466)			5.000	3.571	JD	29,167	350,000	06/08/2010.	06/01/2024.
469487 GB 2	JACKSONVILLE FLA SPL REV			2	1FE	2,281,862	112.232	2,469,104	2,200,000	2,260,362		(9,044)			5.000	4.454	AO	27,500	110,000	07/19/2013.	10/01/2032.
479354 AP 7	JOHNSTON CNTY N C LTD OBLIG			2	1FE	2,083,558	109.430	2,183,129	1,995,000	2,033,871		(9,249)			5.000	4.435	AO	21,058	99,750	11/19/2010.	10/15/2025.
48503S EJ 4	KANSAS CITY MO INDL DEV AUTH REV			2	1FE	2,433,343	111.923	2,344,787	2,095,000	2,332,602		(47,049)			5.500	2.883	MS	38,408	115,225	08/05/2014.	09/01/2027.
48542K RF 8	KANSAS ST DEV FIN AUTH REV			2	1FE	3,870,836	103.573	3,837,380	3,705,000	3,737,494		(37,719)			5.250	4.164	MN	32,419	194,513	08/21/2007.	11/01/2023.
486296 LM 6	KAUKAUNA WIS ELEC SYS REV			2	1FE	3,965,559	110.894	4,324,866	3,900,000	3,945,991		(6,539)			5.000	4.770	JD	8,667	195,000	10/22/2013.	12/15/2035.
49126P EC 0	KENTUCKY ECONOMIC DEV FIN AUTH REV				1FE	3,500,000	100.372	3,513,020	3,500,000	3,500,000					2.700	2.700	MN	15,750	94,500	11/06/2014.	05/01/2039.
491501 AN 2	KENTUCKY ST MUN PWR AGY PWR SYS REV			2	1FE	4,224,880	102.865	4,114,600	4,000,000	4,041,114		(60,372)			5.250	3.664	MS	70,000	210,000	05/21/2008.	09/01/2025.
49151F PA 2	KENTUCKY ST PPTY & BLDGS COMMN REVS			2	1	4,298,003	107.393	4,741,401	4,415,000	4,363,182		18,893			5.375	6.062	MN	39,551	237,306	10/08/2008.	11/01/2023.
49151F QC 7	KENTUCKY ST PPTY & BLDGS COMMN REVS			2	1FE	569,498	107.090	626,477	585,000	576,376		745			5.375	5.638	MN	5,241	31,444	10/08/2008.	11/01/2023.
491552 US 2	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			2	1FE	1,026,031	108.746	1,087,460	1,000,000	1,011,530		(4,264)			5.000	4.507	JJ	25,000	50,000	04/16/2009.	07/01/2025.
491552 UU 7	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			2	1FE	1,017,591	108.746	1,087,460	1,000,000	1,005,555		(2,045)			5.000	4.762	JJ	25,000	50,000	04/16/2009.	07/01/2026.
517845 AX 1	LAS VEGAS VY NEV WTR DIST			2	1FE	4,604,760	113.318	4,532,720	4,000,000	4,567,407		(37,353)			5.000	3.240	JD	16,667	130,556	03/11/2016.	06/01/2046.
528921 DA 4	LEXINGTON-FAYETTE URBAN CNTY GOVT KY PUB			2	1FE	5,147,630	110.598	5,529,900	5,000,000	5,074,454		(14,788)			5.250	4.871	JD	21,875	262,500	07/14/2011.	06/01/2031.
542269 CE 3	LONE STAR COLLEGE SYS TEX REV FING SYS R			2	1FE	2,244,480	109.528	2,190,560	2,000,000	2,206,318		(38,162)			5.000	2.359	FA	37,778	50,000	03/04/2016.	02/15/2043.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
54466H DN 3	LOS ANGELES CNTY CALIF MET TRANSN AUTH S			2	1FE	1,208,410	121.794	1,217,940	1,000,000	1,206,692		(1,718)			5.000	2.520	JD	4,306		11/18/2016.	06/01/2027.
544712 2F 8	LOS ANGELES CNTY CALIF MET TRANSN AUTH S			1	1FE	1,687,284	109.882	1,977,876	1,800,000	1,737,737		9,706			4.530	5.273	JD	6,795	81,540	02/17/2011.	06/01/2022.
54473E NT 7	LOS ANGELES CNTY CALIF PUB WKS FING AUTH			1	1FE	243,717	132.854	265,708	200,000	239,802		(1,423)			7.488	5.627	FA	6,240	14,976	02/04/2014.	08/01/2033.
545909 CG 6	LOUDOUN CNTY VA INDL DEV AUTH LEASE REV			2	1FE	8,464,750	110.188	8,815,040	8,000,000	8,230,796		(46,586)			5.000	4.276	JD	33,333	400,000	06/27/2011.	06/01/2031.
546540 HT 5	LOUISIANA ST UNIV & AGRIC & MECHANICAL C			2	1FE	3,227,640	111.248	3,337,440	3,000,000	3,090,154		(23,508)			5.000	4.070	JJ	75,000	150,000	06/10/2010.	07/01/2023.
546589 D2 5	LOUISVILLE & JEFFERSON CNTY KY MET SWR D			2	1FE	5,552,899	109.796	5,835,657	5,315,000	5,392,937		(7,142)			5.000	4.450	MN	33,957	132,875	08/13/2009.	05/15/2023.
546589 D6 6	LOUISVILLE & JEFFERSON CNTY KY MET SWR D			2	1FE	3,843,122	109.434	4,032,643	3,685,000	3,739,035		(4,951)			5.000	4.450	MN	23,543	92,125	08/13/2009.	05/15/2023.
54811B QJ 3	LOWER COLO RIV AUTH TEX TRANSMISSION CON				1FE	1,380,808	117.704	1,294,744	1,100,000	1,365,557		(15,251)			5.000	1.870	MN	7,028	21,542	06/09/2016.	05/15/2025.
558459 RK 1	MADISON WIS CMNTY DEV AUTH REV			2	1FE	5,108,441	109.019	5,003,972	4,590,000	4,755,262		(56,335)			5.000	3.611	AO	57,375	229,500	01/12/2010.	10/01/2024.
560427 GK 6	MAINE HEALTH & HIGHER EDL FACS AUTH REV			2	1FE	10,469,022	106.606	10,660,600	10,000,000	10,142,963		(52,979)			5.000	4.390	JJ	250,000	500,000	12/08/2009.	07/01/2026.
560459 R9 2	MAINE MUN BD BK			2	1FE	1,467,250	109.797	1,493,239	1,360,000	1,396,027		(11,804)			5.000	4.001	MN	11,333	68,000	05/27/2009.	11/01/2027.
57420P FX 9	MARYLAND ST ECONOMIC DEV CORP LEASE REV			2	1FE	11,252,800	111.543	11,154,300	10,000,000	10,633,754		(130,850)			5.000	3.440	JD	41,667	500,000	12/01/2011.	06/01/2026.
575579 PZ 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	5,953,229	125.071	6,928,933	5,540,000	5,848,676		(19,947)			5.250	4.620	JJ	145,425	290,850	02/15/2011.	07/01/2028.
575579 QC 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	11,652,630	125.763	13,833,930	11,000,000	11,524,548		(24,584)			5.250	4.790	JJ	288,750	577,500	02/16/2011.	07/01/2031.
57584X UQ 2	MASSACHUSETTS ST DEV FIN AGY REV			2	1FE	1,232,440	114.973	1,149,730	1,000,000	1,224,697		(7,743)			5.000	2.401	AO	12,500	6,250	08/03/2016.	10/01/2034.
576002 BP 3	MASSACHUSETTS ST SPL OBLIG DEDICATED TAX				1FE	5,316,350	127.247	6,362,350	5,000,000	5,280,735		(10,279)			5.500	5.006	JJ	137,500	275,000	08/28/2013.	01/01/2034.
576051 BN 5	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,042,280	111.358	2,227,160	2,000,000	2,018,258		(4,574)			5.000	4.720	FA	41,667	100,000	02/10/2011.	08/01/2028.
576051 FP 6	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,311,380	112.236	2,244,720	2,000,000	2,275,819		(35,561)			5.000	2.350	FA	41,667	50,000	03/16/2016.	08/01/2037.
576528 DQ 3	MATAGORDA CNTY TEX NAV DIST NO 1 POLLUTN			2	2FE	2,511,180	103.493	3,104,790	3,000,000	2,576,953		20,879			4.000	5.500	JD	10,000	120,000	08/23/2013.	06/01/2030.
58401A BD 1	MECKLENBURG CNTY N C PUB FACS CORP LTD O			2	1FE	1,606,095	107.868	1,618,020	1,500,000	1,537,020		(16,160)			5.000	3.800	MS	25,000	75,000	07/31/2013.	03/01/2026.
586158 MK 0	MEMPHIS TENN ELEC SYS REV				1FE	7,449,381	107.082	7,495,740	7,000,000	7,101,852		(50,097)			5.000	4.201	JD	29,167	350,000	06/18/2008.	12/01/2018.
59259N 2V 4	METROPOLITAN TRANSN AUTH N Y DEDICATED T			2	1FE	4,091,545	120.146	4,006,869	3,335,000	4,041,465		(50,080)			5.250	2.781	MN	22,372	119,157	03/03/2016.	11/15/2033.
59259N ZH 9	METROPOLITAN TRANSN AUTH N Y DEDICATED T			1	1FE	2,100,000	147.350	3,094,350	2,100,000	2,100,000					7.336	7.336	MN	19,685	154,056	04/23/2009.	11/15/2039.
59259Y Q8 5	METROPOLITAN TRANSN AUTH N Y REV			2	1FE	2,699,025	113.535	2,838,375	2,500,000	2,648,662		(18,475)			5.000	4.001	MN	15,972	125,000	03/04/2014.	11/15/2031.
59259Y RE 1	METROPOLITAN TRANSN AUTH N Y REV			2	1FE	5,199,750	111.724	5,586,200	5,000,000	5,135,472		(19,791)			5.000	4.470	MN	31,944	250,000	07/17/2013.	11/15/2032.
59333A GH 8	MIAMI-DADE CNTY FLA EDL FACS AUTH REV			1	1FE	5,236,550	110.699	5,534,950	5,000,000	5,077,382		(21,599)			5.250	4.730	AO	65,625	262,500	03/11/2008.	04/01/2020.
59333G AL 2	MIAMI DADE CNTY FLA INDL DEV AUTH SOLID				1FE	1,000,000	100.569	1,005,690	1,000,000	1,000,000					2.125	2.125	MN	3,542	21,250	10/31/2014.	11/01/2041.
59333P L2 2	MIAMI-DADE CNTY FLA AVIATION REV			2	1FE	5,568,550	109.605	5,480,250	5,000,000	5,466,379		(51,398)			5.000	3.609	AO	62,500	250,000	12/03/2014.	10/01/2032.
59333T EC 0	MIAMI-DADE CNTY FLA PUB FACS REV			2	1FE	6,309,418	110.931	6,378,533	5,750,000	6,238,225		(48,399)			5.000	3.811	JD	23,958	287,500	06/25/2015.	06/01/2033.
59334D HH 0	MIAMI-DADE CNTY FLA WTR & SWR REV			2	1FE	1,951,950	110.269	1,929,708	1,750,000	1,923,300		(27,129)			5.000	3.105	AO	21,875	87,500	12/08/2015.	10/01/2042.
593464 AA 8	MIAMI FLA RENT REV				1FE	221,648	110.212	225,935	205,000	208,749		(1,309)			8.650	7.830	JJ	8,866	17,733	01/04/2000.	07/01/2019.
59447P 7Q 8	MICHIGAN FIN AUTH REV			2	1FE	2,993,940	112.649	3,013,361	2,675,000	2,919,371		(40,799)			5.000	3.151	JD	11,146	133,750	02/12/2015.	12/01/2030.
59447P L3 3	MICHIGAN FIN AUTH REV			2	1FE	3,591,189	111.396	3,508,974	3,150,000	3,509,026		(40,082)			5.000	3.319	AO	39,375	157,500	10/23/2014.	10/01/2031.
602248 KA 3	MILWAUKEE CNTY WIS ARPT REV			2	1FE	2,479,174	109.622	2,384,279	2,175,000	2,416,356		(30,742)			5.000	3.198	JD	9,063	108,750	10/23/2014.	12/01/2029.
60534T FR 1	MISSISSIPPI DEV BK SPL OBLIG			2	1FE	5,094,400	112.068	5,603,400	5,000,000	5,063,887		(9,644)			5.000	4.740	MS	83,333	250,000	08/22/2013.	09/01/2030.
613603 TC 3	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,430,806	109.405	1,378,503	1,260,000	1,371,009		(27,949)			5.000	2.521	AO	15,750	63,000	10/23/2014.	10/01/2020.
613603 TD 1	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,496,154	110.896	1,463,827	1,320,000	1,444,491		(24,189)			5.000	2.861	AO	16,500	66,000	10/23/2014.	10/01/2021.
625914 HG 4	MUNICIPAL ENERGY AGY OF NEB PWR SUPPLY S			2	1FE	3,555,840	112.206	3,366,180	3,000,000	3,335,423		(58,830)			5.000	2.700	AO	37,500	150,000	02/04/2013.	04/01/2027.
626207 K8 6	MUNICIPAL ELEC AUTH GA			2	1FE	1,145,180	111.425	1,114,250	1,000,000	1,130,680		(14,117)			5.000	3.140	JJ	25,000	26,250	12/10/2015.	01/01/2035.
626207 S8 8	MUNICIPAL ELEC AUTH GA			2	1	3,593,040	107.127	3,331,650	3,110,000	3,228,200		(42,420)			6.000	3.380	JJ	93,300	93,300	10/31/2011.	01/01/2023.
626207 T7 9	MUNICIPAL ELEC AUTH GA			2	1FE	1,258,950	106.972	1,165,995	1,090,000	1,131,417		(14,864)			6.000	3.381	JJ	32,700	32,700	10/31/2011.	01/01/2023.
626207 ZR 8	MUNICIPAL ELEC AUTH GA			2	1FE	4,310,640	109.560	4,426,224	4,040,000	4,153,214		(26,732)			5.000	4.200	MN	33,667	202,000	05/20/2010.	11/01/2027.
626207 ZS 6	MUNICIPAL ELEC AUTH GA			2	1FE	2,678,861	110.178	2,793,012	2,535,000	2,595,221		(14,178)			5.000	4.320	MN	21,125	126,750	05/10/2010.	11/01/2028.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
63968A YL 3	NEBRASKA PUB PWR DIST REV			2	1FE	1,113,130	109.812	1,098,120	1,000,000	1,083,081		(15,096)			5.000	3.189	JJ	25,000	50,000	11/05/2014.	01/01/2034.
64465P MH 8	NEW HAMPSHIRE MUN BD BK			2	1FE	3,755,610	111.459	3,862,054	3,465,000	3,583,102		(29,751)			5.000	3.980	FA	65,450	173,250	06/17/2010.	08/15/2028.
64465P MS 4	NEW HAMPSHIRE MUN BD BK			2	1FE	2,153,980	111.459	2,229,180	2,000,000	2,000,000					5.000	4.999	FA	37,778	100,000	06/17/2010.	08/15/2029.
64465P TT 5	NEW HAMPSHIRE MUN BD BK			2	1FE	1,817,370	116.138	1,742,070	1,500,000	1,695,337		(31,975)			5.000	2.502	FA	28,333	75,000	04/18/2012.	08/15/2024.
646139 W3 5	NEW JERSEY ST TPK AUTH TPK REV			1	1FE	1,700,000	144.403	2,454,851	1,700,000	1,700,000					7.414	7.415	JJ	63,019	126,038	04/20/2009.	01/01/2040.
64711M 5W 3	NEW MEXICO FIN AUTH REV			2	1FE	7,171,960	101.870	6,866,038	6,740,000	6,767,211		(58,263)			5.250	4.340	JD	15,727	353,850	06/18/2008.	06/15/2020.
64711M 6B 8	NEW MEXICO FIN AUTH REV			2	1FE	4,318,167	101.835	4,231,244	4,155,000	4,176,713		(46,576)			5.250	4.074	JD	9,695	218,138	08/22/2007.	06/15/2025.
64971M 5F 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	2,292,370	107.929	2,158,580	2,000,000	2,172,996		(33,401)			4.325	2.417	MN	14,417	86,500	04/17/2013.	11/01/2021.
64971M 7J 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	3,258,555	113.010	3,079,523	2,725,000	3,079,891		(88,448)			5.500	1.955	MN	24,979	149,875	10/09/2014.	11/01/2035.
64971Q 6R 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	3,214,320	112.503	3,375,090	3,000,000	3,157,734		(21,475)			5.000	4.050	MN	25,000	150,000	04/03/2014.	05/01/2042.
64971Q T9 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	73,095	108.149	75,704	70,000	71,230		(493)			5.000	4.200	MN	583	3,500	12/19/2012.	05/01/2023.
64971Q XW 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	5,372,200	115.432	5,771,600	5,000,000	5,257,711		(38,561)			5.000	4.000	MN	41,667	250,000	11/21/2013.	11/01/2031.
64972F 4K 9	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			2	1FE	3,158,910	112.231	3,366,930	3,000,000	3,100,638		(20,175)			5.000	4.167	JD	6,667	150,000	06/15/2011.	06/15/2031.
64972G KE 3	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			2	1FE	2,399,580	115.892	2,317,840	2,000,000	2,374,004		(25,576)			5.000	2.831	JD	4,444	74,444	03/01/2016.	06/15/2036.
64972H SY 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	8,409,040	111.927	8,954,160	8,000,000	8,257,311		(50,108)			5.250	4.459	JJ	193,667	420,000	10/21/2013.	07/15/2037.
64983S FU 4	NEW YORK ST DORM AUTH REVS NON ST SUPPOR				1FE	3,263,081	124.570	3,213,906	2,580,000	3,136,518		(28,835)			5.500	3.580	JJ	70,950	141,900	04/19/2012.	07/01/2031.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV			2	1FE	2,085,600	102.561	2,020,452	1,970,000	2,064,406		(11,630)			3.500	2.766	AO	17,238	70,962	02/11/2015.	10/01/2034.
64990E W8 6	NEW YORK ST DORM AUTH ST PERS INCOME TAX			2	1FE	5,690,400	115.389	5,769,450	5,000,000	5,614,230		(59,914)			5.000	3.360	MS	73,611	252,778	09/17/2015.	03/15/2034.
658196 2M 1	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1FE	500,280	107.394	536,970	500,000	500,105		(49)			5.000	4.989	JJ	12,500	25,000	03/10/2011.	01/01/2026.
658196 QS 2	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1	230,764	100.012	220,026	220,000	220,000					5.000	4.160	JJ	5,500	11,000	05/31/2006.	01/01/2017.
658196 QY 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS				1FE	2,319,940	119.637	2,392,740	2,000,000	2,137,602		(24,070)			6.000	4.450	JJ	60,000	120,000	01/04/2008.	01/01/2022.
658196 Z2 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1FE	5,984,640	108.380	6,502,800	6,000,000	5,993,531		2,978			5.500	5.558	JJ	165,000	330,000	01/13/2011.	01/01/2026.
658203 4V 3	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			2	1	4,078,533	107.188	4,576,928	4,270,000	4,154,707		41,158			5.000	6.461	JJ	106,750	106,750	01/13/2011.	01/01/2030.
658203 5C 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			2	1	1,652,427	105.861	1,831,395	1,730,000	1,669,212		2,599			5.000	5.379	JJ	43,250	43,250	01/13/2011.	01/01/2030.
65820A AJ 7	NORTH CAROLINA CAP FACS FIN AGY SOLID WA			2	1FE	10,448,000	106.710	11,204,550	10,500,000	10,458,902		1,946			4.375	4.411	AO	114,844	459,375	08/09/2011.	10/01/2031.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	987,147	107.854	1,078,540	1,000,000	993,827		2,350			4.750	5.025	JD	3,958	47,500	10/22/2009.	06/01/2030.
65821D DW 8	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	2,030,000	110.962	2,219,240	2,000,000	2,011,844		(3,122)			5.000	4.810	JD	8,333	100,000	04/22/2010.	06/01/2035.
65821D DX 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,119,880	110.962	1,109,620	1,000,000	1,059,776		(16,345)			5.000	3.140	JD	4,167	50,000	02/22/2013.	06/01/2042.
65821D FW 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	5,179,050	108.363	5,418,150	5,000,000	5,078,255		(18,323)			5.000	4.550	MN	41,667	250,000	10/22/2010.	11/01/2030.
65821D LH 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	9,165,865	112.380	9,552,300	8,500,000	8,968,053		(76,618)			5.000	3.861	JD	35,417	425,000	06/27/2013.	06/01/2032.
65821D NE 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	5,327,000	102.866	5,143,300	5,000,000	5,208,547		(31,544)			4.000	3.220	JD	16,667	200,000	01/15/2013.	12/01/2033.
65821D SM 4	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	3,558,060	108.125	3,243,750	3,000,000	3,541,005		(17,055)			5.000	2.600	JD	12,500	75,000	09/09/2016.	06/01/2040.
65821D VJ 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,114,950	102.445	1,024,450	1,000,000	1,110,882		(4,068)			4.000	2.661	JD	3,333	12,222	08/04/2016.	06/01/2036.
65825P CA 6	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	1,066,858	108.221	1,082,210	1,000,000	1,019,584		(7,858)			5.000	4.110	MN	8,333	50,000	04/16/2009.	05/01/2023.
65825P CB 4	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	1,056,760	108.221	1,082,210	1,000,000	1,016,694		(6,684)			5.000	4.240	MN	8,333	50,000	04/16/2009.	05/01/2024.
65825P DD 9	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	4,909,100	107.703	5,385,150	5,000,000	4,932,925		4,412			4.500	4.654	MN	37,500	225,000	03/22/2011.	05/01/2028.
658268 AX 5	NORTH CAROLINA ST GRANT ANTIC REV			2	1FE	3,552,329	100.667	3,427,711	3,405,000	3,409,549		(27,490)			5.000	4.163	MS	56,750	170,250	07/31/2013.	03/01/2019.
65887P RB 3	NORTH DAKOTA PUB FIN AUTH			2	1FE	1,801,441	111.627	1,741,381	1,560,000	1,766,932		(21,137)			5.000	3.190	JD	6,500	78,000	04/24/2015.	06/01/2032.
66285W LS 3	NORTH TEX TWY AUTH REV			2	1FE	3,481,691	113.020	3,531,875	3,125,000	3,410,359		(35,374)			5.000	3.517	JJ	78,125	156,250	11/06/2014.	01/01/2030.
664754 Y5 1	NORTHERN ARIZ UNIV REVS			2	1FE	3,061,543	112.511	3,116,555	2,770,000	2,972,047		(26,602)			5.000	3.740	FA	57,708	138,500	06/05/2013.	08/01/2029.
677632 PA 3	OHIO ST UNIV GEN RCPTS			1	1FE	1,484,895	97.582	1,463,730	1,500,000	1,484,864		8			4.800	4.849	JD	6,000	72,000	10/20/2011.	06/01/2111.
682004 DW 3	OMAHA PUB PWR DIST NEB SEPARATE ELEC REV			2	1FE	2,351,240	114.920	2,298,400	2,000,000	2,294,398		(31,823)			5.000	2.941	FA	41,667	100,000	02/27/2015.	02/01/2028.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
684618 AN 1	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,135,640	113.510	1,135,100	1,000,000	1,070,034		(13,402)			5.000	3.390	AO	12,500	50,000	09/14/2011.	10/01/2024.
684618 AP 6	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,123,000	113.413	1,134,130	1,000,000	1,063,718		(12,144)			5.000	3.530	AO	12,500	50,000	09/14/2011.	10/01/2025.
684618 AQ 4	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,226,380	113.316	2,266,320	2,000,000	2,117,576		(22,338)			5.000	3.640	AO	25,000	100,000	09/14/2011.	10/01/2026.
684618 BH 3	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,748,900	110.067	2,751,675	2,500,000	2,648,000		(22,828)			4.750	3.600	AO	29,688	118,750	03/30/2012.	10/01/2032.
708692 AJ 7	PENNSYLVANIA ECONOMIC DEV FING AUTH SOLI				1FE	2,000,000	101.353	2,027,060	2,000,000	2,000,000					1.500	2.625	MN	8,750	52,500	10/31/2014.	11/01/2021.
70869P HY 6	PENNSYLVANIA ECONOMIC DEV FING AUTH REV				2FE	3,804,210	103.107	3,655,143	3,545,000	3,664,958		(78,443)			4.000	1.701	JD	71,294	70,900	02/25/2015.	06/30/2018.
709222 CN 1	PENNSYLVANIA ST TPK COMMN REGISTRATION F				1FE	3,937,220	111.469	3,901,415	3,500,000	3,628,926		(33,196)			5.250	4.120	JJ	84,729	183,750	08/02/2005.	07/15/2020.
709235 WV 3	PENNSYLVANIA ST UNIV			2	1FE	861,840	120.938	816,332	675,000	852,757		(9,083)			5.000	1.991	MS	11,250	7,031	06/08/2016.	09/01/2027.
717893 YU 9	PHILADELPHIA PA WTR & WASTEWTR REV			2	1FE	10,310,000	109.202	10,920,200	10,000,000	10,238,136		(26,023)			5.000	4.621	JJ	250,000	500,000	02/11/2014.	07/01/2043.
71884A YY 9	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX			2	1FE	1,168,880	115.236	1,152,360	1,000,000	1,145,058		(14,740)			5.000	3.050	JJ	25,000	56,806	04/22/2015.	07/01/2032.
720175 VA 3	PIEDMONT MUN PWR AGY S C ELEC REV				1FE	1,193,760	103.746	1,125,644	1,085,000	1,101,926		(16,365)			5.000	3.400	JJ	27,125	54,250	11/17/2010.	01/01/2018.
720175 XD 5	PIEDMONT MUN PWR AGY S C ELEC REV			2	1FE	5,065,600	113.282	5,664,100	5,000,000	5,032,962		(6,280)			5.750	5.582	JJ	143,750	287,500	02/24/2011.	01/01/2034.
725304 SL 4	PITTSBURGH PA WTR & SWR AUTH WTR & SWR S			2	1FE	3,632,685	112.648	3,942,680	3,500,000	3,597,489		(12,313)			5.000	4.511	MS	58,333	175,000	01/07/2014.	09/01/2031.
74445M AB 5	PUBLIC FIN AUTH WIS SOLID WASTE DISP REV			2	1FE	285,000	94.866	270,368	285,000	285,000					2.875	2.875	MN	1,366	3,710	05/05/2016.	05/01/2027.
751120 BD 7	RALEIGH N C LTD OBLIG			2	1FE	3,085,560	112.139	3,364,170	3,000,000	3,061,915		(7,665)			5.000	4.640	AO	37,500	150,000	09/19/2013.	10/01/2038.
76218T NK 6	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			2	1FE	2,140,483	111.530	2,119,070	1,900,000	1,997,807		(24,050)			5.000	3.521	AO	23,750	95,000	06/10/2010.	10/01/2023.
762196 EU 3	RHODE IS HEALTH & EDL BLDG CORP PUB SCHS				2FE	1,809,224	107.386	1,712,807	1,595,000	1,795,045		(14,179)			4.000	1.900	MN	8,152	31,900	07/05/2016.	05/15/2023.
764791 BA 6	RICHMOND IND HOSP AUTH REV			2	1FE	1,683,405	109.006	1,635,090	1,500,000	1,653,496		(16,346)			5.000	3.521	JJ	37,500	75,000	02/11/2015.	01/01/2035.
792905 DG 3	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	1,704,072	112.515	1,732,731	1,540,000	1,682,529		(14,018)			5.000	3.720	JJ	38,500	81,278	05/29/2015.	07/01/2032.
792905 DH 1	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	375,020	112.042	380,943	340,000	370,430		(2,987)			5.000	3.760	JJ	8,500	17,944	05/29/2015.	07/01/2033.
79765R SU 4	SAN FRANCISCO CALIF CITY & CNTY PUB UTIL			1	1FE	1,740,546	113.903	2,050,254	1,800,000	1,758,606		3,499			5.500	5.837	MN	16,500	99,000	02/17/2011.	11/01/2025.
798111 GG 9	SAN JOAQUIN HILLS CALIF TRANSN CORRIDOR			2	2FE	1,526,153	109.115	1,494,876	1,370,000	1,498,264		(13,507)			5.000	3.646	JJ	31,586	68,500	10/23/2014.	01/15/2029.
800618 AD 2	SANFORD N C ENTERPRISE SYS REV			1,2	1FE	3,820,000	109.992	4,201,694	3,820,000	3,820,000					5.920	5.920	JD	18,845	226,144	12/08/2010.	06/01/2024.
829594 EV 8	SIOUX FALLS S D SALES TAX REV			2	1FE	2,770,500	103.244	2,684,344	2,600,000	2,638,157		(42,608)			5.000	3.274	MN	16,611	130,000	05/09/2007.	11/15/2023.
829594 EW 6	SIOUX FALLS S D SALES TAX REV			2	1FE	2,911,865	103.219	2,802,396	2,715,000	2,755,324		(45,036)			5.000	3.253	MN	17,346	135,750	05/09/2007.	11/15/2024.
829594 EX 4	SIOUX FALLS S D SALES TAX REV			2	1FE	3,035,605	103.192	2,925,493	2,835,000	2,877,784		(47,796)			5.000	3.226	MN	18,113	141,750	05/09/2007.	11/15/2025.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG			2	1FE	3,196,010	104.999	3,081,721	2,935,000	3,146,695		(24,904)			4.000	2.922	JJ	60,400	118,192	12/01/2014.	07/01/2041.
837151 CC 1	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	10,822,700	110.139	11,013,900	10,000,000	10,483,651		(88,052)			5.000	3.906	JD	41,667	500,000	01/27/2014.	12/01/2036.
837151 HZ 5	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	1,721,025	111.353	1,670,295	1,500,000	1,699,085		(21,940)			5.000	2.870	JD	6,250	75,000	02/19/2016.	12/01/2038.
83755V XD 1	SOUTH DAKOTA ST HEALTH & EDL FACS AUTH R			2	1FE	3,473,250	109.695	3,290,850	3,000,000	3,385,961		(42,899)			5.000	3.134	MN	25,000	150,000	10/16/2014.	11/01/2034.
847184 SM 1	SPARTANBURG S C WTRWKS REV			2	1FE	2,041,020	101.345	2,026,900	2,000,000	2,003,835		(9,008)			4.500	4.028	JD	7,500	90,000	02/08/2007.	06/01/2021.
847184 SN 9	SPARTANBURG S C WTRWKS REV			2	1FE	2,031,725	101.345	2,026,900	2,000,000	2,003,802		(8,930)			4.500	4.032	JD	7,500	90,000	02/07/2007.	06/01/2022.
847184 SQ 2	SPARTANBURG S C WTRWKS REV			2	1FE	2,864,344	101.318	2,836,904	2,800,000	2,807,266		(17,085)			4.500	3.862	JD	10,500	126,000	03/09/2007.	06/01/2024.
860820 DM 8	STILLWATER OKLA UTILS AUTH UTIL SYS & SA			2	1FE	2,831,354	114.482	2,850,602	2,490,000	2,779,133		(32,322)			5.000	3.290	AO	31,125	124,500	07/29/2014.	10/01/2032.
870487 CG 8	SWEETWATER CNTY WYO POLLUTION CTL REV			2	1FE	13,000,000	108.849	14,150,370	13,000,000	13,000,000					5.250	5.250	FA	284,375	682,500	12/16/2010.	07/15/2026.
880557 6V 0	TENNESSEE ST SCH BD AUTH			2	1FE	5,970,834	105.149	5,662,274	5,385,000	5,498,300		(81,972)			5.000	3.370	MN	44,875	269,250	09/02/2010.	05/01/2030.
88283K AJ 7	TEXAS TRANSN COMMN CENT TEX TPK SYS REV				1FE	2,333,180	109.316	2,186,320	2,000,000	2,209,852		(64,760)			5.000	1.621	FA	37,778	100,000	01/22/2015.	08/15/2042.
88283L GW 0	TEXAS TRANSN COMMN ST HWY FD REV				1FE	11,338,011	120.993	12,716,364	10,510,000	10,972,379		(52,893)			5.250	4.531	AO	137,944	551,775	07/25/2008.	04/01/2024.
882854 PX 4	TEXAS WTR DEV BRD REV			2	1FE	7,468,349	102.050	7,806,825	7,650,000	7,527,018		8,575			5.000	5.200	JJ	176,375	382,500	09/18/2008.	07/15/2027.
882854 RC 8	TEXAS WTR DEV BRD REV			2	1FE	5,238,055	102.264	5,113,200	5,000,000	5,018,909		(33,981)			5.250	4.530	JJ	121,042	262,500	06/25/2008.	07/15/2022.
882854 RF 1	TEXAS WTR DEV BRD REV			2	1FE	5,218,550	102.242	5,112,100	5,000,000	5,015,747		(28,273)			5.250	4.650	JJ	121,042	262,500	06/25/2008.	07/15/2025.
899676 KU 3	TULSA OKLA TULSA INDL AUTH REV			2	1FE	999,975	100.262	1,002,620	1,000,000	999,983		1			4.500	4.500	AO	11,250	45,000	03/31/2010.	10/01/2026.
913366 DF 4	UNIV CALIF REGTS MED CTR POOLED REV			1	1FE	2,000,000	130.875	2,617,500	2,000,000	2,000,000					6.583	6.582	MN	16,823	131,660	12/04/2009.	05/15/2049.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
914072 PK 3	UNIVERSITY ARK UNIV REV			2	1FE	4,589,600	112.472	4,498,880	4,000,000	4,407,586		(52,392)			5.000	3.320	MN	33,333	200,000	04/18/2013.	11/01/2037.
91412F 7X 9	UNIVERSITY CALIF REVS			1,2	1FE	999,290	109.591	1,095,910	1,000,000	999,666		14			6.270	6.274	MN	8,012	62,700	08/19/2009.	05/15/2031.
91417K SF 9	UNIVERSITY COLO ENTERPRISE SYS REV			2	1FE	3,236,640	113.831	3,414,930	3,000,000	3,120,301		(24,465)			5.000	4.000	JD	12,500	150,000	10/26/2011.	06/01/2032.
914692 J4 1	UNIVERSITY N MEX UNIV REVS			2	1FE	3,117,270	101.736	3,052,080	3,000,000	3,006,512		(15,253)			5.000	4.465	JD	12,500	150,000	06/16/2008.	06/01/2023.
914714 CN 8	UNIVERSITY N C CHAPEL HILL UNIV N C HOSP			1,2	1FE	2,500,000	109.369	2,734,225	2,500,000	2,500,000					6.329	6.330	FA	65,927	158,225	11/10/2010.	02/01/2031.
914720 JC 2	UNIVERSITY N C SYS POOL REV				1FE	4,799,660	107.973	4,696,826	4,350,000	4,441,280		(37,995)			5.250	4.260	AO	57,094	228,375	03/23/2005.	04/01/2019.
914720 YH 4	UNIVERSITY N C SYS POOL REV			2	1FE	1,600,644	111.244	1,613,038	1,450,000	1,519,037		(19,699)			5.250	3.680	AO	19,031	76,125	07/31/2013.	04/01/2022.
917565 ET 6	UTAH TRAN AUTH SALES TAX REV				1FE	5,783,450	125.705	6,285,250	5,000,000	5,601,630		(36,620)			5.250	4.013	JD	11,667	262,500	07/27/2011.	06/15/2029.
917565 GR 8	UTAH TRAN AUTH SALES TAX REV			1	1FE	3,182,850	118.280	3,548,400	3,000,000	3,158,111		(7,627)			5.000	4.500	JD	6,667	150,000	07/17/2013.	06/15/2031.
919061 EY 3	VALDEZ ALASKA MARINE TERM REV				1FE	1,122,700	110.067	1,100,670	1,000,000	1,058,216		(13,358)			5.000	3.430	JJ	25,000	50,000	10/21/2011.	01/01/2021.
924190 KZ 3	VERMONT HSG FIN AGY			2	1FE	1,291,309	105.268	1,242,162	1,180,000	1,287,523		(3,786)			4.000	2.826	MN	16,651		07/15/2016.	11/01/2046.
927781 VQ 4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R			1	1FE	2,004,400	106.576	2,131,520	2,000,000	2,001,807		(451)			4.000	3.973	MS	26,667	80,000	10/28/2010.	09/01/2020.
927793 WM 7	VIRGINIA COMWLTH TRANSN BRD TRANSN REV			2	1FE	5,129,700	104.422	5,221,100	5,000,000	5,090,042		(14,944)			4.000	3.628	MN	25,556	200,000	06/05/2012.	05/15/2034.
928172 RH 0	VIRGINIA ST PUB BLDG AUTH PUB FACS REV			2	1FE	8,887,161	106.177	9,587,783	9,030,000	8,981,135		28,774			5.125	5.487	FA	192,828	462,788	12/04/2008.	08/01/2025.
92818M CM 0	VIRGINIA ST RES AUTH INFRASTRUCTURE REV			2	1FE	3,487,738	116.724	3,793,530	3,250,000	3,417,536		(2,316)			5.000	4.000	MN	27,083		01/29/2014.	11/01/2042.
92818M DA 5	VIRGINIA ST RES AUTH INFRASTRUCTURE REV			2	1FE	1,878,013	113.030	1,978,025	1,750,000	1,840,212		(1,247)			5.000	4.000	MN	14,583		01/29/2014.	11/01/2042.
930868 BX 1	WAKE CNTY N C INDL FACS & POLLUTION CTL			2	1FE	3,997,000	103.315	4,132,600	4,000,000	3,997,176		67			4.000	4.005	JD	13,333	160,000	06/02/2014.	06/01/2041.
930876 AZ 0	WAKE CNTY N C LTD OBLIG			2	1FE	3,862,929	108.521	3,798,235	3,500,000	3,623,696		(48,332)			5.000	3.461	JD	14,583	175,000	07/31/2013.	06/01/2023.
930876 BB 2	WAKE CNTY N C LTD OBLIG			2	1FE	1,179,722	108.521	1,193,731	1,100,000	1,135,047		(13,659)			5.000	3.610	JD	4,583	55,000	07/31/2013.	06/01/2024.
930876 BY 2	WAKE CNTY N C LTD OBLIG			2	1FE	6,556,794	109.960	6,493,138	5,905,000	6,126,166		(68,520)			5.000	3.670	JJ	147,625	295,250	12/11/2009.	01/01/2025.
93978H LE 3	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	4,621,922	113.848	4,599,459	4,040,000	4,517,980		(50,275)			5.000	3.332	MS	67,333	202,000	10/23/2014.	03/01/2030.
93978H QT 5	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	1,617,300	110.717	1,660,755	1,500,000	1,602,702		(9,945)			5.000	4.040	JJ	37,500	73,542	06/24/2015.	01/01/2033.
944514 MN 5	WAYNE CNTY MICH ARPT AUTH REV			2	1FE	4,051,019	110.284	4,030,880	3,655,000	3,972,762		(59,047)			5.000	3.080	JD	15,229	182,750	08/27/2015.	12/01/2022.
95648V AS 8	WEST VIRGINIA ECONOMIC DEV AUTH SOLID WA			2	2FE	3,333,360	108.821	3,264,630	3,000,000	3,255,469		(65,386)			5.375	3.010	JD	13,438	161,250	10/20/2015.	12/01/2038.
958697 JV 7	WESTERN MINN MUN PWR AGY MINN PWR SUPPLY			2	1FE	3,333,420	111.279	3,338,370	3,000,000	3,265,683		(32,877)			5.000	3.560	JJ	75,000	150,000	07/02/2014.	01/01/2040.
961017 PF 1	WESTMORELAND CNTY PA MUN AUTH MUN SVC RE			2	1FE	5,173,050	112.508	5,625,400	5,000,000	5,127,378		(16,148)			5.000	4.550	FA	94,444	250,000	01/08/2014.	08/15/2031.
967338 UB 8	WICHITA KANS WTR & SWR UTIL REV			2	1FE	3,642,963	112.207	3,596,234	3,205,000	3,465,160		(50,136)			5.000	3.146	AO	40,063	160,250	11/15/2011.	10/01/2025.
967338 UC 6	WICHITA KANS WTR & SWR UTIL REV			2	1FE	4,819,840	111.824	4,752,520	4,250,000	4,548,133		(57,056)			5.000	3.388	AO	53,125	212,500	11/02/2011.	10/01/2026.
967338 UD 4	WICHITA KANS WTR & SWR UTIL REV			2	1FE	4,941,079	111.490	4,899,986	4,395,000	4,681,490		(54,654)			5.000	3.497	AO	54,938	219,750	11/02/2011.	10/01/2027.
971697 BN 6	WILMINGTON N C LTD OBLIG REV			2	1FE	585,785	112.839	564,195	500,000	549,889		(8,373)			5.000	2.990	JD	2,083	25,000	06/12/2012.	06/01/2024.
975700 HV 0	WINSTON-SALEM N C WTR & SWR SYS REV			2	1FE	422,800	106.150	424,600	400,000	408,561		(3,367)			4.000	3.073	JD	1,333	16,000	06/07/2010.	06/01/2022.
977100 BU 9	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1FE	9,213,397	110.332	8,826,560	8,000,000	8,352,649		(141,756)			6.000	4.000	MN	80,000	480,000	03/03/2010.	05/01/2026.
977100 BZ 8	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1FE	10,363,500	108.492	10,849,200	10,000,000	10,119,219		(46,994)			5.750	5.200	MN	95,833	575,000	02/03/2011.	05/01/2033.
97712D CZ 7	WISCONSIN ST HEALTH & EDL FACS AUTH REV			2	1FE	1,247,389	109.989	1,209,879	1,100,000	1,214,367		(16,155)			5.125	3.281	AO	11,901	56,375	10/20/2014.	04/15/2031.
982674 GW 7	WYANDOTTE CNTY KANS CITY KANS UNI GOVT U			2	1FE	5,780,900	111.455	5,572,750	5,000,000	5,476,226		(75,833)			5.000	3.150	MS	83,333	250,000	10/03/2012.	09/01/2032.
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations						812,283,584	XXX	835,575,267	754,045,000	791,105,417	0	(5,617,782)	0	0	XXX	XXX	XXX	10,041,587	35,408,522	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
3128MA BS 7	FH G07849 - RMBS			4	1	3,264,697	103.419	3,198,879	3,093,125	3,264,299		(398)			3.500	2.638	MON	9,022	54,818	05/18/2016.	05/01/2044.
3128MA GC 7	FH G07995 - RMBS			4	1	1,989,247	110.680	1,946,253	1,758,450	1,993,829		4,583			5.500	2.421	MON	8,060	74,031	02/22/2016.	01/01/2039.
3128MJ S6 8	FH G08540 - RMBS			4	1	2,331,125	98.737	2,330,080	2,359,886	2,332,915		1,174			3.000	3.169	MON	5,900	71,508	07/28/2014.	08/01/2043.
3128MJ TA 8	FH G08544 - RMBS			4	1	2,360,483	98.729	2,375,769	2,406,354	2,363,745		2,167			3.000	3.262	MON	6,016	72,903	07/16/2014.	09/01/2043.
3128MJ UV 0	FH G08595 - RMBS			4	1	5,911,008	104.893	5,869,609	5,595,806	5,910,908		(11,776)			4.000	2.887	MON	18,653	229,763	07/18/2014.	07/01/2044.
3128MJ YU 8	FH G08722 - RMBS			4	1	4,925,383	102.247	4,759,766	4,655,165	4,920,541		(4,842)			3.500	2.657	MON	13,578	40,962	09/06/2016.	09/01/2046.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3128P7 TC 7	FH C91447 - RMBS			4	1	2,296,826	103.544	2,227,845	2,151,593	2,298,022		1,197			3.500	1.873	MON	6,275	32,027	06/28/2016.	05/01/2032.
312936 6F 9	FH A89870 - RMBS			4	1	4,364,574	107.775	4,347,933	4,034,268	4,398,994		15,083			4.500	2.667	MON	15,129	186,155	07/08/2014.	11/01/2039.
312943 UJ 0	FH A95085 - RMBS			4	1	6,076,053	105.055	6,045,947	5,755,031	6,073,495		(6,749)			4.000	2.925	MON	19,183	235,300	07/08/2014.	11/01/2040.
3132HR MY 3	FH Q14875 - RMBS			4	1	2,440,322	98.791	2,320,536	2,348,934	2,442,286		1,964			3.000	2.439	MON	5,872	23,837	07/19/2016.	01/01/2043.
31335A NJ 3	FH G60393 - RMBS			4	1	3,850,437	102.631	3,760,207	3,663,812	3,836,152		(14,285)			3.500	2.778	MON	10,686	97,037	02/23/2016.	01/01/2046.
3138E0 RA 9	FN AJ7680 - RMBS			4	1	5,326,285	102.379	5,309,072	5,185,704	5,313,706		(10,804)			3.500	3.075	MON	15,125	184,686	07/10/2014.	12/01/2041.
3138EH B8 4	FN AL0962 - RMBS			4	1	578,268	108.782	572,271	526,072	580,767		2,500			4.500	2.421	MON	1,973	12,126	05/27/2016.	10/01/2041.
3138EP EP 5	FN AL6441 - RMBS			4	1	1,761,346	105.781	1,747,660	1,652,150	1,749,268		(7,316)			4.000	2.831	MON	5,507	67,239	07/09/2015.	02/01/2045.
3138EQ RG 9	FN AL7686 - RMBS			4	1	4,216,337	102.787	4,137,940	4,025,743	4,198,657		(17,679)			3.000	2.000	MON	10,064	91,470	02/18/2016.	12/01/2030.
3138EQ VQ 2	FN AL7822 - RMBS			4	1	2,511,623	105.391	2,453,078	2,327,597	2,513,438		1,815			4.000	2.558	MON	7,759	7,905	11/04/2016.	07/01/2043.
3138WF AD 8	FN AS5403 - RMBS			4	1	1,785,561	100.439	1,775,918	1,768,156	1,782,050		(2,562)			2.500	2.300	MON	3,684	44,647	07/13/2015.	07/01/2030.
3138WF HA 7	FN AS5624 - RMBS			4	1	1,841,956	102.819	1,818,171	1,768,322	1,829,379		(8,715)			3.000	2.166	MON	4,421	53,689	08/11/2015.	08/01/2030.
3138WQ AW 2	FN AT2720 - RMBS			4	1	2,715,335	99.255	2,623,772	2,643,465	2,715,821		486			3.000	2.601	MON	6,609	40,151	05/20/2016.	05/01/2043.
3138WT RW 8	FN AT5900 - RMBS			4	1	7,214,288	99.067	7,238,592	7,306,764	7,215,892		1,255			3.000	3.171	MON	18,267	221,798	07/18/2014.	06/01/2043.
3138X0 Y3 6	FN AU1629 - RMBS			4	1	2,227,890	99.067	2,236,103	2,257,163	2,228,823		659			3.000	3.173	MON	5,643	68,466	07/22/2014.	07/01/2043.
3138Y6 4A 9	FN AX5316 - RMBS			4	1	1,495,468	108.094	1,483,889	1,372,776	1,501,786		(2,000)			4.500	2.615	MON	5,148	63,087	12/11/2014.	01/01/2042.
31392B 5Y 8	FNR 0210C FB - CMO/RMBS			4,5	1	160	100.023	160	160	160					1.256	1.264	MON		2	01/29/2002.	03/25/2017.
31410K HA 5	FN 889525 - RMBS			4	1	644,656	109.360	629,812	575,907	651,143		2,154			5.000	2.120	MON	2,400	29,464	04/29/2015.	05/01/2036.
31417F SA 7	FN AB8612 - RMBS			4	1	2,350,796	99.067	2,334,700	2,356,687	2,350,798		3			3.000	3.025	MON	5,892		12/29/2016.	03/01/2043.
31418A AV 0	FN MA0919 - RMBS			4	1	2,480,872	103.908	2,427,259	2,335,969	2,483,882		3,011			3.500	1.944	MON	6,813	34,885	06/15/2016.	12/01/2031.
31418A CM 8	FN MA0975 - RMBS			4	1	3,736,965	102.374	3,660,391	3,575,509	3,743,107		6,142			3.500	2.741	MON	10,429	85,227	03/22/2016.	02/01/2042.
31418A M3 9	FN MA1277 - RMBS			4	1	5,247,381	100.455	5,195,756	5,172,223	5,232,339		(7,217)			2.500	2.160	MON	10,775	131,522	07/15/2014.	12/01/2027.
31418M GG 1	FN AD0198 - RMBS			4	1	4,637,642	111.867	4,642,497	4,150,015	4,642,363		318			5.500	2.666	MON	19,021	233,204	07/22/2014.	09/01/2038.
31418U EL 4	FN AD6438 - RMBS			4	1	2,768,594	109.630	2,736,735	2,496,338	2,792,199		9,078			5.000	2.373	MON	10,401	128,087	07/08/2014.	06/01/2040.
31419B CT 0	FN AE0981 - RMBS			4	1	1,907,724	102.348	1,860,093	1,817,420	1,911,312		3,589			3.500	2.619	MON	5,301	43,353	03/29/2016.	03/01/2041.
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						95,259,302	XXX	94,066,693	91,136,564	95,272,076	0	(37,165)	0	0	XXX	XXX	XXX	273,606	2,659,349	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Commercial Mortgage-Backed Securities																					
3137A7 NU 0	FHMS K011 A2 - CMBS			4	1	2,808,188	106.666	2,719,983	2,550,000	2,784,233		(23,955)			4.084	1.543	MON	8,679	37,607	09/09/2016.	11/25/2020.
3137BM LC 8	FHMS K504 A2 - CMBS			4	1	3,270,250	101.748	3,230,499	3,175,000	3,247,940		(22,310)			2.566	1.763	MON	6,789	74,681	01/15/2016.	09/25/2020.
31398E 2F 0	FHMS K003 A5 - CMBS			4	1	4,158,098	105.955	4,052,779	3,825,000	4,105,033		(53,064)			5.085	1.480	MON	16,208	64,834	08/03/2016.	03/25/2019.
2799999. U.S. Special Revenue - Commercial Mortgage-Backed Securities						10,236,536	XXX	10,003,261	9,550,000	10,137,206	0	(99,329)	0	0	XXX	XXX	XXX	31,676	177,122	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Other Loan-Backed and Structured Securities																					
010047 CZ 9	AKRON OHIO CTFS PARTN			2	1FE	1,116,250	108.014	1,080,140	1,000,000	1,081,023		(19,332)			5.000	2.800	JD	4,167	50,000	02/24/2015.	12/01/2030.
04048P JN 1	ARIZONA BRD REGENTS CTFS PARTN			2	1FE	4,707,672	112.030	4,962,929	4,430,000	4,615,254		(29,967)			5.000	4.130	JD	18,458	221,500	10/02/2013.	06/01/2028.
040588 WU 5	ARIZONA ST CTFS PARTN			2	1FE	1,020,209	104.551	1,045,510	1,000,000	1,003,456		(2,835)			5.000	4.691	MS	16,667	50,000	06/26/2008.	09/01/2021.
040588 WV 3	ARIZONA ST CTFS PARTN			2	1FE	5,099,500	104.551	5,227,550	5,000,000	5,023,784		(19,531)			5.000	4.575	MS	83,333	250,000	06/26/2008.	09/01/2022.
040588 XP 5	ARIZONA ST CTFS PARTN			2	1FE	5,058,750	109.123	5,456,150	5,000,000	5,021,524		(7,141)			5.250	5.080	AO	65,625	262,500	01/18/2011.	10/01/2021.
040588 XV 2	ARIZONA ST CTFS PARTN			2	1FE	1,957,410	108.175	1,893,063	1,750,000	1,878,447		(44,919)			5.000	2.230	AO	21,875	87,500	03/18/2015.	10/01/2029.
12677P HD 6	CABARRUS CNTY N C CTFS PARTN			2	1FE	1,018,916	107.394	1,073,940	1,000,000	1,007,548		(3,524)			5.000	4.601	JJ	25,000	50,000	07/31/2013.	01/01/2023.
161037 YG 5	CHARLOTTE N C CTFS PARTN			2	1FE	3,884,545	107.834	3,774,190	3,500,000	3,620,523		(47,061)			5.000	3.500	JD	14,583	175,000	11/12/2010.	06/01/2021.
161037 YK 6	CHARLOTTE N C CTFS PARTN			2	1FE	552,775	108.132	540,660	500,000	515,012		(5,843)			5.000	3.689	JD	2,083	25,000	09/30/2009.	06/01/2024.
19668Q GC 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT			2	1FE	1,055,030	103.176	1,031,760	1,000,000	1,033,275		(5,784)			4.000	3.298	MS	11,778	40,000	01/04/2013.	03/15/2032.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
196734 BQ 9	COLORADO ST HIGHER ED CAP CONSTR LEASE P			2	1FE	1,885,120	107.752	2,041,900	1,895,000	1,891,018		2,013			5.500	5.622	MN	17,371	104,225	01/19/2010.	11/01/2027.
196734 BR 7	COLORADO ST HIGHER ED CAP CONSTR LEASE P			2	1FE	5,078,375	107.752	5,500,740	5,105,000	5,094,271		5,424			5.500	5.622	MN	46,796	280,775	01/19/2010.	11/01/2027.
230582 CU 0	CUMBERLAND CNTY N C CTFS PARTN				1FE	1,077,401	106.671	1,066,710	1,000,000	1,029,412		(14,633)			5.000	3.400	JD	4,167	50,000	07/31/2013.	12/01/2018.
24919P HT 4	DENVER COLO CITY & CNTY SCH DIST NO 001			2	1FE	5,639,595	111.743	5,548,040	4,965,000	5,433,987		(58,729)			5.000	3.460	JD	11,033	248,250	04/25/2013.	12/15/2033.
264474 GW 1	DULUTH MINN INDPT SCH DIST NO 709 CTFS P				2FE	2,897,010	114.592	2,767,397	2,415,000	2,870,659		(26,351)			5.000	1.720	FA	44,946		07/20/2016.	02/01/2023.
403715 CM 5	GWINNETT CNTY GA DEV AUTH CTFS PARTN				1FE	12,962,881	119.914	14,389,680	12,000,000	12,563,443		(57,235)			5.250	4.543	JJ	315,000	630,000	09/11/2008.	01/01/2025.
413328 EJ 0	HARNETT CNTY N C CTFS PARTN			2	1FE	538,720	103.679	518,395	500,000	505,794		(6,123)			5.000	3.699	JD	2,083	25,000	04/28/2005.	12/01/2018.
413328 FF 7	HARNETT CNTY N C CTFS PARTN			2	1FE	1,018,272	108.521	1,085,210	1,000,000	1,008,186		(3,136)			5.000	4.638	JD	4,167	50,000	07/31/2013.	06/01/2023.
583887 CZ 5	MECKLENBURG CNTY N C CTFS PARTN			2	1FE	2,122,884	107.642	2,255,100	2,095,000	2,101,961		(3,103)			5.000	4.830	FA	43,646	104,750	01/30/2009.	02/01/2025.
583887 DP 6	MECKLENBURG CNTY N C CTFS PARTN			2	1FE	614,153	104.190	609,512	585,000	594,201		(8,189)			5.000	3.508	FA	12,188	29,250	06/30/2014.	02/01/2024.
583887 DQ 4	MECKLENBURG CNTY N C CTFS PARTN			2	1FE	1,284,499	104.190	1,276,328	1,225,000	1,243,788		(16,715)			5.000	3.545	FA	25,521	61,250	06/30/2014.	02/01/2025.
583887 EE 0	MECKLENBURG CNTY N C CTFS PARTN			2	1FE	734,961	103.748	741,798	715,000	721,353		(5,617)			5.000	4.153	FA	14,896	35,750	06/30/2014.	02/01/2024.
583887 EF 7	MECKLENBURG CNTY N C CTFS PARTN			2	1FE	1,536,372	103.715	1,555,725	1,500,000	1,512,838		(11,348)			5.000	4.184	FA	31,250	75,000	06/30/2014.	02/01/2025.
59333M U6 0	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN			2	1FE	2,226,184	112.497	2,249,940	2,000,000	2,206,578		(18,892)			5.000	3.654	FA	41,667	62,500	11/17/2015.	02/01/2034.
59333M V6 9	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN			2	1FE	2,350,855	113.333	2,311,993	2,040,000	2,330,737		(20,118)			5.000	3.181	FA	42,500	32,300	03/03/2016.	02/01/2032.
616108 BN 5	MOORESVILLE N C CTFS PARTN			2	1FE	3,224,370	102.701	3,214,541	3,130,000	3,142,657		(18,484)			5.000	4.373	MS	52,167	156,500	12/05/2007.	09/01/2020.
616108 BP 0	MOORESVILLE N C CTFS PARTN			2	1FE	3,371,099	102.701	3,378,863	3,290,000	3,301,872		(17,329)			5.000	4.441	MS	54,833	164,500	12/05/2007.	09/01/2021.
616108 BQ 8	MOORESVILLE N C CTFS PARTN			2	1FE	3,529,062	102.701	3,553,455	3,460,000	3,470,838		(15,811)			5.000	4.514	MS	57,667	173,000	12/05/2007.	09/01/2022.
646046 MP 4	NEW JERSEY ST CTFS PARTN			2	1FE	5,224,650	104.547	5,227,350	5,000,000	5,051,181		(33,457)			5.000	4.266	JD	11,111	250,000	05/28/2008.	06/15/2020.
65820Q DU 4	NORTH CAROLINA INFRASTRUCTURE FIN CORP C			2	1FE	10,526,900	100.361	10,036,100	10,000,000	10,014,705		(172,719)			5.000	3.226	FA	208,333	500,000	09/12/2007.	02/01/2025.
664751 DJ 0	NORTHERN ARIZ UNIV CTFS PARTN			2	1FE	1,146,080	114.812	1,148,120	1,000,000	1,123,535		(14,061)			5.000	3.171	MS	16,667	50,000	04/16/2015.	09/01/2028.
684517 RX 5	ORANGE CNTY FLA SCH BRD CTFS PARTN			2	1FE	1,165,160	114.312	1,143,120	1,000,000	1,155,500		(9,660)			5.000	3.111	FA	20,833	14,028	03/16/2016.	08/01/2034.
724500 KA 0	PITT CNTY N C CTFS PARTN			2	1FE	797,150	101.055	773,071	765,000	767,292		(9,112)			5.000	3.766	AO	9,563	38,250	05/30/2008.	04/01/2021.
724500 KL 6	PITT CNTY N C CTFS PARTN			2	1FE	1,245,221	101.055	1,207,607	1,195,000	1,198,580		(14,233)			5.000	3.766	AO	14,938	59,750	05/30/2008.	04/01/2021.
752586 ET 0	RANDOLPH CNTY N C CTFS PARTN			2	1FE	495,715	100.362	501,810	500,000	499,897		1,203			5.000	5.251	FA	10,417	25,000	11/20/2008.	02/01/2021.
75913T HV 9	REGIONAL TRANSN DIST COLO CTFS PARTN			2	1FE	5,317,700	109.639	5,481,950	5,000,000	5,255,981		(34,276)			5.000	4.085	JD	20,833	250,000	06/12/2014.	06/01/2039.
90341U DJ 8	USF FING CORP FLA CTFS PARTN			2	1FE	1,163,420	114.187	1,141,870	1,000,000	1,140,146		(14,199)			5.000	3.111	JJ	25,000	50,000	04/17/2015.	07/01/2028.
2899999. U.S. Special Revenue - Other Loan-Backed and Structured Securities						104,644,866	XXX	106,812,217	98,560,000	102,030,256	0	(780,827)	0	0	XXX	XXX	XXX	1,423,162	4,731,578	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						1,022,424,288	XXX	1,046,457,438	953,291,564	998,544,955	0	(6,535,103)	0	0	XXX	XXX	XXX	11,770,031	42,976,571	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00184A AC 9	TIME WARNER INC			1	2FE	2,718,960	135.154	2,703,080	2,000,000	2,644,073		(31,500)			7.625	4.537	AO	32,194	152,500	07/10/2014.	04/15/2031.
00206R BD 3	AT&T INC			1	2FE	2,733,015	98.803	2,717,083	2,750,000	2,738,348		2,064			3.000	3.090	FA	31,167	82,500	07/10/2014.	02/15/2022.
00206R DK 5	AT&T INC			1,2	2FE	1,271,543	90.248	1,168,712	1,295,000	1,271,659		117			4.550	4.658	MS	18,659		09/08/2016.	03/09/2049.
00507U AR 2	ACTAVIS FUNDING SCS		C	1,2	2FE	2,945,811	101.453	2,992,864	2,950,000	2,946,802		553			3.450	3.473	MS	29,967	101,775	03/03/2015.	03/15/2022.
025816 AY 5	AMERICAN EXPRESS CO				1FE	1,494,255	106.146	1,592,190	1,500,000	1,499,075		709			7.000	7.054	MS	29,750	105,000	03/12/2008.	03/19/2018.
02665W BH 3	AMERICAN HONDA FINANCE CORP		C	1	1FE	613,143	92.978	571,815	615,000	613,195		52			2.300	2.334	MS	4,401		09/06/2016.	09/09/2026.
03027X AD 2	AMERICAN TOWER CORP			1	2FE	2,572,152	107.846	2,588,304	2,400,000	2,551,120		(17,967)			5.000	3.976	FA	45,333	120,000	10/22/2015.	02/15/2024.
032654 AM 7	ANALOG DEVICES INC			1,2	1FE	2,540,795	99.523	2,537,837	2,550,000	2,540,882		88			3.125	3.183	JD	5,755		11/30/2016.	12/05/2023.
03523T AV 0	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1	2FE	993,810	108.294	1,082,940	1,000,000	997,636		647			5.000	5.079	AO	10,556	50,000	03/24/2010.	04/15/2020.
03523T BP 2	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1	2FE	1,625,208	98.343	1,721,003	1,750,000	1,666,754		13,422			2.500	3.451	JJ	20,174	43,750	10/10/2013.	07/15/2022.
03524B AE 6	ANHEUSER-BUSCH INBEV FINANCE INC		C	1	1FE	999,750	103.370	1,033,700	1,000,000	999,817		22			3.700	3.703	FA	15,417	37,000	01/22/2014.	02/01/2024.
037833 AR 1	APPLE INC			1	1FE	748,155	102.034	765,255	750,000	748,834		249			2.850	2.888	MN	3,266	21,375	04/29/2014.	05/06/2021.
04650N AB 0	AT&T INC			1	2FE	128,638	102.091	127,614	125,000	128,449		(74)			5.350	5.147	MS	2,229	36,781	03/25/2014.	09/01/2040.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
05523U AP 5	BAE SYSTEMS HOLDINGS INC		C	1,2	2FE	548,451	102.022	566,222	555,000	549,031		548			3.850	3.994	JD	950	21,664	12/03/2015.	12/15/2025.
05565Q CS 5	BP CAPITAL MARKETS PLC		C	1	1FE	1,275,000	101.368	1,292,442	1,275,000	1,275,000					3.535	3.535	MN	7,136	45,071	10/30/2014.	11/04/2024.
06050T JZ 6	BANK OF AMERICA, N.A.				1FE	1,771,077	119.731	2,035,427	1,700,000	1,758,808		(1,576)			6.000	5.706	AO	21,533	102,000	12/26/2006.	10/15/2036.
06051G DZ 9	BANK OF AMERICA CORP			1	2FE	1,852,215	112.396	1,685,940	1,500,000	1,679,671		(71,371)			7.625	2.483	JD	9,531	114,375	07/10/2014.	06/01/2019.
06051G FF 1	BANK OF AMERICA CORP				2FE	996,250	103.207	1,032,070	1,000,000	997,138		334			4.000	4.046	AO	10,000	40,000	03/27/2014.	04/01/2024.
06051G FP 9	BANK OF AMERICA CORP				2FE	2,633,358	99.261	2,630,417	2,650,000	2,634,439		1,081			3.950	4.034	AO	20,353	52,338	04/22/2016.	04/21/2025.
064159 CU 8	BANK OF NOVA SCOTIA				1FE	1,998,580	100.421	2,008,420	2,000,000	1,999,464		285			2.050	2.065	AO	6,947	41,000	10/24/2013.	10/30/2018.
064255 AY 8	BANK OF TOKYO-MITSUBISHI UFJ LTD		C	9	1FE	948,946	99.848	948,556	950,000	949,754		361			1.261	1.319	MJSD	799	9,264	10/01/2014.	09/08/2017.
06738E AQ 8	BARCLAYS PLC		C		2FE	2,748,240	99.130	2,726,075	2,750,000	2,748,368		128			3.200	3.214	FA	34,467		08/03/2016.	08/10/2021.
07330N AJ 4	BRANCH BANKING AND TRUST CO			2	1FE	2,997,480	101.396	3,041,880	3,000,000	2,998,459		337			2.850	2.863	AO	21,375	85,500	02/27/2014.	04/01/2021.
073902 RU 4	BEAR STEARNS & CO INC				1FE	2,723,338	105.940	2,436,620	2,300,000	2,373,825		(65,253)			7.250	4.189	FA	69,479	166,750	01/27/2011.	02/01/2018.
097014 AL 8	BOEING CAPITAL CORP			1	1FE	2,997,870	107.907	3,237,210	3,000,000	2,999,297		229			4.700	4.709	AO	25,067	141,000	10/22/2009.	10/27/2019.
101137 AM 9	BOSTON SCIENTIFIC CORP			1	2FE	998,790	101.208	1,012,080	1,000,000	999,575		235			2.650	2.675	AO	6,625	26,500	10/02/2013.	10/01/2018.
111013 AL 2	SKY PLC		C	1	2FE	2,550,663	100.362	2,559,231	2,550,000	2,550,657		(30)			3.750	3.746	MS	27,891	95,625	10/23/2015.	09/16/2024.
12189L AH 4	BURLINGTON NORTHERN SANTA FE LLC			1,2	1FE	997,500	102.188	1,021,880	1,000,000	998,614		243			3.050	3.079	MS	8,981	30,500	02/28/2012.	03/15/2022.
12572Q AE 5	CME GROUP INC			1	1FE	1,484,370	102.294	1,534,410	1,500,000	1,489,035		1,733			3.000	3.141	MS	13,250	45,000	03/25/2014.	09/15/2022.
125896 BP 4	CMS ENERGY CORP			1,2	2FE	2,217,947	100.925	2,245,581	2,225,000	2,218,643		607			3.600	3.638	MN	10,235	81,435	11/04/2015.	11/15/2025.
126117 AE 0	CNA FINANCIAL CORPORATION				2FE	1,788,645	117.880	1,768,200	1,500,000	1,768,397		(20,248)			7.250	4.222	MN	13,896	54,375	05/18/2016.	11/15/2023.
13034V AA 2	CALIFORNIA INSTITUTE OF TECHNOLOGY			1	1FE	1,783,530	93.402	1,681,236	1,800,000	1,783,495		9			4.700	4.744	MN	14,100	84,600	11/29/2011.	11/01/2111.
151020 AF 1	CELGENE CORP			1	2FE	2,733,079	108.424	2,412,434	2,225,000	2,728,611		(4,467)			5.700	4.188	AO	26,774	63,413	08/15/2016.	10/15/2040.
161175 AY 0	CHARTER COMMUNICATIONS INC			1,2	3FE	3,510,000	105.243	3,694,029	3,510,000	3,510,000					4.908	4.907	JJ	75,608	172,271	07/09/2015.	07/23/2025.
166764 AG 5	CHEVRON CORP			1,2	1FE	753,371	100.528	753,960	750,000	751,954		(545)			2.427	2.347	JD	354	18,203	04/24/2014.	06/24/2020.
172967 HB 0	CITIGROUP INC				2FE	2,621,478	110.270	2,618,913	2,375,000	2,606,674		(14,803)			5.500	4.152	MS	39,188	65,313	04/22/2016.	09/13/2025.
172967 KV 2	CITIGROUP INC				2FE	999,300	97.715	977,150	1,000,000	999,355		55			2.350	2.365	FA	9,726		07/26/2016.	08/02/2021.
200340 AP 2	COMERICA INC			2	1FE	1,000,000	99.836	998,360	1,000,000	1,000,000					2.125	2.125	MN	2,243	21,250	05/20/2014.	05/23/2019.
202795 HV 5	COMMONWEALTH EDISON CO			1,2	1FE	1,342,597	105.016	1,312,700	1,250,000	1,303,138		(15,036)			4.000	2.660	FA	20,833	50,000	04/21/2014.	08/01/2020.
20825C AR 5	CONOCOPHILLIPS			1	2FE	2,979,780	107.527	3,225,810	3,000,000	2,994,773		2,295			5.750	5.840	FA	71,875	172,500	01/29/2009.	02/01/2019.
21688A AF 9	RABOBANK NEDERLAND (NEW YORK BRANCH)		C		1FE	2,569,232	99.904	2,572,528	2,575,000	2,570,274		1,042			2.500	2.548	JJ	28,969	32,188	01/11/2016.	01/19/2021.
233851 BG 8	DAIMLER FINANCE NORTH AMERICA LLC		C	9	1FE	1,001,510	100.074	1,000,740	1,000,000	1,000,292		(505)			0.977	0.934	FMAN	2,077	9,377	07/28/2014.	08/01/2017.
244199 BE 4	DEERE & CO			2	1FE	1,166,007	99.496	1,193,952	1,200,000	1,176,394		3,946			2.600	2.995	JD	1,993	31,200	04/16/2014.	06/08/2022.
25152R WZ 2	DEUTSCHE BANK AG (LONDON BRANCH)		C	9	2FE	3,006,150	99.976	2,999,280	3,000,000	3,000,891		(2,189)			1.405	1.351	FMAN	3,747	33,800	07/29/2014.	05/30/2017.
25746U BL 2	DOMINION RESOURCES INC			1	2FE	1,995,020	106.811	2,136,220	2,000,000	1,997,652		498			4.450	4.481	MS	26,206	89,000	03/02/2011.	03/15/2021.
26441C AD 7	DUKE ENERGY CORP			1	2FE	996,230	107.573	1,075,730	1,000,000	998,803		404			5.050	5.098	MS	14,869	50,500	08/25/2009.	09/15/2019.
26444H AA 9	DUKE ENERGY FLORIDA LLC			1,2	1FE	2,734,545	88.419	2,431,523	2,750,000	2,734,668		123			3.400	3.430	AO	29,089		09/06/2016.	10/01/2046.
26882P BB 7	ERAC USA FINANCE CO			1	2FE	873,263	103.702	777,765	750,000	774,878		(31,141)			6.375	2.093	AO	10,094	47,813	10/02/2013.	10/15/2017.
26884T AR 3	ERAC USA FINANCE LLC			1,2	2FE	1,594,784	95.850	1,533,600	1,600,000	1,595,041		257			3.300	3.337	JD	4,400	27,133	05/23/2016.	12/01/2026.
29250N AK 1	ENBRIDGE INC			9	2FE	781,833	99.894	779,173	780,000	780,269		(647)			1.384	1.319	MJSD	900	8,673	07/25/2014.	06/02/2017.
29273R AY 5	ENERGY TRANSFER PARTNERS LP			1,2	2FE	1,859,543	102.534	1,819,979	1,775,000	1,857,005		(2,538)			4.900	4.118	FA	36,240		09/27/2016.	02/01/2024.
29379V AZ 6	ENTERPRISE PRODUCTS OPERATING LLC			1,2	2FE	1,563,883	101.269	1,620,304	1,600,000	1,574,797		3,524			3.350	3.634	MS	15,782	53,600	10/15/2013.	03/15/2023.
302508 AQ 9	FMR CORP			1	1FE	2,699,639	129.871	2,532,485	1,950,000	2,605,676		(39,674)			7.570	4.096	JD	6,561	147,615	07/18/2014.	06/15/2029.
31620M AR 7	FIDELITY NATIONAL INFORMATION SERVICES I			1,2	2FE	2,718,800	108.454	2,711,350	2,500,000	2,716,624		(2,176)			5.000	3.802	AO	26,389		11/21/2016.	10/15/2025.
337738 AM 0	FISERV INC			1,2	2FE	2,004,960	101.548	2,030,960	2,000,000	2,003,645		(581)			3.500	3.464	AO	17,500	70,000	07/11/2014.	10/01/2022.
345397 VU 4	FORD MOTOR CREDIT CO LLC				2FE	2,520,540	110.319	2,482,178	2,250,000	2,419,432		(32,977)			5.875	4.059	FA	54,711	132,188	10/10/2013.	08/02/2021.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
35671D AU 9	FREEPORT-MCMORAN COPPER & GOLD INC			1,2	3FE	1,983,420	93.500	1,870,000	2,000,000	1,870,000	(118,346)	2,019			3.550	3.675	MS	23,667	71,000	07/08/2014.	03/01/2022.
35671D BT 1	FREEPORT-MCMORAN INC			1,2	2FE	1,032,500	102.500	1,025,000	1,000,000	1,032,183		(317)			6.750	6.007	FA	3,375		12/13/2016.	02/01/2022.
36164Q MS 4	GE CAPITAL INTERNATIONAL FUNDING CO			1	1FE	2,077,917	99.952	2,077,003	2,078,000	2,077,974		50			2.342	2.342	MN	6,219	51,235	10/26/2015.	11/15/2020.
36962G 2T 0	GENERAL ELECTRIC CO				1FE	832,493	111.375	797,445	716,000	784,990		(19,579)			5.550	2.523	MN	6,292	39,738	07/08/2014.	05/04/2020.
373298 CF 3	GEORGIA-PACIFIC CORPORATION			1	2FE	969,915	127.044	952,830	750,000	911,340		(19,164)			8.000	4.411	JJ	27,667	60,000	10/10/2013.	01/15/2024.
37331N AB 7	GEORGIA-PACIFIC LLC			1	2FE	1,772,694	109.945	1,731,634	1,575,000	1,749,028		(23,666)			5.400	2.366	MN	14,175	42,525	06/09/2016.	11/01/2020.
373334 JK 8	GEORGIA POWER CO			1	1FE	1,991,020	105.448	2,108,960	2,000,000	1,998,415		1,051			5.400	5.459	JD	9,000	108,000	05/27/2008.	06/01/2018.
378272 AF 5	GLENCORE FUNDING LLC		C	1	2FE	2,510,075	100.727	2,518,175	2,500,000	2,507,686		(1,030)			4.125	4.070	MN	8,880	103,125	07/07/2014.	05/30/2023.
38141E A2 5	GOLDMAN SACHS GROUP INC				1FE	3,332,097	110.819	3,158,342	2,850,000	2,996,029		(63,787)			7.500	4.926	FA	80,750	213,750	01/27/2011.	02/15/2019.
38141G ES 9	GOLDMAN SACHS GROUP INC			1	2FE	1,309,801	113.908	1,309,942	1,150,000	1,302,408		(7,394)			5.950	4.310	JJ	31,552	34,213	05/19/2016.	01/15/2027.
38141G VR 2	GOLDMAN SACHS GROUP INC				2FE	829,155	101.650	848,778	835,000	829,731		483			4.250	4.337	AO	6,900	35,488	10/16/2015.	10/21/2025.
4042Q1 AC 1	HSBC BANK USA NA		C		1FE	595,824	102.518	615,108	600,000	599,670		520			6.000	6.094	FA	14,200	36,000	08/02/2007.	08/09/2017.
406216 AX 9	HALLIBURTON CO			1	2FE	996,560	110.285	1,102,850	1,000,000	998,898		365			6.150	6.195	MS	18,108	61,500	03/10/2009.	09/15/2019.
44920U AD 0	HYUNDAI CAPITAL SERVICES INC		C		2FE	2,093,220	101.141	2,022,820	2,000,000	2,022,765		(32,276)			3.500	1.846	MS	21,000	70,000	10/24/2014.	09/13/2017.
45167R AF 1	IDEX CORP			1,2	2FE	1,496,235	102.619	1,539,285	1,500,000	1,497,942		366			4.200	4.231	JD	2,800	63,000	12/08/2011.	12/15/2021.
465685 AK 1	ITC HOLDINGS CORP			1,2	2FE	644,129	97.087	626,211	645,000	644,164		34			3.250	3.266	JD	58	10,190	06/29/2016.	06/30/2026.
46625H JT 8	JPMORGAN CHASE & CO				1FE	1,508,730	103.509	1,552,635	1,500,000	1,506,650		(804)			3.875	3.803	FA	24,219	58,125	03/25/2014.	02/01/2024.
46625H JY 7	JPMORGAN CHASE & CO				2FE	2,920,885	100.791	2,771,753	2,750,000	2,914,886		(5,999)			3.875	2.996	MS	32,857	53,281	09/06/2016.	09/10/2024.
476556 CR 4	JERSEY CENTRAL POWER & LIGHT COMPANY			1	2FE	4,663,000	103.762	5,188,100	5,000,000	4,945,602		35,002			4.800	5.590	JD	10,667	240,000	09/19/2006.	06/15/2018.
49327V 2A 1	KEYBANK NA				2FE	2,319,327	96.518	2,244,044	2,325,000	2,319,624		297			3.400	3.429	MN	9,003	39,525	05/17/2016.	05/20/2026.
494550 BL 9	KINDER MORGAN ENERGY PARTNERS LP			1,2	2FE	745,868	101.981	764,858	750,000	747,212		431			3.950	4.024	MS	9,875	29,625	10/22/2013.	09/01/2022.
494550 BV 7	KINDER MORGAN ENERGY PARTNERS LP			1,2	2FE	1,830,345	102.074	1,811,814	1,775,000	1,828,763		(1,581)			4.250	3.778	MS	25,146		09/27/2016.	09/01/2024.
50188F AD 7	LG&E AND KU ENERGY LLC			1,2	2FE	1,985,105	103.758	2,075,160	2,000,000	1,993,232		1,594			3.750	3.845	MN	9,583	75,000	07/01/2011.	11/15/2020.
514666 AK 2	LAND O'LAKES INC			2	3FE	1,500,000	102.000	1,530,000	1,500,000	1,500,000					8.000	8.000	MJSD	5,333	120,000	07/09/2015.	12/29/2049.
514666 AL 0	LAND O LAKES INC				3FE	1,205,000	102.000	1,198,500	1,175,000	1,185,000	(19,943)	(57)			8.000	7.783	MJSD	4,178	60,500	08/30/2016.	12/29/2049.
52206A AB 6	LEASEPLAN CORP NV		C		2FE	2,634,086	100.329	2,608,554	2,600,000	2,612,521		(8,902)			2.500	2.142	MN	8,125	65,000	07/09/2014.	05/16/2018.
53117C AS 1	LIBERTY PROPERTY LP			1,2	2FE	897,416	95.117	860,809	905,000	897,602		186			3.250	3.349	AO	8,252		09/13/2016.	10/01/2026.
539439 AK 5	LLOYDS BANKING GROUP PLC		C		2FE	1,249,075	101.243	1,265,538	1,250,000	1,249,159		84			3.100	3.116	JJ	18,837		06/30/2016.	07/06/2021.
539830 BH 1	LOCKHEED MARTIN CORP			1,2	2FE	1,800,988	101.812	1,847,888	1,815,000	1,802,376		1,247			3.550	3.641	JJ	29,711	41,523	11/16/2015.	01/15/2026.
548661 CQ 8	LOWES CO INC			1,2	1FE	998,180	106.992	1,069,920	1,000,000	999,308		191			4.625	4.648	AO	9,764	46,250	04/12/2010.	04/15/2020.
56585A AG 7	MARATHON PETROLEUM CORP			1,2	2FE	2,342,810	98.803	2,467,111	2,497,000	2,352,406		9,596			3.625	4.524	MS	26,652	45,258	05/18/2016.	09/15/2024.
575767 AG 3	MASSACHUSETTS MUTUAL LIFE INSURANCE CO				1FE	2,404,905	149.544	2,243,160	1,500,000	2,355,505		(21,133)			8.875	4.723	JD	11,094	133,125	07/24/2014.	06/01/2039.
58013M EX 8	MCDONALD'S CORP			1,2	2FE	1,307,577	101.412	1,328,497	1,310,000	1,308,064		459			2.750	2.790	JD	2,202	36,025	12/02/2015.	12/09/2020.
585055 AQ 9	MEDTRONIC INC		C	1	1FE	427,503	129.818	389,454	300,000	426,147		(1,356)			6.500	3.705	MS	5,742	9,750	08/15/2016.	03/15/2039.
585055 AV 8	MEDTRONIC INC		C	1,2	1FE	2,983,710	105.066	3,151,980	3,000,000	2,992,328		1,640			4.125	4.192	MS	36,438	123,750	03/10/2011.	03/15/2021.
59156R AX 6	METLIFE INC			1	1FE	1,671,975	108.542	1,628,130	1,500,000	1,606,913		(24,204)			4.750	2.895	FA	28,302	71,250	03/25/2014.	02/08/2021.
59523U AM 9	MID AMERICA APARTMENTS LP			1,2	2FE	722,627	100.909	736,636	730,000	723,332		615			4.000	4.124	MN	3,731	29,687	11/02/2015.	11/15/2025.
595620 AJ 4	MIDAMERICAN ENERGY CO			1,2	1FE	756,683	101.255	759,413	750,000	753,010		(1,373)			2.400	2.205	MS	5,300	18,000	03/31/2014.	03/15/2019.
60688X AK 6	MIZUHO BANK LTD		C	9	1FE	2,700,000	100.001	2,700,027	2,700,000	2,700,000					1.447	1.469	MJSD	543	31,021	09/18/2014.	09/25/2017.
60871R AH 3	MOLSON COORS BREWING CO			1,2	2FE	2,657,800	93.648	2,505,084	2,675,000	2,657,964		165			4.200	4.238	JJ	54,303		06/28/2016.	07/15/2046.
617446 7X 1	MORGAN STANLEY				2FE	3,086,683	106.459	2,927,623	2,750,000	3,076,994		(9,688)			5.000	3.437	MN	14,132	68,750	09/06/2016.	11/24/2025.
61744Y AD 0	MORGAN STANLEY				1FE	754,743	103.946	831,568	800,000	793,385		6,258			5.950	6.829	JD	397	47,600	05/15/2009.	12/28/2017.
617482 V9 2	MORGAN STANLEY				1FE	1,919,698	127.320	2,228,100	1,750,000	1,909,225		(2,716)			6.375	5.695	JJ	48,654	111,563	09/14/2012.	07/24/2042.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
62854A AD 6	MYLAN NV		C	1,2	2FE	1,290,003	93.445	1,214,785	1,300,000	1,290,474		471			3.950	4.044	JD	2,282	26,531	05/31/2016.	06/15/2026.
637432 LR 4	NATIONAL RURAL UTILITIES COOP FINANCE CO			1	1FE	2,977,110	115.483	3,464,490	3,000,000	2,993,909		2,882			10.375	10.500	MN	51,875	311,250	10/23/2008.	11/01/2018.
65473Q AV 5	NISOURCE FINANCE CORP			1	2FE	497,845	114.934	574,670	500,000	498,865		182			6.125	6.177	MS	10,208	30,625	12/01/2009.	03/01/2022.
67021C AG 2	NSTAR ELECTRIC CO			1,2	1FE	997,260	97.871	978,710	1,000,000	998,336		265			2.375	2.406	AO	5,014	23,750	10/08/2012.	10/15/2022.
670346 AG 0	NUCOR CORP			1	2FE	1,991,160	103.617	2,072,340	2,000,000	1,998,965		1,073			5.750	5.809	JD	9,583	115,000	11/28/2007.	12/01/2017.
68268N AJ 2	ONEOK PARTNERS LP			1,2	2FE	2,194,743	99.996	2,235,911	2,236,000	2,207,777		4,286			3.375	3.618	AO	18,866	75,465	07/18/2014.	10/01/2022.
693476 BJ 1	PNC FUNDING CORP				1FE	1,959,738	108.371	1,896,493	1,750,000	1,858,115		(32,755)			5.125	3.024	FA	35,626	89,688	10/10/2013.	02/08/2020.
694308 GT 8	PACIFIC GAS AND ELECTRIC CO			1,2	2FE	1,799,384	103.487	1,914,510	1,850,000	1,828,568		5,231			3.500	3.835	AO	16,188	64,750	11/15/2010.	10/01/2020.
694308 HE 0	PACIFIC GAS AND ELECTRIC CO			1,2	1FE	1,996,380	105.596	2,111,920	2,000,000	1,997,374		328			3.850	3.872	MN	9,839	77,000	11/06/2013.	11/15/2023.
694308 HN 0	PACIFIC GAS AND ELECTRIC CO			1,2	1FE	1,450,697	101.075	1,313,975	1,300,000	1,449,800		(897)			4.250	3.602	MS	16,268	21,250	09/12/2016.	03/15/2046.
695114 CK 2	PACIFICORP			1	1FE	2,121,392	107.310	2,038,890	1,900,000	1,964,008		(29,675)			5.500	3.767	JJ	48,186	104,500	03/11/2011.	01/15/2019.
709599 AV 6	PENSKE TRUCK LEASING CO LP			1,2	2FE	2,538,347	100.787	2,570,069	2,550,000	2,540,590		1,992			3.300	3.394	AO	21,038	74,566	11/04/2015.	04/01/2021.
714295 AC 6	PERRIGO CO		C	1,2	2FE	2,509,544	95.409	2,456,782	2,575,000	2,516,753		6,044			3.900	4.238	JD	4,463	100,425	10/22/2015.	12/15/2024.
723787 AB 3	PIONEER NATURAL RESOURCES COMPANY			1	2FE	733,859	120.144	702,842	585,000	731,262		(2,597)			7.200	4.327	JJ	19,422		09/26/2016.	01/15/2028.
723787 AJ 6	PIONEER NATURAL RESOURCES CO			1	2FE	923,085	114.003	855,023	750,000	838,709		(27,286)			7.500	3.371	JJ	25,938	56,250	10/10/2013.	01/15/2020.
723787 AM 9	PIONEER NATURAL RESOURCES CO			1,2	2FE	2,731,401	105.618	2,640,450	2,500,000	2,726,503		(4,898)			4.450	3.257	JJ	51,299		10/07/2016.	01/15/2026.
744533 BK 5	PUBLIC SERVICE CO OF OKLAHOMA			1	2FE	997,170	108.458	1,084,580	1,000,000	999,037		299			5.150	5.186	JD	4,292	51,500	11/09/2009.	12/01/2019.
754730 AE 9	RAYMOND JAMES FINANCIAL INC			1	2FE	1,996,820	97.121	1,942,420	2,000,000	1,997,045		225			3.625	3.643	MS	34,035		07/07/2016.	09/15/2026.
78012K KU 0	ROYAL BANK OF CANADA				1FE	2,572,116	100.249	2,581,412	2,575,000	2,572,637		521			2.500	2.524	JJ	28,969	32,188	01/11/2016.	01/19/2021.
80589M AD 4	SCANA CORP			1,2	2FE	997,390	104.583	1,045,830	1,000,000	998,707		260			4.750	4.783	MN	6,069	47,500	05/05/2011.	05/15/2021.
808513 AG 0	CHARLES SCHWAB CORP			1	1FE	900,638	101.502	913,518	900,000	900,467		(74)			3.225	3.215	MS	9,675	29,025	04/16/2014.	09/01/2022.
816851 AY 5	SEMPRA ENERGY			1,2	2FE	2,518,132	100.550	2,538,888	2,525,000	2,518,779		577			3.750	3.783	MN	12,099	94,161	11/12/2015.	11/15/2025.
82620K AL 7	SIEMENS FINANCIERINGSMAATSCHAPPIJ NV		C	1	1FE	2,742,108	91.906	2,527,415	2,750,000	2,742,333		225			2.350	2.382	AO	19,028		09/06/2016.	10/15/2026.
83367T BR 9	SOCIETE GENERALE SA		C		2FE	2,590,172	100.176	2,604,576	2,600,000	2,591,044		791			4.750	4.798	MN	12,693	123,500	11/17/2015.	11/24/2025.
835495 AK 8	SONOCO PRODUCTS CO			1,2	2FE	2,762,396	104.619	2,720,094	2,600,000	2,710,526		(21,959)			4.375	3.367	MN	18,958	113,750	07/17/2014.	11/01/2021.
843646 AM 2	SOUTHERN POWER CO			1,2	2FE	2,740,509	103.493	2,613,198	2,525,000	2,733,861		(6,648)			4.150	3.056	JD	8,732	52,394	08/31/2016.	12/01/2025.
86765B AS 8	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	1,801,844	111.638	1,730,389	1,550,000	1,795,843		(6,001)			5.950	3.786	JD	7,685	46,113	09/27/2016.	12/01/2025.
86765B AT 6	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	383,830	96.629	372,022	385,000	383,876		46			3.900	3.937	JJ	7,049		07/07/2016.	07/15/2026.
86787G AJ 1	SUNTRUST BANK			2	2FE	2,516,062	96.660	2,440,665	2,525,000	2,516,533		472			3.300	3.342	MN	10,647	41,431	05/26/2016.	05/15/2026.
87165B AD 5	SYNCHRONY FINANCIAL			1,2	2FE	2,766,094	102.122	2,680,703	2,625,000	2,760,757		(5,336)			4.250	3.450	FA	42,146		08/29/2016.	08/15/2024.
87305Q CM 1	TTX CO			1	1FE	2,447,452	94.177	2,307,337	2,450,000	2,447,428		(24)			4.200	4.206	JJ	56,595		06/06/2016.	07/01/2046.
88167A AD 3	TEVA PHARMACEUTICAL FINANCE NETHERLANDS		C	1	2FE	1,345,491	93.886	1,267,461	1,350,000	1,345,752		261			2.800	2.853	JJ	16,800		07/18/2016.	07/21/2023.
887317 AZ 8	TIME WARNER INC			1,2	2FE	2,548,751	100.165	2,554,208	2,550,000	2,549,034		240			3.875	3.880	JJ	45,564	64,503	11/17/2015.	01/15/2026.
893526 8Y 2	TRANSCANADA PIPELINES LTD			1	1FE	1,226,631	109.516	1,095,160	1,000,000	1,064,429		(29,852)			7.125	3.809	JJ	32,854	71,250	01/13/2011.	01/15/2019.
89837L AA 3	TRUSTEES OF PRINCETON UNIVERSITY			1	1FE	2,191,640	106.880	2,351,360	2,200,000	2,197,817		935			4.950	4.999	MS	36,300	108,900	01/13/2009.	03/01/2019.
90131H AX 3	21ST CENTURY FOX AMERICA INC				2FE	2,471,504	129.330	2,483,136	1,920,000	2,417,227		(45,806)			7.700	4.164	AO	25,051	147,840	10/22/2015.	10/30/2025.
90521A PJ 1	MUFG UNION BANK NA		C	2	1FE	999,770	101.070	1,010,700	1,000,000	999,917		46			2.625	2.630	MS	6,927	26,250	09/19/2013.	09/26/2018.
908906 AC 4	MUFG AMERICAS HOLDINGS CORP		C	1	1FE	760,155	101.267	759,503	750,000	757,064		(1,162)			3.500	3.310	JD	948	26,250	03/25/2014.	06/18/2022.
91159H HH 6	U.S. BANCORP			2	1FE	1,748,425	100.686	1,762,005	1,750,000	1,749,251		313			2.200	2.219	AO	7,058	38,500	04/21/2014.	04/25/2019.
91911T AH 6	VALE OVERSEAS LTD		C	1	2FE	1,659,690	99.136	1,487,040	1,500,000	1,650,676		(3,862)			6.875	6.003	MN	11,458	103,125	07/07/2014.	11/21/2036.
92189F 49 4	VANECK VCTR J P MORGN LCL BND ETF				3	119,846,074	17.600	98,336,568		98,298,134	(21,547,939)						N/A	450,896	4,810,678	12/07/2016.	
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF				3	51,082,429	77.540	50,509,478		50,401,259	1,303,789						N/A		2,133,733	12/29/2016.	

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
92343V BS 2	VERIZON COMMUNICATIONS INC			1	2FE	4,882,200	120.362	4,814,480	4,000,000	4,807,279		(31,462)			6.400	4.649	MS	75,378	256,000	07/08/2014.	09/15/2033.
927804 FF 6	VIRGINIA ELECTRIC AND POWER CO			1	2FE	848,088	104.957	892,135	850,000	849,689		221			5.400	5.429	AO	7,778	45,900	04/14/2008.	04/30/2018.
931142 DH 3	WAL MART STORES INC			2	1FE	955,319	99.114	991,140	1,000,000	967,472		4,630			2.550	3.125	AO	5,667	25,500	04/16/2014.	04/11/2023.
931422 AE 9	WALGREEN CO			1	2FE	248,693	105.798	264,495	250,000	249,676		147			5.250	5.318	JJ	6,052	13,125	01/08/2009.	01/15/2019.
931427 AP 3	WALGREENS BOOTS ALLIANCE INC			1,2	2FE	2,144,088	98.662	2,121,233	2,150,000	2,144,534		447			3.100	3.144	JD	5,554	33,325	05/26/2016.	06/01/2023.
94974B EV 8	WELLS FARGO & CO				1FE	1,630,395	107.270	1,609,050	1,500,000	1,578,073		(16,894)			4.600	3.277	AO	17,250	69,000	10/09/2013.	04/01/2021.
94974B FC 9	WELLS FARGO & CO				1FE	1,781,450	102.893	1,800,628	1,750,000	1,771,331		(3,735)			3.500	3.242	MS	19,226	61,250	03/25/2014.	03/08/2022.
958254 AC 8	WESTERN GAS PARTNERS LP			1,2	2FE	1,000,300	99.769	997,690	1,000,000	1,000,114		(64)			2.600	2.593	FA	9,822	26,000	10/02/2013.	08/15/2018.
962166 BV 5	WEYERHAEUSER			1	2FE	916,118	112.529	843,968	750,000	830,550		(27,639)			7.375	3.255	AO	13,828	55,313	10/10/2013.	10/01/2019.
98458P AC 9	YALE UNIVERSITY			1	1FE	1,500,000	101.167	1,517,505	1,500,000	1,500,000					2.086	2.086	AO	6,606	31,290	04/03/2014.	04/15/2019.
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						438,416,695	XXX	416,362,006	257,162,000	414,037,750	(20,382,439)	(766,690)	0	0	XXX	XXX	XXX	3,241,078	15,788,431	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
059513 AE 1	BACM 074 A4 - CMBS			4	1FM	353,966	101.134	325,157	321,512	327,729		(12,720)			5.747	1.452	MON	1,540	19,513	10/22/2014.	02/10/2051.
12514A AE 1	CD 07CD5 A4 - CMBS			4	1FM	4,645,831	101.171	4,273,034	4,223,576	4,301,254		(149,272)			5.886	2.002	MON	20,717	274,315	11/01/2014.	11/15/2044.
12591U AF 0	COMM 14UBS2 A5 - CMBS			4	1FM	5,304,297	105.199	5,259,950	5,000,000	5,260,506		(48,981)			3.961	3.143	MON	16,504	198,050	09/01/2015.	03/12/2047.
12592X BD 7	COMM 15CC22 A5 - CMBS			4	1FM	3,259,023	101.273	3,134,399	3,095,000	3,249,958		(9,065)			3.309	2.623	MON	8,534	46,698	07/01/2016.	03/12/2048.
12626B AC 8	COMM 13CC10 A3 - CMBS			4	1FM	3,193,359	105.451	3,163,530	3,000,000	3,148,174		(29,460)			3.923	3.074	MON	9,808	117,690	11/13/2014.	08/10/2046.
12635F AT 1	CSAIL 15C3 A4 - CMBS			4	1FM	3,746,230	103.783	3,632,405	3,500,000	3,731,928		(14,303)			3.718	2.834	MON	10,845	65,069	05/31/2016.	08/17/2048.
17313K AF 8	CGCMT 08C7 A4 - CMBS			4	1FM	1,613,358	101.755	1,477,995	1,452,503	1,497,411		(46,228)			6.136	0.996	MON	7,427	90,968	10/09/2014.	12/10/2049.
36251X AR 8	GSMS 16GS4 A4 - CMBS			4	1FE	1,349,298	101.788	1,333,423	1,310,000	1,349,003		(295)			3.442	3.088	MON	3,758	3,758	11/16/2016.	11/15/2049.
36252A AG 1	GSMS 15GS1 AS - CMBS			4	1FM	2,961,073	103.783	2,983,761	2,875,000	2,952,779		(7,668)			4.037	3.694	MON	9,672	116,064	11/16/2015.	11/13/2048.
36253B AU 7	GSMS 14GC22 A5 - CMBS			4	1FM	993,526	105.045	961,162	915,000	988,373		(5,152)			3.862	2.662	MON	2,945	17,669	06/02/2016.	06/12/2047.
46590K AE 4	JPMCC 15JP1 A5 - CMBS			4	1FM	3,735,840	104.941	3,672,935	3,500,000	3,733,696		(2,144)			3.914	3.056	MON	11,416	11,416	11/22/2016.	01/15/2049.
46639Y AQ 0	JPMCC 13LC11 A5 - CMBS			4	1FM	4,929,688	101.000	5,050,000	5,000,000	4,440,226		73,713			2.960	5.084	MON	12,333	147,995	07/08/2014.	04/17/2046.
46643P BF 6	JPMBB 14C25 ASB - CMBS			4	1FM	3,089,994	104.183	3,125,490	3,000,000	3,065,187		(19,156)			3.407	2.955	MON	8,519	102,222	11/04/2014.	11/18/2047.
46643T BJ 0	JPMBB 14C26 A4 - CMBS			4	1FM	3,700,703	102.320	3,581,200	3,500,000	3,688,069		(12,634)			3.494	2.733	MON	10,192	61,150	05/31/2016.	01/17/2048.
50180L AC 4	LBUBS 08C1 A2 - CMBS			4	1FM	3,370,790	103.289	3,148,865	3,048,596	3,179,173		(111,475)			6.113	1.778	MON	10,353	192,619	08/26/2015.	04/15/2041.
52109R BM 2	LBUBS 07C7 A3 - CMBS			4	1FM	3,347,596	101.825	3,066,782	3,011,817	3,093,431		(123,317)			5.866	1.856	MON	9,815	178,511	10/15/2014.	09/15/2045.
60688C AE 6	MLCFC 079 A4 - CMBS			4	1FM	3,538,972	101.835	3,290,071	3,230,786	3,301,761		(103,111)			5.700	1.878	MON	15,346	189,773	10/31/2014.	09/12/2049.
61690V AW 8	MSBAM 15C26 ASB - CMBS			4	1FM	2,778,182	103.672	2,773,226	2,675,000	2,766,783		(10,274)			3.323	2.702	MON	7,408	74,560	09/02/2016.	10/15/2048.
61754J AF 5	MSCI 07TP27 A4 - CMBS			4	1FM	5,433,411	101.091	4,992,822	4,938,938	5,003,059		(180,533)			5.643	1.815	MON	23,225	291,236	10/07/2014.	06/11/2042.
61759L AA 6	MSRR 10GG10 A4A - CMBS			4	1FM	4,123,034	100.568	3,828,645	3,807,021	3,833,419		(145,395)			5.793	1.891	MON	18,378	227,268	11/18/2014.	08/15/2045.
61761D AD 4	MSBAM 12C6 A4 - CMBS			4	1FM	1,938,686	101.568	1,981,642	1,951,050	1,941,478		1,191			2.858	2.950	MON	4,647	55,761	12/01/2014.	11/17/2045.
92936Q AG 3	WFCM 12C6 A4 - CMBS			4	1FM	5,193,359	104.700	5,235,000	5,000,000	5,128,658		(26,935)			3.440	2.837	MON	14,333	172,000	07/09/2014.	04/17/2045.
92939F AU 3	WFRBS 14C21 A5 - CMBS			4	1FM	5,149,695	103.357	5,167,850	5,000,000	5,116,136		(14,289)			3.678	3.330	MON	15,325	183,900	07/18/2014.	08/16/2047.
94989T AZ 7	WFCM 15LC22 A4 - CMBS			4	1FM	3,684,409	104.661	3,652,669	3,490,000	3,682,575		(1,834)			3.839	3.109	MON	11,165	11,165	11/22/2016.	09/17/2058.
95000G AY 0	WFCM 16BNK1 A3 - CMBS			4	1FM	3,713,042	95.433	3,440,360	3,605,000	3,709,287		(3,755)			2.652	2.312	MON	7,967	31,868	08/04/2016.	08/17/2049.
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						85,147,362	XXX	82,552,373	80,450,799	82,490,053	0	(1,003,092)	0	0	XXX	XXX	XXX	272,172	2,881,238	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
03764X AJ 6	APIDOS CLO XVII / APIDOS CLOXVII LLC - C		C	4	1FE	3,845,000	100.000	3,845,000	3,845,000	3,845,000					2.733	2.911	N/A	8,756		11/08/2016.	04/17/2026.
05619E AC 5	BABSN 162 A - CDO			4,5	1FE	4,270,000	100.000	4,270,000	4,270,000	4,270,000					2.183	2.402	JAJO	33,409		07/29/2016.	07/15/2028.
12548C AB 3	CIFC 142 A2L - CDO			4,5	1FE	3,988,000	99.858	3,994,320	4,000,000	4,007,412		18,327			3.080	3.047	FMAN	12,663	113,114	07/01/2015.	05/26/2026.
12550T AA 3	CIFC 154 A1A - CDO		C	4,5	1FE	4,866,225	100.379	4,893,476	4,875,000	4,868,934		2,709			2.321	2.360	JAJO	22,946	26,606	07/25/2016.	10/20/2027.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
126650 BQ 2	CVS 07 CTF - ABS			1	2FE	999,919	117.768	1,076,826	914,362	977,055		(4,134)			6.943	5.763	MON...	3,703	63,720	02/14/2011.	01/10/2030.
139738 AC 2	AFIN 152 A2 - ABS			4	1FE	2,087,859	100.028	2,100,588	2,100,000	2,097,334		7,302			1.390	1.740	MON...	892	29,190	08/18/2015.	09/20/2018.
14041N FF 3	COMET 164 A - ABS			4	1FE	2,624,367	98.997	2,598,671	2,625,000	2,624,442		75			1.330	1.342	MON...	1,552	10,668	08/18/2016.	06/15/2022.
15137D AL 9	CECLO 22R A1R - CDO			4,5	1FE	3,505,000	100.178	3,511,239	3,505,000	3,505,000					2.291	2.327	FMAN.	12,268		11/01/2016.	11/09/2026.
254683 BV 6	DCENT 164 A - ABS			4	1FE	2,599,776	99.055	2,575,430	2,600,000	2,599,796		20			1.390	1.397	MON...	1,606	8,433	09/14/2016.	03/15/2022.
26244G AA 3	DRSLF 40 A - CDO			4,5	1FE	4,000,000	99.658	3,986,320	4,000,000	4,000,000					2.306	2.318	FMAN.	12,041	82,698	07/02/2015.	08/15/2028.
26244K AC 0	DRSLF 41 B - CDO			4,5	1FE	3,455,000	99.831	3,449,161	3,455,000	3,455,000					3.030	2.787	JAJO..	22,100	92,362	09/17/2015.	01/15/2028.
34530M AA 7	FORDO 14REV1 A - ABS			4	1FE	2,667,626	101.318	2,684,927	2,650,000	2,663,611		(4,114)			2.260	2.046	MON...	2,662	51,980	03/31/2016.	11/15/2025.
34530U AA 9	FORDO 16REV1 A - ABS			4	1FE	1,738,889	100.211	1,738,661	1,735,000	1,738,487		(402)			2.310	2.269	MON...	1,781	30,531	06/17/2016.	08/15/2027.
36251L AD 5	GMALT 162 A3 - ABS			4	1FE	2,324,771	100.197	2,329,580	2,325,000	2,324,840		69			1.620	1.630	MON...	1,151	22,181	05/10/2016.	09/20/2019.
52177F AC 8	LRF 161 A3 - ABS			4	1FE	1,999,815	99.776	1,995,518	2,000,000	1,999,867		52			2.050	2.063	MON...	1,822	22,778	05/18/2016.	06/17/2019.
55952Y AJ 6	MAGNE 8R AR - CDO		C	4,5	1FE	1,567,462	100.045	1,565,704	1,565,000	1,567,752		290			2.180	2.208	MON...	4,833		10/20/2016.	04/15/2026.
55953B AC 0	MAGNE 9 A2 - CDO		C	4,5	1FE	1,679,160	100.354	1,685,947	1,680,000	1,685,899		6,529			2.832	2.766	JAJO..	8,986	42,978	06/25/2015.	07/27/2026.
67575B AE 9	OCT 25 B - CDO		C	4,5	1FE	4,070,000	100.247	4,080,053	4,070,000	4,070,000					3.081	3.159	JAJO..	25,429	111,809	09/30/2015.	10/20/2026.
78469Q AF 9	SPART 15T3 A - ABS			4	1FE	2,229,790	100.634	2,244,138	2,230,000	2,229,928		138			2.920	2.944	MON...	2,894	65,116	12/10/2015.	07/15/2047.
87165L AF 8	GEMNT 151 A - ABS			4	1FE	3,788,965	100.958	3,785,925	3,750,000	3,781,752		(7,213)			2.370	2.106	MON...	3,950	66,656	03/22/2016.	03/15/2023.
87165V AA 7	SYMP 16 A - CDO		C	4,5	1FE	4,000,000	99.554	3,982,160	4,000,000	4,000,000					2.100	2.307	JAJO..	17,734	98,552	07/01/2015.	07/15/2028.
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						62,307,624	XXX	62,393,644	62,194,362	62,312,109	0	19,648	0	0	XXX	XXX	XXX	203,178	939,372	XXX	XXX
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						585,871,681	XXX	561,308,023	399,807,161	558,839,912	(20,382,439)	(1,750,134)	0	0	XXX	XXX	XXX	3,716,428	19,609,041	XXX	XXX
Hybrid Securities - Issuer Obligations																					
05578Q AA 1	BPCE SA		C		2FE	2,754,875	105.913	2,647,825	2,500,000	2,696,626		(24,371)			5.700	4.352	AO.....	27,313	142,500	07/08/2014.	10/22/2023.
060505 EU 4	BANK OF AMERICA CORP			2,5	3FE	770,625	104.500	783,750	750,000	769,433		(1,192)			6.300	5.930	MS.....	14,569	23,625	03/18/2016.	12/29/2049.
149206 AA 2	CATLIN INSURANCE CO LTD		C	1,2,5	2FE	581,175	84.784	695,229	820,000	584,304		3,129			7.249	10.378	JJ.....	26,749		07/20/2016.	07/29/2049.
172967 KD 2	CITIGROUP INC			2,5	3FE	1,609,200	104.513	1,672,208	1,600,000	1,609,223		25			6.125	6.084	MN.....	12,522	98,544	03/18/2016.	12/29/2049.
20449E BT 2	COMPASS BANK		C		2FE	2,550,912	104.542	2,509,008	2,400,000	2,529,270		(21,642)			5.500	3.723	AO.....	33,000	66,000	05/25/2016.	04/01/2020.
29250R AK 2	ENBRIDGE ENERGY PARTNERS LP			1,2,5	3FE	1,942,623	93.084	1,768,596	1,900,000	1,768,596	263,004	(23,661)			8.050	6.715	AO.....	38,238	152,950	09/29/2015.	10/01/2077.
369604 BQ 5	GENERAL ELECTRIC CO			2,5	1FE	6,320,745	104.007	6,419,312	6,172,000	6,318,771		(1,974)			5.000	4.855	JD.....	13,716	278,597	01/20/2016.	12/29/2049.
4042Q1 AA 5	HSBC BANK USA		C		1FE	2,031,260	114.799	2,295,964	2,000,000	2,025,207		(795)			5.875	5.761	MN.....	19,583	117,500	12/26/2006.	11/01/2034.
46625H HA 1	JPMORGAN CHASE & CO			2,5	2FE	5,396,861	105.769	5,288,450	5,000,000	5,169,839		(128,432)			7.900	5.092	AO.....	66,931	395,000	03/23/2015.	04/29/2049.
46625H JQ 4	JPMORGAN CHASE & CO			2,5	2FE	1,209,050	108.406	1,194,634	1,102,000	1,191,878		(10,196)			6.750	5.351	FA.....	30,994	74,385	04/09/2015.	08/29/2049.
493267 AK 4	KEYCORP			2,5	3FE	3,000,000	92.250	2,767,500	3,000,000	2,767,500	(232,500)				5.000	5.000	MJSD.	6,667	40,000	09/06/2016.	09/09/2066.
53079E AN 4	LIBERTY MUTUAL GROUP INC			1,5	3FE	592,065	112.556	597,672	531,000	591,510		(555)			7.800	6.758	MS.....	12,195	20,709	07/19/2016.	03/07/2087.
55261F AH 7	M&T BANK CORP			2,5	2FE	1,560,000	96.750	1,509,300	1,560,000	1,560,000					5.125	5.125	MN.....	13,991		10/25/2016.	12/29/2049.
58551T AA 5	MELLON CAPITAL IV			2	2FE	1,856,250	82.475	2,061,875	2,500,000	1,870,374		14,124			4.000	5.781	MJSD.	3,333	76,111	04/07/2016.	06/29/2049.
59156R BP 2	METLIFE INC			2,5	2FE	4,914,688	101.250	5,062,500	5,000,000	4,912,540		(2,148)			5.250	5.294	JD.....	11,667	262,500	03/18/2016.	12/29/2049.
693475 AK 1	PNC FINANCIAL SERVICES GROUP INC			2,5	2FE	6,128,125	108.263	5,954,465	5,500,000	5,973,090		(90,641)			6.750	4.645	FA.....	154,688	371,250	04/07/2015.	07/29/2049.
808513 AP 0	CHARLES SCHWAB CORP			2,5	2FE	1,000,000	94.000	940,000	1,000,000	1,000,000					4.625	4.626	MS.....	7,837		10/24/2016.	12/29/2049.
867914 BJ 1	SUNTRUST BANKS INC			2,5	3FE	297,000	102.375	307,125	300,000	297,000					5.625	5.691	JD.....	750	16,875	03/30/2016.	12/29/2049.
902973 AY 2	U.S. BANCORP			2,5	2FE	2,000,000	101.967	2,039,340	2,000,000	2,000,000					5.125	2.986	JJ.....	47,264	66,056	11/16/2015.	12/29/2049.
949746 PM 7	WELLS FARGO & CO			2,5	2FE	5,381,438	104.557	5,071,015	4,850,000	5,067,638		(181,862)			7.980	3.978	MS.....	113,959	387,030	04/09/2015.	03/29/2049.
4299999. Hybrid Securities - Issuer Obligations						51,896,892	XXX	51,585,768	50,485,000	50,702,799	30,504	(470,191)	0	0	XXX	XXX	XXX	655,966	2,589,632	XXX	XXX
4899999. Total - Hybrid Securities						51,896,892	XXX	51,585,768	50,485,000	50,702,799	30,504	(470,191)	0	0	XXX	XXX	XXX	655,966	2,589,632	XXX	XXX

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
Totals																					
7799999.	Total - Issuer Obligations					1,677,379,193	XXX	1,676,860,957	1,410,162,000	1,622,473,137	(20,351,935)	(9,009,173)	0	0	XXX	XXX	XXX	17,891,360	66,411,095	XXX	XXX
7899999.	Total - Residential Mortgage-Backed Securities					113,308,348	XXX	111,909,543	108,266,309	113,340,234	0	(11,746)	0	0	XXX	XXX	XXX	324,702	3,143,984	XXX	XXX
7999999.	Total - Commercial Mortgage-Backed Securities					95,383,898	XXX	92,555,634	90,000,799	92,627,259	0	(1,102,421)	0	0	XXX	XXX	XXX	303,848	3,058,360	XXX	XXX
8099999.	Total - Other Loan-Backed and Structured Securities					166,952,490	XXX	169,205,861	160,754,362	164,342,365	0	(761,179)	0	0	XXX	XXX	XXX	1,626,340	5,670,950	XXX	XXX
8399999.	Grand Total - Bonds					2,053,023,929	XXX	2,050,531,995	1,769,183,470	1,992,782,995	(20,351,935)	(10,884,519)	0	0	XXX	XXX	XXX	20,146,250	78,284,389	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation	Date Acquired
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
00850L 20 3	AGRIBANK FCB			1,000.000	100.00		106,125	106.000	106,125	106,000	1,719	6,875		406			406		P2UFE	03/30/2015.
010392 47 0	ALABAMA POWER CAPITAL TRUST VI			204,925.000	25.00		5,278,868	26.000	5,278,868	5,430,513	83,251	332,769		(387,308)			(387,308)		P1UFE	04/17/2015.
020002 87 9	ALLSTATE CORP			59,334.000	25.00		1,534,971	26.000	1,534,971	1,612,163	24,568	98,272		(111,548)			(111,548)		P2LFE	05/06/2015.
025816 BL 2	AMERICAN EXPRESS CO			3,000,000.000	1,000.00	94.875	2,637,739	95.000	2,846,250	2,628,750		147,000			8,989		8,989		RP3VFE	03/03/2016.
046265 40 1	ASTORIA FINANCIAL CORP			24,308.000	25.00	25.120	610,617	25.000	610,617	614,419	9,875	39,501		(3,802)			(3,802)		P3LFE	05/01/2015.
054937 40 4	BB&T CORP			112,307.000	25.00		2,667,291	23.750	2,667,291	2,809,805		157,932		(264,932)			(264,932)		P2LFE	05/11/2015.
054937 87 5	BB&T CORP			14,520.000	25.00		352,691	24.000	352,691	362,440		14,860		(9,749)			(9,749)		P2LFE	03/18/2016.
060505 EL 4	BANK OF AMERICA CORP			5,000,000.000	1,000.00	104.500	5,213,961	104.500	5,225,000	5,262,500		325,000			(27,458)		(27,458)		RP3VFE	03/23/2015.
064058 AF 7	BANK OF NEW YORK MELLON CORP			900,000.000	1,000.00		825,588	92.000	825,588	900,000				(74,412)			(74,412)		P2VFE	07/25/2016.
14040H 60 0	CAPITAL ONE FINANCIAL CORP			130,000.000	25.00	25.110	3,264,300	25.000	3,264,300	3,329,087		203,125		(64,787)			(64,787)		P3LFE	05/05/2015.
14040H 70 9	CAPITAL ONE FINANCIAL CORP			69,140.000	25.00	25.960	1,794,874	26.000	1,794,874	1,847,450		115,810		(52,575)			(52,575)		P3LFE	05/15/2015.
14040H 88 1	CAPITAL ONE FINANCIAL CORP			13,560.000	25.00	25.060	339,814	25.060	339,814	351,748		15,764		(11,934)			(11,934)		P3LFE	04/07/2016.
172967 34 1	CITIGROUP INC			146,000.000	25.00	27.350	3,951,220	27.000	3,993,100	3,951,220		250,938					0		P3LFE	03/27/2015.
174610 AH 8	CITIZENS FINANCIAL GROUP INC			2,000,000.000	1,000.00	99.000	1,963,821	99.000	1,980,000	1,962,938		55,000			580		580		RP3VFE	07/18/2016.
19075Q 86 2	COBANK ACB			33,000.000	100.00		3,267,000	99.000	3,267,000	3,368,500	51,150	204,600		(49,500)			(49,500)		P2UFE	05/07/2015.
19075Q 87 0	COBANK ACB			9,785.000	100.00		946,210	96.700	946,210	912,024	14,983	59,933		60,569			60,569		P2UFE	03/31/2016.
316773 60 5	FIFTH THIRD BANCORP			39,889.000	25.00	27.330	1,090,166	27.000	1,090,166	1,122,029	16,516	49,549		(31,863)			(31,863)		P3LFE	03/15/2016.
33616C 60 5	FIRST REPUBLIC BANK			150,314.000	25.00		3,494,801	23.000	3,494,801	3,753,565		211,379		(320,169)			(320,169)		P2LFE	05/07/2015.
38148B 10 8	GOLDMAN SACHS GROUP INC			190,000.000	25.00	27.140	5,114,000	27.140	5,156,600	5,114,000		302,814					0		P3LFE	05/05/2015.
38148B AB 4	GOLDMAN SACHS GROUP INC			450,000.000	1,000.00	103.918	450,000	104.000	467,631	450,000		24,188		374			374		P3UFE	04/16/2015.
446150 70 8	HUNTINGTON BANCSHARES INC			76,218.000	25.00	25.300	1,915,255	25.300	1,928,315	1,932,355	29,773	55,782		(17,100)			(17,100)		P3UFE	12/05/2016.
493267 70 2	KEYCORP			30,600.000	25.00	26.160	765,960	26.160	800,496	765,960							0		P3LFE	12/20/2016.
55261F 60 9	M&T BANK CORP			3,400.000	1,000.00		3,942,164	1,159.000	3,942,164	3,468,000		216,750		474,164			474,164		P2LFE	03/27/2015.
61761J 40 6	MORGAN STANLEY			112,000.000	25.00	25.730	2,881,760	26.000	2,881,760	2,926,000	44,625	178,501		(44,240)			(44,240)		P3LFE	04/06/2015.
61763E 20 7	MORGAN STANLEY			113,000.000	25.00	27.040	3,053,840	27.040	3,055,520	3,083,090	48,555	167,149		(29,250)			(29,250)		P3LFE	03/18/2016.
693475 85 7	PNC FINANCIAL SERVICES GROUP INC			10,000.000	25.00		272,900	27.000	272,900	265,300				7,600			7,600		P2LFE	12/16/2016.
712704 20 4	PEOPLE'S UNITED FINANCIAL INC			25,000.000	25.00	25.850	625,000	26.000	646,250	625,000		4,395					0		P3UFE	10/24/2016.
758849 70 7	REGENCY CENTERS CORP			10,238.000	25.00		256,974	25.000	256,974	261,581		16,957		(4,607)			(4,607)		P2LFE	05/06/2015.
7591EP 50 6	REGIONS FINANCIAL CORP			69,551.000	25.00	26.530	1,838,638	27.000	1,845,188	1,847,138		90,925		(8,500)			(8,500)		P3LFE	04/07/2016.
78406T 20 1	SCE TRUST I			139,775.000	25.00		3,259,553	23.000	3,259,553	3,501,185		196,559		(278,152)			(278,152)		P2LFE	05/07/2015.
808513 60 0	CHARLES SCHWAB CORP			47,577.000	25.00		1,188,949	25.000	1,188,949	1,201,430		51,918		(12,480)			(12,480)		P2LFE	05/09/2016.
857477 85 5	STATE STREET CORP			19,095.000	25.00		477,757	25.000	477,757	496,470		12,767		(18,713)			(18,713)		P2LFE	06/15/2016.
857477 88 9	STATE STREET CORP			167,439.000	25.00		4,236,207	25.000	4,236,207	4,292,259		251,159		(212,648)			(212,648)		P2LFE	05/05/2015.
867914 88 9	SUNTRUST BANKS INC			35,977.000	25.00	24.850	894,028	24.850	894,028	902,665		52,841		(8,636)			(8,636)		P3LFE	05/26/2015.
882228 30 7	TEXAS CAPITAL BANCSHARES INC			32,013.000	25.00	25.530	799,809	26.000	817,292	799,809		52,021		210			210		RP3LFE	08/27/2015.
882228 40 6	TEXAS CAPITAL BANCSHARES INC			30,506.000	25.00	25.080	765,047	25.000	765,090	768,429		49,572		(3,382)			(3,382)		P4LFE	01/07/2016.
919794 20 6	VALLEY NATIONAL BANCORP			30,000.000	25.00		777,000	26.000	777,000	750,000		46,875		(45,000)			(45,000)		P2LFE	06/16/2015.
947890 40 6	WEBSTER FINANCIAL CORP			59,348.000	25.00	25.250	1,498,537	25.250	1,498,537	1,503,702		94,957		(5,166)			(5,166)		P3LFE	04/21/2015.
94988U 67 2	WELLS FARGO & CO			20,000.000	25.00		458,200	23.000	458,200	509,000		13,750		(50,800)			(50,800)		P2LFE	06/22/2016.
8499999. Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							74,811,635	XXX	75,244,077	75,788,524	325,015	4,168,187	0	(1,577,930)	(17,889)	0	(1,595,819)	0	XXX	XXX
8999999. Total - Preferred Stocks							74,811,635	XXX	75,244,077	75,788,524	325,015	4,168,187	0	(1,577,930)	(17,889)	0	(1,595,819)	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
000000 00 0	CONSORTIUM HEALTH PLANS INC			750.000	252,412	337.000	252,412	100,000				(4,756)		(4,756)		V	01/12/2000.
00206R 10 2	AT&T ORD			61,000.000	2,594,330	43.000	2,594,330	2,453,358		40,800		140,973		140,973		L	12/19/2016.
002824 10 0	ABBOTT LABORATORIES ORD			7,000.000	268,870	38.000	268,870	287,105		1,820		(18,235)		(18,235)		L	09/09/2016.
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD			2,700.000	388,314	144.000	388,314	364,177	2,322	2,322		24,137		24,137		L	04/29/2016.
02079K 10 7	ALPHABET CL C ORD			2,100.000	1,620,822	772.000	1,620,822	1,475,374				145,449		145,449		L	12/01/2016.
02079K 30 5	ALPHABET CL A ORD			1,800.000	1,426,410	792.450	1,426,410	1,306,773				119,637		119,637		L	09/09/2016.
024835 10 0	AMERICAN CAMPUS COMMUNITIES REIT			5,400.000	268,758	50.000	268,758	241,677		6,804		27,081		27,081		L	04/29/2016.
025932 10 4	AMERICAN FINANCIAL GROUP ORD			7,500.000	660,900	88.120	660,900	557,201		7,500		103,699		103,699		L	11/04/2016.
02916P 10 3	AMERICAN RAILCAR INDUSTRIES ORD			15,000.000	679,350	45.000	679,350	555,458		6,000		123,892		123,892		L	11/07/2016.
032095 10 1	AMPHENOL CL A ORD			3,000.000	201,600	67.000	201,600	183,885	480			17,715		17,715		L	09/09/2016.
037833 10 0	APPLE ORD			10,000.000	1,158,200	116.000	1,158,200	965,931		13,680		192,270		192,270		L	09/09/2016.
039483 10 2	ARCHER DANIELS MIDLAND ORD			5,000.000	228,250	45.650	228,250	199,725		4,500		28,525		28,525		L	04/29/2016.
053015 10 3	AUTOMATIC DATA PROCESSING ORD			2,900.000	298,062	103.000	298,062	256,951	1,653	2,014		41,112		41,112		L	08/01/2016.
053332 10 2	AUTOZONE ORD			400.000	315,916	789.790	315,916	299,079				16,837		16,837		L	06/15/2016.
054937 10 7	BB AND T ORD			10,500.000	493,710	47.000	493,710	371,543		9,240		122,168		122,168		L	04/29/2016.
05508R 10 6	B AND G FOODS ORD			6,300.000	275,940	43.800	275,940	271,625	2,930	5,292		4,316		4,316		L	06/14/2016.
05536J 10 0	BCS FINANCIAL CORPORATION			27,375.000	3,135,677	115.000	3,135,677	250,028				400,882		400,882		A	01/28/2007.
067383 10 9	C R BARD ORD			500.000	112,330	225.000	112,330	116,179		260		(3,849)		(3,849)		L	06/29/2016.
075887 10 9	BECTON DICKINSON ORD			1,200.000	198,660	165.550	198,660	193,518		2,460		5,142		5,142		L	04/29/2016.
084670 70 2	BERKSHIRE HATHWAY CL B ORD			10,000.000	1,629,800	163.000	1,629,800	1,466,250				163,550		163,550		L	09/09/2016.
090572 20 7	BIO RAD LABORATORIES CL A ORD			1,000.000	182,280	182.280	182,280	174,575				7,705		7,705		L	12/01/2016.
09610# 10 9	BLUECROSS BLUESHIELD VENTURES II, INC			50.000	59,411	1,188.220	59,411	50,000				9,411		9,411		V	06/22/2011.
097023 10 5	BOEING ORD			2,000.000	311,360	156.000	311,360	264,775		2,180		46,585		46,585		L	10/03/2016.
125269 10 0	CF INDUSTRIES HOLDINGS ORD			40,000.000	1,259,200	31.000	1,259,200	1,037,000		12,000		222,200		222,200		L	10/21/2016.
125509 10 9	CIGNA ORD			400.000	53,356	133.390	53,356	50,718				2,638		2,638		L	08/01/2016.
12572Q 10 5	CME GROUP CL A ORD			11,500.000	1,326,525	115.000	1,326,525	1,419,503	37,375			(92,978)		(92,978)		L	12/13/2016.
126408 10 3	CSX ORD			10,500.000	377,265	36.000	377,265	286,388		5,670		90,878		90,878		L	04/29/2016.
12673P 10 5	CA ORD			10,400.000	330,408	32.000	330,408	321,016		5,406		9,392		9,392		L	10/19/2016.
149123 10 1	CATERPILLAR ORD			7,000.000	649,180	93.000	649,180	519,663		10,780		129,518		129,518		L	06/29/2016.
15189T 10 7	CENTERPOINT ENERGY ORD			18,600.000	458,304	25.000	458,304	399,063		14,369		59,241		59,241		L	04/29/2016.
166764 10 0	CHEVRON ORD			20,000.000	2,354,000	118.000	2,354,000	2,044,600		43,000		309,400		309,400		L	10/19/2016.
16934Q 20 8	CHIMERA INVESTMENT REIT			12,100.000	205,942	17.000	205,942	194,024	6,050	5,808		11,919		11,919		L	09/09/2016.
172062 10 1	CINCINNATI FINANCIAL ORD			5,800.000	439,350	76.000	439,350	386,731	2,784	5,376		52,619		52,619		L	09/09/2016.
17275R 10 2	CISCO SYSTEMS ORD			35,000.000	1,057,700	30.220	1,057,700	962,325		18,200		95,375		95,375		L	04/29/2016.
189754 10 4	COACH ORD			20,000.000	700,400	35.000	700,400	725,700	6,750			(25,300)		(25,300)		L	12/01/2016.
191216 10 0	COCA-COLA ORD			49,000.000	2,031,540	41.000	2,031,540	2,135,990		43,225		(104,450)		(104,450)		L	09/09/2016.
194162 10 3	COLGATE PALMOLIVE ORD			5,000.000	327,200	65.000	327,200	325,425				1,775		1,775		L	12/01/2016.
20030N 10 1	COMCAST CL A ORD			17,500.000	1,208,375	69.050	1,208,375	1,114,806	4,813	7,040		93,570		93,570		L	09/20/2016.
203607 10 6	COMMUNITY BANK SYSTEM ORD			4,800.000	296,592	62.000	296,592	190,017	1,536	3,024		106,575		106,575		L	04/29/2016.
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT			7,500.000	650,775	86.770	650,775	611,513		7,125		39,263		39,263		L	12/01/2016.
231021 10 6	CUMMINS ORD			1,200.000	164,004	136.670	164,004	140,442		3,630		23,562		23,562		L	04/29/2016.
233331 10 7	DTE ENERGY ORD			3,500.000	344,785	98.510	344,785	318,518	2,888	2,695		26,268		26,268		L	09/09/2016.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
235851 10 2	DANAHER ORD			2,000.000	155,680	77.840	155,680	146,664	250	250		9,016		9,016		L	04/29/2016.
237194 10 5	DARDEN RESTAURANTS ORD			10,000.000	727,200	72.720	727,200	614,850		5,600		112,350		112,350		L	09/20/2016.
254423 10 6	DINEEQUITY ORD			2,000.000	154,000	77.000	154,000	157,290	1,940	1,840		(3,290)		(3,290)		L	09/09/2016.
254687 10 6	WALT DISNEY ORD			5,000.000	521,100	104.220	521,100	491,388	3,900	3,550		29,713		29,713		L	06/15/2016.
256677 10 5	DOLLAR GENERAL ORD			2,500.000	185,175	74.070	185,175	176,463	625	625		8,713		8,713		L	09/09/2016.
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD			2,500.000	226,675	90.670	226,675	224,613	1,325			2,063		2,063		L	09/09/2016.
26441C 20 4	DUKE ENERGY ORD			7,000.000	543,340	77.620	543,340	553,683		5,985		(10,343)		(10,343)		L	10/03/2016.
26613Q 10 6	DUPONT FABROS TECHNOLOGY REIT			5,000.000	219,650	43.930	219,650	202,288	2,500	2,350		17,363		17,363		L	10/03/2016.
26884U 10 9	EPR PROPERTIES REIT			2,500.000	179,425	71.770	179,425	204,888	800	4,000		(25,463)		(25,463)		L	07/21/2016.
291011 10 4	EMERSON ELECTRIC ORD			15,000.000	836,250	55.750	836,250	786,957		14,895		49,293		49,293		L	10/19/2016.
29364G 10 3	ENTERGY ORD			15,000.000	1,102,050	73.470	1,102,050	1,103,400		25,800		(1,350)		(1,350)		L	11/01/2016.
30040W 10 8	EVERSOURCE ENERGY ORD			6,000.000	331,380	55.230	331,380	319,530		5,340		11,850		11,850		L	09/09/2016.
30161N 10 1	EXELON ORD			25,000.000	887,250	35.490	887,250	860,722		18,062		26,528		26,528		L	11/01/2016.
30231G 10 2	EXXON MOBIL ORD			35,500.000	3,204,230	90.260	3,204,230	3,126,054		68,025		78,177		78,177		L	09/09/2016.
30303M 10 2	FACEBOOK CL A ORD			4,500.000	517,725	115.050	517,725	533,611				(15,886)		(15,886)		L	12/01/2016.
313747 20 6	FEDERAL REIT			2,000.000	284,220	142.110	284,220	318,415	1,960	1,960		(34,195)		(34,195)		L	08/30/2016.
31620R 30 3	FIDELITY NATIONAL FINANCIAL ORD			3,000.000	101,880	33.960	101,880	113,115		1,380		(11,235)		(11,235)		L	09/09/2016.
31847R 10 2	FIRST AMERICAN FINANCIAL ORD			10,000.000	366,300	36.630	366,300	378,550		3,400		(12,250)		(12,250)		L	11/16/2016.
343498 10 1	FLOWERS FOODS ORD			10,000.000	199,700	19.970	199,700	154,550		1,600		45,150		45,150		L	10/19/2016.
345370 86 0	FORD MOTOR ORD			65,000.000	788,450	12.130	788,450	780,975		9,750		7,475		7,475		L	10/19/2016.
34959J 10 8	FORTIVE ORD			1,000.000	53,630	53.630	53,630	46,846		140		6,784		6,784		L	04/29/2016.
364760 10 8	GAP ORD			15,000.000	336,600	22.440	336,600	290,063	3,450	6,900		46,538		46,538		L	06/15/2016.
369550 10 8	GENERAL DYNAMICS ORD			2,500.000	431,650	172.660	431,650	350,294		3,800		81,356		81,356		L	06/15/2016.
369604 10 3	GENERAL ELECTRIC ORD			5,900.000	186,440	31.600	186,440	181,455	1,416	2,714		4,986		4,986		L	04/29/2016.
370334 10 4	GENERAL MILLS ORD			6,000.000	370,620	61.770	370,620	375,490		4,800		(4,870)		(4,870)		L	09/09/2016.
37045V 10 0	GENERAL MOTORS ORD			40,000.000	1,393,600	34.840	1,393,600	1,400,860		15,200		(7,260)		(7,260)		L	12/01/2016.
391164 10 0	GREAT PLAINS ENERGY ORD			30,000.000	820,500	27.350	820,500	827,925		8,250		(7,425)		(7,425)		L	11/04/2016.
397624 10 7	GREIF CL A ORD			5,000.000	256,550	51.310	256,550	197,748	2,100	4,200		58,803		58,803		L	06/14/2016.
40434L 10 5	HP ORD			30,000.000	445,200	14.840	445,200	446,250	3,981			(1,050)		(1,050)		L	11/23/2016.
423452 10 1	HELMERICH AND PAYNE ORD			5,000.000	387,000	77.400	387,000	303,775		7,000		83,225		83,225		L	08/01/2016.
437076 10 2	HOME DEPOT ORD			13,000.000	1,743,040	134.080	1,743,040	1,680,059		16,008		62,981		62,981		L	09/09/2016.
438516 10 6	HONEYWELL INTERNATIONAL ORD			2,700.000	312,795	115.850	312,795	306,786		1,796		6,009		6,009		L	04/29/2016.
444859 10 2	HUMANA ORD			500.000	102,015	204.030	102,015	85,593		145		16,423		16,423		L	08/01/2016.
446150 10 4	HUNTINGTON BANCSHARES ORD			7,500.000	99,150	13.220	99,150	89,513	600			9,638		9,638		L	11/16/2016.
452308 10 9	ILLINOIS TOOL ORD			3,700.000	453,102	122.460	453,102	408,137	2,405	3,395		44,966		44,966		L	09/09/2016.
45774W 10 8	INSTEEL INDUSTRIES ORD			7,500.000	267,300	35.640	267,300	298,313	9,600			(31,013)		(31,013)		L	12/01/2016.
458140 10 0	INTEL ORD			44,400.000	1,610,388	36.270	1,610,388	1,464,758		22,620		145,630		145,630		L	09/09/2016.
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD			5,000.000	282,100	56.420	282,100	282,255		1,700		(155)		(155)		L	09/09/2016.
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD			16,000.000	2,655,840	165.990	2,655,840	2,367,040		50,400		288,800		288,800		L	10/19/2016.
460146 10 3	INTERNATIONAL PAPER ORD			20,000.000	1,061,200	53.060	1,061,200	871,960		20,866		189,240		189,240		L	11/01/2016.
478160 10 4	JOHNSON & JOHNSON ORD			28,100.000	3,237,401	115.210	3,237,401	3,198,789		54,640		38,613		38,613		L	09/09/2016.
49427F 10 8	KILROY REALTY REIT			2,000.000	146,440	73.220	146,440	147,890	4,550			(1,450)		(1,450)		L	12/19/2016.
494368 10 3	KIMBERLY CLARK ORD			6,200.000	707,544	114.120	707,544	751,309	5,704	2,208		(43,765)		(43,765)		L	10/19/2016.

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Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
500255 10 4	KOHL'S ORD			16,000.000	790,080	49.380	790,080	644,180		18,000		145,900		145,900		L	10/21/2016.
500754 10 6	KRAFT HEINZ ORD			3,000.000	261,960	87.320	261,960	264,255		1,800		(2,295)		(2,295)		L	10/19/2016.
502424 10 4	L3 Technologies, Inc			900.000	136,899	152.110	136,899	118,382		1,890		18,518		18,518		L	04/29/2016.
517834 10 7	LAS VEGAS SANDS ORD			6,500.000	347,165	53.410	347,165	304,883		14,040		42,283		42,283		L	06/14/2016.
532457 10 8	ELI LILLY ORD			5,000.000	367,750	73.550	367,750	391,225		2,550		(23,475)		(23,475)		L	09/09/2016.
539830 10 9	LOCKHEED MARTIN ORD			2,299.000	574,612	249.940	574,612	534,253		11,771		40,359		40,359		L	04/29/2016.
553530 10 6	MSC INDUSTRIAL CL A ORD			5,000.000	461,950	92.390	461,950	358,875		2,250		103,075		103,075		L	10/19/2016.
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD			5,000.000	408,500	81.700	408,500	399,025		6,450		9,475		9,475		L	09/20/2016.
571748 10 2	MARSH & MCLENNAN ORD			5,000.000	337,950	67.590	337,950	326,738		3,400		11,213		11,213		L	06/15/2016.
57636Q 10 4	MASTERCARD CL A ORD			8,500.000	877,625	103.250	877,625	830,386		2,869		47,240		47,240		L	09/12/2016.
579780 20 6	MCCORMICK ORD			1,000.000	93,330	93.330	93,330	88,785	470			4,545		4,545		L	12/01/2016.
580135 10 1	MCDONALD'S ORD			7,000.000	852,040	121.720	852,040	833,231		6,580		18,809		18,809		L	11/23/2016.
58933Y 10 5	MERCK & CO ORD			40,000.000	2,354,800	58.870	2,354,800	2,399,245	18,800	20,562		(44,445)		(44,445)		L	11/23/2016.
589400 10 0	MERCURY GENERAL ORD			5,000.000	301,050	60.210	301,050	264,695		9,313		36,355		36,355		L	06/03/2016.
59156R 10 8	METLIFE ORD			10,000.000	538,900	53.890	538,900	440,150		4,000		98,750		98,750		L	09/20/2016.
594918 10 4	MICROSOFT ORD			16,300.000	1,012,882	62.140	1,012,882	866,311		12,117		146,571		146,571		L	09/09/2016.
59522J 10 3	MID AMERICA APARTMENT COMMUNITI REIT			2,000.000	195,840	97.920	195,840	184,075		1,640		11,765		11,765		L	10/03/2016.
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD			1,500.000	145,965	97.310	145,965	163,643		615		(17,678)		(17,678)		L	10/19/2016.
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD			5,000.000	221,650	44.330	221,650	210,684	950	950		10,967		10,967		L	09/09/2016.
61945C 10 3	MOSAIC ORD			27,000.000	791,910	29.330	791,910	693,570		9,075		98,340		98,340		L	11/01/2016.
63633D 10 4	NATIONAL HEALTH INVESTORS REIT			1,900.000	140,923	74.170	140,923	147,089	1,710	1,710		(6,166)		(6,166)		L	09/09/2016.
636518 10 2	NATIONAL INSTRUMENTS ORD			5,000.000	154,100	30.820	154,100	138,838		2,000		15,263		15,263		L	06/15/2016.
649445 10 3	NEW YORK COMMUNITY BANCORP ORD			30,300.000	482,073	15.910	482,073	455,561		15,453		26,513		26,513		L	04/29/2016.
654106 10 3	NIKE CL B ORD			4,000.000	203,320	50.830	203,320	217,270	720	640		(13,950)		(13,950)		L	06/15/2016.
655844 10 8	NORFOLK SOUTHERN ORD			3,300.000	356,631	108.070	356,631	297,380		5,841		59,252		59,252		L	04/29/2016.
680223 10 4	OLD REPUBLIC INTERNATIONAL ORD			33,300.000	632,700	19.000	632,700	615,884		18,731		16,817		16,817		L	04/29/2016.
681919 10 6	OMNICOM GROUP ORD			2,500.000	212,775	85.110	212,775	209,388	1,375	1,375		3,388		3,388		L	09/09/2016.
682680 10 3	ONEOK ORD			5,000.000	287,050	57.410	287,050	180,775		6,150		106,275		106,275		L	04/29/2016.
68389X 10 5	ORACLE ORD			2,800.000	107,660	38.450	107,660	112,098		420		(4,438)		(4,438)		L	09/09/2016.
69318G 10 6	PBF ENERGY CL A ORD			40,000.000	1,115,200	27.880	1,115,200	926,600		12,000		188,600		188,600		L	11/01/2016.
69331C 10 8	PG&E ORD			5,000.000	303,850	60.770	303,850	290,225	2,450			13,625		13,625		L	12/01/2016.
69351T 10 6	PPL ORD			40,000.000	1,362,000	34.050	1,362,000	1,324,200	15,200			37,800		37,800		L	12/01/2016.
695263 10 3	PACW PACWEST BANCORP ORD			12,000.000	653,280	54.440	653,280	492,228		11,400		161,052		161,052		L	10/19/2016.
713448 10 8	PEPSICO ORD			14,500.000	1,517,135	104.630	1,517,135	1,499,969	10,911	12,191		17,167		17,167		L	09/09/2016.
717081 10 3	PFIZER ORD			53,100.000	1,724,688	32.480	1,724,688	1,767,326		33,510		(42,638)		(42,638)		L	10/03/2016.
72724* 10 4	PLANS' LIABILITY INSURANCE COMPANY			8,350.000	521,950	62.509	521,950	561,000				(31,333)		(31,333)		A	02/28/1994.
74005P 10 4	PRAXAIR ORD			1,500.000	175,785	117.190	175,785	176,198		3,375		(413)		(413)		L	04/29/2016.
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD			10,000.000	578,600	57.860	578,600	505,500		8,300		73,100		73,100		L	11/23/2016.
74267C 10 6	PROASSURANCE ORD			7,500.000	421,500	56.200	421,500	428,040	37,500			(6,540)		(6,540)		L	12/01/2016.
742718 10 9	PROCTER & GAMBLE ORD			27,000.000	2,270,160	84.080	2,270,160	2,217,828		31,467		52,332		52,332		L	09/09/2016.
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD			24,000.000	1,053,120	43.880	1,053,120	977,880		9,840		75,240		75,240		L	11/23/2016.
747525 10 3	QUALCOMM ORD			15,900.000	1,036,680	65.200	1,036,680	803,348		25,281		233,333		233,333		L	04/29/2016.

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Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
74834L 10 0	QUEST DIAGNOSTICS ORD			2,000.000	183,800	91.900	183,800	150,350		1,600		33,450		33,450		L	04/29/2016.
749607 10 7	RLI ORD			4,000.000	252,520	63.130	252,520	250,100		8,800		2,420		2,420		L	11/16/2016.
755111 50 7	RAYTHEON ORD			3,900.000	553,800	142.000	553,800	510,768	2,857	4,688		43,032		43,032		L	09/09/2016.
758766 10 9	REGAL ENTERTAINMENT CL A ORD			20,000.000	412,000	20.600	412,000	429,571		8,888		(17,571)		(17,571)		L	11/04/2016.
761152 10 7	RESMED ORD			7,500.000	465,375	62.050	465,375	430,706		2,475		34,669		34,669		L	11/04/2016.
78648T 10 0	SAFETY INSURANCE GROUP ORD			2,400.000	176,880	73.700	176,880	159,319		1,680		17,561		17,561		L	09/09/2016.
816851 10 9	SEMPRA ENERGY ORD			4,000.000	402,560	100.640	402,560	414,100	3,020			(11,540)		(11,540)		L	12/19/2016.
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD			15,000.000	899,400	59.960	899,400	831,375		9,600		68,025		68,025		L	11/01/2016.
835495 10 2	SONOCO PRODUCTS ORD			2,700.000	142,290	52.700	142,290	126,617		2,997		15,674		15,674		L	04/29/2016.
855244 10 9	STARBUCKS ORD			6,000.000	333,120	55.520	333,120	345,210		1,125		(12,090)		(12,090)		L	12/01/2016.
85571B 10 5	STARWOOD PROPERTY REIT			8,000.000	175,600	21.950	175,600	178,680	3,840	3,840		(3,080)		(3,080)		L	09/09/2016.
863667 10 1	STRYKER ORD			4,000.000	479,240	119.810	479,240	458,380	1,700	1,520		20,860		20,860		L	09/09/2016.
871503 10 8	SYMANTEC ORD			18,300.000	437,187	23.890	437,187	304,695		4,118		132,492		132,492		L	04/29/2016.
871829 10 7	SYSCO ORD			2,400.000	132,888	55.370	132,888	110,580		1,488		22,308		22,308		L	04/29/2016.
872540 10 9	TJX ORD			5,400.000	405,702	75.130	405,702	409,455		4,212		(3,753)		(3,753)		L	04/29/2016.
87612E 10 6	TARGET ORD			4,000.000	288,920	72.230	288,920	318,020		7,040		(29,100)		(29,100)		L	04/29/2016.
882508 10 4	TEXAS INSTRUMENTS ORD			13,800.000	1,006,986	72.970	1,006,986	921,318		6,900		85,668		85,668		L	09/09/2016.
883556 10 2	THERMO FISHER SCIENTIFIC ORD			2,700.000	380,970	141.100	380,970	389,489	405	810		(8,519)		(8,519)		L	04/29/2016.
884903 10 5	THOMSON REUTERS ORD			12,000.000	525,360	43.780	525,360	484,283		5,355		41,078		41,078		L	10/21/2016.
88579Y 10 1	3M ORD			6,800.000	1,214,276	178.570	1,214,276	1,153,086		18,648		61,190		61,190		L	09/09/2016.
902973 30 4	US BANCORP ORD			10,000.000	513,700	51.370	513,700	426,950	2,800	5,350		86,750		86,750		L	04/29/2016.
907818 10 8	UNION PACIFIC ORD			5,400.000	559,872	103.680	559,872	471,069		9,207		88,803		88,803		L	04/29/2016.
911312 10 6	UNITED PARCEL SERVICE CL B ORD			10,000.000	1,146,400	114.640	1,146,400	1,065,446		15,210		80,954		80,954		L	10/19/2016.
91324P 10 2	UNITEDHEALTH GRP ORD			12,100.000	1,936,484	160.040	1,936,484	1,644,149		17,688		292,336		292,336		L	10/19/2016.
918204 10 8	VF ORD			3,500.000	186,725	53.350	186,725	196,473		1,470		(9,748)		(9,748)		L	11/16/2016.
92343V 10 4	VERIZON COMMUNICATIONS ORD			40,000.000	2,135,200	53.380	2,135,200	2,074,095		17,325		61,105		61,105		L	12/19/2016.
92826C 83 9	VISA CL A ORD			17,000.000	1,326,340	78.020	1,326,340	1,338,466		6,305		(12,126)		(12,126)		L	10/03/2016.
931142 10 3	WAL MART STORES ORD			16,000.000	1,105,920	69.120	1,105,920	1,086,296	8,000	11,400		19,624		19,624		L	12/01/2016.
931427 10 8	WALGREEN BOOTS ALLIANCE ORD			5,000.000	413,800	82.760	413,800	385,925		1,875		27,875		27,875		L	10/19/2016.
94106L 10 9	WASTE MANAGEMENT ORD			1,800.000	127,638	70.910	127,638	112,959		738		14,679		14,679		L	09/09/2016.
948741 10 3	WEINGARTEN RLTY REIT			13,000.000	465,270	35.790	465,270	460,650		4,745		4,620		4,620		L	12/01/2016.
949746 10 1	WELLS FARGO ORD			55,000.000	3,031,050	55.110	3,031,050	2,564,750		39,900		466,300		466,300		L	10/03/2016.
95709T 10 0	WESTAR ENERGY ORD			5,000.000	281,750	56.350	281,750	283,775	1,900			(2,025)		(2,025)		L	12/01/2016.
962166 10 4	WEYERHAEUSER REIT			10,000.000	300,900	30.090	300,900	315,450		6,200		(14,550)		(14,550)		L	08/23/2016.
98389B 10 0	XCEL ENERGY ORD			8,600.000	350,020	40.700	350,020	350,751	2,924	2,924		(731)		(731)		L	09/09/2016.
983919 10 1	XILINX ORD			5,400.000	325,998	60.370	325,998	232,659		5,346		93,339		93,339		L	04/29/2016.
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA			37,354.000	3,735,400	100.000	3,735,400	3,735,400		29,481				0		V	11/30/2016.
G1151C 10 1	ACCENTURE CL A ORD		C	2,000.000	234,260	117.130	234,260	235,330				(1,070)		(1,070)		L	12/01/2016.
G16962 10 5	BUNGE ORD			5,000.000	361,200	72.240	361,200	300,325		2,100		60,875		60,875		L	10/19/2016.
G5960L 10 3	MEDTRONIC ORD		C	10,000.000	712,300	71.230	712,300	847,475	4,300	5,160		(135,175)		(135,175)		L	09/09/2016.
H2906T 10 9	GARMIN ORD		C	10,000.000	484,900	48.490	484,900	425,350		15,300		59,550		59,550		L	06/14/2016.
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD		C	10,000.000	857,800	85.780	857,800	782,150		8,500		75,650		75,650		L	11/01/2016.
9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					115,733,887	XXX	115,733,887	105,582,954	238,519	1,324,978	0	7,516,754	0	7,516,754	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Parent, Subsidiaries and Affiliates																	
000000 00 0	BCBSNC SENIOR HEALTH			1.000	1,500,000	1,500,000.000	1,500,000	1,500,000						0			03/31/2016.
65511# 10 1	NOBLE HEALTH			372.000	193,997,215	521,497.890	193,997,215	184,203,964				3,614,867		3,614,867			08/21/2007.
9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates					195,497,215	XXX	195,497,215	185,703,964	0	0	0	3,614,867	0	3,614,867	0	XXX	XXX
Common Stocks - Mutual Funds																	
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF		C	2,460.688	30,906	12.560	30,906	35,524		377		2,595		2,595		L	12/22/2016.
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF			224.986	6,201	27.560	6,201	4,856		179		675		675		L	12/22/2016.
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF			1,352,744.025	51,052,560	37.740	51,052,560	48,938,067		672,726		(1,862,676)		(1,862,676)		L	12/07/2016.
256206 10 3	DODGE & COX INTL STOCK MF			998.718	38,051	38.100	38,051	38,277		1,344		2,009		2,009		L	12/20/2016.
315792 23 4	FIDELITY FREEDOM K 2020 MF			23,546.938	328,715	13.960	328,715	321,771		11,534		9,125		9,125		L	12/28/2016.
315792 24 2	FIDELITY FREEDOM K 2015 MF			18,143.859	238,955	13.170	238,955	240,629		9,242		6,592		6,592		L	12/28/2016.
315792 25 9	FIDELITY FREEDOM K 2010 MF			1,239.271	15,640	12.620	15,640	15,793		625		339		339		L	12/28/2016.
315910 28 1	FIDELITY DVSD INTL;K			612.168	20,342	33.230	20,342	19,131		301		(1,061)		(1,061)		L	12/09/2016.
315911 87 5	FIDELITY INTL MKT IDX CL PRM MF			117.560	4,152	35.320	4,152	3,666		124		(69)		(69)		L	12/16/2016.
316200 85 6	FIDELITY GRO COMPANY;K			102.961	14,068	136.630	14,068	9,848		846		(40)		(40)		L	12/27/2016.
316345 80 0	FIDELITY LOW-PRCD STK;K			389.019	19,229	49.430	19,229	16,061		934		651		651		L	12/09/2016.
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF			304.584	17,087	56.100	17,087	16,760		583		2,741		2,741		L	12/20/2016.
413838 40 0	OAKMARK EQT AND INC CL I MF		C	8,165.427	248,392	30.420	248,392	249,284		9,442		12,732		12,732		L	12/19/2016.
55273W 47 5	MFS MID CAP VALUE;R6			254.835	5,527	21.690	5,527	5,163		82		642		642		V	12/20/2016.
57630A 59 2	MASSMUTUAL SEL:MCGII;I			235.525	4,324	18.360	4,324	4,555		199		33		33		V	12/15/2016.
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF			8,127.912	80,548	9.910	80,548	83,614	89	2,761		(737)		(737)		L	12/30/2016.
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF			3,950.003	42,068	10.650	42,068	42,820	17	813		(458)		(458)		L	12/30/2016.
922040 20 9	VANGUARD INST INX CL INST PLS MF			1,080,187.597	220,185,440	203.840	220,185,440	94,703,903		4,544,342		18,352,064		18,352,064		L	12/23/2016.
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF			652,857.938	116,391,513	178.280	116,391,513	30,592,626		1,747,886		16,273,066		16,273,066		L	12/21/2016.
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF			572.879	93,345	162.940	93,345	88,681		1,287		7,908		7,908		L	12/21/2016.
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF			250.892	15,498	61.770	15,498	13,947		209		2,051		2,051		L	12/21/2016.
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF			1,969.849	406,912	206.570	406,912	355,756		7,776		34,363		34,363		L	12/21/2016.
9299999. Total - Common Stocks - Mutual Funds					389,259,473	XXX	389,259,473	175,800,732	106	7,013,612	0	32,842,545	0	32,842,545	0	XXX	XXX
Common Stocks - Money Market Mutual Funds																	
316191 60 0	FIDELITY MM:RET GOVT MM2			71,415.580	71,416	1.000	71,416	71,416		34				0		L	12/30/2016.
9399999. Total - Common Stocks - Money Market Mutual Funds					71,416	XXX	71,416	71,416	0	34	0	0	0	0	0	XXX	XXX
9799999. Total - Common Stock					700,561,991	XXX	700,561,991	467,159,066	238,625	8,338,624	0	43,974,166	0	43,974,166	0	XXX	XXX
9899999. Total Common and Preferred Stock					775,373,626	XXX	775,806,068	542,947,590	563,640	12,506,811	0	42,396,236	0	42,378,347	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....0, the total $ value (included in Column 8) of all such issues $.....0.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
36179M X4 7	RMBS - G2 MA0699		04/15/2016	JP MORGAN SECURITIES INC		4,898,358	4,616,329	8,527
36179Q 6P 1	G2 MA2678 - RMBS		08/05/2016	MORGAN STANLEY CO		4,935,536	4,646,919	7,680
912810 QA 9	UNITED STATES TREASURY		03/22/2016	Goldman Sachs		4,685,954	4,000,000	16,154
912810 RB 6	UNITED STATES TREASURY		11/30/2016	VARIOUS		17,698,268	16,950,000	94,788
912810 RQ 3	UNITED STATES TREASURY		12/05/2016	HSBC SECURITIES		4,201,067	4,775,000	37,305
912828 J7 6	UNITED STATES TREASURY		06/07/2016	VARIOUS		24,842,227	24,500,000	88,911
912828 L3 2	UNITED STATES TREASURY		11/01/2016	VARIOUS		12,299,471	12,200,000	27,454
912828 M5 6	UNITED STATES TREASURY		12/30/2016	VARIOUS		7,579,323	7,725,000	21,457
912828 WJ 5	UNITED STATES TREASURY		01/29/2016	BARCLAYS CAP/FIXED INCOME, NEW YORK		3,971,875	3,775,000	20,742
0599999.	Total - Bonds - U.S. Government					85,112,079	83,188,248	323,018
Bonds - U.S. States, Territories and Possessions								
011770 3N 2	ALASKA ST		03/10/2016	MERRILL LYNCH PIERCE FENNER		2,349,620	2,000,000	
13063B FV 9	CALIFORNIA ST ECONOMIC RECOVERY		07/22/2016	Stifel Nicolaus & Co		3,153,046	2,600,000	83,828
57582P M3 1	MASSACHUSETTS ST		02/03/2016	BB&T SECURITIES, LLC		2,086,900	2,000,000	28,222
57582R GV 2	MASSACHUSETTS ST		07/01/2016	BB&T SECURITIES, LLC		4,847,200	4,000,000	61,111
57582R JF 4	MASSACHUSETTS ST		06/16/2016	BB&T SECURITIES, LLC		1,145,470	1,000,000	
605581 HY 6	MISSISSIPPI ST		12/07/2016	CITIGROUP GLOBAL MARKETS INC		2,691,089	2,375,000	
64966M HG 7	NEW YORK N Y		12/07/2016	Jefferies		1,240,525	1,100,000	
1799999.	Total - Bonds - U.S. States, Territories & Possessions					17,513,850	15,075,000	173,161
Bonds - U.S. Political Subdivisions of States								
072887 V8 2	BAYONNE N J		03/23/2016	RBC CAPITAL MARKETS		1,153,660	1,000,000	
072887 V9 0	BAYONNE N J		03/23/2016	RBC CAPITAL MARKETS		1,148,970	1,000,000	
108151 5H 0	BRIDGEPORT CONN		03/04/2016	MORGAN STANLEY CO		1,294,048	1,120,000	
108151 5J 6	BRIDGEPORT CONN		03/04/2016	MORGAN STANLEY CO		1,507,325	1,310,000	
167560 SX 0	CHICAGO ILL MET WTR RECLAMATION DIST GTR		06/08/2016	MERRILL LYNCH PIERCE FENNER		4,389,718	3,525,000	
213185 JQ 5	COOK CNTY ILL		06/20/2016	Raymond James Financial		2,615,044	2,325,000	12,860
213185 KM 2	COOK CNTY ILL		06/15/2016	BARCLAYS CAP/FIXED INCOME, NEW YORK		1,194,240	1,000,000	
215615 DW 2	COOK CNTY ILL HIGH SCH DIST NO 212 LEYDE		06/03/2016	BAIRD, ROBERT W & CO INC, MILWAUKEE		2,575,012	2,200,000	
25476F RK 6	DISTRICT COLUMBIA		06/08/2016	JP MORGAN SECURITIES INC		3,218,024	2,550,000	
447025 XJ 1	HUNTSVILLE ALA		07/06/2016	Unknown		2,151,826	2,050,000	18,507
447025 XZ 5	HUNTSVILLE ALA		07/06/2016	Unknown		3,096,531	2,950,000	26,632
478718 R5 0	JOHNSON CNTY KANS UNI SCH DIST NO 233		09/01/2016	PERSHING DIV OF DLJ SEC LNDING		1,647,855	1,500,000	
673475 CV 9	OAKLAND MICH SCHS INTER SCH DIST		03/11/2016	Citigroup Global Markets Inc. NY		1,182,780	1,000,000	
759911 2B 5	REGIONAL TRANSN AUTH ILL		03/31/2016	JP MORGAN SECURITIES INC		3,990,597	3,380,000	31,922
2499999.	Total - Bonds - U.S. Political Subdivisions of States					31,165,630	26,910,000	89,921
Bonds - U.S. Special Revenue and Special Assessment								
040484 PY 7	ARIZONA BRD REGENTS UNIV ARIZ SYS REV		11/01/2016	JP MORGAN SECURITIES INC		5,275,217	4,865,000	
051595 BA 3	AURORA COLO WTR REV		07/22/2016	MORGAN STANLEY CO		2,796,975	2,250,000	
114894 MU 9	BROWARD CNTY FLA ARPT SYS REV		06/23/2016	MESIROW FINANCIAL INC		3,190,232	2,690,000	32,504
12677R BY 2	CABARRUS CNTY N C LTD OBLIG		03/11/2016	Piper Jaffray Co		4,351,433	3,690,000	
167593 QJ 4	CHICAGO ILL O HARE INTL ARPT REV		05/17/2016	DREXEL HAMILTON LLC		1,789,110	1,500,000	28,542
196474 5J 5	COLORADO HEALTH FACS AUTH REV		06/23/2016	MERRILL LYNCH PIERCE FENNER		3,067,650	2,500,000	
264474 GW 1	DULUTH MINN INDPT SCH DIST NO 709 CTFS P		07/20/2016	NORTHLAND SECS INC		2,897,010	2,415,000	
3128MA BS 7	RMBS - FH G07849		06/01/2016	Citigroup (SSB)		3,521,741	3,336,660	3,893
3128MA GC 7	RMBS - FH G07995		03/01/2016	Citigroup (SSB)		2,390,223	2,112,904	4,196
3128MJ YU 8	FH G08722 - RMBS		09/06/2016	CREDIT SUISSE SECURITIES (USA)		5,009,050	4,734,242	3,682

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3128P7 TC 7	RMBS - FH C91447		07/01/2016	CANTOR FITZGERALD + CO		2,544,390	2,383,503	3,012
3132HR MY 3	RMBS - FH Q14875		08/01/2016	MERRILL LYNCH PIERCE FENNER		2,587,900	2,490,985	2,076
31335A NJ 3	RMBS - FH G60393		03/01/2016	JP MORGAN SECURITIES INC		4,172,247	3,970,024	5,018
3137A7 NU 0	CMBS - FHMS K011 A2		09/09/2016	VARIOUS		2,808,188	2,550,000	5,304
3137BM LC 8	CMBS - FH-K504-A2		01/15/2016	MERRILL LYNCH PIERCE FENNER		3,270,250	3,175,000	6,337
3138EH B8 4	RMBS - FN AL0962		06/01/2016	BNP PARIBAS SEC BOND, NEW YORK		668,389	608,058	912
3138EQ RG 9	RMBS - FN AL7686		03/01/2016	NOMURA SECURITIES/FIXED INCOME		4,604,577	4,396,433	5,862
3138EQ VQ 2	FN AL7822 - RMBS		11/04/2016	JP MORGAN SECURITIES INC		2,558,843	2,371,358	3,425
3138WQ AW 2	RMBS - FN AT2720		06/01/2016	NOMURA SECURITIES/FIXED INCOME		2,926,696	2,849,233	2,849
31398E 2F 0	FHMS K003 A5 - CMBS		08/03/2016	VARIOUS		4,158,098	3,825,000	3,009
31417F SA 7	FN AB8612 - RMBS		12/29/2016	MORGAN STANLEY CO		2,350,796	2,356,687	5,695
31418A AV 0	RMBS - FN MA0919		07/01/2016	BNY/SUNTRUST CAPITAL MARKETS		2,793,502	2,630,339	3,324
31418A CM 8	RMBS - FN MA0975		04/01/2016	JP MORGAN SECURITIES INC		4,431,495	4,240,031	4,947
31419B CT 0	RMBS - FN AE0981		04/01/2016	FIRST TENNESSEE BANK BOND DIVI		2,276,045	2,168,308	2,530
341271 AA 2	FLORIDA ST BRD ADMIN FIN CORP REV		02/23/2016	JP MORGAN SECURITIES INC		2,600,000	2,600,000	
392274 K6 2	GREATER ORLANDO AVIATION AUTH ORLANDO FL		06/24/2016	CITIGROUP GLOBAL MARKETS INC		1,196,560	1,000,000	
45203H 4Q 2	ILLINOIS FIN AUTH REV		06/16/2016	SAMUEL A RAMIREZ & COMPANY, BROOKLYN		1,204,000	1,000,000	5,000
45204E GT 9	ILLINOIS FIN AUTH REV		08/22/2016	Unknown		2,795,648	2,405,000	3,624
452252 LR 8	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R		05/19/2016	Piper Jaffray Co		1,951,664	1,600,000	
49151F PA 2	KENTUCKY ST PPTY & BLDGS COMMN REVS		04/15/2016	Unknown		4,344,289	4,415,000	108,106
49151F QC 7	KENTUCKY ST PPTY & BLDGS COMMN REVS		04/15/2016	Unknown		575,631	585,000	14,324
517845 AX 1	LAS VEGAS VY NEV WTR DIST		03/11/2016	Citigroup Global Markets Inc. NY		4,604,760	4,000,000	
542269 CE 3	LONE STAR COLLEGE SYS TEX REV FING SYS R		03/04/2016	BB&T SECURITIES, LLC		2,244,480	2,000,000	6,667
54466H DN 3	LOS ANGELES CNTY CALIF MET TRANSN AUTH S		11/18/2016	MERRILL LYNCH PIERCE FENNER		1,208,410	1,000,000	
546589 D2 5	LOUISVILLE & JEFFERSON CNTY KY MET SWR D		09/16/2016	Unknown		5,400,078	5,315,000	89,322
546589 D6 6	LOUISVILLE & JEFFERSON CNTY KY MET SWR D		09/16/2016	Unknown		3,743,986	3,685,000	61,928
54811B QJ 3	LOWER COLO RIV AUTH TEX TRANSMISSION CON		06/09/2016	BARCLAYS CAP/FIXED INCOME, NEW YORK		1,380,808	1,100,000	
57584X UQ 2	MASSACHUSETTS ST DEV FIN AGY REV		08/03/2016	CITIGROUP GLOBAL MARKETS INC		1,232,440	1,000,000	
576051 FP 6	MASSACHUSETTS ST WTR RES AUTH		03/16/2016	BB&T SECURITIES, LLC		2,311,380	2,000,000	13,889
59259N 2V 4	METROPOLITAN TRANSN AUTH N Y DEDICATED T		03/03/2016	FUNB FUNDS II		4,091,545	3,335,000	
59333M V6 9	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN		03/03/2016	FUNB FUNDS II		2,350,855	2,040,000	
626207 S8 8	MUNICIPAL ELEC AUTH GA		06/10/2016	Unknown		3,270,621	3,110,000	82,415
626207 T7 9	MUNICIPAL ELEC AUTH GA		06/10/2016	Unknown		1,146,280	1,090,000	28,885
64972G KE 3	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &		03/01/2016	CITIGROUP GLOBAL MARKETS INC		2,399,580	2,000,000	
658203 4V 3	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA		06/01/2016	Unknown		4,113,549	4,270,000	48,631
658203 5C 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA		06/01/2016	Unknown		1,666,614	1,730,000	19,703
65821D SM 4	NORTH CAROLINA MED CARE COMMN HEALTH CAR		09/09/2016	BB&T SECURITIES, LLC		3,558,060	3,000,000	42,917
65821D VJ 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR		08/04/2016	JP MORGAN SECURITIES INC		1,114,950	1,000,000	
684517 RX 5	ORANGE CNTY FLA SCH BRD CTFS PARTN		03/16/2016	J.P. MORGAN CLEARING CORP		1,165,160	1,000,000	
709235 WV 3	PENNSYLVANIA ST UNIV		06/08/2016	BARCLAYS CAP/FIXED INCOME, NEW YORK		861,840	675,000	
74445M AB 5	PUBLIC FIN AUTH WIS SOLID WASTE DISP REV		05/05/2016	MERRILL LYNCH PIERCE FENNER		285,000	285,000	
762196 EU 3	RHODE IS HEALTH & EDL BLDG CORP PUB SCHS		07/05/2016	CITIGROUP GLOBAL MARKETS INC		1,809,224	1,595,000	9,393
837151 HZ 5	SOUTH CAROLINA ST PUB SVC AUTH REV		02/19/2016	BB&T SECURITIES, LLC		1,721,025	1,500,000	17,292
924190 KZ 3	VERMONT HSG FIN AGY		07/15/2016	Raymond James Financial		1,291,309	1,180,000	
92818M CM 0	VIRGINIA ST RES AUTH INFRASTRUCTURE REV		11/29/2016	Unknown		3,419,852	3,250,000	12,639
92818M DA 5	VIRGINIA ST RES AUTH INFRASTRUCTURE REV		11/29/2016	Unknown		1,841,459	1,750,000	6,806

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					149,341,114	136,623,765	698,658
Bonds - Industrial and Miscellaneous								
00206R DM 1	AT&T INC		09/08/2016	EXCHANGE OFFER		1,271,543	1,295,000	
02665W BH 3	AMERICAN HONDA FINANCE CORP	C	09/06/2016	DEUTSCHE BANK SECURITIES, INC		613,143	615,000	
032654 AM 7	ANALOG DEVICES INC		11/30/2016	CREDIT SUISSE SECURITIES (USA)		2,540,795	2,550,000	
03764X AJ 6	APIDOS CLO XVII / APIDOS CLOXVII LLC - C	C	11/08/2016	MERRILL LYNCH PIERCE FENNER		3,845,000	3,845,000	
05619E AC 5	BABSON CLO LTD 2016-II /BABSON CLO 2016-		08/01/2016	Adjustment		4,270,000	4,270,000	
06051G FP 9	BANK OF AMERICA CORP		12/01/2016	Goldman Sachs		2,633,358	2,650,000	1,745
06738E AQ 8	BARCLAYS PLC	C	08/03/2016	BARCLAYS CAPITAL INC FIXED INC		2,748,240	2,750,000	
12550T AA 3	CDO - CIFC 154 A1A	C	07/25/2016	WELLS FARGO SECURITIES LLC		4,866,225	4,875,000	2,314
12592X BD 7	CMBS - COMM 15CC22 A5	C	07/01/2016	DEUTSCHE BANK ALEX BROWN		3,259,023	3,095,000	1,170
126117 AE 0	CNA Financial Corporation		05/18/2016	KEYBANC CAPITAL MARKETS INC		1,788,645	1,500,000	2,417
12635F AT 1	CMBS - CSAIL 15C3 A4		05/31/2016	CREDIT SUISSE, NEW YORK (CSFBUS33XXX)		3,746,230	3,500,000	723
14041N FF 3	COMET 164 A - ABS		08/18/2016	RBC CAPITAL MARKETS		2,624,367	2,625,000	
151020 AF 1	CELGENE CORP		08/15/2016	MORGAN STANLEY CO		2,733,079	2,225,000	43,332
15137D AL 9	CECLO 22R A1R - CDO		11/01/2016	JP MORGAN SECURITIES INC		3,505,000	3,505,000	
172967 HB 0	CITIGROUP INC		12/01/2016	MORGAN STANLEY CO		2,621,478	2,375,000	15,965
172967 KV 2	CITIGROUP INC		07/26/2016	Citigroup (SSB)		999,300	1,000,000	
21688A AF 9	RABOBANK NEDERLAND (NEW YORK BRANCH)	C	01/11/2016	JP MORGAN SECURITIES INC		2,569,232	2,575,000	
254683 BV 6	DCENT 164 A - ABS		09/14/2016	RBC CAPITAL MARKETS		2,599,776	2,600,000	
26444H AA 9	DUKE ENERGY FLORIDA LLC		09/06/2016	MERRILL LYNCH PIERCE FENNER		2,734,545	2,750,000	
26884T AR 3	ERAC USA FINANCE LLC		05/23/2016	RBC CAPITAL MARKETS		1,594,784	1,600,000	
29273R AY 5	ENERGY TRANSFER PARTNERS LP		09/27/2016	Stifel Nicolaus & Co		1,859,543	1,775,000	14,254
31620M AR 7	FIDELITY NATIONAL INFORMATION SERVICES I		11/21/2016	MORGAN STANLEY CO		2,718,800	2,500,000	13,889
34530M AA 7	ABS - FCAOT-14REV1-A		03/31/2016	HSBC SECURITIES		1,417,938	1,400,000	1,758
34530U AA 9	ABS - FCAOT-16REV1-A		06/17/2016	VARIOUS		1,738,889	1,735,000	106
35671D BT 1	FREEPORT-MCMORAN INC		12/13/2016	CORPORATE ACTION		1,032,500	1,000,000	
36251L AD 5	ABS - GMALT 162 A3		05/10/2016	DEUTSCHE BANK ALEX BROWN		2,324,771	2,325,000	
36251X AR 8	GSMS 16GS4 A4 - CMBS		11/16/2016	Goldman Sachs		1,349,298	1,310,000	3,632
36253B AU 7	CMBS - GSMS 14GC22 A5		06/02/2016	DEUTSCHE BANK ALEX BROWN		993,526	915,000	589
37331N AB 7	GEORGIA-PACIFIC LLC		06/09/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)		1,772,694	1,575,000	10,159
38141G ES 9	GOLDMAN SACHS GROUP INC		05/19/2016	VARIOUS		1,309,801	1,150,000	23,335
465685 AK 1	ITC HOLDINGS CORP		06/29/2016	JP MORGAN SECURITIES INC		644,129	645,000	
46590K AE 4	JPMCC 15JP1 A5 - CMBS		11/22/2016	DEUTSCHE BANC ALEX. BROWN INST		3,735,840	3,500,000	10,274
46625H JY 7	JPMORGAN CHASE & CO		12/01/2016	JP MORGAN SECURITIES INC		2,920,885	2,750,000	52,985
46643T BJ 0	CMBS - JPMBB 14C26 A4		05/31/2016	DEUTSCHE BANK ALEX BROWN		3,700,703	3,500,000	679
49327V 2A 1	KEYBANK NA		12/01/2016	KEYBANC CAPITAL MARKETS INC		2,319,327	2,325,000	
494550 BV 7	KINDER MORGAN ENERGY PARTNERS LP		09/27/2016	Citigroup (SSB)		1,830,345	1,775,000	6,077
514666 AL 0	LAND O LAKES INC		08/30/2016	VARIOUS		1,205,000	1,175,000	13,506
52177F AC 8	ABS - LEAFRF-161-A3		05/18/2016	CREDIT SUISSE, NEW YORK (CSFBUS33XXX)		1,999,815	2,000,000	
53117C AS 1	LIBERTY PROPERTY LP		09/13/2016	JP MORGAN SECURITIES INC		897,416	905,000	
539439 AK 5	LLOYDS BANKING GROUP PLC	C	06/30/2016	MORGAN STANLEY CO		1,249,075	1,250,000	
55952Y AJ 6	MAGNETITE VIII LTD / MAGNETITEVIII LLC -	C	11/01/2016	Adjustment		1,567,462	1,565,000	
56585A AG 7	MARATHON PETROLEUM CORP		05/18/2016	JEFFERIES & COMPANY, INC		2,342,810	2,497,000	17,098
57060U 52 2	MKT VCTRS J P MRGN EM LCL CRNCY ETF		05/01/2016	MELLON FINANCIAL MRKTS LLC, JERSEY		18,891,286		
57630A 59 2	MassMutual Sel:MCGII;I		05/01/2016	Adjustment		(383)	255	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
585055 AQ 9	MEDTRONIC INC	C	08/15/2016	JEFFERIES PARTNERS OPPORTUNITY		427,503	300,000	8,288
60871R AH 3	MOLSON COORS BREWING CO		06/28/2016	MERRILL LYNCH PIERCE FENNER		2,657,800	2,675,000	
61690V AW 8	MSBAM 15C26 ASB - CMBS		09/02/2016	SG AMERICAS SECURITIES, LLC		615,250	575,000	372
617446 7X 1	MORGAN STANLEY		09/06/2016	Goldman Sachs		3,086,683	2,750,000	40,104
62854A AD 6	MYLAN NV	C	05/31/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)		1,290,003	1,300,000	
694308 HN 0	PACIFIC GAS AND ELECTRIC CO		09/12/2016	VARIOUS		1,450,697	1,300,000	21,132
723787 AB 3	Pioneer Natural Resources Company		09/26/2016	FTN FINANCIAL SECURITIES		733,859	585,000	8,658
723787 AM 9	PIONEER NATURAL RESOURCES CO		10/07/2016	VARIOUS		2,731,401	2,500,000	26,377
754730 AE 9	RAYMOND JAMES FINANCIAL INC		07/07/2016	MERRILL LYNCH PIERCE FENNER		1,996,820	2,000,000	
78012K KU 0	ROYAL BANK OF CANADA		01/11/2016	RBC CAPITAL MARKETS		2,572,116	2,575,000	
82620K AL 7	SIEMENS FINANCIERINGSMAATSCHAPPIJ NV	C	09/06/2016	Goldman Sachs		2,742,108	2,750,000	
843646 AM 2	SOUTHERN POWER CO		08/31/2016	WELLS FARGO SECURITIES LLC		2,740,509	2,525,000	27,652
86765B AS 8	SUNOCO LOGISTICS PARTNERS OPERATIONS LP		09/27/2016	BARCLAYS CAPITAL INC FIXED INC		1,801,844	1,550,000	30,485
86765B AT 6	SUNOCO LOGISTICS PARTNERS OPERATIONS LP		07/07/2016	MIZUHO SECURITIES USA INC. NEW YORK		383,830	385,000	
86787G AJ 1	SUNTRUST BANK		12/01/2016	SUNTRUST ROBINSON HUMPHREY INC		2,516,062	2,525,000	3,472
87165B AD 5	SYNCHRONY FINANCIAL		08/29/2016	WELLS FARGO SECURITIES LLC		2,766,094	2,625,000	4,958
87165L AF 8	ABS - SYNCC-151-A		03/22/2016	MERRILL LYNCH PIERCE FENNER		3,788,965	3,750,000	3,209
87305Q CM 1	TTX CO		06/06/2016	Citigroup (SSB)		2,447,452	2,450,000	
88167A AD 3	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	07/18/2016	BARCLAYS CAP/FIXED INCOME, NEW YORK		1,345,491	1,350,000	
92189F 49 4	VANECK VCTR J P MORGN LCL BND ETF		12/07/2016	VARIOUS		3,419,263		
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF		12/29/2016	VARIOUS		19,438,104		
931427 AP 3	WALGREENS BOOTS ALLIANCE INC		05/26/2016	MERRILL LYNCH PIERCE FENNER		2,144,088	2,150,000	
94989T AZ 7	WFCM 15LC22 A4 - CMBS		11/22/2016	VARIOUS		3,684,409	3,490,000	10,049
95000G AY 0	WFCM 16BNK1 A3 - CMBS		08/04/2016	WELLS FARGO SECURITIES LLC		3,713,042	3,605,000	4,515
3899999.	Total - Bonds - Industrial and Miscellaneous					183,878,626	137,487,255	425,278
Bonds - Hybrid Securities								
060505 EU 4	BANK OF AMERICA CORP		09/01/2016	Adjustment		770,625	750,000	1,706
149206 AA 2	CATLIN INSURANCE CO LTD	C	09/01/2016	Adjustment		581,175	820,000	991
172967 KD 2	CITIGROUP INC		09/01/2016	Adjustment		1,005,000	1,000,000	22,118
20449E BT 2	COMPASS BANK	C	10/01/2016	Adjustment		2,550,912	2,400,000	22,000
369604 BQ 5	GENERAL ELECTRIC CO		09/01/2016	Adjustment		6,321,257	6,172,500	24,004
493267 AK 4	KEYCORP		09/06/2016	MORGAN STANLEY CO		3,000,000	3,000,000	
53079E AN 4	LIBERTY MUTUAL GROUP INC		09/01/2016	Adjustment		592,065	531,000	14,611
55261F AH 7	M&T BANK CORP		10/25/2016	JP MORGAN SECURITIES INC		1,560,000	1,560,000	
58551T AA 5	MELLON CAPITAL IV		09/01/2016	Adjustment		1,856,250	2,500,000	5,778
59156R BP 2	METLIFE INC		09/01/2016	Adjustment		3,914,688	4,000,000	34,526
808513 AP 0	CHARLES SCHWAB CORP		12/01/2016	Adjustment		1,000,000	1,000,000	
867914 BJ 1	SUNTRUST BANKS INC		12/01/2016	Adjustment		297,000	300,000	5,109
4899999.	Total - Bonds - Hybrid Securities					23,448,972	24,033,500	130,843
8399997.	Total - Bonds - Part 3					490,460,271	423,317,768	1,840,879
8399998.	Total - Bonds - Summary Item from Part 5					66,258,393	62,561,000	349,394
8399999.	Total - Bonds					556,718,664	485,878,768	2,190,273
Preferred Stocks - Industrial and Miscellaneous								
025816 BL 2	AMERICAN EXPRESS CO		03/03/2016	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	3,000,000.000	2,628,750		70,642
054937 87 5	BB&T DS REP NON CUM PERP SRS H PRF		03/18/2016	VARIOUS	14,520.000	362,440		
060505 EL 4	BANK OF AMERICA CORP		04/01/2016	Adjustment		138,125		(138,125)

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
064058 AF 7	BANK OF NEW YORK MELLON CORP		07/25/2016	MORGAN STANLEY CO	900,000.000	900,000		
14040H 88 1	CAPITAL ONE FINANCIAL CORP		04/07/2016	MERRILL LYNCH PIERCE FENNER	13,560.000	351,748		
174610 AH 8	CITIZENS FINANCIAL GROUP INC		07/18/2016	VARIOUS	2,000,000.000	1,979,283		
316773 60 5	FIFTH DS REP 1/1000TH SRS I PERP PRF		03/15/2016	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	4,100.000	116,358		
446150 70 8	HUNTINGTON BANCSHARES INC		12/05/2016	VARIOUS	76,218.000	1,932,355		
493267 70 2	KEYCORP		12/20/2016	VARIOUS	30,600.000	765,960		
61763E 20 7	MS DS REP 1/1000 SRS F NON CUM PRF		03/18/2016	MORGAN STANLEY CO	63,000.000	1,702,090		
693475 85 7	PNC FINANCIAL SERVICES GROUP INC		12/16/2016	JP MORGAN SECURITIES INC	10,000.000	265,300		
712704 20 4	PEOPLE'S UNITED FINANCIAL INC		10/24/2016	JP MORGAN SECURITIES INC	25,000.000	625,000		
7591EP 50 6	RGN FIN DS RP 1/40 SRS B NON CUM PRF		04/07/2016	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	50,000.000	1,335,000		
808513 60 0	CHARLES SCHWAB CORP		05/09/2016	VARIOUS	47,577.000	1,201,430		
857477 85 5	STATE STREET CORP		06/15/2016	PERSHING LLC	20,600.000	535,600		
882228 40 6	TEXAS CAPITAL SRS A NON CUM PRP PRF		01/07/2016	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	15,000.000	378,750		
94988U 67 2	WELLS FARGO & CO		06/22/2016	MORGAN STANLEY CO	20,000.000	509,000		
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					15,727,189	XXX	(67,483)
8999997.	Total - Preferred Stocks - Part 3					15,727,189	XXX	(67,483)
8999998.	Total - Preferred Stocks - Summary Item from Part 5					3,817,802	XXX	
8999999.	Total - Preferred Stocks					19,544,991	XXX	(67,483)
Common Stocks - Industrial and Miscellaneous								
00206R 10 2	AT&T ORD		12/19/2016	VARIOUS	99,100.000	3,932,590	XXX	
002824 10 0	ABBOTT LABORATORIES ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	7,000.000	287,105	XXX	
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD		10/01/2016	Unknown	2,700.000	364,177	XXX	
02079K 10 7	ALPHABET CL C ORD		12/01/2016	VARIOUS	2,100.000	1,475,374	XXX	
02079K 30 5	ALPHABET CL A ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,200.000	1,589,927	XXX	
024835 10 0	AMERICAN CAMPUS COMMUNITIES REIT		05/01/2016	Adjustment	5,400.000	241,677	XXX	
025932 10 4	AMERICAN FINANCIAL GROUP ORD		11/04/2016	Jefferies	7,500.000	557,201	XXX	
02916P 10 3	AMERICAN RAILCAR INDUSTRIES ORD		11/07/2016	VARIOUS	15,000.000	555,458	XXX	
032095 10 1	AMPHENOL CL A ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	3,000.000	183,885	XXX	
037833 10 0	APPLE ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	28,200.000	2,672,090	XXX	
039483 10 2	ARCHER DANIELS MIDLAND ORD		05/01/2016	Adjustment	5,000.000	199,725	XXX	
053015 10 3	AUTOMATIC DATA PROCESSING ORD		08/01/2016	DEUTSCHE BANK SECURITIES, INC	2,900.000	256,951	XXX	
053332 10 2	AUTOZONE ORD		06/15/2016	JEFFERIES & COMPANY, INC	400.000	299,079	XXX	
054937 10 7	BB AND T ORD		05/01/2016	Adjustment	10,500.000	371,543	XXX	
05508R 10 6	B AND G FOODS ORD		06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	9,300.000	395,270	XXX	
067383 10 9	C R BARD ORD		06/29/2016	JEFFERIES & COMPANY, INC	500.000	116,179	XXX	
075887 10 9	BECTON DICKINSON ORD		05/01/2016	Adjustment	1,200.000	193,518	XXX	
084670 70 2	BERKSHIRE HATHWAY CL B ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	10,800.000	1,583,550	XXX	
090572 20 7	BIO RAD LABORATORIES CL A ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	174,575	XXX	
097023 10 5	BOEING ORD		10/03/2016	BARCLAYS CAPITAL INC./LE	2,000.000	264,775	XXX	
125269 10 0	CF INDUSTRIES HOLDINGS ORD		10/21/2016	FOX RIVER EXECUTION TECHNOLOGY	40,000.000	1,037,000	XXX	
125509 10 9	CIGNA ORD		08/01/2016	DEUTSCHE BANK SECURITIES, INC	400.000	50,718	XXX	
12572Q 10 5	CME GROUP CL A ORD		12/13/2016	DEUTSCHE BANK SECURITIES, INC	11,500.000	1,419,503	XXX	
126408 10 3	CSX ORD		05/01/2016	Adjustment	10,500.000	286,388	XXX	
12673P 10 5	CA ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,400.000	321,016	XXX	
149123 10 1	CATERPILLAR ORD		06/29/2016	JEFFERIES & COMPANY, INC	13,500.000	1,002,206	XXX	
15189T 10 7	CENTERPOINT ENERGY ORD		05/01/2016	Adjustment	18,600.000	399,063	XXX	
166764 10 0	CHEVRON ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	29,200.000	2,984,702	XXX	

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
16934Q 20 8	CHIMERA INVESTMENT REIT		09/09/2016	DEUTSCHE BANK SECURITIES, INC	12,100.000	194,024	XXX	
172062 10 1	CINCINNATI FINANCIAL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	5,800.000	386,731	XXX	
17275R 10 2	CISCO SYSTEMS ORD		05/01/2016	Adjustment	53,100.000	1,459,985	XXX	
189754 10 4	COACH ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	20,000.000	725,700	XXX	
191216 10 0	COCA-COLA ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	49,000.000	2,135,990	XXX	
194162 10 3	COLGATE PALMOLIVE ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	325,425	XXX	
20030N 10 1	COMCAST CL A ORD		09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	17,500.000	1,114,806	XXX	
203607 10 6	COMMUNITY BANK SYSTEM ORD		05/01/2016	Adjustment	4,800.000	190,017	XXX	
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	611,513	XXX	
231021 10 6	CUMMINS ORD		05/01/2016	Adjustment	1,200.000	140,442	XXX	
233331 10 7	DTE ENERGY ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	3,500.000	318,518	XXX	
235851 10 2	DANAHER ORD		07/05/2016	Unknown	2,000.000	146,664	XXX	
237194 10 5	DARDEN RESTAURANTS ORD		09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	614,850	XXX	
254423 10 6	DINEEQUITY ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,000.000	157,290	XXX	
254687 10 6	WALT DISNEY ORD		06/15/2016	JEFFERIES & COMPANY, INC	10,000.000	982,775	XXX	
256677 10 5	DOLLAR GENERAL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,500.000	176,463	XXX	
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,500.000	224,613	XXX	
26441C 20 4	DUKE ENERGY ORD		10/03/2016	BARCLAYS CAPITAL INC./LE	13,000.000	1,028,268	XXX	
26613Q 10 6	DUPONT FABROS TECHNOLOGY REIT		10/03/2016	BARCLAYS CAPITAL INC./LE	5,000.000	202,288	XXX	
26884U 10 9	EPR PROPERTIES REIT		07/21/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	2,500.000	204,888	XXX	
291011 10 4	EMERSON ELECTRIC ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	786,957	XXX	
29364G 10 3	ENTERGY ORD		11/01/2016	DEUTSCHE BANK SECURITIES, INC	15,000.000	1,103,400	XXX	
30040W 10 8	EVERSOURCE ENERGY ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	6,000.000	319,530	XXX	
30161N 10 1	EXELON ORD		11/01/2016	DEUTSCHE BANK SECURITIES, INC	25,000.000	860,722	XXX	
30231G 10 2	EXXON MOBIL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	35,500.000	3,126,054	XXX	
30303M 10 2	FACEBOOK CL A ORD		12/01/2016	VARIOUS	4,500.000	533,611	XXX	
313747 20 6	FEDERAL REIT		08/30/2016	BARCLAYS CAPITAL INC./LE	2,000.000	318,415	XXX	
31620R 30 3	FIDELITY NATIONAL FINANCIAL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	3,000.000	113,115	XXX	
31847R 10 2	FIRST AMERICAN FINANCIAL ORD		11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	378,550	XXX	
343498 10 1	FLOWERS FOODS ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	154,550	XXX	
345370 86 0	FORD MOTOR ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	65,000.000	780,975	XXX	
34959J 10 8	FORTIVE ORD		07/05/2016	Unknown	1,000.000	46,846	XXX	
364760 10 8	GAP ORD		06/15/2016	JEFFERIES & COMPANY, INC	30,000.000	580,125	XXX	
369550 10 8	GENERAL DYNAMICS ORD		06/15/2016	JEFFERIES & COMPANY, INC	2,500.000	350,294	XXX	
369604 10 3	GENERAL ELECTRIC ORD		05/01/2016	Adjustment	15,900.000	489,005	XXX	
370334 10 4	GENERAL MILLS ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	10,100.000	627,005	XXX	
37045V 10 0	GENERAL MOTORS ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	40,000.000	1,400,860	XXX	
391164 10 0	GREAT PLAINS ENERGY ORD		11/04/2016	Jefferies	30,000.000	827,925	XXX	
397624 10 7	GREIF CL A ORD		06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	395,495	XXX	
40434L 10 5	HP ORD		11/23/2016	FOX RIVER EXECUTION TECHNOLOGY	30,000.000	446,250	XXX	
423452 10 1	HELMERICH AND PAYNE ORD		08/01/2016	DEUTSCHE BANK SECURITIES, INC	10,000.000	607,550	XXX	
437076 10 2	HOME DEPOT ORD		09/09/2016	VARIOUS	16,500.000	2,148,692	XXX	
438516 10 6	HONEYWELL INTERNATIONAL ORD		10/01/2016	Unknown	2,700.000	306,786	XXX	
444859 10 2	HUMANA ORD		08/01/2016	DEUTSCHE BANK SECURITIES, INC	500.000	85,593	XXX	
446150 10 4	HUNTINGTON BANCSHARES ORD		11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	89,513	XXX	
452308 10 9	ILLINOIS TOOL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	3,700.000	408,137	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
45774W 10 8	INSTEEL INDUSTRIES ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	298,313	XXX	
458140 10 0	INTEL ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	44,400.000	1,464,758	XXX	
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	1,000.000	282,255	XXX	
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	19,200.000	2,834,064	XXX	
460146 10 3	INTERNATIONAL PAPER ORD		11/01/2016	DEUTSCHE BANK SECURITIES, INC	20,000.000	871,960	XXX	
478160 10 4	JOHNSON & JOHNSON ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	28,100.000	3,198,789	XXX	
49427F 10 8	KILROY REALTY REIT		12/19/2016	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	147,890	XXX	
494368 10 3	KIMBERLY CLARK ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	6,200.000	751,309	XXX	
500255 10 4	KOHL'S ORD		10/21/2016	VARIOUS	16,000.000	644,180	XXX	
500754 10 6	KRAFT HEINZ ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	264,255	XXX	
502424 10 4	L-3 COMMUNICATIONS HOLDINGS ORD		05/01/2016	Adjustment	900.000	118,382	XXX	
517834 10 7	LAS VEGAS SANDS ORD		06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	6,500.000	304,883	XXX	
532457 10 8	ELI LILLY ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	10,800.000	845,046	XXX	
539830 10 9	LOCKHEED MARTIN ORD		05/01/2016	Adjustment	5,100.000	1,185,164	XXX	
553530 10 6	MSC INDUSTRIAL CL A ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	358,875	XXX	
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD		09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	598,538	XXX	
571748 10 2	MARSH & MCLENNAN ORD		06/15/2016	JEFFERIES & COMPANY, INC	5,000.000	326,738	XXX	
57630A 59 2	MassMutual Sel:MCGII;I		04/01/2016	Adjustment	(255.330)	(4,981)	XXX	
57636Q 10 4	MASTERCARD CL A ORD		09/12/2016	FOX RIVER EXECUTION TECHNOLOGY	8,500.000	830,386	XXX	
579780 20 6	MCCORMICK ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	88,785	XXX	
580135 10 1	MCDONALD'S ORD		11/23/2016	VARIOUS	7,000.000	833,231	XXX	
58933Y 10 5	MERCK & CO ORD		11/23/2016	VARIOUS	40,000.000	2,399,245	XXX	
589400 10 0	MERCURY GENERAL ORD		06/03/2016	VARIOUS	5,000.000	264,695	XXX	
59156R 10 8	METLIFE ORD		09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	660,225	XXX	
594918 10 4	MICROSOFT ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	47,900.000	2,442,361	XXX	
59522J 10 3	MID AMERICA APARTMENT COMMUNITI REIT		10/03/2016	BARCLAYS CAPITAL INC./LE	2,000.000	184,075	XXX	
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	272,738	XXX	
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	5,000.000	210,684	XXX	
61945C 10 3	MOSAIC ORD		11/01/2016	VARIOUS	27,000.000	693,570	XXX	
63633D 10 4	NATIONAL HEALTH INVESTORS REIT		09/09/2016	DEUTSCHE BANK SECURITIES, INC	1,900.000	147,089	XXX	
636518 10 2	NATIONAL INSTRUMENTS ORD		06/15/2016	JEFFERIES & COMPANY, INC	5,000.000	138,838	XXX	
649445 10 3	NEW YORK COMMUNITY BANCORP ORD		05/01/2016	Adjustment	45,300.000	681,086	XXX	
654106 10 3	NIKE CL B ORD		06/15/2016	JEFFERIES & COMPANY, INC	4,000.000	217,270	XXX	
655844 10 8	NORFOLK SOUTHERN ORD		05/01/2016	Adjustment	3,300.000	297,380	XXX	
680223 10 4	OLD REPUBLIC INTERNATIONAL ORD		05/01/2016	Adjustment	33,300.000	615,884	XXX	
681919 10 6	OMNICOM GROUP ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,500.000	209,388	XXX	
682680 10 3	ONEOK ORD		05/01/2016	Adjustment	13,200.000	477,246	XXX	
68389X 10 5	ORACLE ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,800.000	112,098	XXX	
69318G 10 6	PBF ENERGY CL A ORD		11/01/2016	DEUTSCHE BANK SECURITIES, INC	40,000.000	926,600	XXX	
69331C 10 8	PG&E ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	290,225	XXX	
69351T 10 6	PPL ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	40,000.000	1,324,200	XXX	
695263 10 3	PACW PACWEST BANCORP ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	12,000.000	492,228	XXX	
713448 10 8	PEPSICO ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	14,500.000	1,499,969	XXX	
717081 10 3	PFIZER ORD		10/03/2016	VARIOUS	76,900.000	2,545,943	XXX	
74005P 10 4	PRAXAIR ORD		05/01/2016	Adjustment	1,500.000	176,198	XXX	
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD		11/23/2016	FOX RIVER EXECUTION TECHNOLOGY	18,200.000	855,517	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
74267C 10 6	PROASSURANCE ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	428,040	XXX	
742718 10 9	PROCTER & GAMBLE ORD		09/09/2016	VARIOUS	27,000.000	2,217,828	XXX	
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD		11/23/2016	FOX RIVER EXECUTION TECHNOLOGY	24,000.000	977,880	XXX	
747525 10 3	QUALCOMM ORD		05/01/2016	Adjustment	15,900.000	803,348	XXX	
74834L 10 0	QUEST DIAGNOSTICS ORD		05/01/2016	Adjustment	4,800.000	360,840	XXX	
749607 10 7	RLI ORD		11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	250,100	XXX	
755111 50 7	RAYTHEON ORD		09/09/2016	VARIOUS	5,800.000	750,842	XXX	
758766 10 9	REGAL ENTERTAINMENT CL A ORD		11/04/2016	Jefferies	20,000.000	429,571	XXX	
761152 10 7	RESMED ORD		11/04/2016	Jefferies	7,500.000	430,706	XXX	
78648T 10 0	SAFETY INSURANCE GROUP ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	2,400.000	159,319	XXX	
816851 10 9	SEMPRA ENERGY ORD		12/19/2016	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	414,100	XXX	
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD		11/01/2016	DEUTSCHE BANK SECURITIES, INC	15,000.000	831,375	XXX	
835495 10 2	SONOCO PRODUCTS ORD		05/01/2016	Adjustment	2,700.000	126,617	XXX	
855244 10 9	STARBUCKS ORD		12/01/2016	VARIOUS	6,000.000	345,210	XXX	
85571B 10 5	STARWOOD PROPERTY REIT		09/09/2016	DEUTSCHE BANK SECURITIES, INC	8,000.000	178,680	XXX	
863667 10 1	STRYKER ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	4,000.000	458,380	XXX	
871503 10 8	SYMANTEC ORD		05/01/2016	Adjustment	21,300.000	354,645	XXX	
871829 10 7	SYSCO ORD		05/01/2016	Adjustment	2,400.000	110,580	XXX	
872540 10 9	TJX ORD		05/01/2016	Adjustment	5,400.000	409,455	XXX	
87612E 10 6	TARGET ORD		05/01/2016	Adjustment	4,000.000	318,020	XXX	
882508 10 4	TEXAS INSTRUMENTS ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	13,800.000	921,318	XXX	
883556 10 2	THERMO FISHER SCIENTIFIC ORD		05/01/2016	Adjustment	2,700.000	389,489	XXX	
884903 10 5	THOMSON REUTERS ORD		10/21/2016	VARIOUS	12,000.000	484,283	XXX	
88579Y 10 1	3M ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	6,800.000	1,153,086	XXX	
902973 30 4	US BANCORP ORD		05/01/2016	Adjustment	15,900.000	678,851	XXX	
907818 10 8	UNION PACIFIC ORD		05/01/2016	Adjustment	5,400.000	471,069	XXX	
911312 10 6	UNITED PARCEL SERVICE CL B ORD		10/19/2016	VARIOUS	10,000.000	1,065,446	XXX	
91324P 10 2	UNITEDHEALTH GRP ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	12,100.000	1,644,149	XXX	
918204 10 8	VF ORD		11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	3,500.000	196,473	XXX	
92343V 10 4	VERIZON COMMUNICATIONS ORD		12/19/2016	VARIOUS	69,500.000	3,602,933	XXX	
92826C 83 9	VISA CL A ORD		10/03/2016	BARCLAYS CAPITAL INC./LE	17,000.000	1,338,466	XXX	
931142 10 3	WAL MART STORES ORD		12/01/2016	VARIOUS	16,000.000	1,086,296	XXX	
931427 10 8	WALGREEN BOOTS ALLIANCE ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	385,925	XXX	
94106L 10 9	WASTE MANAGEMENT ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	1,800.000	112,959	XXX	
948741 10 3	WEINGARTEN RLTY REIT		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	13,000.000	460,650	XXX	
949746 10 1	WELLS FARGO ORD		10/03/2016	BARCLAYS CAPITAL INC./LE	70,000.000	3,314,525	XXX	
95709T 10 0	WESTAR ENERGY ORD		12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	283,775	XXX	
962166 10 4	WEYERHAEUSER REIT		08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	315,450	XXX	
98389B 10 0	XCEL ENERGY ORD		09/09/2016	DEUTSCHE BANK SECURITIES, INC	8,600.000	350,751	XXX	
983919 10 1	XILINX ORD		05/01/2016	Adjustment	5,400.000	232,659	XXX	
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA		11/30/2016	DIRECT	47,979.000	4,797,900	XXX	
G1151C 10 1	ACCENTURE CL A ORD	C	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	235,330	XXX	
G16962 10 5	BUNGE ORD		10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	300,325	XXX	
G5960L 10 3	MEDTRONIC ORD	C	09/09/2016	VARIOUS	23,000.000	1,942,563	XXX	
H2906T 10 9	GARMIN ORD	C	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	425,350	XXX	
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD	C	11/01/2016	DEUTSCHE BANK SECURITIES, INC	10,000.000	782,150	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
9099999.	Total - Common Stocks - Industrial and Miscellaneous					123,547,729	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
000000 00 0	BCBSNC Senior Health		06/01/2016	Adjustment	1.000	1,500,000	XXX	
65511# 10 1	Noble Health		06/01/2016	Adjustment		5,595,004	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					7,095,004	XXX	0
Common Stocks - Mutual Funds								
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	C	12/22/2016	Unknown	369.948	4,561	XXX	
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF		12/22/2016	Unknown	6.412	179	XXX	
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF		12/07/2016	VARIOUS	17,301.562	672,726	XXX	
256206 10 3	DODGE & COX INTL STOCK MF		12/20/2016	Unknown	563.672	20,172	XXX	
315792 23 4	FIDELITY FREEDOM K 2020 MF		12/28/2016	Unknown	7,653.455	104,710	XXX	
315792 24 2	FIDELITY FREEDOM K 2015 MF		12/28/2016	Unknown	720.260	9,340	XXX	
315792 25 9	FIDELITY FREEDOM K 2010 MF		12/28/2016	Unknown	50.009	625	XXX	
315910 28 1	FIDELITY DVSD INTL;K		12/09/2016	Unknown	9.070	301	XXX	
315911 87 5	SPARTAN INTL INX FUND: CL FID ADV MF		12/16/2016	Unknown	3.527	124	XXX	
316200 85 6	FIDELITY GRO COMPANY;K		12/27/2016	Unknown	5.763	807	XXX	
316345 80 0	FIDELITY LOW-PRCD STK;K		12/09/2016	Unknown	7.150	360	XXX	
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF		12/20/2016	Unknown	10.184	583	XXX	
413838 40 0	OAKMARK EQT AND INC CL I MF	C	12/19/2016	Unknown	3,394.044	99,342	XXX	
55273W 47 5	MFS Mid Cap Value;R5		12/20/2016	Unknown	3.747	82	XXX	
57630A 59 2	MassMutual Sel:MCGII;I		12/15/2016	Unknown	287.234	5,564	XXX	
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF		12/30/2016	Unknown	256.938	2,575	XXX	
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF		12/30/2016	Unknown	1,895.702	20,667	XXX	
922040 20 9	VANGUARD INST INX CL INST PLS MF		12/23/2016	Unknown	15,397.718	3,111,640	XXX	
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF		12/21/2016	Unknown	8,595.091	1,468,920	XXX	
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF		12/21/2016	Unknown	77.977	11,835	XXX	
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF		12/21/2016	Unknown	80.216	4,393	XXX	
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF		12/21/2016	Unknown	279.353	53,924	XXX	
9299999.	Total - Common Stocks - Mutual Funds					5,593,430	XXX	0
Common Stocks - Money Market Mutual Funds								
262006 20 8	DREYFUS GOVT CASH MGT INSTL 289		07/29/2016	Direct	75,463,210.900	75,463,211	XXX	
316191 60 0	Fidelity MM:Ret Govt MM2		12/30/2016	Direct	209.920	210	XXX	
9399999.	Total - Common Stocks - Money Market Mutual Funds					75,463,421	XXX	0
9799997.	Total - Common Stocks - Part 3					211,699,584	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					139,444,101	XXX	
9799999.	Total - Common Stocks					351,143,685	XXX	0
9899999.	Total - Preferred and Common Stocks					370,688,676	XXX	(67,483)
9999999.	Total - Bonds, Preferred and Common Stocks					927,407,340	XXX	2,122,790

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
36179M NH 9	RMBS - G2 MA0392	..	12/01/2016.	VARIOUS		831,216	831,216	861,088	861,764		(2,096)		(2,096)		859,668		(28,451)	(28,451)	14,598	09/20/2042.
36179M X4 7	RMBS - G2 MA0699	..	12/01/2016.	VARIOUS		704,818	704,818	747,878			624		624		748,502		(43,684)	(43,684)	7,278	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS	..	12/01/2016.	VARIOUS		587,520	587,520	624,011			695		695		624,709		(37,188)	(37,188)	2,480	03/20/2045.
36179R F9 5	RMBS - G2 MA2892	..	12/01/2016.	VARIOUS		917,070	917,070	954,612	953,549		(1,533)		(1,533)		952,017		(34,947)	(34,947)	17,586	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS	..	12/01/2016.	VARIOUS		1,361,183	1,361,184	1,451,787	1,449,126		1,326		1,326		1,450,457		(89,273)	(89,273)	27,163	08/20/2045.
3837H0 XX 6	CMO/RMBS - GN-9622-Z	..	10/01/2016.	Direct		302,004	302,004	273,337	292,769		953		953		293,722		8,282	8,282	10,925	10/16/2026.
912810 EQ 7	UNITED STATES TREASURY	..	06/07/2016.	Goldman Sachs		2,119,056	1,600,000	2,146,069	2,096,113		(26,835)		(26,835)		2,069,279		49,777	49,777	81,868	08/15/2023.
912810 QA 9	UNITED STATES TREASURY	..	10/01/2016.	VARIOUS		7,460,948	6,400,000	7,789,735	7,750,527		(4,643)		(4,643)		7,745,884		(284,936)	(284,936)	109,442	02/15/2039.
912810 RB 6	UNITED STATES TREASURY	..	06/28/2016.	MERRILL LYNCH PIERCE FENNER		28,286	25,000	25,884			(5)		(5)		25,879		2,407	2,407	451	05/15/2043.
912828 J7 6	UNITED STATES TREASURY	..	11/30/2016.	VARIOUS		4,664,860	4,575,000	4,663,650			(3,025)		(3,025)		4,660,625		4,234	4,234	31,271	03/31/2022.
912828 L3 2	UNITED STATES TREASURY	..	11/04/2016.	BARCLAYS CAPITAL INC FIXED INC		984,823	975,000	987,153			(295)		(295)		986,858		(2,035)	(2,035)	2,592	08/31/2020.
912828 NT 3	UNITED STATES TREASURY	..	11/01/2016.	VARIOUS		18,539,427	17,500,000	18,438,210	18,381,072		(37,658)		(37,658)		18,343,415		196,012	196,012	272,970	08/15/2020.
912828 WJ 5	UNITED STATES TREASURY	..	11/21/2016.	Citigroup (SSB)		2,450,803	2,400,000	2,525,166			(11,374)		(11,374)		2,513,792		(62,989)	(62,989)	61,657	05/15/2024.
0599999. Total - Bonds - U.S. Government						40,952,014	38,178,812	41,488,580	31,784,920	0	(83,866)	0	(83,866)	0	41,274,807	0	(322,791)	(322,791)	640,281	XXX
Bonds - U.S. States, Territories and Possessions																				
956553 WY 3	WEST VIRGINIA ST	..	11/01/2016.	Redemption		3,755,000	3,755,000	4,029,413	3,841,748		(86,748)		(86,748)		3,755,000			0	187,750	11/01/2024.
1799999. Total - Bonds - U.S. States, Territories & Possessions						3,755,000	3,755,000	4,029,413	3,841,748	0	(86,748)	0	(86,748)	0	3,755,000	0	0	0	187,750	XXX
Bonds - U.S. Political Subdivisions of States																				
147051 SW 7	CARY N C	..	05/01/2016.	Adjustment							558		558					0		06/01/2025.
447025 LN 5	HUNTSVILLE ALA	..	07/06/2016.	Unknown		5,248,357	5,000,000	5,447,300	5,272,141		(23,785)		(23,785)		5,248,357			0	170,139	05/01/2033.
564096 PB 5	MANOR TEX INDPT SCH DIST	..	05/31/2016.	FUNB FUNDS II		3,400,515	3,375,000	3,493,294	3,405,792		(22,227)		(22,227)		3,383,565		16,950	16,950	148,641	08/01/2025.
607114 P8 2	MOBILE ALA	..	03/02/2016.	Redemption		5,000,000	5,000,000	5,208,250	5,013,940		(13,940)		(13,940)		5,000,000			0	136,806	02/15/2023.
682845 NG 3	ONSLOW CNTY N C	..	06/01/2016.	Redemption		500,000	500,000	532,345	501,631		(1,631)		(1,631)		500,000			0	12,500	06/01/2017.
717813 QW 2	PHILADELPHIA PA	..	03/08/2016.	Piper Jaffray Co		3,138,218	2,750,000	2,936,973	2,907,641		(3,170)		(3,170)		2,904,471		233,746	233,746	94,646	07/15/2034.
927734 PY 3	VIRGINIA BEACH VA	..	05/02/2016.	Redemption		4,080,000	4,000,000	4,456,600	4,094,094		(14,094)		(14,094)		4,080,000			0	100,000	05/01/2018.
2499999. Total - Bonds - U.S. Political Subdivisions of States						21,367,090	20,625,000	22,074,762	21,195,239	0	(78,289)	0	(78,289)	0	21,116,393	0	250,696	250,696	662,732	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
121342 NZ 8	BURKE CNTY GA DEV AUTH POLLUTN CTL REV	..	09/01/2016.	FUNB-FUNDS II		5,486,872	5,445,000	5,445,000	5,445,000				0		5,445,000		41,872	41,872	71,738	11/01/2048.
26822L MB 7	E-470 PUB HWY AUTH COLO REV	..	06/02/2016.	SAMUEL A RAMIREZ & COMPANY, BROOKLYN		395,971	355,000	395,885	390,987		(4,078)		(4,078)		386,908		9,062	9,062	16,912	09/01/2019.
3128MA BS 7	RMBS - FH G07849	..	12/01/2016.	VARIOUS		243,535	243,535	257,044			(25)		(25)		257,019		(13,484)	(13,484)	1,748	05/01/2044.
3128MA GC 7	RMBS - FH G07995	..	12/01/2016.	VARIOUS		354,454	354,454	400,976			417		417		401,394		(46,940)	(46,940)	6,467	01/01/2039.
3128MJ S6 8	RMBS - FH G08540	..	12/01/2016.	VARIOUS		300,568	300,568	296,905	296,983		125		125		297,109		3,459	3,459	4,599	08/01/2043.
3128MJ TA 8	RMBS - FH G08544	..	12/01/2016.	VARIOUS		300,799	300,799	295,065	295,202		237		237		295,438		5,361	5,361	4,765	09/01/2043.
3128MJ UV 0	RMBS - FH G08595	..	12/01/2016.	VARIOUS		2,059,615	2,059,615	2,175,629	2,179,927		(6,486)		(6,486)		2,173,442		(113,827)	(113,827)	43,143	07/01/2044.
3128MJ UX 6	RMBS - FH G08597	..	10/01/2016.	VARIOUS		8,226,965	7,866,884	8,056,181	8,063,606		(1,643)		(1,643)		8,061,963		165,002	165,002	69,987	07/01/2044.
3128MJ YU 8	FH G08722 - RMBS	..	12/01/2016.	VARIOUS		79,077	79,077	83,667			(95)		(95)		83,572		(4,495)	(4,495)	250	09/01/2046.
3128P7 TC 7	FH C91447 - RMBS	..	12/01/2016.	VARIOUS		231,910	231,910	247,564			76		76		247,640		(15,730)	(15,730)	1,363	05/01/2032.
312936 6F 9	RMBS - FH A89870	..	12/01/2016.	VARIOUS		1,416,916	1,416,916	1,532,926	1,539,717		369		369		1,540,087		(123,171)	(123,171)	30,604	11/01/2039.
312943 UJ 0	FH A95085 - RMBS	..	12/01/2016.	VARIOUS		1,727,977	1,727,977	1,824,365	1,825,624		(4,205)		(4,205)		1,821,419		(93,442)	(93,442)	37,082	11/01/2040.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
3132HR MY 3	FH Q14875 - RMBS	..	12/01/2016.	VARIOUS		142,051	142,051	147,577			42		42		147,619		(5,568)	(5,568)	601	01/01/2043.
31335A NJ 3	RMBS - FH G60393	..	12/01/2016.	VARIOUS		306,212	306,212	321,810			(853)		(853)		320,958		(14,746)	(14,746)	4,187	01/01/2046.
31371K XS 5	RMBS - FN 254589	..	10/01/2016.	Direct									0					0		01/01/2023.
3138E0 RA 9	FN AJ7680 - RMBS	..	12/01/2016.	VARIOUS		1,202,841	1,202,841	1,235,449	1,235,038		(2,441)		(2,441)		1,232,596		(29,755)	(29,755)	22,904	12/01/2041.
3138EH B8 4	RMBS - FN AL0962	..	12/01/2016.	VARIOUS		81,987	81,987	90,121			75		75		90,196		(8,210)	(8,210)	916	10/01/2041.
3138EP EP 5	RMBS - FN AL6441	..	12/01/2016.	VARIOUS		380,363	380,363	405,502	404,406		(1,486)		(1,486)		402,921		(22,558)	(22,558)	7,956	02/01/2045.
3138EQ RG 9	RMBS - FN AL7686	..	12/01/2016.	VARIOUS		370,690	370,690	388,240			(757)		(757)		387,484		(16,794)	(16,794)	3,409	12/01/2030.
3138EQ VQ 2	FN AL7822 - RMBS	..	12/01/2016.	Paydown		43,761	43,761	47,221			22		22		47,242		(3,482)	(3,482)		07/01/2043.
3138WF AD 8	FN AS5403 - RMBS	..	12/01/2016.	VARIOUS		224,646	224,646	226,857	226,737		(185)		(185)		226,552		(1,906)	(1,906)	2,805	07/01/2030.
3138WF HA 7	RMBS - FN AS5624	..	12/01/2016.	VARIOUS		273,236	273,236	284,614	284,017		(882)		(882)		283,135		(9,899)	(9,899)	4,323	08/01/2030.
3138WQ AW 2	RMBS - FN AT2720	..	12/01/2016.	VARIOUS		205,768	205,768	211,362			31		31		211,393		(5,625)	(5,625)	1,139	05/01/2043.
3138WT RW 8	RMBS - FN AT5900	..	12/01/2016.	VARIOUS		1,107,675	1,107,675	1,093,656	1,093,708		335		335		1,094,044		13,631	13,631	17,372	06/01/2043.
3138X0 Y3 6	RMBS - FN AU1629	..	12/01/2016.	VARIOUS		319,398	319,398	315,255	315,294		116		116		315,410		3,987	3,987	5,074	07/01/2043.
3138Y6 4A 9	RMBS - FN AX5316	..	12/01/2016.	VARIOUS		393,665	393,665	428,849	431,234		(1,119)		(1,119)		430,115		(36,450)	(36,450)	8,798	01/01/2042.
31392B 5Y 8	CMO/RMBS - FN-0210C-FB	..	12/25/2016.	VARIOUS		5,247	5,247	5,247	5,247				0		5,247			0	21	03/25/2017.
31410K HA 5	FN 889525 - RMBS	..	12/01/2016.	VARIOUS		182,558	182,559	204,351	205,725		156		156		205,881		(23,322)	(23,322)	4,061	05/01/2036.
31418A AV 0	FN MA0919 - RMBS	..	12/01/2016.	VARIOUS		294,370	294,370	312,630			165		165		312,795		(18,425)	(18,425)	1,773	12/01/2031.
31418A CM 8	RMBS - FN MA0975	..	12/01/2016.	VARIOUS		664,523	664,523	694,530			191		191		694,721		(30,199)	(30,199)	7,655	02/01/2042.
31418A M3 9	RMBS - FN MA1277	..	12/01/2016.	VARIOUS		1,169,697	1,169,697	1,186,694	1,184,925		(999)		(999)		1,183,926		(14,229)	(14,229)	14,400	12/01/2027.
31418M GG 1	FN AD0198 - RMBS	..	12/01/2016.	VARIOUS		1,219,219	1,219,219	1,362,477	1,363,771		(1,709)		(1,709)		1,362,063		(142,845)	(142,845)	31,318	09/01/2038.
31418U EL 4	RMBS - FN AD6438	..	12/01/2016.	VARIOUS		907,993	907,993	1,007,021	1,012,305		(524)		(524)		1,011,781		(103,788)	(103,788)	21,709	06/01/2040.
31419B CT 0	RMBS - FN AE0981	..	12/01/2016.	VARIOUS		350,887	350,887	368,322			158		158		368,480		(17,593)	(17,593)	3,940	03/01/2041.
45200F YA 1	ILLINOIS FIN AUTH REV	..	08/22/2016.	Unknown		2,818,897	2,425,000	2,941,719	2,900,484		(81,587)		(81,587)		2,818,897			0	191,592	08/15/2034.
49151E U7 6	KENTUCKY ST PPTY & BLDGS COMMN REVS	..	04/15/2016.	Unknown		4,919,920	5,000,000	4,867,500	4,917,483		2,437		2,437		4,919,920			0	122,431	11/01/2023.
546589 QU 9	LOUISVILLE & JEFFERSON CNTY KY MET SWR D	..	09/16/2016.	Unknown		9,144,064	9,000,000	9,396,021	9,173,666		(29,601)		(29,601)		9,144,064			0	376,250	05/15/2023.
576051 BN 5	MASSACHUSETTS ST WTR RES AUTH	..	07/01/2016.	VARIOUS		6,967,960	6,000,000	6,126,840	6,068,494		(5,646)		(5,646)		6,062,848		905,112	905,112	250,556	08/01/2028.
593464 AA 8	MIAMI FLA RENT REV	..	07/01/2016.	Redemption		60,000	60,000	64,873	61,480		(188)		(188)		61,293		(1,293)	(1,293)	5,190	07/01/2019.
594615 EE 2	MICHIGAN ST BLDG AUTH REV	..	06/07/2016.	Goldman Sachs		661,229	725,000	485,566	637,646		14,072		14,072		651,718		9,511	9,511		10/15/2018.
594615 EG 7	MICHIGAN ST BLDG AUTH REV	..	10/15/2016.	Redemption		3,909,402	4,275,000	2,863,167	3,756,904		152,498		152,498		3,909,402			0		10/15/2018.
606092 CJ 1	MISSOURI JT MUN ELEC UTIL COMMN PWR PROJ	..	10/01/2016.	MORGAN STANLEY CO		6,588,595	6,500,000	6,868,270	6,628,550		(88,081)		(88,081)		6,540,469		48,126	48,126	385,486	01/01/2025.
60636W GW 9	MISSOURI ST HWYS & TRANSN COMMN ST RD RE	..	03/03/2016.	US BANCORP INVESTMENTS INC		7,049,770	7,000,000	7,152,670	7,027,439		(15,193)		(15,193)		7,012,245		37,525	37,525	123,472	05/01/2026.
613209 AT 2	MONTGOMERY CNTY ALA PUB BLDG AUTH REV	..	03/01/2016.	Redemption		5,000,000	5,000,000	5,172,200	5,016,764		(16,764)		(16,764)		5,000,000			0	125,000	03/01/2025.
626207 WT 7	MUNICIPAL ELEC AUTH GA	..	10/01/2016.	Unknown		4,416,901	4,200,000	4,851,990	4,461,655		(44,754)		(44,754)		4,416,901			0	237,300	01/01/2023.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV	..	08/25/2016.	Redemption		290,000	290,000	307,017	305,609		(752)		(752)		304,858		(14,858)	(14,858)	5,050	10/01/2034.
658196 QS 2	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS	..	01/04/2016.	Redemption		640,000	640,000	671,315	640,000				0		640,000			0	16,000	01/01/2017.
658203 M8 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA	..	06/01/2016.	Unknown		5,780,163	6,000,000	5,730,960	5,777,720		2,443		2,443		5,780,163			0	218,333	01/01/2030.

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										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
65820Q DS 9	NORTH CAROLINA INFRASTRUCTURE FIN CORP C	..	12/06/2016.	BB&T SECURITIES, LLC		1,005,770	1,000,000	1,031,696	1,010,289		(8,853)		(8,853)		1,001,436		4,334	4,334	67,639	02/01/2023.
65820Q DV 2	NORTH CAROLINA INFRASTRUCTURE FIN CORP C	..	09/29/2016.	BLAIR WILLIAM AND COMPANY		5,071,700	5,000,000	5,140,750	5,020,901		(14,314)		(14,314)		5,006,587		65,113	65,113	290,972	02/01/2026.
65820Q EM 1	NORTH CAROLINA INFRASTRUCTURE FIN CORP C	..	12/05/2016.	NATL FINANCIAL SERVICES CORP (NFS)		12,481,884	12,295,000	11,128,254	11,822,723		326,368		326,368		12,149,091		332,793	332,793	677,933	05/01/2023.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR	..	05/01/2016.	Adjustment							1,757		1,757					0		06/01/2030.
68607H H8 2	OREGON ST DEPT ADMINISTRATIVE SVCS CTFS	..	11/01/2016.	Redemption		1,500,000	1,500,000	1,552,151	1,515,723		(15,723)		(15,723)		1,500,000			0	75,000	11/01/2021.
709193 LX 2	PENNSYLVANIA ST INDL DEV AUTH REV	..	06/07/2016.	VARIOUS		1,184,867	1,330,000	1,330,000	1,330,000				0		1,330,000		(145,133)	(145,133)	18,228	07/01/2016.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG	..	12/01/2016.	VARIOUS		545,000	545,000	593,467	588,934		(1,953)		(1,953)		586,981		(41,981)	(41,981)	17,558	07/01/2041.
837152 MW 4	SOUTH CAROLINA TRANSN INFRASTRUCTURE BK	..	06/07/2016.	MERRILL LYNCH PIERCE FENNER		7,100,828	7,005,000	7,490,421	7,114,190		(63,946)		(63,946)		7,050,244		50,584	50,584	242,256	10/01/2020.
851018 HW 4	SPRINGFIELD MO PUB UTIL REV	..	08/01/2016.	Redemption		3,000,000	3,000,000	3,010,770	3,002,696		(2,696)		(2,696)		3,000,000			0	142,500	08/01/2024.
914353 A8 0	UNIVERSITY ILL UNIV REVS	..	04/01/2016.	Redemption		7,325,000	7,325,000	7,666,734	7,356,748		(31,748)		(31,748)		7,325,000			0	183,125	04/01/2022.
914353 C4 7	UNIVERSITY ILL UNIV REVS	..	04/01/2016.	Redemption		1,675,000	1,675,000	1,753,144	1,682,260		(7,260)		(7,260)		1,675,000			0	41,875	04/01/2022.
91472R BG 2	UNIVERSITY N C WILMINGTON CTFS PARTN	..	06/01/2016.	Redemption		1,000,000	1,000,000	1,023,060	1,005,630		(5,630)		(5,630)		1,000,000			0	25,000	06/01/2020.
914760 N2 5	UNIVERSITY OKLA REVS	..	10/01/2016.	FUNB FUNDS II		5,835,190	5,820,000	5,962,330	5,852,779		(28,997)		(28,997)		5,823,782		11,408	11,408	274,025	07/01/2024.
927781 Y2 4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R	..	06/02/2016.	NATIONAL FINL SVCS CORP, NEW Y		328,198	325,000	337,318	328,132		(2,026)		(2,026)		326,106		2,092	2,092	12,458	09/01/2023.
927781 Z8 0	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R	..	05/31/2016.	FUNB FUNDS II		5,736,233	5,675,000	5,890,085	5,729,693		(34,487)		(34,487)		5,695,206		41,027	41,027	214,389	09/01/2023.
92818A LN 4	VIRGINIA ST RES AUTH INFRASTRUCTURE REV	..	11/29/2016.	Unknown		5,261,311	5,000,000	5,365,750	5,296,280		(34,969)		(34,969)		5,261,311			0	269,444	11/01/2042.
977229 AB 9	WISE CNTY VA INDL DEV PUB FACS LEASE REV	..	04/22/2016.	Redemption		4,000,000	4,000,000	3,979,440	3,994,448		1,561		1,561		3,996,010		3,990	3,990	49,300	02/01/2017.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					151,969,328	149,838,523	152,104,470	147,824,773	0	(59,004)	0	(59,004)	0	151,335,082	0	634,241	634,241	5,111,381	XXX
Bonds - Industrial and Miscellaneous																				
00084D AH 3	ABN AMRO BANK NV	C	10/28/2016.	Maturity		2,600,000	2,600,000	2,625,194	2,609,561		(9,561)		(9,561)		2,600,000			0	36,482	10/28/2016.
03764X AC 1	APID 17 A2A - CDO	C	12/02/2016.	Paydown		4,000,000	4,000,000	3,980,000	3,981,826		18,285		18,285		4,000,111		(111)	(111)	120,244	04/17/2026.
04650N AB 0	AT&T INC	..	09/01/2016.	Adjustment		1,271,543	1,125,000	1,157,738	1,156,701		(446)		(446)		1,156,256		115,287	115,287	31,097	09/01/2040.
059165 DZ 0	BALTIMORE GAS AND ELECTRIC CO	..	10/03/2016.	Maturity		1,500,000	1,500,000	1,496,460	1,499,654		346		346		1,500,000			0	88,500	10/01/2016.
059513 AE 1	CMBS - BACM-074-A4	..	12/01/2016.	VARIOUS		46,086	46,086	50,738	48,801		(1,296)		(1,296)		47,505		(1,419)	(1,419)	1,992	02/10/2051.
064255 AK 8	BANK OF TOKYO-MITSUBISHI UFJ LTD	C	02/26/2016.	Maturity		710,000	710,000	711,924	710,210		(210)		(210)		710,000			0	1,538	02/26/2016.
07388N AE 6	CMBS - BSCMS-06TP24-A4	..	11/01/2016.	Direct		4,823,671	4,823,671	5,166,400	4,932,992		(60,284)		(60,284)		4,872,708		(49,037)	(49,037)	128,347	10/12/2041.
10513K AA 2	BRANCH BANKING AND TRUST CO	..	09/15/2016.	Maturity		3,000,000	3,000,000	2,994,300	2,999,490		510		510		3,000,000			0	168,750	09/15/2016.
12514A AE 1	CMBS - CD-07CD5-A4	..	12/01/2016.	VARIOUS		420,804	420,804	462,875	443,416		(7,524)		(7,524)		435,892		(15,088)	(15,088)	14,351	11/15/2044.
12624B AC 0	COMM 12CRE1 A3 - CMBS	..	11/18/2016.	CREDIT SUISSE SECURITIES (USA)		2,491,020	2,325,000	2,404,195	2,393,072		(14,438)		(14,438)		2,378,634		112,385	112,385	73,585	05/17/2045.
126650 BQ 2	CVS-07-CTF	..	02/10/2016.	Direct		6,727	6,727	7,356	7,218		(2)		(2)		7,216		(490)	(490)	58	01/10/2030.
126650 BQ 2	ABS - CVS-07-CTF	..	12/10/2016.	VARIOUS		34,823	34,823	38,082	37,368		(89)		(89)		37,279		(2,456)	(2,456)	1,285	01/10/2030.

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136385 AV 3	CANADIAN NATURAL RESOURCES LTD		09/27/2016.	NATIONAL BANK OF CANADA NY BRH, NEW YORK		2,694,929	2,675,000	2,644,213	2,646,731		1,959		1,959		2,648,689		46,239	46,239	121,423	02/01/2025.
15137D AA 3	CECLO 22 A1 - CDO		11/10/2016.	Direct		3,530,000	3,530,000	3,523,646	3,524,502		9,782		9,782		3,534,284		(4,284)	(4,284)	74,093	11/09/2026.
172967 KD 2	CITIGROUP INC		09/01/2016.	Adjustment									0					0		12/29/2049.
17313K AF 8	CMBS - CGCMT-08C7-A4		12/01/2016.	VARIOUS		66,026	66,026	73,338	70,169		(1,288)		(1,288)		68,881		(2,855)	(2,855)	2,136	12/10/2049.
20047Q AE 5	CMBS - CMT-06C7-A4		10/01/2016.	Direct		2,902,957	2,902,957	3,077,814	2,941,360		(13,070)		(13,070)		2,928,290		(25,334)	(25,334)	38,841	06/10/2046.
24713G AA 0	DELPHI AUTOMOTIVE PLC	C	01/22/2016.	MERRILL LYNCH PIERCE FENNER		712,280	710,000	708,466	708,500		20		20		708,520		3,760	3,760	4,225	11/19/2020.
36252A AG 1	CMBS - GSMST-15GS1-AS		02/01/2016.	Adjustment									0					0	9,672	11/13/2048.
369604 BM 4	GENERAL ELECTRIC CO		09/01/2016.	Unknown					5,803,327		251		251					0	91,723	12/29/2049.
50180L AC 4	CMBS - LBUCMT-08C1-A2		12/11/2016.	VARIOUS		542,662	542,662	600,014	583,160		3,914		3,914		572,536		(29,874)	(29,874)	18,404	04/15/2041.
52109R BM 2	CMBS - LBUCMT-07C7-A3		12/11/2016.	VARIOUS		118,372	118,372	131,569	126,427		(3,278)		(3,278)		123,149		(4,776)	(4,776)	4,358	09/15/2045.
55312V AD 0	CMBS - MLCFC-064-A3		10/01/2016.	Direct		5,433,424	5,433,424	5,759,642	5,566,060		(85,922)		(85,922)		5,480,138		(46,713)	(46,713)	172,645	12/12/2049.
55952Y AA 5	CDO - MAGNE 8 A	C	11/14/2016.	Direct		1,750,000	1,750,000	1,749,125	1,749,064		1,852		1,852		1,750,916		(916)	(916)	39,301	04/15/2026.
57630A 59 2	MassMutual Sel:MCGII;I		05/01/2016.	Adjustment					8,207	505			505					0		
60688C AE 6	CMBS - MLCFC-079-A4		12/01/2016.	VARIOUS		842,349	842,349	922,701	887,738		(18,866)		(18,866)		868,872		(26,523)	(26,523)	34,833	09/12/2049.
61751X AE 0	CMBS - MSCI-07TP25-A3		11/14/2016.	Direct		4,309,724	4,309,724	4,660,899	4,451,715		(98,965)		(98,965)		4,352,749		(43,026)	(43,026)	165,303	11/12/2049.
61754J AF 5	CMBS - MSCI-07TP27-A4		12/01/2016.	VARIOUS		436,653	436,653	480,370	458,780		(17,178)		(17,178)		447,217		(10,564)	(10,564)	17,674	06/11/2042.
61759L AA 6	CMBS - MSRRT-10GG10-A4A		12/01/2016.	VARIOUS		464,609	464,609	503,175	485,574		(10,670)		(10,670)		474,905		(10,296)	(10,296)	16,522	08/15/2045.
693476 BM 4	PNC FUNDING CORP		08/22/2016.	Redemption		1,000,000	1,000,000	998,790	999,817		163		163		999,980		20	20	24,975	09/19/2016.
713448 BJ 6	PEPSICO INC		11/07/2016.	Redemption		1,000,000	1,000,000	1,249,658	1,159,251		(46,741)		(46,741)		1,112,510		(112,510)	(112,510)	208,737	11/01/2018.
726505 AL 4	FREEPORT-MCMORAN OIL & GAS LLC		12/13/2016.	CORPORATE ACTION		1,037,500	1,000,000	1,137,500	1,084,820		(44,633)		(44,633)		1,040,187		(2,687)	(2,687)	92,250	02/01/2022.
737662 BU 9	POTOMAC EDISON CO		10/17/2016.	Maturity		3,000,000	3,000,000	3,069,240	3,007,509		(7,509)		(7,509)		3,000,000			0	174,000	10/15/2016.
740816 AB 9	PRESIDENT & FELLOWS OF HARVARD COLLEGE		04/01/2016.	Redemption		1,020,000	1,020,000	1,143,542	1,034,001		(14,001)		(14,001)		1,020,000			0	32,130	10/01/2037.
857477 AG 8	STATE STREET CORP		05/26/2016.	DEUTSCHE BK SECS INC, NY (NWSCUS33)		3,309,810	3,000,000	2,989,650	2,994,078		427		427		2,994,504		315,306	315,306	96,250	03/07/2021.
913017 BQ 1	UNITED TECHNOLOGIES CORP		12/01/2016.	Call @ 109.59		1,000,000	1,000,000	998,380	999,447		154		154		999,601		399	399	177,566	02/01/2019.
91911T AH 6	VALE OVERSEAS LTD	C	07/14/2016.	BARCLAYS CAPITAL BBPLC LONDON BRANCH		951,250	1,000,000	1,106,460	1,103,026		(1,391)		(1,391)		1,101,635		(150,385)	(150,385)	45,451	11/21/2036.
927804 FF 6	VIRGINIA ELECTRIC AND POWER CO		10/06/2016.	WELLS FARGO SECURITIES LLC		265,013	250,000	249,438	249,843		50		50		249,894		15,119	15,119	12,825	04/30/2018.
949746 PM 7	WELLS FARGO & CO		09/01/2016.	JEFFERIES & COMPANY, INC					542,425		(2,427)		(2,427)					0		03/29/2049.
94980V AF 5	WELLS FARGO BANK, N.A		06/29/2016.	Maturity		1,927,000	1,927,000	1,924,649	1,926,510		490		490		1,927,000			0	6,805	05/16/2016.
3899999.	Total - Bonds - Industrial and Miscellaneous					59,219,232	58,570,887	60,797,541	65,932,350	505	(421,586)	0	(421,081)	0	59,150,058	0	69,171	69,171	2,348,371	XXX
Bonds - Hybrid Securities																				
369604 BM 4	GENERAL ELECTRIC CO		09/01/2016.	Adjustment		6,321,257	6,172,500	5,887,500					0		5,803,578		517,679	517,679	24,004	12/29/2049.
369604 BQ 5	GENERAL ELECTRIC CO		09/01/2016.	Adjustment		507	500	512					0		512		(5)	(5)		12/29/2049.
949746 PM 7	WELLS FARGO & CO		09/01/2016.	Adjustment		506,250	500,000	556,250					0		539,998		(33,748)	(33,748)	16,736	03/29/2049.
4899999.	Total - Bonds - Hybrid Securities					6,828,014	6,673,000	6,444,262	0	0	0	0	0	0	6,344,088	0	483,926	483,926	40,740	XXX
8399997.	Total - Bonds - Part 4					284,090,678	277,641,222	286,939,028	270,579,030	505	(729,493)	0	(728,988)	0	282,975,428	0	1,115,243	1,115,243	8,991,255	XXX
8399998.	Total - Bonds - Summary Item from Part 5					67,033,449	62,561,000	66,258,393			(79,650)		(79,650)		66,178,744		854,707	854,707	701,706	XXX
8399999.	Total - Bonds					351,124,127	340,202,222	353,197,421	270,579,030	505	(809,143)	0	(808,638)	0	349,154,172	0	1,969,950	1,969,950	9,692,961	XXX
Preferred Stocks - Industrial and Miscellaneous																				

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
010392 47 0	ALABAMA POWER CAPITAL TRUST VI		10/03/2016.	VARIOUS	9,410.000	263,341		249,365	260,187	(10,822)			(10,822)		249,365		13,976	13,976	12,739	XXX
020002 87 9	ALL STATE DS REP SRS E 1/1000 PRF		11/01/2016.	MERRILL LYNCH PIERCE FENNER	8,143.000	223,902		222,288	225,968	(3,680)			(3,680)		222,288		1,614	1,614	3,786	XXX
054937 40 4	BB&T DS REP 1/1000 SRS E NON CUM PRF		10/01/2016.	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	42,000.000	1,101,500		1,062,140	1,096,578	(34,438)			(34,438)		1,062,140		39,360	39,360		XXX
060505 EL 4	BANK OF AMERICA CORP		04/01/2016.	Adjustment									0		138,125		(138,125)	(138,125)		XXX
064058 AD 2	BANK OF NEW YORK MELLON CORP		03/03/2016.	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)	3,000,000.000	2,975,925		3,000,000	3,000,000				0		3,000,000		(24,075)	(24,075)		XXX
174610 AD 7	CITIZENS FINANCIAL GROUP INC		05/25/2016.	Unknown	1,000,000.000	981,242		980,938	981,020		222		222		981,242			0	27,500	XXX
174610 AH 8	CITIZENS FINANCIAL GROUP INC		07/18/2016.	Unknown									0		16,042		(16,042)	(16,042)		XXX
19075Q 87 0	COBANK 6.125% SRS G PERP PRF		04/01/2016.	RAYMOND JAMES & ASSOCIATES	3,000.000	282,750		279,750	271,530	8,220			8,220		279,750		3,000	3,000	9,188	XXX
40428H 86 2	HSBC BANK USA INC	C	06/30/2016.	Redemption	75,000.000	1,875,000		1,893,000	1,952,250	(59,250)			(59,250)		1,893,000		(18,000)	(18,000)	91,068	XXX
40429C 60 7	HSBC FINANCE CORP	C	10/01/2016.	Redemption	25,701.000	642,525		648,812	659,745	(10,933)			(10,933)		648,812		(6,287)	(6,287)	22,135	XXX
758849 70 7	REGENCY CEN 6.625% SRS 6 CUM RED PRF		01/26/2016.	MERRILL LYNCH PIERCE FENNER	2,700.000	71,495		68,985	68,985				0		68,985		2,510	2,510		XXX
857477 85 5	STATE STREET CORP		06/17/2016.	MERRILL LYNCH PIERCE FENNER	1,505.000	39,791		39,130					0		39,130		661	661		XXX
857477 88 9	STATE STREET CORP		12/15/2016.	JANNEY MONTGOMERY SCOTT INC	30,000.000	754,484		773,025	797,100	(24,075)			(24,075)		773,025		(18,541)	(18,541)	45,000	XXX
8499999. Total - Preferred Stocks - Industrial and Miscellaneous						9,211,955	XXX	9,217,433	9,313,363	(134,978)	222	0	(134,756)	0	9,371,904	0	(159,949)	(159,949)	211,416	XXX
8999997. Total - Preferred Stocks - Part 4						9,211,955	XXX	9,217,433	9,313,363	(134,978)	222	0	(134,756)	0	9,371,904	0	(159,949)	(159,949)	211,416	XXX
8999998. Total - Preferred Stocks - Summary Item from Part 5						3,821,025	XXX	3,817,802					0		3,817,802		3,223	3,223	89,265	XXX
8999999. Total - Preferred Stocks						13,032,980	XXX	13,035,235	9,313,363	(134,978)	222	0	(134,756)	0	13,189,706	0	(156,726)	(156,726)	300,681	XXX
Common Stocks - Industrial and Miscellaneous																				
001204 10 6	AGL RESOURCES ORD		11/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	243,912.000	15,482,272	XXX	10,028,766	15,564,025	(5,535,259)			(5,535,259)		10,028,766		5,453,506	5,453,506		XXX
00206R 10 2	AT&T ORD		11/16/2016.	VARIOUS	38,100.000	1,421,360	XXX	1,479,233					0		1,479,233		(57,872)	(57,872)	33,600	XXX
02079K 30 5	ALPHABET CL A ORD		10/19/2016.	FOX RIVER EXECUTION TECHNOLOGY	400.000	330,827	XXX	283,154					0		283,154		47,673	47,673		XXX
037833 10 0	APPLE ORD		06/15/2016.	JEFFERIES & COMPANY, INC	18,200.000	1,767,773	XXX	1,706,159					0		1,706,159		61,614	61,614	10,374	XXX
05508R 10 6	B AND G FOODS ORD		10/31/2016.	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	146,832	XXX	123,645					0		123,645		23,187	23,187	2,520	XXX
084670 70 2	BERKSHIRE HATHWAY CL B ORD		10/21/2016.	FOX RIVER EXECUTION TECHNOLOGY	800.000	114,874	XXX	117,300					0		117,300		(2,427)	(2,427)		XXX
149123 10 1	CATERPILLAR ORD		11/21/2016.	DEUTSCHE BANK SECURITIES, INC	6,500.000	534,516	XXX	482,544					0		482,544		51,972	51,972	10,010	XXX
166764 10 0	CHEVRON ORD		09/12/2016.	FOX RIVER EXECUTION TECHNOLOGY	9,200.000	935,390	XXX	940,102					0		940,102		(4,712)	(4,712)	19,688	XXX
17275R 10 2	CISCO SYSTEMS ORD		10/26/2016.	VARIOUS	18,100.000	564,802	XXX	497,660					0		497,660		67,142	67,142	8,606	XXX
254687 10 6	WALT DISNEY ORD		10/03/2016.	BARCLAYS CAPITAL INC./LE	5,000.000	462,402	XXX	491,388					0		491,388		(28,985)	(28,985)	3,550	XXX
25746U 10 9	DOMINION RESOURCES ORD		10/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	107,092.000	7,451,014	XXX	5,643,736	7,243,703	(1,599,967)			(1,599,967)		5,643,736		1,807,278	1,807,278		XXX
26441C 20 4	DUKE ENERGY ORD		12/16/2016.	VARIOUS	111,143.000	8,004,145	XXX	7,414,392	7,506,159	(566,352)			(566,352)		7,414,392		589,753	589,753	5,130	XXX
30040W 10 8	EVERSOURCE ENERGY ORD		11/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	242,588.000	12,454,468	XXX	9,807,247	12,388,969	(2,581,722)			(2,581,722)		9,807,247		2,647,221	2,647,221		XXX
364760 10 8	GAP ORD		11/01/2016.	DEUTSCHE BANK SECURITIES, INC	15,000.000	389,716	XXX	290,063					0		290,063		99,654	99,654	4,600	XXX
369604 10 3	GENERAL ELECTRIC ORD		08/01/2016.	DEUTSCHE BANK SECURITIES, INC	10,000.000	311,443	XXX	307,550					0		307,550		3,893	3,893	2,300	XXX

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
370334 10 4	GENERAL MILLS ORD	..	06/14/2016.	FOX RIVER EXECUTION TECHNOLOGY	4,100.000	266,638	XXX	251,515					0		251,515		15,123	15,123		XXX
397624 10 7	GREIF CL A ORD	..	11/01/2016.	DEUTSCHE BANK SECURITIES, INC	5,000.000	230,372	XXX	197,748					0		197,748		32,625	32,625	4,200	XXX
423452 10 1	HELMERICH AND PAYNE ORD	..	12/01/2016.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	389,217	XXX	303,775					0		303,775		85,442	85,442	7,000	XXX
437076 10 2	HOME DEPOT ORD	..	07/21/2016.	DEUTSCHE BK SECS INC, NY (NWSCUS33)	3,500.000	476,217	XXX	468,633					0		468,633		7,585	7,585	2,415	XXX
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD	..	06/15/2016.	JEFFERIES & COMPANY, INC	3,200.000	482,141	XXX	467,024					0		467,024		15,117	15,117	4,480	XXX
532457 10 8	ELI LILLY ORD	..	12/09/2016.	FOX RIVER EXECUTION TECHNOLOGY	5,800.000	382,589	XXX	453,821					0		453,821		(71,232)	(71,232)	2,958	XXX
539830 10 9	LOCKHEED MARTIN ORD	..	08/23/2016.	VARIOUS	2,801.000	669,246	XXX	650,910					0		650,910		18,336	18,336	4,622	XXX
552690 10 9	MDU RESOURCES GROUP ORD	..	10/01/2016.	Adjustment			XXX						0					0	78,583	XXX
55273W 47 5	MFS Mid Cap Value;R5	..	01/04/2016.	FIDELITY	57.747	1,083	XXX	1,173	1,105	69			69		1,173		(90)	(90)		XXX
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD	..	11/23/2016.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	204,283	XXX	199,513					0		199,513		4,771	4,771	3,225	XXX
57630A 59 2	MassMutual Sel:MCGII;I	..	04/01/2016.	FIDELITY			XXX		944	65			65					0		XXX
59156R 10 8	METLIFE ORD	..	12/13/2016.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	281,319	XXX	220,075					0		220,075		61,244	61,244	2,000	XXX
594918 10 4	MICROSOFT ORD	..	06/15/2016.	JEFFERIES & COMPANY, INC	31,600.000	1,569,933	XXX	1,576,050					0		1,576,050		(6,117)	(6,117)	11,376	XXX
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD	..	12/19/2016.	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	97,583	XXX	109,095					0		109,095		(11,512)	(11,512)	410	XXX
649445 10 3	NEW YORK COMMUNITY BANCORP ORD	..	12/01/2016.	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	243,070	XXX	225,525					0		225,525		17,545	17,545	7,650	XXX
65339F 10 1	NEXTERA ENERGY ORD	..	11/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	63,366.000	6,705,203	XXX	6,395,652	6,583,094	(187,442)			(187,442)		6,395,652		309,551	309,551		XXX
682680 10 3	ONEOK ORD	..	12/01/2016.	FOX RIVER EXECUTION TECHNOLOGY	8,200.000	426,546	XXX	296,471					0		296,471		130,075	130,075	8,118	XXX
69331C 10 8	PG&E ORD	..	10/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	227,042.000	11,851,738	XXX	9,815,079	12,076,364	(2,261,285)			(2,261,285)		9,815,079		2,036,659	2,036,659	103,304	XXX
69351T 10 6	PPL ORD	..	10/01/2016.	Adjustment			XXX						0					0	123,289	XXX
717081 10 3	PFIZER ORD	..	12/01/2016.	FOX RIVER EXECUTION TECHNOLOGY	23,800.000	757,012	XXX	778,617					0		778,617		(21,605)	(21,605)	21,420	XXX
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD	..	10/19/2016.	FOX RIVER EXECUTION TECHNOLOGY	8,200.000	432,500	XXX	350,017					0		350,017		82,483	82,483	6,560	XXX
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD	..	10/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	205,135.000	7,908,157	XXX	6,442,759	7,936,673	(1,493,914)			(1,493,914)		6,442,759		1,465,398	1,465,398		XXX
74834L 10 0	QUEST DIAGNOSTICS ORD	..	06/14/2016.	FOX RIVER EXECUTION TECHNOLOGY	2,800.000	216,757	XXX	210,490					0		210,490		6,267	6,267		XXX
755111 50 7	RAYTHEON ORD	..	06/14/2016.	FOX RIVER EXECUTION TECHNOLOGY	1,900.000	257,929	XXX	240,075					0		240,075		17,854	17,854		XXX
842587 10 7	SOUTHERN ORD	..	11/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	120,913.000	5,656,133	XXX	5,313,616	5,657,519	(343,903)			(343,903)		5,313,616		342,517	342,517		XXX
871503 10 8	SYMANTEC ORD	..	07/08/2016.	BARCLAYS CAPITAL INC	3,000.000	62,076	XXX	49,950					0		49,950		12,126	12,126	225	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
902973 30 4	US BANCORP ORD		07/15/2016.	JEFFERIES & COMPANY, INC	5,900.000	234,063	XXX	251,901					0		251,901		(17,838)	(17,838)	1,505	XXX
92343V 10 4	VERIZON COMMUNICATIONS ORD		11/04/2016.	Jefferies	29,500.000	1,388,608	XXX	1,528,838					0		1,528,838		(140,229)	(140,229)	17,036	XXX
92939U 10 6	WEC ENERGY GROUP ORD		10/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	250,474.000	13,080,061	XXX	9,975,669	12,851,821	(2,876,152)			(2,876,152)		9,975,669		3,104,393	3,104,393		XXX
949746 10 1	WELLS FARGO ORD		12/01/2016.	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	815,007	XXX	749,775					0		749,775		65,232	65,232	17,100	XXX
98389B 10 0	XCEL ENERGY ORD		10/01/2016.	MELLON FINANCIAL MRKTS LLC, JERSEY	346,921.000	12,557,095	XXX	9,855,281	12,457,933	(2,602,652)			(2,602,652)		9,855,281		2,701,814	2,701,814	111,015	XXX
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA		12/28/2016.	DIRECT	10,625.000	1,062,500	XXX	1,062,500					0		1,062,500			0	11,719	XXX
G5960L 10 3	MEDTRONIC ORD	C	11/01/2016.	VARIOUS	13,000.000	1,108,451	XXX	1,095,088					0		1,095,088		13,363	13,363	7,740	XXX
9099999. Total - Common Stocks - Industrial and Miscellaneous						120,185,361	XXX	99,149,574	100,268,309	(20,048,514)	0	0	(20,048,514)	0	99,149,574	0	21,035,794	21,035,794	658,328	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																				
65511# 10 1	NOBLE HEALTH		12/31/2016.	Unknown		19,092,075	XXX	19,092,075					0		19,092,075			0		XXX
9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates						19,092,075	XXX	19,092,075	0	0	0	0	0	0	19,092,075	0	0	0	0	XXX
Common Stocks - Mutual Funds																				
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	C	10/01/2016.	Unknown	409.929	4,542	XXX	6,238	4,657	1,581			1,581		6,238		(1,696)	(1,696)		XXX
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF		10/01/2016.	Unknown	50.269	1,214	XXX	1,162	1,230	(67)			(67)		1,162		52	52		XXX
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL Z MF		10/01/2016.	NON-BROKER TRADE, BOSTON	851,788.756	30,000,000	XXX	33,906,230	33,321,976	584,254			584,254		33,906,230		(3,906,230)	(3,906,230)		XXX
315792 23 4	FIDELITY FREEDOM K 2020 MF		11/01/2016.	Unknown	2,137.309	29,179	XXX	31,069	28,896	2,172			2,172		31,069		(1,889)	(1,889)	276	XXX
315792 24 2	FIDELITY FREEDOM K 2015 MF		11/01/2016.	Unknown	484.923	6,507	XXX	6,439	6,207	232			232		6,439		68	68	98	XXX
315792 25 9	FIDELITY FREEDOM K 2010 MF		11/01/2016.	Unknown	1,201.234	14,391	XXX	15,390	14,823	567			567		15,390		(999)	(999)		XXX
315792 26 7	FIDELITY FREEDOM K 2005 MF		10/01/2016.	Unknown	1,356.148	16,097	XXX	16,994	16,789	205			205		16,994		(897)	(897)		XXX
315792 28 3	FIDELITY FREEDOM K INC MF		11/01/2016.	Unknown	176.517	1,951	XXX	2,051	2,005	46			46		2,051		(101)	(101)		XXX
315910 28 1	Fidelity Dvsd Intl;K		09/30/2016.	Unknown	385.097	13,499	XXX	12,085	13,475	(1,389)			(1,389)		12,085		1,414	1,414		XXX
315911 87 5	SPARTAN INTL INX FUND: CL FID ADV MF		11/01/2016.	Unknown	22.366	789	XXX	711	804	(93)			(93)		711		78	78		XXX
316200 85 6	Fidelity Gro Company;K		09/30/2016.	Unknown	53.704	7,493	XXX	5,249	7,349	(2,100)			(2,100)		5,249		2,244	2,244	15	XXX
316345 80 0	Fidelity Low-Prcd Stk;K		09/30/2016.	Unknown	456.621	22,247	XXX	18,819	21,785	(2,966)			(2,966)		18,819		3,427	3,427	676	XXX
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF		10/01/2016.	Unknown	65.501	3,001	XXX	3,633	3,062	571			571		3,633		(632)	(632)		XXX
57630A 59 2	MassMutual Sel:MCGII;I		05/01/2016.	Adjustment	51.709	920	XXX	1,009	(8,207)	(505)			(505)		1,009		(88)	(88)		XXX
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF		11/01/2016.	Unknown	5,693.626	58,582	XXX	58,701	56,936	1,765			1,765		58,701		(120)	(120)	578	XXX
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF		10/01/2016.	Unknown	96.430	1,052	XXX	1,037	1,026	11			11		1,037		15	15	7	XXX
922040 20 9	VANGUARD INST INX CL INST PLS MF		12/23/2016.	Unknown	379,048.101	73,998,655	XXX	39,025,808	70,741,747	(31,715,939)			(31,715,939)		39,025,808		34,972,847	34,972,847	491,740	XXX
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF		11/01/2016.	Unknown	96,815.829	14,675,343	XXX	6,199,601	14,824,440	(8,624,838)			(8,624,838)		6,199,601		8,475,742	8,475,742	41,921	XXX
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF		10/01/2016.	Unknown	64.755	10,270	XXX	10,362	9,630	732			732		10,362		(92)	(92)	88	XXX
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF		10/01/2016.	Unknown	22.971	1,198	XXX	1,282	1,219	63			63		1,282		(84)	(84)		XXX
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF		10/01/2016.	Unknown	203.501	40,644	XXX	39,583	38,356	1,227			1,227		39,583		1,061	1,061	563	XXX
9299999. Total - Common Stocks - Mutual Funds						118,907,574	XXX	79,363,453	119,108,205	(39,754,471)	0	0	(39,754,471)	0	79,363,453	0	39,544,120	39,544,120	535,962	XXX
Common Stocks - Money Market Mutual Funds																				
262006 20 8	DREYFUS GOVT CASH MGT INSTL 289		08/01/2016.	VARIOUS	8,511,677.460	75,463,211	XXX	75,463,211					0		75,463,211			0		XXX
316191 60 0	Fidelity MM:Ret Govt MM2		12/30/2016.	Direct	52,675.900	52,676	XXX	52,676	52,676				0		52,676			0	12	XXX
9399999. Total - Common Stocks - Money Market Mutual Funds						75,515,887	XXX	75,515,887	52,676	0	0	0	0	0	75,515,887	0	0	0	12	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
9799997.	Total - Common Stocks - Part 4					333,700,897	XXX	273,120,989	219,429,190	(59,802,985)	0	0	(59,802,985)	0	273,120,989	0	60,579,914	60,579,914	1,194,302	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					137,630,171	XXX	139,444,101					0		139,444,101		(1,813,908)	(1,813,908)	1,077,894	XXX
9799999.	Total - Common Stocks					471,331,068	XXX	412,565,090	219,429,190	(59,802,985)	0	0	(59,802,985)	0	412,565,090	0	58,766,006	58,766,006	2,272,196	XXX
9899999.	Total - Preferred and Common Stocks					484,364,048	XXX	425,600,325	228,742,553	(59,937,963)	222	0	(59,937,741)	0	425,754,796	0	58,609,280	58,609,280	2,572,877	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					835,488,175	XXX	778,797,746	499,321,583	(59,937,458)	(808,921)	0	(60,746,379)	0	774,908,968	0	60,579,230	60,579,230	12,265,838	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
912810 RB 6	UNITED STATES TREASURY	..	06/07/2016	VARIOUS	11/01/2016	VARIOUS	4,100,000	4,364,981	4,516,302	4,363,983		(999)		(999)			152,319	152,319	41,762	21,810
912828 J7 6	UNITED STATES TREASURY	..	11/02/2016	VARIOUS	11/30/2016	VARIOUS	7,350,000	7,484,041	7,385,346	7,480,253		(3,788)		(3,788)			(94,907)	(94,907)	64,584	41,628
912828 NT 3	UNITED STATES TREASURY	..	06/07/2016	VARIOUS	11/04/2016	VARIOUS	23,500,000	24,868,790	24,969,063	24,831,197		(37,593)		(37,593)			137,867	137,867	251,961	176,214
912828 WJ 5	UNITED STATES TREASURY	..	05/18/2016	VARIOUS	11/21/2016	VARIOUS	10,950,000	11,595,106	11,656,959	11,587,381		(7,725)		(7,725)			69,578	69,578	99,530	71,202
0599999. Total - Bonds - U.S. Government							45,900,000	48,312,918	48,527,670	48,262,814	0	(50,105)	0	(50,105)	0	0	264,857	264,857	457,837	310,854
Bonds - U.S. Political Subdivisions of States																				
803820 KR 9	SARTELL MINN INDPT SCH DIST NO 748	..	06/30/2016	BAIRD, ROBERT W & CO INC, MILWAUKEE	09/01/2016	US Bancorp Piper Jaffray	2,500,000	3,067,150	3,071,400	3,057,429		(9,721)		(9,721)			13,971	13,971	14,236	
2499999. Total - Bonds - U.S. Political Subdivisions of States							2,500,000	3,067,150	3,071,400	3,057,429	0	(9,721)	0	(9,721)	0	0	13,971	13,971	14,236	0
Bonds - U.S. Special Revenue and Special Assessment																				
45204E GS 1	ILLINOIS FIN AUTH REV	..	08/22/2016	Unknown	10/07/2016	JP MORGAN SECURITIES INC	20,000	23,249	23,604	23,099		(150)		(150)			505	505	250	30
594612 DE 0	MICHIGAN ST	..	07/14/2016	Loop Capital Markets	09/01/2016	Loop Capital Markets	1,000,000	1,216,070	1,217,380	1,213,833		(2,237)		(2,237)			3,547	3,547	3,472	
594615 FD 3	MICHIGAN ST BLDG AUTH REV	..	07/21/2016	MORGAN STANLEY CO	09/13/2016	US Bancorp Piper Jaffray	1,350,000	1,648,553	1,640,399	1,645,976		(2,577)		(2,577)			(5,577)	(5,577)	3,938	
650116 AL 0	NEW YORK TRANSN DEV CORP SPL FAC REV	..	05/18/2016	CITIGROUP GLOBAL MARKETS INC	05/18/2016	CITIGROUP GLOBAL MARKETS INC	1,195,000	1,375,565	1,383,033	1,375,565				0			7,469	7,469		
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments							3,565,000	4,263,437	4,264,416	4,258,473	0	(4,964)	0	(4,964)	0	0	5,944	5,944	7,660	30
Bonds - Industrial and Miscellaneous																				
035242 AN 6	ANHEUSER-BUSCH INBEV FINANCE INC	C	01/14/2016	VARIOUS	06/07/2016	JP MORGAN SECURITIES INC	4,300,000	4,303,125	4,872,932	4,303,136		11		11			569,796	569,796	79,013	
161571 GJ 7	ABS - CHAIT 2014-A1 A1	..	03/22/2016	VARIOUS	11/21/2016	RBC CAPITAL MARKETS	4,400,000	4,405,156	4,401,031	4,400,892		(4,264)		(4,264)			139	139	36,672	2,134
3899999. Total - Bonds - Industrial and Miscellaneous							8,700,000	8,708,281	9,273,963	8,704,028	0	(4,253)	0	(4,253)	0	0	569,935	569,935	115,685	2,134
Bonds - Hybrid Securities																				
55261F AE 4	M&T BANK CORP	..	09/01/2016	VARIOUS	12/15/2016	Call @ 100.0	1,896,000	1,906,607	1,896,000	1,896,000		(10,607)		(10,607)				0	106,288	36,376
4899999. Total - Bonds - Hybrid Securities							1,896,000	1,906,607	1,896,000	1,896,000	0	(10,607)	0	(10,607)	0	0	0	0	106,288	36,376
8399998. Total - Bonds							62,561,000	66,258,393	67,033,449	66,178,744	0	(79,650)	0	(79,650)	0	0	854,707	854,707	701,706	349,394
Preferred Stocks - Industrial and Miscellaneous																				
059165 69 6	BALTIMORE GAS & ELECTRIC 6.97% PRF	..	04/08/2016	JANNEY MONTGOMERY, SCOTT INC	09/19/2016	Redemption	8,330.000	839,123	833,000	839,123				0			(6,123)	(6,123)	26,933	
40429C 60 7	HSBC FINANCE CORP	C	04/07/2016	VARIOUS	10/01/2016	Redemption	119,521.000	2,978,679	2,988,025	2,978,679				0			9,346	9,346	62,332	
8499999. Total - Preferred Stocks - Industrial and Miscellaneous								3,817,802	3,821,025	3,817,802	0	0	0	0	0	0	3,223	3,223	89,265	0
8999998. Total - Preferred Stocks								3,817,802	3,821,025	3,817,802	0	0	0	0	0	0	3,223	3,223	89,265	0
Common Stocks - Industrial and Miscellaneous																				
001055 10 2	AFLAC ORD	..	06/15/2016	JEFFERIES & COMPANY, INC	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	136,335	144,887	136,335				0			8,552	8,552	820	
001204 10 6	AGL RESOURCES ORD	..	05/01/2016	Adjustment	07/01/2016	NON-BROKER TRADE, BOSTON	8,100.000	533,507	534,600	533,507				0			1,094	1,094	4,293	
00130H 10 5	AES ORD	..	07/21/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	11/15/2016	VARIOUS	62,000.000	720,830	697,105	720,830				0			(23,725)	(23,725)	4,400	
002824 10 0	ABBOTT LABORATORIES ORD	..	05/01/2016	Adjustment	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	7,000.000	272,335	263,159	272,335				0			(9,176)	(9,176)	3,640	
00287Y 10 9	ABBVIE ORD	..	10/21/2016	VARIOUS	11/01/2016	VARIOUS	26,500.000	1,628,590	1,611,370	1,628,590				0			(17,220)	(17,220)	8,550	
00773T 10 1	ADVANSIX ORD	..	10/01/2016	Unknown	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	108.000	1,756	1,750	1,756				0			(6)	(6)		

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD	..	05/01/2016	Adjustment	10/01/2016	Unknown	2,700.000	393,917	393,917	393,917				0			0	0	2,322	
018802 10 8	ALLIANT ENERGY ORD	..	07/11/2016	JEFFERIES & COMPANY, INC.	08/30/2016	BARCLAYS CAPITAL INC./LE	20,000.000	809,350	756,634	809,350				0			(52,717)	(52,717)	5,875	
023135 10 6	AMAZON COM ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC.	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	200.000	152,238	163,533	152,238				0			11,295	11,295		
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	08/01/2016	DEUTSCHE BANK SECURITIES, INC.	12/09/2016	VARIOUS	18,200.000	1,184,841	1,197,754	1,184,841				0			12,913	12,913	13,142	
02916P 10 3	AMERICAN RAILCAR INDUSTRIES ORD	..	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	08/01/2016	DEUTSCHE BANK SECURITIES, INC.	10,000.000	393,304	417,144	393,304				0			23,840	23,840	4,000	
031162 10 0	AMGEN ORD	..	09/09/2016	VARIOUS	12/08/2016	FOX RIVER EXECUTION TECHNOLOGY	6,400.000	1,036,073	928,140	1,036,073				0			(107,933)	(107,933)	12,200	
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC.	10/31/2016	FOX RIVER EXECUTION TECHNOLOGY	53,000.000	554,645	535,553	554,645				0			(19,092)	(19,092)	13,999	
036752 10 3	ANTHEM ORD	..	05/01/2016	Adjustment	08/01/2016	DEUTSCHE BANK SECURITIES, INC.	3,300.000	464,558	421,087	464,558				0			(43,470)	(43,470)	2,145	
03748R 10 1	APARTMENT INVESTMENT MGT CL A REIT	..	05/01/2016	Adjustment	06/15/2016	JEFFERIES & COMPANY, INC.	5,400.000	216,351	223,299	216,351				0			6,948	6,948	1,782	
05351W 10 3	AVANGRID ORD	C	08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	652,107	601,262	652,107				0			(50,845)	(50,845)	6,480	
05561Q 20 1	BOK FINANCIAL ORD	..	05/01/2016	Adjustment	06/15/2016	JEFFERIES & COMPANY, INC.	5,400.000	324,999	319,093	324,999				0			(5,906)	(5,906)	2,322	
07177M 10 3	BAXALTA ORD	..	05/01/2016	Adjustment	05/27/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	2,700.000	113,279	122,915	113,279				0			9,636	9,636		
084670 70 2	BERKSHIRE HATHWAY CL B ORD	..	05/01/2016	Adjustment	10/21/2016	VARIOUS	11,300.000	1,643,981	1,615,273	1,643,981				0			(28,708)	(28,708)		
086516 10 1	BEST BUY ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	08/01/2016	DEUTSCHE BANK SECURITIES, INC.	5,000.000	162,325	167,321	162,325				0			4,996	4,996	1,400	
097023 10 5	BOEING ORD	..	05/01/2016	Adjustment	06/15/2016	JEFFERIES & COMPANY, INC.	7,500.000	1,011,038	976,122	1,011,038				0			(34,915)	(34,915)	8,175	
110122 10 8	BRISTOL MYERS SQUIBB ORD	..	05/01/2016	Adjustment	11/01/2016	VARIOUS	10,000.000	721,850	535,476	721,850				0			(186,374)	(186,374)	5,700	
115637 20 9	BROWN FORMAN CL B ORD	..	06/15/2016	JEFFERIES & COMPANY, INC.	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	97,908	90,248	97,908				0			(7,659)	(7,659)	340	
118440 10 6	BUCKLE ORD	..	09/20/2016	VARIOUS	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	371,344	343,043	371,344				0			(28,301)	(28,301)	5,625	
125269 10 0	CF INDUSTRIES HOLDINGS ORD	..	08/01/2016	DEUTSCHE BANK SECURITIES, INC.	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	20,000.000	488,500	465,890	488,500				0			(22,610)	(22,610)	6,000	
126117 10 0	CNA FINANCIAL ORD	..	06/15/2016	JEFFERIES & COMPANY, INC.	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	153,359	162,671	153,359				0			9,313	9,313	1,250	
126650 10 0	CVS HEALTH ORD	..	05/01/2016	Adjustment	11/16/2016	VARIOUS	6,600.000	663,333	559,755	663,333				0			(103,578)	(103,578)	2,975	
133131 10 2	CAMDEN PROPERTY REIT	..	09/13/2016	DEUTSCHE BANK SECURITIES, INC.	10/17/2016	BARCLAYS CAPITAL INC./LE	10,000.000	837,119	819,078	837,119				0			(18,041)	(18,041)	50,000	
134429 10 9	CAMPBELL SOUP ORD	..	05/01/2016	Adjustment	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	2,700.000	166,631	163,954	166,631				0			(2,677)	(2,677)		
14149Y 10 8	CARDINAL HEALTH ORD	..	05/01/2016	Adjustment	10/17/2016	BARCLAYS CAPITAL INC./LE	2,700.000	211,856	204,608	211,856				0			(7,247)	(7,247)	2,424	
141624 10 6	CARE CAPITAL PROPERTIES ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	06/30/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	402,027	381,067	402,027				0			(20,960)	(20,960)	8,550	
147528 10 3	CASEYS GENERAL STORES ORD	..	06/15/2016	JEFFERIES & COMPANY, INC.	09/13/2016	DEUTSCHE BANK SECURITIES, INC.	500.000	58,869	60,056	58,869				0			1,187	1,187	120	
189054 10 9	CLOROX ORD	..	06/15/2016	JEFFERIES & COMPANY, INC.	11/14/2016	DEUTSCHE BANK SECURITIES, INC.	2,000.000	264,315	238,965	264,315				0			(25,350)	(25,350)	3,200	
189754 10 4	COACH ORD	..	05/01/2016	Adjustment	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,500.000	422,888	376,154	422,888				0			(46,733)	(46,733)	7,088	

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
19122T 10 9	COCA-COLA ENTERPRISES ORD	..	05/24/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	05/27/2016	Unknown	1,800.000	91,791	95,958	91,791				0			4,167	4,167		
20451N 10 1	COMPASS MINERALS INTERNATIONAL ORD	..	05/01/2016	Adjustment	12/15/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	374,825	387,217	374,825				0			12,392	12,392	10,425	
205887 10 2	CONAGRA FOODS ORD	..	05/01/2016	Adjustment	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	2,700.000	120,326	124,670	120,326				0			4,344	4,344		
209115 10 4	CONSOLIDATED EDISON ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	12/15/2016	DEUTSCHE BANK SECURITIES, INC	3,400.000	252,502	249,130	252,502				0			(3,372)	(3,372)	5,896	
22160K 10 5	COSTCO WHOLESALE ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	11/18/2016	VARIOUS	1,800.000	269,902	261,576	269,902				0			(8,326)	(8,326)	540	
22410J 10 6	CRACKER BARREL OLD COUNTRY STORE ORD	..	06/29/2016	JEFFERIES & COMPANY, INC	08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	856,588	804,775	856,588				0			(51,813)	(51,813)	22,000	
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT	..	08/23/2016	VARIOUS	09/30/2016	BARCLAYS CAPITAL INC./LE	10,000.000	931,420	903,605	931,420				0			(27,815)	(27,815)	11,505	
23283R 10 0	CYRUSONE REIT	..	06/15/2016	JEFFERIES & COMPANY, INC	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	259,838	204,471	259,838				0			(55,367)	(55,367)	3,800	
235851 10 2	DANAHER ORD	..	05/01/2016	Adjustment	07/29/2016	Unknown	2,000.000	193,510	193,510	193,510				0			0	0	320	
24703L 10 3	DELL TECHNOLOGIES CL V ORD	..	09/07/2016	Unknown	09/16/2016	VARIOUS	613.000	27,859	29,708	27,859				0			1,849	1,849		
253868 10 3	DIGITAL REALTY REIT ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	09/30/2016	DEUTSCHE BANK SECURITIES, INC	4,000.000	388,540	372,092	388,540				0			(16,448)	(16,448)	7,040	
254423 10 6	DINEEQUITY ORD	..	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	08/01/2016	DEUTSCHE BANK SECURITIES, INC	5,000.000	422,175	410,066	422,175				0			(12,109)	(12,109)	4,600	
25746U 10 9	DOMINION RESOURCES ORD	..	09/09/2016	VARIOUS	10/03/2016	BARCLAYS CAPITAL INC./LE	10,300.000	797,674	754,690	797,674				0			(42,984)	(42,984)	6,300	
257867 10 1	RR DONNELLEY AND SONS ORD	..	08/01/2016	DEUTSCHE BANK SECURITIES, INC	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	35,000.000	626,325	559,113	626,325				0			(67,212)	(67,212)	9,100	
260543 10 3	DOW CHEMICAL ORD	..	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	08/01/2016	DEUTSCHE BANK SECURITIES, INC	7,500.000	391,733	402,329	391,733				0			10,596	10,596	3,450	
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD	..	08/30/2016	BARCLAYS CAPITAL INC./LE	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	186,355	176,026	186,355				0			(10,329)	(10,329)	1,060	
26441C 20 4	DUKE ENERGY ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	12/16/2016	VARIOUS	16,900.000	1,330,637	1,392,599	1,330,637				0			61,963	61,963	24,233	
268648 10 2	EMC ORD	..	07/15/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	09/07/2016	Unknown	5,500.000	151,553	160,134	151,553				0			8,582	8,582		
29476L 10 7	EQUITY RESIDENTIAL REIT	..	09/16/2016	BARCLAYS CAPITAL INC./LE	10/14/2016	BARCLAYS CAPITAL INC./LE	10,000.000	644,275	630,811	644,275				0			(13,464)	(13,464)	35,038	
297178 10 5	ESSEX PROPERTY REIT	..	06/15/2016	JEFFERIES & COMPANY, INC	08/01/2016	DEUTSCHE BANK SECURITIES, INC	1,500.000	324,581	351,915	324,581				0			27,334	27,334	2,400	
30225T 10 2	EXTRA SPACE STORAGE REIT	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	09/30/2016	DEUTSCHE BANK SECURITIES, INC	3,000.000	239,775	228,490	239,775				0			(11,285)	(11,285)	2,340	
337932 10 7	FIRSTENERGY ORD	..	10/03/2016	BARCLAYS CAPITAL INC./LE	12/01/2016	VARIOUS	35,500.000	1,149,935	1,123,446	1,149,935				0			(26,490)	(26,490)	18,360	
345370 86 0	FORD MOTOR ORD	..	06/29/2016	JEFFERIES & COMPANY, INC	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	40,000.000	516,100	496,689	516,100				0			(19,411)	(19,411)	7,500	
361448 10 3	GATX ORD	..	05/01/2016	Adjustment	06/30/2016	JEFFERIES & COMPANY, INC	2,700.000	124,052	119,614	124,052				0			(4,437)	(4,437)	1,080	
36467J 10 8	GAMING AND LEISURE PROPERTIES REIT ORD	..	11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	12/16/2016	FOX RIVER EXECUTION TECHNOLOGY	7,500.000	226,313	221,883	226,313				0			(4,430)	(4,430)	4,500	
36467W 10 9	GAMESTOP CL A ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	12/13/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	288,950	246,345	288,950				0			(42,605)	(42,605)	11,100	
36473H 10 4	GANNETT ORD	..	05/01/2016	Adjustment	07/11/2016	JEFFERIES & COMPANY, INC	3,900.000	65,735	54,453	65,735				0			(11,282)	(11,282)	624	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
37045V 10 0	GENERAL MOTORS ORD	..	08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	10/19/2016	VARIOUS	43,200.000	1,376,976	1,336,174	1,376,976				0			(40,802)	(40,802)	16,416	
37637Q 10 5	GLACIER BANCORP ORD	..	05/01/2016	Adjustment	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	6,600.000	170,907	182,123	170,907				0			11,216	11,216		
40414L 10 9	HCP REIT	..	11/04/2016	Jefferies	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	34,400.000	1,084,235	1,083,489	1,084,235				0			(746)	(746)	15,988	
40434L 10 5	HP ORD	..	05/01/2016	Adjustment	07/06/2016	JEFFERIES & COMPANY, INC	39,900.000	489,773	518,389	489,773				0			28,617	28,617	4,948	
423452 10 1	HELMERICH AND PAYNE ORD	..	05/01/2016	Adjustment	06/15/2016	JEFFERIES & COMPANY, INC	10,500.000	694,313	686,186	694,313				0			(8,126)	(8,126)	7,219	
427866 10 8	HERSHEY FOODS ORD	..	05/01/2016	Adjustment	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	2,700.000	251,411	257,885	251,411				0			6,474	6,474	3,243	
431284 10 8	HIGHWOODS PROPERTIES REIT	..	05/01/2016	Adjustment	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	8,100.000	378,554	398,309	378,554				0			19,755	19,755	3,443	
436106 10 8	HOLLYFRONTIER ORD	..	05/01/2016	Adjustment	06/24/2016	JEFFERIES & COMPANY, INC	13,200.000	469,986	331,082	469,986				0			(138,904)	(138,904)	4,356	
438516 10 6	HONEYWELL INTERNATIONAL ORD	..	05/01/2016	Adjustment	10/01/2016	Unknown	2,700.000	308,543	308,543	308,543				0			0		3,213	
446150 10 4	HUNTINGTON BANCSHARES ORD	..	05/01/2016	Adjustment	07/01/2016	JEFFERIES & COMPANY, INC	5,400.000	54,351	51,042	54,351				0			(3,309)	(3,309)	378	
46120E 60 2	INTUITIVE SURGICAL ORD	..	11/01/2016	DEUTSCHE BANK SECURITIES, INC	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	100.000	66,973	63,231	66,973				0			(3,741)	(3,741)		
46284V 10 1	IRON MOUNTAIN ORD	..	08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	09/30/2016	DEUTSCHE BANK SECURITIES, INC	15,000.000	571,725	540,063	571,725				0			(31,662)	(31,662)	7,275	
487836 10 8	KELLOGG ORD	..	05/01/2016	Adjustment	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	2,700.000	207,401	208,638	207,401				0			1,237	1,237	2,754	
500754 10 6	KRAFT HEINZ ORD	..	05/01/2016	Adjustment	10/07/2016	FOX RIVER EXECUTION TECHNOLOGY	1,500.000	117,113	130,670	117,113				0			13,557	13,557	1,763	
502175 10 2	LTC PROPERTIES REIT	..	05/01/2016	Adjustment	09/30/2016	FOX RIVER EXECUTION TECHNOLOGY	5,400.000	250,718	276,015	250,718				0			25,297	25,297	4,860	
512816 10 9	LAMAR ADVERTISING CL A REIT	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	09/30/2016	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	150,896	159,059	150,896				0			8,164	8,164	1,900	
517834 10 7	LAS VEGAS SANDS ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	07/21/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	3,500.000	163,713	163,464	163,713				0			(249)	(249)	2,520	
525327 10 2	LEIDOS HOLDINGS ORD	..	08/23/2016	VARIOUS	10/03/2016	VARIOUS	15,651.000	731,519	668,935	731,519				0			(62,584)	(62,584)	195,968	
53223X 10 7	LIFE STORAGE ORD	..	10/06/2016	FOX RIVER EXECUTION TECHNOLOGY	11/16/2016	FOX RIVER EXECUTION TECHNOLOGY	1,500.000	129,653	122,525	129,653				0			(7,128)	(7,128)	1,425	
532457 10 8	ELI LILLY ORD	..	05/01/2016	Adjustment	12/09/2016	VARIOUS	15,000.000	1,133,025	1,121,376	1,133,025				0			(11,649)	(11,649)	12,750	
55261F 10 4	M&T BANK ORD	..	05/01/2016	Adjustment	06/30/2016	JEFFERIES & COMPANY, INC	3,900.000	461,468	453,336	461,468				0			(8,132)	(8,132)	2,730	
57060D 10 8	MARKETAXESS HOLDINGS ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	300.000	51,424	46,000	51,424				0			(5,424)	(5,424)		
571748 10 2	MARSH & MCLENNAN ORD	..	05/01/2016	Adjustment	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	5,400.000	341,037	354,745	341,037				0			13,708	13,708		
577081 10 2	MATTEL ORD	..	10/21/2016	VARIOUS	12/19/2016	FOX RIVER EXECUTION TECHNOLOGY	45,000.000	1,473,225	1,355,195	1,473,225				0			(118,030)	(118,030)	17,100	
580135 10 1	MCDONALD'S ORD	..	05/01/2016	Adjustment	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,500.000	1,328,198	1,168,152	1,328,198				0			(160,045)	(160,045)	18,690	
582839 10 6	MEAD JOHNSON NUTRITION ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	11/01/2016	DEUTSCHE BANK SECURITIES, INC	3,700.000	312,904	275,958	312,904				0			(36,945)	(36,945)	2,640	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD	..	05/01/2016	Adjustment	09/15/2016	FOX RIVER EXECUTION TECHNOLOGY	1,500.000	143,453	155,584	143,453				0			12,132	12,132	1,230	
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD	..	06/15/2016	JEFFERIES & COMPANY, INC	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	438,375	421,241	438,375				0			(17,134)	(17,134)	3,600	
61945C 10 3	MOSAIC ORD	..	05/01/2016	Adjustment	06/29/2016	JEFFERIES & COMPANY, INC	10,500.000	293,948	268,925	293,948				0			(25,022)	(25,022)	2,888	
637417 10 6	NATIONAL RETAIL PROPERTIES REIT	..	07/21/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	09/13/2016	DEUTSCHE BANK SECURITIES, INC	5,000.000	258,625	238,820	258,625				0			(19,805)	(19,805)	2,275	
65339F 10 1	NEXTERA ENERGY ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	10/03/2016	BARCLAYS CAPITAL INC./LE	4,700.000	568,066	569,263	568,066				0			1,198	1,198		
674599 10 5	OCCIDENTAL PETROLEUM ORD	..	08/30/2016	BARCLAYS CAPITAL INC./LE	11/01/2016	VARIOUS	6,000.000	467,085	430,791	467,085				0			(36,294)	(36,294)	4,560	
690070 10 7	OUTERWALL ORD	..	08/01/2016	DEUTSCHE BANK SECURITIES, INC	09/06/2016	Adjustment	10,000.000	526,350	520,000	526,350				0			(6,350)	(6,350)	6,000	
69351T 10 6	PPL ORD	..	08/30/2016	VARIOUS	10/19/2016	VARIOUS	33,000.000	1,171,538	1,130,850	1,171,538				0			(40,687)	(40,687)	12,540	
704326 10 7	PAYCHEX ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	11/22/2016	DEUTSCHE BANK SECURITIES, INC	10,700.000	596,037	580,623	596,037				0			(15,415)	(15,415)	9,674	
712704 10 5	PEOPLES UNITED FINANCIAL ORD	..	05/01/2016	Adjustment	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	26,700.000	413,984	427,057	413,984				0			13,074	13,074		
74144T 10 8	T ROWE PRICE GROUP ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	11/01/2016	DEUTSCHE BANK SECURITIES, INC	5,700.000	409,850	383,001	409,850				0			(26,849)	(26,849)	3,078	
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	08/01/2016	DEUTSCHE BANK SECURITIES, INC	3,000.000	134,565	136,152	134,565				0			1,587	1,587	1,230	
74460D 10 9	PUBLIC STORAGE REIT	..	09/09/2016	VARIOUS	09/29/2016	VARIOUS	3,200.000	724,325	731,024	724,325				0			6,699	6,699	3,960	
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD	..	05/01/2016	Adjustment	07/11/2016	JEFFERIES & COMPANY, INC	10,500.000	630,578	611,743	630,578				0			(18,835)	(18,835)	6,090	
842587 10 7	SOUTHERN ORD	..	10/03/2016	VARIOUS	12/06/2016	FOX RIVER EXECUTION TECHNOLOGY	45,000.000	2,303,962	2,196,309	2,303,962				0			(107,653)	(107,653)	39,200	
846511 10 3	SPARK ENERGY CL A ORD	..	09/09/2016	DEUTSCHE BANK SECURITIES, INC	10/03/2016	BARCLAYS CAPITAL INC./LE	3,400.000	100,476	93,595	100,476				0			(6,881)	(6,881)		
847560 10 9	SPECTRA ENERGY ORD	..	11/01/2016	DEUTSCHE BANK SECURITIES, INC	12/19/2016	FOX RIVER EXECUTION TECHNOLOGY	28,600.000	999,965	1,140,582	999,965				0			140,617	140,617	23,166	
87162H 10 3	SYNTEL ORD	..	09/13/2016	VARIOUS	11/01/2016	DEUTSCHE BANK SECURITIES, INC	8,000.000	359,043	160,437	359,043				0			(198,606)	(198,606)	120,000	
87612G 10 1	TARGA RESOURCES ORD	..	09/20/2016	FOX RIVER EXECUTION TECHNOLOGY	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	709,725	776,008	709,725				0			66,283	66,283	13,650	
882508 10 4	TEXAS INSTRUMENTS ORD	..	05/01/2016	Adjustment	06/14/2016	VARIOUS	11,700.000	667,427	721,078	667,427				0			53,651	53,651		
899896 10 4	TUPPERWARE BRANDS ORD	..	08/23/2016	FOX RIVER EXECUTION TECHNOLOGY	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	667,250	615,637	667,250				0			(51,613)	(51,613)	6,800	
92276F 10 0	VENTAS REIT	..	05/01/2016	Adjustment	09/30/2016	DEUTSCHE BANK SECURITIES, INC	8,100.000	503,213	545,321	503,213				0			42,108	42,108	11,826	
92343V 10 4	VERIZON COMMUNICATIONS ORD	..	07/21/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	11/04/2016	VARIOUS	13,000.000	675,575	640,299	675,575				0			(35,276)	(35,276)	7,445	
92532W 10 3	VERSUM MATERIALS ORD	..	10/01/2016	Unknown	10/19/2016	FOX RIVER EXECUTION TECHNOLOGY	1,350.000	29,739	32,069	29,739				0			2,329	2,329		
92553P 20 1	VIACOM CL B ORD	..	05/01/2016	Adjustment	10/21/2016	FOX RIVER EXECUTION TECHNOLOGY	5,400.000	220,887	202,523	220,887				0			(18,364)	(18,364)	3,240	
92939U 10 6	WEC ENERGY GROUP ORD	..	08/01/2016	DEUTSCHE BANK SECURITIES, INC	12/01/2016	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	260,300	221,495	260,300				0			(38,805)	(38,805)	3,960	
948741 10 3	WEINGARTEN RLTY REIT	..	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	06/15/2016	JEFFERIES & COMPANY, INC	7,000.000	267,295	267,132	267,295				0			(163)	(163)	2,555	
95040Q 10 4	WELLTOWER ORD	..	10/19/2016	VARIOUS	11/21/2016	VARIOUS	23,100.000	1,666,368	1,579,382	1,666,368				0			(86,985)	(86,985)	19,866	
958102 10 5	WESTERN DIGITAL ORD	..	09/09/2016	VARIOUS	11/01/2016	DEUTSCHE BANK SECURITIES, INC	14,000.000	670,773	689,575	670,773				0			18,802	18,802	7,000	

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consideration	11 Book/Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Change in B./A.C.V. (12+13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
962166 10 4	WEYERHAEUSER REIT	..	05/01/2016	Adjustment	06/24/2016	FOX RIVER EXECUTION TECHNOLOGY	8,100.000	260,213	232,829	260,213				0			(27,383)	(27,383)	2,511	
969457 10 0	WILLIAMS ORD	..	06/14/2016	FOX RIVER EXECUTION TECHNOLOGY	08/01/2016	DEUTSCHE BANK SECURITIES, INC	25,000.000	529,625	563,113	529,625				0			33,488	33,488	16,000	
G1151C 10 1	ACCENTURE CL A ORD	C	09/09/2016	VARIOUS	11/15/2016	VARIOUS	10,500.000	1,176,804	1,206,841	1,176,804				0			30,037	30,037	9,680	
G25839 10 4	COCA COLA EUROPEAN PARTNERS ORD	D	05/27/2016	Unknown	06/02/2016	DEUTSCHE BK SECS INC, NY (NWSCUS33)	1,800.000	69,858	71,089	69,858				0			1,231	1,231		
H01531 10 4	ALLIED WORLD ASSURANCE HOLDINGS ORD	C	06/15/2016	JEFFERIES & COMPANY, INC	11/01/2016	DEUTSCHE BANK SECURITIES, INC	5,000.000	178,288	213,670	178,288				0			35,383	35,383	2,600	
H1467J 10 4	CHUBB ORD	D	09/09/2016	DEUTSCHE BANK SECURITIES, INC	11/01/2016	DEUTSCHE BANK SECURITIES, INC	4,800.000	596,568	602,315	596,568				0			5,747	5,747	3,312	
9099999.	Total - Common Stocks - Industrial and Miscellaneous							60,979,801	59,085,155	60,979,801	0	0	0	0	0	0	(1,894,626)	(1,894,626)	1,063,543	0
Common Stocks - Mutual Funds																				
316200 85 6	Fidelity Gro Company;K	..	01/15/2016	Unknown	09/30/2016	Unknown		55	64	55				0			9	9		
316345 80 0	Fidelity Low-Prcd Stk;K	..	09/16/2016	Unknown	09/30/2016	Unknown	26.000	1,251	1,278	1,251				0			28	28		
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF	..	09/27/2016	Unknown	10/01/2016	Unknown	74.000	765	764	765				0				0	1	
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	..	03/31/2016	Unknown	10/01/2016	Unknown	2.000	27	27	27				0				0		
922040 20 9	VANGUARD INST INX CL INST PLS MF	..	06/16/2016	Unknown	09/08/2016	Unknown	13,670.000	2,557,433	2,634,336	2,557,433				0			76,903	76,903		
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF	..	03/14/2016	Unknown	03/17/2016	Unknown	2,142.000	320,887	324,657	320,887				0			3,770	3,770		
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF	..	09/16/2016	Unknown	09/30/2016	Unknown	7.000	1,485	1,493	1,485				0			8	8		
9299999.	Total - Common Stocks - Mutual Funds							2,881,903	2,962,619	2,881,903	0	0	0	0	0	0	80,718	80,718	1	0
Common Stocks - Money Market Mutual Funds																				
066922 54 3	BlackRock:Cash Prime;Cap	..	05/02/2016	Direct	05/16/2016	Direct	50,005,979.000	50,005,979	50,005,979	50,005,979				0				0	14,341	
996087 09 4	MELLON BSDT-LATE MONEY DEPOSIT ACCT	..	06/29/2016	Direct	09/06/2016	Direct	25,576,418.000	25,576,418	25,576,418	25,576,418				0				0	9	
9399999.	Total - Common Stocks - Money Market Mutual Funds							75,582,397	75,582,397	75,582,397	0	0	0	0	0	0	0	0	14,350	0
9799998.	Total - Common Stocks							139,444,101	137,630,171	139,444,101	0	0	0	0	0	0	(1,813,908)	(1,813,908)	1,077,894	0
9899999.	Total - Preferred and Common Stocks							143,261,903	141,451,196	143,261,903	0	0	0	0	0	0	(1,810,685)	(1,810,685)	1,167,159	0
9999999.	Total - Bonds, Preferred and Common Stocks							209,520,296	208,484,645	209,440,647	0	(79,650)	0	(79,650)	0	0	(955,978)	(955,978)	1,868,865	349,394

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	9	10	Stock of Such Company Owned by Insurer on Statement Date	
										11	12
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code	ID Number	*NAIC Valuation Method (See Purposes and Procedures Manual of the NAIC Investment Analysis Office)*	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Nonadmitted Amount	Number of Shares	% of Outstanding
Common Stocks - U.S. Health Entity											
000000 00 0	BCBSNC Senior Health		15999	81-1191645	2ciB1	NO		1,500,000		1.000	100.0
1399999. Total - Common Stocks - U.S. Health Entity							0	1,500,000	0	XXX	XXX
Common Stocks - Other Affiliates											
65511# 10 1	NobleHealth Inc			26-0529453	2ciB3	NO		193,997,215		372.000	100.0
1799999. Total - Common Stocks - Other Affiliates							0	193,997,215	0	XXX	XXX
1899999. Total - Common Stocks							0	195,497,215	0	XXX	XXX
1999999. Total - Preferred and Common Stock							0	195,497,215	0	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Exempt Money Market Mutual Funds as Identified by the SVO																				
262006 20 8	DREYFUS GOVT CASH MGMT CL INST MMF		..	12/30/2016.	VARIOUS	XXX	54,128,403						54,128,403	17,560		0.470		N/A	18,987	
31846V 41 9	FIRST AMER:TRES OBLG;II	SD	..	12/29/2016.	VARIOUS	XXX	500,133						500,133	85		0.280	0.260	N/A	358	
8899999. Total - Exempt Money Market Mutual Funds as Identified by the SVO							54,628,536	0	0	0	0	XXX	54,628,536	17,645	0	XXX	XXX	XXX	19,345	0
9199999. Total - Short-Term Investments							54,628,536	0	0	0	0	XXX	54,628,536	17,645	0	XXX	XXX	XXX	19,345	0

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	C o d e	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination - Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18	Hedge	
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

E22

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories						
General Fund-Bank of America ... Bank of America					101,917	XXX
Claims-FEP Std Option-Wachovia ... Wachovia					(14,620,909)	XXX
Clms-FEP Basic Opt Wachovia ... Wachovia					(4,417,842)	XXX
Claims Master Account ... Wachovia					2,035,477	XXX
FEP Master Account ... Wachovia					10,125,492	XXX
Fiscal Agent-Mellon ... Mellon					406,206	XXX
FHLB Checking Account ... FHLBank					1,073,014	XXX
Wachovia - Payroll ... Wachovia					251,918	XXX
A/P Wach - 2079900141205 ... Wachovia					(424,754)	XXX
Broker Comm Cash ... Wachovia					(31,091)	XXX
BB&T General Fund ... BB&T					13,949,118	XXX
Workers' Compensation Wachovia ... Wachovia					39,985	XXX
Bank of America - Accounts payable ... Bank of America					8,871,712	XXX
Cash-Claims Payments-BE ... Wachovia					(59,144,684)	XXX
MedSupp Premium Refunds ... Wachovia					(844,158)	XXX
Cash Clearing-Nonunderw-BE ... Wachovia					(21,260,900)	XXX
Draft Representments ... Wachovia					14,672	XXX
Med supp Claims Disburs ... BB&T					(3,053,388)	XXX
Credit Memos Cash ... Wachovia					(1,969,961)	XXX
PARTNERS-General Cash ... Wachovia					(1,221,542)	XXX
Bank-Claims Disbursement account ... Wachovia					(38,626,862)	XXX
Bank-Premium Refunds ... Wachovia					(1,011,139)	XXX
BBT Trust Dep NCSHP ... BB&T					2,409,965	XXX
0199998. Deposits in ... 0 depositories that do not exceed allowable limits in any one depository (see Instructions) - Open Depositories ...	XXX	XXX			0	XXX
0199999. Total - Open Depositories ...	XXX	XXX	0	0	(107,347,754)	XXX
0399999. Total Cash on Deposit ...	XXX	XXX	0	0	(107,347,754)	XXX
0599999. Total Cash ...	XXX	XXX	0	0	(107,347,754)	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(110,195,255)	4. April	132,890,275	7. July	(104,194,790)	10. October	(104,591,557)
2. February	(11,864,429)	5. May	(62,974,029)	8. August	(34,269,463)	11. November	(102,114,478)
3. March	117,145,998	6. June	(112,877,570)	9. September	(67,491,803)	12. December	(107,347,756)

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusting Carrying Value	4 Fair Value	5 Book/Adjusting Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	ST	Coll St Employees MM Plan (NCGS Ch 58), DOI dep, HMO-LOB dep	500,133	500,133	28,581,909	30,449,276
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	500,133	500,133	28,581,909	30,449,276
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Supplement for the year 2016 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2016
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

5 4 6 3 1 2 0 1 6 3 6 0 3 4 1 0 0 *

NAIC Group Code.....758
Address (City, State and Zip Code).....4705 University Drive Durham, NC 27707
Person Completing This Exhibit.....

NAIC Company Code.....54631
Title.....Telephone Number.....919-489-7431

360.NC

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2013				Policies Issued in 2014, 2015 & 2016			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
Yes	M4	P	NO	35	02/23/1968		05/22/2000	10/01/1982	BC65 High Option	303,628	165,220	54.4	71			0.0	
Yes	M140	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 1	1,505	816	54.2	1			0.0	
Yes	M141	P	NO	35	08/17/1982		05/22/2000	09/07/1986	Med. Supp Plan 2	6,647	2,731	41.1	1			0.0	
Yes	M142	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 3	43,304	25,331	58.5	11			0.0	
Yes	M143	P	NO	35	08/17/1982		05/22/2000	01/01/1992	Med. Supp Plan 4	2,781,680	2,206,389	79.3	524			0.0	
Yes	M144	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 5	3,936	4,216	107.1	2			0.0	
Yes	M145	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 6	68,373	23,461	34.3	27			0.0	
Yes	M146	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 7	20,027	13,926	69.5	9			0.0	
Yes	M148	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 9	2,661,244	1,832,035	68.8	753			0.0	
Yes	M150	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 11	10,313	4,004	38.8	1			0.0	
Yes	M151	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 12	1,571,154	1,125,874	71.7	211			0.0	
Yes	K74A	A	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan A	1,378,583	1,071,740	77.7	521			0.0	
Yes	K74B	B	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan B	2,572,355	1,740,109	67.6	921			0.0	
Yes	K74C	C	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan C	4,840,530	4,086,336	84.4	1,379			0.0	
Yes	K74D	D	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan D	1,784,046	1,209,113	67.8	605			0.0	
Yes	K74E	E	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan E	835,664	517,605	61.9	283			0.0	
Yes	K74F	F	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan F	111,193,287	80,625,638	72.5	42,206			0.0	
Yes	K74H	H	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan H	666,723	512,462	76.9	220			0.0	
Yes	K74I	I	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan I	3,347,464	2,303,086	68.8	1,149			0.0	
Yes	K74J	J	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan J	39,486,998	29,124,838	73.8	12,199			0.0	
Yes	BMS A	A	NO	234	03/14/2011				Med. Supp Plan A	2,298,936	3,475,150	151.2	383	1,745,589	2,507,068	143.6	295
Yes	BMS B	B	NO	234	03/14/2011				Med. Supp Plan B	736,522	899,140	122.1	210	383,887	273,778	71.3	99
Yes	BMS C	C	NO	234	03/14/2011				Med. Supp Plan C	895,340	609,222	68.0	193	775,316	455,232	58.7	174
Yes	BMS D	D	NO	234	03/14/2011				Med. Supp Plan D	243,810	160,933	66.0	87	60,547	55,422	91.5	33
Yes	BMS F	F	NO	234	03/14/2011				Med. Supp Plan F	106,735,241	69,864,025	65.5	45,423	78,079,366	57,258,431	73.3	38,410
Yes	BMS HDF	F	NO	234	03/14/2011				Med. Supp Plan HDF	1,627,054	1,055,823	64.9	3,880	2,584,316	1,511,839	58.5	7,353
Yes	BMS G	G	NO	234	03/14/2011				Med. Supp Plan G	4,211,540	2,844,151	67.5	1,550	758,574	513,672	67.7	410

Supplement for the year 2016 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2016
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....758
Address (City, State and Zip Code).....4705 University Drive Durham, NC 27707
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....919-489-7431

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2013				Policies Issued in 2014, 2015 & 2016			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
.....Yes.....	BMS K.....	K.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan K.....	28,784	13,601	.....47.3	22	29,120	32,713	.....112.3	28
.....Yes.....	BMS L.....	L.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan L.....	64,839	39,045	.....60.2	38	46,041	40,299	.....87.5	34
.....Yes.....	BMS M.....	M.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan M.....	24,253	13,104	.....54.0	13	75,968	41,963	.....55.2	49
.....Yes.....	BMS N.....	N.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan N.....	288,015	147,096	.....51.1	104	315,810	151,146	.....47.9	143
0199999.	Total Policy Experience on Individual Policies.....									290,731,795	205,716,220	.....70.8	112,997	84,854,534	62,841,563	.....74.1	47,028

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address.....
   2.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... Durham NC 27707
   3.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
4. Explain any policies identified as policy type "O".

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....758 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	66,814,596	XXX		XXX	66,814,596
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	1,827,549	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	(149,964)	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	68,792,109	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	68,792,109	XXX	0	XXX	66,814,596
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	46,244,269	XXX		XXX	46,244,269
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	89,941	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	(168,073)	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	46,502,283	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	46,502,283	XXX	0	XXX	46,244,269
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	6,089,314	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	15,933,459	XXX		XXX	15,933,459
15. Expenses Incurred	15,933,459	XXX		XXX	XXX
16. Underwriting Gain/Loss	6,356,367	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	4,636,868

HMO Line of Business

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	103,865	59,287
2.	Net premium income (including $.....0 non-health premium income)	XXX	38,089,552	18,232,460
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	38,089,552	18,232,460
Hospital and Medical:				
9.	Hospital/medical benefits		17,650,195	7,657,197
10.	Other professional services	2,255	1,056,247	471,583
11.	Outside referrals			
12.	Emergency room and out-of-area		2,049,301	855,651
13.	Prescription drugs		5,273,842	2,092,000
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	2,255	26,029,585	11,076,431
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	2,255	26,029,585	11,076,431
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....799,524 cost containment expenses	14,534	2,276,556	1,272,155
21.	General administrative expenses		3,476,653	2,158,910
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	16,789	31,782,794	14,507,496
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	6,306,758	3,724,964
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		562,377	286,458
26.	Net realized capital gains or (losses) less capital gains tax of $.....0		210,871	238,574
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	773,248	525,032
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	7,080,006	4,249,996
31.	Federal and foreign income taxes incurred	XXX	2,478,002	1,487,499
32.	Net income (loss) (Lines 30 minus 31)	XXX	4,602,004	2,762,497
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.				
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	38,089,552	38,089,552								
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	38,089,552	38,089,552	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	17,650,195	17,650,195								XXX
9. Other professional services	1,056,247	1,056,247								XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	2,049,301	2,049,301								XXX
12. Prescription drugs	5,273,842	5,273,842								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	26,029,585	26,029,585	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	26,029,585	26,029,585	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....799,524 cost containment expenses	2,276,556	2,276,556								
20. General administrative expenses	3,476,653	3,476,653								
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	31,782,794	31,782,794	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	6,306,758	6,306,758	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	38,089,552			38,089,552
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	38,089,552	0	0	38,089,552
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	38,089,552	0	0	38,089,552

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	23,215,975	23,215,975								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	23,215,975	23,215,975	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	4,198,232	4,198,232								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	4,198,232	4,198,232	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,384,622	1,384,622								
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	1,384,622	1,384,622	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	26,029,585	26,029,585	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	26,029,585	26,029,585	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	1,234,280	1,234,280								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	1,234,280	1,234,280	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct	2,963,952	2,963,952								
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	2,963,952	2,963,952	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	4,198,232	4,198,232	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	4,198,232	4,198,232	0	0	0	0	0	0	0	0

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)	1,030,397	22,185,578	4,887	4,193,345	1,035,284	1,384,622
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	1,030,397	22,185,578	4,887	4,193,345	1,035,284	1,384,622
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	1,030,397	22,185,578	4,887	4,193,345	1,035,284	1,384,622

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	590	591	591	590	590
2. 2012	9,508	10,265	10,265	10,265	10,265
3. 2013	XXX	14,213	16,824	16,824	16,824
4. 2014	XXX	XXX	21,054	21,628	21,638
5. 2015	XXX	XXX	XXX	11,028	12,048
6. 2016	XXX	XXX	XXX	XXX	22,186

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	590	590	590	590	590
2. 2012	9,985	10,265	10,265	10,265	10,265
3. 2013	XXX	15,533	16,824	16,824	16,824
4. 2014	XXX	XXX	22,963	21,628	21,638
5. 2015	XXX	XXX	XXX	12,412	12,048
6. 2016	XXX	XXX	XXX	XXX	26,384

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	12,619	10,265	4,058	39.5	14,323	113.5			14,323	113.5
2. 2013	17,000	16,824	869	5.2	17,693	104.1			17,693	104.1
3. 2014	30,652	21,638	521	2.4	22,159	72.3			22,159	72.3
4. 2015	18,232	12,048	118	1.0	12,166	66.7			12,166	66.7
5. 2016	30,090	22,186	889	4.0	23,075	76.7	4,198	168	27,441	91.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	590	591	591	590	590
2. 2012	9,508	10,265	10,265	10,265	10,265
3. 2013	XXX	14,213	16,824	16,824	16,824
4. 2014	XXX	XXX	21,054	21,628	21,638
5. 2015	XXX	XXX	XXX	11,028	12,048
6. 2016	XXX	XXX	XXX	XXX	22,186

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	590	590	590	590	590
2. 2012	9,985	10,265	10,265	10,265	10,265
3. 2013	XXX	15,533	16,824	16,824	16,824
4. 2014	XXX	XXX	22,963	21,628	21,638
5. 2015	XXX	XXX	XXX	12,412	12,048
6. 2016	XXX	XXX	XXX	XXX	26,384

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	12,619	10,265	4,058	39.5	14,323	113.5			14,323	113.5
2. 2013	17,000	16,824	869	5.2	17,693	104.1			17,693	104.1
3. 2014	30,652	21,638	521	2.4	22,159	72.3			22,159	72.3
4. 2015	18,232	12,048	118	1.0	12,166	66.7			12,166	66.7
5. 2016	30,090	22,186	889	4.0	23,075	76.7	4,198	168	27,441	91.2

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only

NONE

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)	16,055	29,680	34,986		80,721
2. Salaries, wages and other benefits	544,955	1,037,754	1,413,658	880	2,997,247
3. Commissions (less $.....0 ceded plus $.....0 assumed)			1,026,222		1,026,222
4. Legal fees and expenses	123	202	21,757		22,082
5. Certifications and accreditation fees	3,277	4,945	6,884		15,106
6. Auditing, actuarial and other consulting services	159,959	261,791	362,080		783,830
7. Traveling expenses	2,990	15,773	34,553		53,316
8. Marketing and advertising			128,897		128,897
9. Postage, express and telephone	10,097	47,686	57,702		115,485
10. Printing and office supplies	1,522	19,890	39,838		61,250
11. Occupancy, depreciation and amortization	27,456	35,641	48,259		111,356
12. Equipment	504	831	1,493		2,828
13. Cost or depreciation of EDP equipment and software	40,078	78,187	93,935		212,200
14. Outsourced services including EDP, claims, and other services	322,361	352,029	529,522	5,460	1,209,372
15. Boards, bureaus and association fees	5,947	2,759	23,781		32,487
16. Insurance, except on real estate	29	60	14,942		15,031
17. Collection and bank service charges	3	7	31,249		31,259
18. Group service and administration fees	170,877	158,401	67,669		396,947
19. Reimbursements by uninsured plans	(441,946)	(475,730)	(750,756)		(1,668,432)
20. Reimbursements from fiscal intermediaries	(97,056)	(188,621)	(490,743)		(776,420)
21. Real estate expenses	2,422	34,285	74,525	6,268	117,500
22. Real estate taxes	2,385	3,769	5,641		11,795
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			633,664		633,664
23.3 Regulatory authority licenses and fees			485		485
23.4 Payroll taxes	27,486	57,696	66,412		151,594
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	799,524	1,477,035	3,476,655	12,608	(a) 5,765,822
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year					0
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	799,524	1,477,035	3,476,655	12,608	5,765,822

DETAILS OF WRITE-INS

2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

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

* 5 4 6 3 1 2 0 1 6 4 3 0 5 9 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	6,248		6,248							
2. First quarter	7,448		7,448							
3. Second quarter	8,297		8,297							
4. Third quarter	9,402		9,402							
5. Current year	10,336		10,336							
6. Current year member months	103,865		103,865							
Total Member Ambulatory Encounters for Year:										
7. Physician	3,727		3,727							
8. Non-physician	0									
9. Totals	3,727	0	3,727	0	0	0	0	0	0	0
10. Hospital patient days incurred	165		165							
11. Number of inpatient admissions	44		44							
12. Health premiums written (b)	38,089,552		38,089,552							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	38,089,552		38,089,552							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	23,215,975		23,215,975							
18. Amount incurred for provision of health care services	26,029,585		26,029,585							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

* 5 4 6 3 1 2 0 1 6 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	6,248		6,248							
2. First quarter	7,448		7,448							
3. Second quarter	8,297		8,297							
4. Third quarter	9,402		9,402							
5. Current year	10,336		10,336							
6. Current year member months	103,865		103,865							
Total Member Ambulatory Encounters for Year:										
7. Physician	3,727		3,727							
8. Non-physician	0									
9. Totals	3,727	0	3,727	0	0	0	0	0	0	0
10. Hospital patient days incurred	165		165							
11. Number of inpatient admissions	44		44							
12. Health premiums written (b)	38,089,552		38,089,552							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	38,089,552		38,089,552							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	23,215,975		23,215,975							
18. Amount incurred for provision of health care services	26,029,585		26,029,585							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

Blue Cross and Blue Shield of North Carolina

Consolidated Financial Statements
December 31, 2017, 2016 and 2015

With Independent Auditor's Report Thereon

Blue Cross and Blue Shield of North Carolina

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Report of Independent Auditors

The Board of Trustees

BlueCross BlueShield North Carolina

We have audited the accompanying consolidated financial statements of Blue Cross Blue Shield of North Carolina, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in accumulated capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has elected to change its method of accounting for amortizing gains and losses related to the Company's defined benefit pension plans in 2017. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Blue Cross and Blue Shield of North Carolina and its subsidiaries at December 31, 2017 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Raleigh, North Carolina

February 22, 2018

Blue Cross and Blue Shield of North Carolina
Consolidated Balance Sheets
(dollars in thousands)

	As of December 31,	
	2017	2016 (as adjusted)
Assets		
Current assets:		
Cash and cash equivalents	$272,738	$95,134
Investments available for sale, at fair value:		
Fixed income securities	107,329	82,822
Equity securities	945,029	725,185
Premiums and other receivables, net	574,977	573,171
Affordable Care Act receivables	56,923	268,879
Deferred tax asset	-	16,088
Other current assets	80,938	102,480
Total current assets	2,037,934	1,863,759
Investments available for sale, at fair value, less current portion:		
Fixed income securities	2,687,722	1,789,075
Equity securities	241,040	211,267
Real estate funds	235,842	221,667
Property and equipment, net of accumulated depreciation	509,589	470,557
Goodwill, net of accumulated depreciation	66,652	95,218
Intangible assets, net of accumulated amortization	24,376	26,690
Prepaid pension	29,787	23,180
Affordable Care Act receivables	-	12,081
Other assets	219,766	236,849
Total assets	$6,052,708	$4,950,343
Liabilities and Accumulated Capital		
Current liabilities:		
Medical and other benefits payable	$808,802	$727,389
Accounts payable and accrued expenses	771,617	544,366
Unearned premiums	124,785	130,742
Book overdrafts	133,351	133,674
Payable for securities	6,932	4,558
Contract reserves	15,160	157,104
Current portion of long term debt and lines of credit	3,267	49,245
Income tax payable	81,819	4,741
Deferred tax liability, net	60,072	-
Total current liabilities	2,005,805	1,751,819
Contract reserves, less current portion	122,655	126,210
Pension, postretirement and other retirement benefits	60,002	72,692
Long-term debt, less current portion	151,993	155,260
Deferred tax liability	94,154	66,784
Other long-term liabilities	45,199	45,261
Total liabilities	2,479,808	2,218,026
Commitments and contingent liabilities (Note 13)	-	-
Accumulated capital:		
Accumulated earnings	3,309,148	2,575,586
Accumulated other comprehensive income	263,752	156,731
Total accumulated capital	3,572,900	2,732,317
Total liabilities and accumulated capital	$6,052,708	$4,950,343

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Comprehensive Income
(dollars in thousands)

	For the Years Ended December 31,		
	2017	2016 (as adjusted)	2015 (as adjusted
Revenues:			
Premiums	$8,721,384	$7,178,071	$7,415,234
Administrative fees and other revenue	475,658	484,131	445,974
Total operating revenues	9,197,042	7,662,202	7,861,208
Net investment income	118,442	95,145	100,819
Net realized gains on investments	6,667	61,843	152,534
Other-than-temporary impairment losses on investments	(390)	(982)	(2,009)
Other income	55,041	31,267	42,932
Total revenues	9,376,802	7,849,475	8,155,484
Expenses:			
Claims and medical expenses	6,551,253	5,814,601	6,468,308
Operating expenses	1,444,722	1,224,951	1,124,154
Broker commissions	152,199	164,600	213,472
Affordable Care Act fees and premium taxes	259,022	291,190	312,377
Interest expense	14,573	25,436	18,129
Total expenses	8,421,769	7,520,778	8,136,440
Income before income taxes	955,033	328,697	19,044
Income taxes	221,006	151,628	25,699
Net income (loss)	734,027	177,069	(6,655)
Other comprehensive income (loss) net of tax			
Investments available for sale:			
Unrealized gains (losses) arising during period, net of income tax expense (benefit) of $54,501, $12,169, and $(10,418)	107,001	22,599	(19,348)
Amounts reclassified in to earnings, net of income tax expense (benefit) of $(2,333), $(21,645), and $(53,387)	(4,334)	(40,198)	(99,147)
Net unrealized gain (loss) on securities	102,667	(17,599)	(118,495)
Non-credit component of other-than-temporary impairment (losses) on investments, net of income tax expense of $137, $344, and $703	254	638	1,306
Qualified retirement plan:			
Deferred net actuarial gain (loss) net of income tax expense (benefit) of $2,574, $751, and $(6,295)	9,682	1,395	(11,689)
Postretirement and other benefit plans:			
Deferred net actuarial gain (loss), net of income tax expense (benefit) of $(1,407), $915, and $3,002	(5,294)	1,699	5,575
Deferred prior service credit, net of income tax expense (benefit) of $(77), $459, and $(82)	(288)	853	(153)
Total other comprehensive income (loss)	107,021	(13,014)	(123,456)
Total comprehensive income (loss)	$841,048	$164,055	$(130,111)

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina

Consolidated Statement of Changes in Accumulated Capital

(dollars in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Total Accumulated Capital
Balance, January 1, 2015	$2,405,172	$293,201	$2,698,373
Net loss	(6,655)	-	(6,655)
Other comprehensive loss	-	(123,456)	(123,456)
Balance, December 31, 2015	$2,398,517	$169,745	$2,568,262
Net income	177,069	-	177,069
Other comprehensive loss	-	(13,014)	(13,014)
Balance, December 31, 2016	$2,575,586	$156,731	$2,732,317
Net income	734,027	-	734,027
Other comprehensive loss	(465)	107,021	106,556
Balance, December 31, 2017	$3,309,148	$263,752	$3,572,900

The accompanying notes are an integral part of these consolidated financial statements.

Blue Cross and Blue Shield of North Carolina
Consolidated Statements of Cash Flows
(dollars in thousands)

	For the years ended December 31,		
	2017	**2016**	**2015**
Cash flows from operating activities:			
Net income (loss)……	$734,027	$177,069	$(6,655)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	83,636	41,608	30,890
Deferred income taxes	44,696	149,747	(28,868)
Net change of deferred acquisition costs.....	922	1,882	3,158
Accretion of discounts and amortization of premiums, net.....	13,543	11,719	15,946
Net gain (loss) on sale of property and equipment ...	13,489	362	(28,724)
Net realized gains on disposition of investments.....	(6,667)	(61,843)	(152,534)
Other-than-temporary impairment losses recognized in earnings	390	982	2,009
(Gain) loss on equity affiliates	(35,526)	(5,445)	(47,513)
Changes in operating assets and liabilities:			
Premiums and other receivables	(1,806)	10,553	(45,176)
Affordable Care Act receivables	236,118	154,041	(37,278)
Prepaid pension asset.....	(6,607)	(1,774)	15,159
Other assets.....	47,265	(53,069)	19,176
Medical and other benefits payable	81,413	1,419	(18,454)
Contract reserves	(145,499)	(50,821)	(37,173)
Unearned premiums.....	(5,957)	18,544	(29,933)
Accounts payable and accrued expenses.....	227,189	16,167	130,238
Changes in book overdrafts……	(323)	(6,986)	(25,864)
Income taxes receivable/payable	77,078	8,520	58,190
Pension, postretirement and other retirement benefits	(3,998)	(244)	(18,083)
Net cash provided by (used in) operating activities…….	1,353,383	412,431	(201,489)
Cash flows from investing activities:			
Purchases of investments……...	(2,179,464)	(1,009,200)	(600,015)
Sales and maturities of investments……..	1,156,390	854,392	914,937
Net purchases of property and equipment…….	(105,834)	(118,458)	(128,566)
Change in receivable/payable for securities……..	2,374	4,080	3
Proceeds from sale of property and equipment…….	-	-	33,368
Net cash (used in) investing activities…….	(1,126,534)	(269,186)	219,727
Cash flows from financing activities:			
Changes in debt.....	(49,245)	(128,751)	68,960
Changes in bank overdrafts……	-	-	(44,310)
Net cash provided by (used in) financing activities……..	(49,245)	(128,751)	24,650
Net increase (decrease) in cash and cash equivalents.....	177,604	14,494	42,888
Cash and cash equivalents at beginning of year.....	95,134	80,640	37,752
Cash and cash equivalents at end of year	$272,738	$95,134	$80,640
Supplemental disclosure of cash paid for:			
Interest……...	$14,573	$25,436	$18,129
Income taxes…….	$93,000	$1,060	$3,050

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Blue Cross and Blue Shield of North Carolina (BCBSNC; we; our; us; the Company) is a health services company domiciled in the state of North Carolina. The membership of BCBSNC and its subsidiaries (collectively the Company) totaled approximately 2.7 million members as of December 31, 2017. Including members served on behalf of other Blue plans, the Company's membership totaled approximately 3.8 million members served as of December 31, 2017. The Company's customers are located primarily in North Carolina, where the Company is licensed and operates. The Company provides a comprehensive spectrum of health benefits products and BCBSNC holds the exclusive licenses to use the Blue Cross® and Blue Shield® names and service marks in North Carolina. Health benefits offerings include preferred provider organization, or PPO, traditional indemnity medical, health maintenance organization, or HMO, Medicare supplement, Health Savings Account, or HSA, and Medicare Advantage plans. The Company also offers a broad range of health benefits services for self-funded plans, including claims processing, stop-loss insurance, actuarial and reporting services, network access, medical cost management and other administrative services. In addition, the Company offers a range of other products, including coverage for dental, vision, group life, disability, accidental death and dismemberment, long-term care, prescription drugs including Medicare Part D, vision hardware, mental health, substance abuse, and chiropractic benefits. The Company offers these products and services to large and small employers, groups and government units as well as individuals.

As of December 31, 2017, BCBSNC had five wholly-owned subsidiaries: Beacon Health Holdings ("Beacon"); Corium, LLC ("Corium"); Corium II, LLC ("Corium II"); Blue Cross and Blue Shield of North Carolina Senior Health ("Senior Health"); and NobleHealth, Inc. ("NobleHealth"). Beacon is a holding company for not-for-profit subsidiaries and affiliates. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Senior Health will provide Medicare plans in the future. NobleHealth holds non-controlling strategic investments in certain health services companies and has six wholly-owned subsidiaries: Mosaic Group Services, LLC ("Mosaic Group"); Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); Noble Benefit Services, LLC ("NBS"); Topaz Shared Services, LLC ("Topaz"); ACS Benefit Services, LLC ("ACS"); and NC Health Affiliates, LLC ("NCHA"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions holds non-controlling strategic investments in certain health services companies. NBS will function as a third-party administrator for self-insured employer groups. Topaz provides a healthcare payer operating system. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NCHA operates as a staff augmentation service.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in conformity with generally accepted accounting principles (GAAP) in the United States (US). Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary impairments and other valuation accruals. Actual results could differ materially from those estimates.

The consolidated financial statements include the accounts of BCBSNC and all of its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Change in Accounting Principle

During 2017, we voluntarily changed our method of amortizing gains and losses in our defined benefit pension plans which are recognized in accumulated other comprehensive income ("AOCI") to a straight-line method over a 5 year period without the use of a corridor. Previously, we amortized unrecognized gains and losses in

excess of a 10% corridor over the estimated life (approximately 32 years) of plan participants. We adopted this new amortization method because it results in faster amortization and is more consistent with how the related pension balances are recognized on the balance sheet. Comparative amounts from prior periods have been adjusted to apply this new amortization methodology retrospectively in these financial statements to January 1, 2015.

Following are the impacts to financial statement line items as a result in the change in method of amortizing gains and losses for the periods presented in the financial statements:

	Consolidated Statement of Changes in Accumulated Capital – as adjusted		
	Accumulated Earnings	**Gross Unrealized Losses**	**Fair Value**
Balance, January 1, 2015, as previously reported	$2,444,803	$253,570	$2,698,373
Adjustment to record impact of change in amortization for defined benefit plan gains and losses – see note	(39,631)	39,631	-
Balance, January 1, 2015, as revised	$2,405,172	$293,201	$2,698,373

	Consolidated Statements of Comprehensive Income			
	2016		**2015**	
	As Adjusted	**Previously Reported**	**As Adjusted**	**Previously Reported**
Operating expenses	$1,224,951	$1,212,686	$1,124,154	$1,113,110
Total expenses	7,520,778	7,508,513	8,136,440	8,125,396
Income (loss) before income taxes (benefits)	328,697	340,962	19,044	30,089
Income tax (benefits)	151,628	155,921	25,699	29,565
Net income	177,069	185,041	(6,655)	524
Qualified retirement plan:				
Deferred net actuarial gain (loss), net of income tax	1,395	(6,777)	(11,689)	(18,212)
Postretirement and other benefit plans:				
Deferred net actuarial gain (loss), net of income tax	1,699	1,899	5,575	4,919
Total other comprehensive income (loss)	(13,014)	(20,986)	(123,456)	(130,635)
Total comprehensive income (loss)	164,055	164,055	(130,111)	(130,111)

	Consolidated Statements of Cash Flows			
	2016		2015	
	As Adjusted	Previously Reported	As Adjusted	Previously Reported
Cash flow from operating activities:				
Net income (loss)	177,069	185,041	(6,655)	524
Pension, postretirement and other retirement benefits	(244)	(8,217)	(18,084)	(25,262)
Net cash provided by (used by) operating activities	412,431	412,431	(201,489)	(201,489)

The change in accounting method, during 2017, increased operating expenses by approximately $11.8 million, before income taxes of approximately $4.1 million.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance that would require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP, except those related to insurance contracts, when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The guidance is effective for annual reporting periods beginning after December 15, 2018. The Company expects to adopt the new guidance through retrospective restatement and is currently working to develop required disclosures and restate historical periods in line with its chosen method of adoption. The Company does not anticipate significant changes to its systems, processes or controls. The Company expects the adoption of this guidance will not have a material impact on our consolidated financial statements.

In April 2015, the FASB issued new guidance requiring entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. This standard is effective beginning with annual reporting periods beginning after December 15, 2016. We adopted this new guidance effective January 1, 2017, which did not have a material impact on our consolidated financial statements.

In May 2015, the FASB issued new guidance requiring insurance entities to provide additional disclosures about claim liabilities including paid claims development information by accident year and claim frequency data and related methodologies. The guidance is effective for annual periods beginning after December 15, 2016 with early adoption permitted. We adopted this new guidance effective January 1, 2017.

In November 2015, the FASB issued new guidance, which eliminates the current requirement to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, we will be required to classify all deferred tax assets and liabilities as noncurrent. The guidance is effective for annual periods beginning after December 15, 2017. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued new guidance related to classification and measurement of financial instruments which requires equity securities that are not accounted for using the equity method or that do not result in consolidation, to be accounted for at fair value with changes in fair value recognized through net income. The

new guidance is effective beginning after December 15, 2018 with early adoption permitted under certain circumstances. The cumulative effect adjustment will depend on investments held and market conditions at adoption.

In February 2016, the FASB issued new guidance related to accounting for leases which requires lessees to record assets and liabilities reflecting the leased assets and lease obligations, respectively, while following the dual model for recognition in statements of income requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). The guidance is effective beginning with annual periods beginning after December 15, 2019, with earlier adoption permitted, and requires retrospective application to previously issued financial statements. The adoption of this new guidance is not expected to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued new guidance introducing a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses (CECL). The new CECL model generally calls for the immediate recognition of all expected credit losses and applies to loans, accounts and trade receivables as well as other financial assets measured at amortized cost, loan commitments and off-balance sheet credit exposures, debt securities and other financial assets measured at fair value through other comprehensive income, and beneficial interests in securitized financial assets. The new guidance replaces the current incurred loss model for measuring expected credit losses, requires expected losses on available-for-sale debt securities to be recognized through an allowance for credit losses rather than as reductions in the amortized cost of the securities, and provides for additional disclosure requirements. Our investment portfolio consists of available for sale debt securities. The guidance is effective beginning with annual periods beginning after December 15, 2020. We are currently evaluating the impact on our consolidated financial statements.

In August 2016, the FASB issued new guidance addressing the classification of certain cash receipts and cash payments. The intent of this guidance is to provide consistency in the presentation and classification of cash receipts and payments within the statement of cash flows. The guidance is effective beginning with annual periods beginning after December 15, 2018 with early adoption permitted and should be applied on a retrospective basis. The adoption of this new guidance is not expected to have a material impact on our consolidated financial statements.

In January 2017, the FASB issued new guidance clarifying the definition of a business. The guidance is effective beginning with annual periods beginning after December 31, 2018 with early adoption permitted. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued new guidance modifying the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity no longer will determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. The guidance is effective beginning with annual periods beginning after December 31, 2021 with early adoption permitted. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In March 2017, the FASB issued new guidance modifying the presentation of net periodic pension cost and net periodic postretirement benefit cost. The guidance is effective beginning with annual periods beginning after December 31, 2018. The adoption of the new guidance will not have a material impact on our consolidated financial statements.

In March 2017, the FASB issued new guidance related to the amortization of purchased callable debt securities. The guidance is effective beginning with annual periods beginning after December 31, 2019. This guidance has been adopted with no impact to our consolidated financial statements.

Risks and Uncertainties

Unfavorable economic conditions could materially and adversely affect our revenues and our results of operations. For example, high unemployment rates could cause lower enrollment or lower rates of renewal in our employer group plans. Unfavorable economic conditions could cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. In addition, unfavorable economic conditions could adversely impact our ability to increase premiums or result in the cancellation by certain customers of our products and services. All of these could lead to a decrease in our membership levels and premium and fee revenues and could materially and adversely affect our results of operations, financial position and cash flows.

Our investment portfolio may suffer losses, which could materially and adversely affect our results of operations, financial position and cash flows. Market fluctuations could impair our profitability and capital position. Volatility in interest rates affects our interest income and the market value of our investments in debt securities of varying maturities, which comprise a majority of the fair value of our investments as of December 31, 2017.

We also allocate a proportion of our portfolio to equity and alternative investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions, and many other factors beyond our control can materially and adversely affect the value of these investments and may result in investment losses.

There can be no assurance that our investments will produce total positive returns or that we will not sell investments at prices that are less than their carrying values. Changes in the value of our investment assets, as a result of interest rate fluctuations, changes in issuer financial conditions, illiquidity or otherwise, could have an adverse effect on our equity. In addition, if it became necessary for us to liquidate our investment portfolio on an accelerated basis, it could have a material adverse effect on our results of operations.

Investments made in privately held healthcare companies are not guaranteed to produce positive results. Our financial results may be impacted by a number of factors including, but not limited to, the failure of companies in which we invest to achieve business and operating plans, failure of these companies to adapt to a rapidly changing healthcare environment, and the inability of these companies to attract and retain key executives and employees. Additionally, negative changes in the financial markets could result in lower valuations (impacting the carrying value of investments already made) and the inability of these companies to access capital or to access capital on favorable terms. The impact of some or all of these risks could result in the impairment of some or all of our investments.

We routinely process, store, and transmit large amounts of data in our day to day operations. Such data includes sensitive personal, proprietary or confidential information relating to our customers, our business or other third-parties. Some of this data may be processed, stored, and transmitted outside of the U.S. because of operational reliance on strategic vendors.

The possibility of security incidents resulting in a breach of our information systems and/or sensitive information are constant risks to our organization. Notwithstanding the proactive and aggressive measures we employ to prevent them, experienced cyber criminals may be able to penetrate our layered security controls and misappropriate or compromise sensitive information given sufficient time and resources. Such attacks could create system disruptions or shutdowns. They may also result in the deployment of malicious software programs, such as viruses and worms, which could infect our systems or otherwise exploit any security vulnerabilities. Physical attacks and disruptions are also a risk. Our facilities may be subjected to security incidents or security attacks; acts of vandalism or theft; coordinated attacks by activist entities; misplaced or lost data; human errors; or other similar events that could negatively affect our systems and our customers' data.

The costs associated with threat mitigation and vulnerability remediation to prevent a breach or cyber-incident are significant, but potentially much greater when such activities are forced to occur after an event. Such efforts are always impactful and may not always be successful. Service interruptions, delays or complete lack of service resulting in customer dissatisfaction and the loss of existing or new customers are additional impacts associated with these activities. Breaches of our security measures and the unauthorized disclosure of sensitive

information could expose our customers to the risk of medical identity theft or financial harm. Additionally, such breaches could expose us or other third-parties to loss or misuse of sensitive information. This could result in litigation and potential liability for us, damaging our brand and reputation, or otherwise harm our business.

Substantially all of the Company's cash and cash equivalents are held in either deposits at financial institutions or in commercial paper with a high quality investment grade rating. Credit losses are not anticipated. All fixed income securities are rated investment grade at the time of purchase by nationally recognized rating agencies, and the credit ratings are continuously reviewed by management. The portfolio is diversified by limiting each individual non-government issuer concentration to no more than 5% of the portfolio.

We are dependent on the success of our relationship with a large vendor for a significant portion of our information system resources and certain other vendors for various other services. We have an agreement with Fujitsu America, Inc (Fujitsu), through February 2019 for the operation of our Information Technology systems and are dependent upon them for support functions. Additionally, we have signed a contract with HCL America (HCL) to begin transferring operations performed by Fujitsu in 2018; this will be effective through January 2021. We also have agreements with other vendors to provide call center, claims processing, enrollment and billing, and fulfillment support. Additionally, we have vendor dependencies associated with various workflow and transactional systems critical to our operations. Should these vendors be unable to provide their services, our operations and financial stability may be significantly impacted, but more importantly we may not be able to meet the demands of our customers.

The inability to bring a scalable and flexible information technology infrastructure to support and deliver on the current and anticipated future needs of the business in an efficient, cost effective and well-controlled manner could impact results of operations, financial position and cash flows. Our current core technology suite, infrastructure and business model is intended to provide core operating capabilities including enrollment, claims-processing and customer services with the explicit goals of reducing our operating costs and increasing speed-to-market and market offer flexibility. This core platform has been in service for our Small Group market since July 2014 and Individual Under 65 market since January 2016, with additional markets migrating over a number of years as we add new functionality. Our infrastructure model is transitioning from a fully outsourced model to a model including select outsourced responsibilities with others managed by the Company. Completion of these programs could favorably position the Company and improve our price competitiveness and speed-to-market. To achieve these outcomes, the decommissioning of existing infrastructure as the additional markets migrate will also be required. Execution risk exists on programs of this magnitude and complexity, while the business and operating cost value is largely delivered upon completion of the migration.

In addition, federal and state regulatory agencies may further restrict our ability to implement necessary changes in premium rates to earn our target contribution to surplus or impose additional restrictions, under new or existing laws, such as minimum medical loss ratio requirements or restricted definitions of costs to be included when calculating medical loss ratios under such definitions. Our ability to secure sufficient premium rates, including regulatory approval for and implementation of such rates on a timely basis, may be restricted by changes in federal and state regulations or by the application of existing federal and state regulations. A limitation on our ability to increase or maintain our premium rates and more restrictive medical loss ratio requirements could adversely affect our business, cash flows, financial condition and results of operations.

A wide variety of factors could result in volatility of medical losses in any given year. These factors include economic, legislative and regulatory risks whereby state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments for federal and state government health care coverage programs, including Medicare and Individual Exchange business. A reduction in state reimbursement rates could be implemented retrospectively to payments already negotiated and/or received from the government and could indirectly affect our results of operations, financial position and cash flows. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments for our commercial programs, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims, and could materially and adversely affect our results of operations, financial position and cash flows. New types of medical treatments or prescription drugs, increases in utilization of healthcare services, and unplanned changes to provider reimbursement rates could

emerge during the policy period or after the time premiums are established and approved by regulators, resulting in higher medical losses than expected. Finally, the actual size of a buying market or participation in a given market may vary from what is assumed at the time premiums are set, resulting in higher average medical costs in a risk pool and insufficient revenue.

Depending on the consolidation and integration of physician groups and hospitals, reimbursement strategies vary across markets. Fee-for-service is our predominant reimbursement methodology for physicians, but we are transitioning to a value-based payment program. More traditional physician fee schedules are developed at the state and regional level based on an assessment of several factors and conditions, including the Centers for Medicare & Medicaid Services ("CMS"), resource-based relative value system, medical practice cost inflation and physician supply. In addition, we have implemented and continue to expand physician incentive contracting, or "pay for performance", which ties physician payment levels to performance on quality and clinical outcomes. As providers continue to consolidate, we may experience upward pressure on reimbursement amounts and, in turn, our business, cash flows, financial condition and results of operations may be harmed.

Additionally, accountable care organizations ("ACOs"), physician practice management companies, and other organizational structures that physicians, hospitals and other care providers choose may change the way in which these providers interact with us and may change the competitive landscape. Such organizations or groups of physicians may compete directly with us, which could adversely affect our operations, and our results of operations, financial position and cash flows by impacting our relationships with these providers or affecting the way that we price our products and estimate our costs, which might require us to incur costs to change our operations.

Another risk that may develop relates to changes and disruption being incurred in our marketplace. The traditional payer-provider dynamic is being challenged by providers looking to expand into the payer space and create their own health plans. New entrants into the insurance space that heavily focus on automation and lower administrative expense create competition for payers. And finally, new technologies and delivery models may carve out the need for the traditional payer and provider service models. As these disruptive risks appear on the horizon, we are assessing them and planning for our best mitigation strategies to adapt our business model to take advantage of the changes while still providing value to our members as an enterprise.

The passage of the Affordable Care Act (ACA) in 2010 has resulted in dynamic changes in the provision of health insurance. The law brought many substantive changes to the health insurance market and has had a significant impact on health insurer operations. Some of the larger and more far-reaching requirements of the law include the individual and employer mandates, federal subsidies for low and middle income consumers, establishment of a standard set of benefits in the individual and small group markets (known as the Essential Health Benefits), an online Marketplace for consumers to compare and purchase health insurance, more stringent rating restrictions as well as increased review and scrutiny of rate increases. Additionally, the law imposed numerous new taxes and fees on insurers. While many of these provisions of the law have been in effect for several years, health insurance issuers continue to feel the far-reaching effects of a litany of subsequent regulations and guidance implementing the law.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their pre-ACA plans that are not compliant with health care reform, which led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers across many states, this resulted in many consumers who would have bought ACA compliant plans, staying in either grandfathered or transitional (grandmothered) plans. But over the past seven years, many customers have given up their grandfathered plans – and many insurers have stopped offering them. Because no new customers have joined this pool in seven years, the group as a whole has gotten older and sicker. Without new, healthier members to balance these high cost members, grandfathered plans have become too expensive to continue offering and we terminated Individual grandfathered plans effective 12/31/2017.

In addition, the ACA has increased federal oversight of health plan premium rates and could adversely affect our ability to appropriately adjust health plan premiums on a timely basis. Financing for these reforms comes, in part, from material additional fees and taxes.

Given the breadth of possible changes and the uncertainties of interpretation, implementation, and timing of these changes, health care reform broadly has and will continue to change how we do business. These changes are likely to impact pricing, benefit design, product offering, and sales distribution channels. The response of insurance issuers, the market overall, and adjustments to plan offerings has caused some disruption in health care markets. Several national and state level issuers have experienced significant losses as a result of older and sicker members than expected enrolling in ACA plans, both within and outside of the Exchange. It is possible that health care reform and related regulations, as well as future legislative and regulatory changes, including legislative restrictions on issuers' ability to manage provider networks or otherwise operate business, may have a sustained material adverse effect on our results of operations, financial position, and cash flows.

In the 2015 federal budget bill, Congress specified that the ACA's risk corridor program must be budget neutral, with distributions not exceeding collections. In October 2015, CMS announced that for the 2014 benefit year, they would pay insurers expecting risk corridor payments 12.6% of their requested amount due to a shortfall with insurers having requested $2.87 billion in payments and CMS receiving $362 million (in aggregate). The notice repeated CMS' intention to pay the remaining 2014 amounts due out of 2015 and 2016 receivables. CMS stated that in the event of a shortfall in the program after the 2016 benefit year, they will 'explore other sources of funding for risk corridors payments'. In November 2016, CMS announced that all 2015 risk corridor collection amounts would be used to pay outstanding 2014 payments and that no funding would be available to pay 2015 amounts due. The 2015 payment amount was approximately 3.5% of the total 2014 requested amount. In November 2017, CMS released data on risk corridor obligations for 2016. The net payment owed to issuers for the 2016 benefit year was $4.9 billion nationwide. As expected, CMS will not make any payments toward the 2016 losses. Instead, CMS intends to use the 2016 collections, which amount to $24.9 million, to make additional payments towards the 2014 risk corridor outstanding balance. This continued uncertainty regarding receipt of risk corridor owed amounts makes financial forecasting and reporting increasingly challenging.

The election of Donald Trump, coupled with Republican majorities in both houses of Congress, presented a possibility to repeal and replace the ACA early in 2017. In May 2017, the House passed health reform legislation and sent it to the Senate. The Senate then introduced their own health reform legislation which did not pass. In December 2017, Congress did pass, and the President signed into law, a tax reform bill which also eliminated the individual mandate penalty for 2019. Uncertainty remains as to what further policy changes will be forthcoming either through legislation or via regulations.

The US House of Representatives filed a lawsuit challenging the legality of Department of Health and Human Services (HHS) Cost Sharing Reduction (CSR) payments to insurers. CSR plans provide lower member cost share amounts and are available to enrollees at or below 250% of the Federal Poverty Level (FPL). HHS makes CSR payments directly to the Company as reimbursement for the lower cost-sharing amounts provided in CSR plans.

The House of Representatives maintained that the funds for CSR payments require a direct appropriation from Congress, which has not been made. The Obama administration, which was in office at the time of the lawsuit, maintained that CSR payments and the Advance Premium Tax Credit (APTC or subsidies) are inextricably linked (as APTC eligibility triggers CSR eligibility); thus, the appropriation for APTC serves as appropriation for CSRs as well.

In May 2016, a federal judge ruled in favor of the House of Representatives, but stayed the ruling pending the outcome of the appeal being pursued by the Obama administration (thus, allowing CSR payments to continue pending the appeal). In October 2017, the Trump administration announced that it was ending the subsidy program. Shortly thereafter, a coalition of 19 state Attorneys General, including N.C. Attorney General Josh Stein, filed a lawsuit in the Northern District of California against the Trump administration's decision to stop making the CSR payments (*California v. Trump).* Then, in December 2017, the Trump administration, the House of Representatives, and the 19 Attorneys General settled the *US House of Representatives v. Burwell* lawsuit. Under the settlement, the parties ask the Appeals Court to remand to the federal judge who ruled in favor of the House of Representatives and ask her to vacate the holding in her decision, e.g., the injunction against paying CSR payments absent an appropriation. Additionally, the settlement includes an agreement that

the federal judge's decision on both standing and the merits have no precedential value. The parties are awaiting finalization of the settlement. Regardless, the *California v. Trump* lawsuit continues for now.

The outcome of all of the CSR litigation is important because the Company is required to offer CSR plans to eligible individuals for the entire plan year under the issuer agreement with the Federal Exchange.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and not restricted to be cash equivalents. Cash equivalents totaled $72,479 and $56,752 as of December 31, 2017 and 2016, respectively. Cash and cash equivalents are carried at cost, which approximates fair value due to the short maturity of these assets.

Included in other noncurrent assets as of December 31, 2017 and 2016 are restricted money market funds and bonds of $0 and $30,949, respectively, which were on deposit with the state of North Carolina in accordance with contractual requirements.

Investments

All investments are categorized as available-for-sale and are recorded at their fair values as of the balance sheet date. The Company records purchases and sales as of the trade date. Fixed income securities are classified as either current or noncurrent assets based on their contractual maturities as well as management's expectations as to when they will be sold. If the Company does not intend to sell the fixed income security, management considers available evidence to assess whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost basis. Equity securities are primarily classified as current as they are available for use for current operations. Certain securities, which are used to satisfy contractual, regulatory or other requirements, continue to be classified as long-term, without regard to contractual maturity. Venture capital investments, real estate funds, private equity funds and private equity securities are classified as noncurrent assets.

Realized gains and losses, including other-than-temporary impairments that are determined to be due to credit, are included in income. Unrealized gains, unrealized losses estimated to be temporary in nature and other-than-temporary impairments determined to be non-credit related, net of deferred income taxes, are reflected in accumulated capital as Accumulated Other Comprehensive Income (Loss) (AOCI). Realized gains and losses on investments sold are determined on the specific identification basis. Interest and dividend income is recorded on the accrual basis.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other-than-temporary impairment. Impairment losses for declines in value of fixed income investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate. Some, but not all, of the factors considered in evaluating financial condition are earnings trends, industry outlook, negative cash flows, profitability, capital, the length of time below book value, downgrade of debt ratings and asset quality which could lead to an other-than-temporary impairment of any security. U.S. Treasury securities with unrealized losses are deemed to be temporarily impaired, with unrealized losses due to interest rate changes and not due to credit related factors. Fixed income investments with unrealized losses due to market conditions or industry-related events and where no specific evidence of deterioration of the issuers' credit exists, are not assumed to be other-than-temporary. If the Company does not intend to sell this fixed income security and management does not consider it to be more likely than not the Company will be required to sell the security before a market recovery or maturity, declines in value below amortized cost would not indicate that the security is other than temporarily impaired.

When an other-than-temporary impairment loss is determined to have occurred on equity securities, the losses are recognized in the Consolidated Statements of Comprehensive Income. The way in which impairment losses on fixed income securities are recognized in the financial statements is dependent on the facts and circumstances related to the specific security. If the Company intends to sell a security or it is more likely than not that we would be required to sell a security before the recovery of its amortized cost, less any current period credit

loss, the Company recognizes an other-than-temporary impairment in the Consolidated Statements of Comprehensive Income for the difference between amortized cost and fair value. If the Company does not expect to recover the amortized cost basis, does not plan to sell the security and if it is not more likely than not that the Company would be required to sell a security before the recovery of its amortized cost, less any current period credit loss, the recognition of the other-than-temporary impairment is bifurcated. The Company recognizes the credit loss portion in net income and the noncredit loss portion in AOCI.

The credit component of an other-than-temporary impairment is determined by comparing the net present value of projected future cash flows with the amortized cost basis of the fixed income security. The net present value is calculated by discounting our best estimate of projected future cash flows at the effective interest rate implicit in the fixed income security at the date of acquisition. For mortgage-backed and asset-backed securities, cash flow estimates are based on assumptions regarding the underlying collateral including expected prepayments, vintage, type of underlying asset, geographic concentrations, default rates, recoveries and changes in value of the underlying collateral. For all other fixed income securities, cash flow estimates are driven by assumptions regarding probability of default, including changes in credit ratings, and estimates regarding timing and amount of recoveries associated with a default.

Fair value is determined by quoted market prices, where available. For securities not actively traded, fair values were estimated using values obtained from independent pricing services or quoted market prices of comparable instruments. Management judgment is involved in evaluating whether a decline in an investment's fair value is other-than-temporary. The discovery of new information and the passage of time can change these judgments. Impairment judgments are revised when new information becomes known and any resulting impairment adjustments are made at that time.

Ownership in Investee Companies

The Company, through its wholly-owned subsidiary, NobleHealth, and its subsidiary, Mosaic Health Solutions, has ownership in several investee companies in the amount of $169,107 and $166,589 as of December 31, 2017 and 2016, respectively. Ownership interest amounts ranged from 1% to 50%. These investments are included in the Other assets line item in the Consolidated Balance Sheets and make up 5.1% and 7.0% of total invested assets at year end in 2017 and 2016, respectively.

These investments are accounted for under the equity method of accounting and the Company has elected the fair value method for most of the investments as they have determined that fair value best reflects the economics of these investments. These investments were valued using quantifiable data from the portfolio company, recent portfolio company financing events, discounted cash flows, and relevant revenue, market, earnings before interest, tax, depreciation and amortization (EBITDA), or similar multiples for comparable companies and transactions. Earnings in 2017 and 2016 for these investments were $38,397 and $14,372, respectively, which was recorded in Other income.

Premiums and Other Receivables

Premiums and other receivables include the uncollected amounts due from insured and self-funded customers and the federal government for amounts related to Medicare Advantage. Also, included in other receivables are the uncollected amounts of drug rebates, interest, certain profit sharing arrangements and other miscellaneous receivables. Premiums and other receivables are reported net of any allowance for uncollectible amounts. The allowance for uncollectible receivables is estimated each period and a valuation allowance is recorded based upon the age of unpaid amounts and other information about the customers as well as management's judgment regarding the ability of the customers to pay outstanding amounts. Estimates of uncollectible accounts receivable are revised each period, and changes are reflected in the operating expense line of the Consolidated Statements of Comprehensive Income in the period they become known. At December 31, 2017 and 2016, the Company recorded a valuation allowance of $18,281 and $12,956, respectively.

The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed

either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expenses. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts.

Affordable Care Act Risk Management Programs

Beginning in 2014, as prescribed by health care reform, three programs, commonly referred to as the 3R's, went into effect to reduce the risk for participating health insurance companies selling coverage on the public exchanges.

A three-year (2014-2016) reinsurance program was designed to provide reimbursement to insurers for high claims dollars resulting from individual business sold on or off the public exchanges. The reinsurance entity established by HHS is funded by a per-customer reinsurance fee assessed on all commercial medical plans, including self-insured group health plans. Only non-grandfathered individual plans are eligible for recoveries if claims exceed a specified threshold, up to a reinsurance cap. Reinsurance contributions associated with non-grandfathered individual plans are reported as a reduction in premium revenue, and estimated reinsurance recoveries are established with an offsetting reduction in medical claims expense. Reinsurance fee contributions for other insured business are reported in other operating expenses. After fully reflecting completed actual claims experience and sufficient claims run-out, development factors were set and used to record the reinsurance receivable. At December 31, 2017 and 2016, the Company had a reinsurance receivable of $15,923 and $100,839, respectively. In 2017, the Company collected $78,198 reinsurance related to 2016.

A permanent risk adjustment program reallocates funds from insurers with lower risk populations to insurers with higher risk populations based on the relative risk scores of participants in non-grandfathered plans in the individual and small group markets, both on and off the exchanges. Based on the risk of our members compared to the risk of other members in the same state and market, considering data obtained from industry studies and our proprietary market data, we estimate our year-to-date risk adjustment. The Company records a risk adjustment receivable or payable, with an offsetting adjustment to premium revenue when the amounts are reasonably estimable and collection is reasonably assured. To determine this amount, we used 3rd party consultant studies to supplement our own estimates in both years. These results were validated with internal actuarial models. At December 31, 2017 and 2016, the Company had a risk adjustment receivable of $41,000 and $165,000, respectively. Actual experience resulted in a risk adjustment of $170,500 for 2016, which was fully collected during the year.The Company does not have an outstanding receivable on risk adjustment for 2016. In 2016, the Company collected the vast majority of the risk adjustment receivable established in 2015.

A three year (2014-2016) risk corridor program is designed to limit insurer gains and losses by comparing allowable costs to a target amount as defined by HHS. This program applies to individual and small group qualified health plans, operating on and off the exchanges. Variances from the target amount exceeding certain thresholds may result in amounts due to or due from HHS. The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on our year-to-date experience when the amounts are reasonably estimable. At December 31, 2017 and 2016, the Company had a net risk corridor receivable of $0 and $15,121 respectively.

In December 2014, the 2015 Continuing Resolution Omnibus Bill was approved by Congress and signed into law. Due to the lack of appropriation in the budget for the risk corridor program and the likelihood that payments required to be made by CMS would exceed amounts collected to fund the program, the Company evaluated the collectability of the risk corridor receivable and determined that it was probable that none of the 2015 amounts due from CMS would be collected and none of the 2016 amounts would be collected. As a result, the Company had a reserve of $357,735 and $325,919 as of December 31, 2017 and 2016, respectively.

The following is a summary of the 3R's as of December 31, 2017. Amounts are classified as current or long-term in the accompanying Consolidated Balance Sheets based on the timing of expected settlement.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$15,923	$41,000	$-

Non-current assets	-	-	$-
Net asset	$15,923	$41,000	$0

The following is a summary of the 3R's as of December 31, 2016.

	Reinsurance Recoveries	Risk Adjustment	Risk Corridor
Current assets	$100,839	$165,000	$3,040
Non-current assets	-	-	12,081
Net asset	$100,839	$165,000	$15,121

Federal Employee Program

The Company participates in the Federal Employee Health Benefits Program (FEHBP) with other BlueCross BlueShield Plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and the Blue Cross Blue Shield Association (BCBSA), which acts as an agent for the participating BlueCross BlueShield plans. In addition, each participating plan, including the Company, executes a contract with BCBSA which obligates each participating plan to underwrite FEP benefits in its service area. Premium rates are developed by BCBSA and negotiated with OPM annually. These rates determine the funds that will be available to the participating BlueCross BlueShield plans to provide insurance to Federal employees that enroll with the BlueCross BlueShield FEP. The excess of gross premiums for the life of the program over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA. Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by the participating plans in the event that annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating BlueCross BlueShield plan, including the special reserve and the contingency reserve, are held at the U.S. Treasury, including amounts unused from prior periods. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract after the claims run-out and reimbursement of allowable administrative expenses would be returned to OPM for the benefit of the FEHBP. The FEP contract renews automatically each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Company in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Company, along with other BlueCross BlueShield plans who participate in the FEHBP contract, has an unrestricted right to draw funds being held in the U.S. Treasury, other than those allocated to the contingency reserve, for any valid claim or expense. If the balance of the special reserve is exhausted or falls below certain prescribed levels, OPM will transfer funds from the contingency reserve to the special reserve to the extent that funds are available in the contingency reserve. Amounts incurred in excess of the total reserves held at the U.S. Treasury for the FEP would not be reimbursed to the Company. The unaudited amounts being held in the special reserve are $7,862,341 and $6,333,521 as of September 30, 2017 and December 31, 2016, respectively. The unaudited amounts being held in the contingency reserve are $9,077,270 and $8,678,494 as of September 30, 2017 and December 31, 2016, respectively.

The Company has recorded its allocable share of the special reserve funds held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. These amounts are $135,880 and $43,286 as of December 31, 2017 and 2016, respectively, and are included in Other current assets and Other current liabilities in the accompanying Consolidated Balance Sheets. Additionally, the Company has recorded a mandatory statutory reserve for its FEP business. These amounts are $36,542 and $33,388 as of December 31, 2017 and 2016, respectively, and are included in Cash and other non-current liabilities in the accompanying Consolidated Balance Sheets.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, investments and premium and other receivables. All cash equivalents and investments are managed within established guidelines, which provide us diversity among issuers. Concentrations of credit risk with respect to premium and other receivables are related to our large number of payers comprising our customer base and the federal government.

FEP represented approximately 19.5% and 16.1%, of accounts receivable as of December 31, 2017 and 2016, respectively. ACA receivables represented 9.0% and 32.9% of accounts receivable as of December 31, 2017 and 2016, respectively. FEP and ACA receivables represented approximately 28.5% and 49.0% of accounts receivable for the years ended December 31, 2017 and 2016, respectively.

FEP represented approximately 11.1%, 14.4%, and 13.6% of net revenue for the years ended December 31, 2017, 2016 and 2015, respectively. ACA represented approximately 39.8% 23.2% and 23.0% of net revenue as of December 31, 2017, 2016, and 2015 respectively. FEP and ACA revenue represented approximately 50.9%, 37.6%, and 36.6% of net revenue for the years ended December 31, 2017, 2016 and 2015, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets, which are 40 to 50 years for buildings, 3 to 10 years for furniture and equipment, and 2 to 10 years for computer equipment and software. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Upon disposition or retirement, assets and related accumulated depreciation accounts are relieved and any related gain or loss is reflected in the Consolidated Statements of Comprehensive Income. Property and equipment is evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. Property and equipment retired from use is classified as held for sale and is carried at the lower of its depreciated cost or fair value, less estimated costs to sell. The Company ceases depreciating these assets when they are classified as held for sale.

The Company develops software for internal use. Certain costs associated with the development or purchase of internal-use software are capitalized and amortized over the estimated useful lives of the software. All other development costs are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost of acquisition over the fair value of net assets acquired. Intangible assets represent the values assigned to acquired subscriber relationships and provider networks. Intangible assets are recognized as assets apart from goodwill because they meet one of two criteria: the contractual-legal criterion or the separability criterion. Goodwill is amortized over 10 years using the straight line method. Goodwill impairment testing will only occur if there is a triggering event that indicates that the fair value of the entity is below its carrying amount. If it is determined the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference in that period.

Intangible assets are amortized over periods that originally range from 12 to 31 years using the undiscounted cash flow method. Intangible assets are evaluated annually for the existence of events or changes in circumstances that indicate the asset might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that the intangible assets' fair value is less than its carrying amount. Based on the results of this assessment, the Company may conduct a quantitative impairment test if the fair value of the intangible assets was determined to be, more likely than not, less than its carrying amount. Recoverability of intangible assets is primarily determined by a comparison of the carrying amount of the assets to future net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Medical and Other Benefits Payable

The reserve for medical and other benefits payable includes management's estimate of the ultimate cost of the claims in process of settlement, claims incurred but not yet reported, and claims adjustment expenses needed to settle these claims.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for medical and other benefits payable are continually reviewed and revised as changes in experience and other factors occur, and revisions are reflected in the claims and medical expense line of the Consolidated Statements of Comprehensive Income in the period in which the change in estimate is identified. Changes in medical cost trend and claims payment patterns used in estimating reserves would impact the balance of medical and other benefits payable. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to the Company's actuarial methods in the last three fiscal years.

We partner with eligible provider organizations in the state of North Carolina who agree to serve as ACOs to our members assigned to it. The ACOs aim to improve the quality of care their members receive while simultaneously lowering per capita costs. As an incentive to meet these goals, a portion of the savings representing the difference between claim payments made to the organization and a predetermined threshold are paid to the ACO if quality requirements are also met. If claim payments made to the ACO organization are higher than the predetermined threshold, then no shared savings payment is made. Other provider incentives are accrued as well, to cover programs based on quality metrics as well as incentives to improve quality, cost and/or coding efforts in the future.

Contract Reserves

Contract reserves are established for long duration insurance products where, because of the policy's design, future benefit costs increase because of factors that the plan cannot reflect in the premiums. The liability, established when a portion of the premium collected in years prior to the valuation date is meant to help pay for claim costs arising in later years, represents the present value of future benefits paid to or on behalf of policyholders and related expense less the present value of future net premiums. Contract reserves are actuarially estimated using methods that include locked in assumptions such as interest rates, claim trends, persistency, and other assumptions. The assumptions include a provision for possible unfavorable deviation. Contract reserves are established for NAIC Medicare Supplement products. In 2017, our Blue Advantage policies were terminated, and we are no longer holding any contract reserves for that block.

The current portion of contract reserves relates to the estimated amount by which the Company expects claims costs to exceed premiums collected over the next twelve months.

Book Overdrafts

Under our cash management system, checks issued but not yet presented to banks frequently result in overdraft balances for accounting purposes. These amounts are classified as a current liability in the Consolidated Balance Sheet and was $133,351 and $133,674 for the years ended December 31, 2017 and 2016, respectively. Changes in book overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as an operating activity.

Bank Overdrafts

Under our cash management system, payments issued and presented to our banks can result in overdraft balances at those banks when immediate funding is not available; an extension of credit from the bank is granted. These amounts are classified as a current liability in the Consolidated Balance Sheets and was $0 for each of the years ended December 31, 2017 and 2016. Changes in bank overdrafts from period to period are reported in the Consolidated Statement of Cash Flows as a financing activity.

Premium Deficiency

Premium deficiencies are recognized when it is probable that expected future claims and claims adjustment expenses will exceed existing reserves plus anticipated future premiums on existing health benefit contracts with the consideration of investment income and overhead expense allocation. For purposes of premium deficiencies, contracts are deemed to be either short or long duration and are grouped in a manner consistent with the Company's method of acquiring, servicing and measuring the profitability of such contracts. Management determined that no premium deficiency reserve was warranted as of December 31, 2017 and 2016.

Revenue Recognition and Unearned Premiums

Revenue is principally derived from health benefit premiums. Generally, membership contracts have one-year terms. Group contracts are subject to cancellation upon 30 days written notice. Premiums are generally due monthly and are recognized as revenue during the period in which the Company is obligated to provide services or benefits. Amounts that are billed and received but unearned are recorded as unearned premiums. Because employer groups generally provide changes to their eligible member population one month in arrears, each billing includes an adjustment to premiums for the prior month's changes in member status that were not reflected in the original billing. Premium refunds are shown as a reduction in premium.

Our Medicare Advantage premium revenues are subject to periodic adjustment under CMS' risk adjustment payment methodology. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. The Company and other health care plans collect, capture, and submit available diagnosis data to CMS within prescribed deadlines. CMS uses submitted diagnosis codes, demographic information, and special statuses to determine the risk score for most Medicare Advantage beneficiaries. CMS also retroactively adjusts risk scores during the year based on additional data. The Company estimates Medicare Advantage risk adjustment revenues based upon the data submitted and expected to be submitted to CMS.

Beginning in 2014, HHS pays us a portion of the health care costs for low-income individual members for which we assume no risk in accordance with the Health Care Reform Law. We account for these subsidies as a deposit in our Consolidated Balance Sheets and as a financing activity in our Consolidated Statements of Cash Flows. We do not recognize premiums revenue or benefits expense for these subsidies as these payments are a reimbursement. Receipt and payment activity is recorded in our Consolidated Balance Sheets in other current assets or accounts payable and accrued expenses depending on the balance at the end of the reporting period. Receipts from HHS associated with these cost sharing subsidies for which we do not assume risk were $113,869 and $50,119 higher than claims payments for the year ended December 31, 2017 and 2016, respectively.

Administrative fees include revenue from those group contracts that provide for the group to be at risk for all or, in the case of stop-loss agreements, a portion of its claims experience. These self-funded groups are charged an administrative fee that is based upon the number of members in the group and the group's claims experience. In addition, administrative fees include amounts received for the administration of certain other contracts, including cost plus arrangements. Administrative fees are recognized in accordance with the terms of the Company's contractual relationship with the customer. Administrative fees are included in the administrative fees and other revenue in the Consolidated Statements of Comprehensive Income. All benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are excluded from the claims and medical expenses line of the Consolidated Statements of Comprehensive Income. Reimbursements of all medical benefit payments, except for those covered by stop-loss agreements, under these self-funded programs are also excluded from the operating revenue in the Consolidated Statements of Comprehensive Income.

Medicare Part D Prescription Drug Program

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a calendar year contract with CMS. Payments from CMS under this contract include amounts for premiums, risk corridor adjustments, reinsurance and low-income cost sharing subsidies and prospective payments under the coverage gap discount program (CGDP).

The CMS contract is subject to audit and adjustments identified are recognized in the Consolidated Statements of Comprehensive Income as they are reviewed and agreed to by the Company. As of December 31, 2017, years 2006 through 2017 remain open to financial examination by CMS.

The payments received monthly from CMS and members represent amounts for providing prescription drug insurance coverage. The Company recognizes premium revenues for providing this insurance coverage ratably over the contract period. Premiums received in advance are recorded in unearned premiums. Pharmacy benefit and administrative costs under the contract are expensed as incurred. As a result of the Medicare Part D product design, the Company incurs a disproportionate amount of benefit costs in the first half of the contract year compared with the last half of the contract year.

The Company's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. The Company recognizes a risk sharing payable or receivable based on year-to-date activity. The risk corridor provisions compare costs targeted in the Company's annual bid to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of what was received. The Company estimates and recognizes an adjustment to premium revenues related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience.

In addition, payments from CMS for reinsurance and low-income cost sharing subsidies represent reimbursement of prescription drug costs for which the Company is not at risk and is recorded as a payable when received. Reinsurance subsidies represent reimbursements for CMS's portion of prescription drug costs which exceed the member's out-of-pocket threshold, or the catastrophic coverage benefit level. Low-income cost sharing subsidies represent reimbursements from CMS for all or a portion of the deductible, the coinsurance and co-payment amounts from the out-of-pocket threshold for low income beneficiaries. The Company recognizes risk sharing receivable or payable based on year to date activity. Monthly prospective payments from CMS for reinsurance and low-income cost sharing subsidies are based on assumptions submitted with the Company's annual bid. This payable is reduced when reinsurance is utilized and subsidies are provided by the Company. This activity is accumulated and when the net balance for each contract is negative, it is recorded as a receivable. The Company does not recognize premium revenues or claims expense for these subsidies as the Company does not incur any risk with this part of the program.

A reconciliation and related settlement of the final risk sharing and low-income cost sharing and reinsurance subsidy amounts is performed following the end of the contract year. As of December 31, 2017 and 2016, the net estimated risk sharing payable with CMS was $0 for both years. The net estimated subsidies receivable from CMS was $0 and $3,299 at December 31, 2017 and 2016, respectively. Any estimated receivables related to either the CMS risk sharing or subsidies are included in premiums and other receivables. Any estimated payables related to the CMS risk sharing or subsidies are included in accounts payable and other accrued expenses.

Tax Reform

On December 22, 2017, the United States government enacted significant changes to the US tax law with the passage of H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act"). The Tax Act included significant changes to existing tax law, including a permanent reduction to the US federal corporate income tax rate from 35% to 21%, along with changes to deductions, credits, and business-related exclusions.

Under ASC 740-10-45-15, the effects of changes in tax rates and laws on deferred tax balances are recognized in the period in which the new legislation is enacted. The Company has not completed its accounting for the tax effects of enactment of the Act as it is still analyzing certain aspects of the Act, and any future guidance from the Treasury, Internal Revenue Service, or the Company's regulator could potentially affect the measurement of those balances or give rise to new deferred tax amounts. However, it has made a reasonable estimate of the effects on its existing deferred tax balances. The total effect of tax law changes on deferred tax balances is recorded as a component of tax expense related to continuing operations for the period in which the law is enacted even if the assets and liabilities relate to discontinued operations, a prior business combination or items of accumulated other comprehensive income. The Company recognized a provisional tax benefit of $102,437 in 2017 due to the application of the newly enacted rates to existing deferred balances.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. A valuation allowance is recorded to reduce the Company's deferred tax asset to the amount the Company believes is more-likely-than-not to be realized. This determination is based upon a number of assumptions, including: the types of deferred tax assets; the expected reversal patterns and periods of the temporary differences; taxes paid in prior periods available for carry-back claims; estimates of future taxable income; and other significant issues or developments likely to impact the realization of the benefits from the deferred tax assets. If facts are ultimately inconsistent with the Company's expectations, an adjustment to the Company's deferred tax asset may be required in the future. Any such adjustment would be charged or credited to income tax expense in the Consolidated Statements of Comprehensive Income in the period the determination is made.

When tax returns are filed, some positions taken will be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more-likely-than-not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceed the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying Consolidated Balance Sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest and penalties associated with unrecognized tax benefits are charged to income tax expense in the Consolidated Statements of Comprehensive Income.

Employee Benefit Programs

The funded status of the Company's defined benefit pension plans and nonpension postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at December 31, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on estimated compensation levels and service. For the nonpension postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, which represents the actuarial present value of postretirement benefits attributed to employee services already rendered.

The fair value of plan assets represents the current fair value of cumulative Company contributions and investment earnings on those contributions less amounts paid out. Overfunded plans, with the fair value of plan assets exceeding the benefit obligation, are aggregated and recorded as a prepaid pension asset equal to this excess. Underfunded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a pension, postretirement and other retirement benefits liability equal to this excess. The current portion of the pension and nonpension postretirement benefit obligations represents the actuarial present value of benefits

payable in the next 12 months exceeding the fair value of plan assets, measured on a plan-by-plan basis. This obligation is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheets. Net periodic pension and nonpension postretirement benefit expense (income) is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

Certain events, such as changes in employee base, plan amendments and changes in actuarial assumptions, result in a change in the benefit obligation which results in corresponding changes in the gains and losses or prior service costs. Historically, the result of these events is amortized as a component of net periodic benefit expense (income) over the average life expectancy of the participants, provided such amounts exceed certain thresholds which are based upon the benefit obligation or the value of plan assets. As mentioned in footnote 2 above, there has been a change in accounting principle where the amortization period is now a five year period. (Gains) losses and prior service costs (credits) not recognized as a component of net periodic benefit expense (income) in the Consolidated Statements of Comprehensive Income as they arise are recognized as a component of gains (losses) and prior service costs (credits) recognized in AOCI in the Consolidated Statements of Changes in Accumulated Capital. Those (gains) losses and prior service costs (credits) are subsequently amortized and recognized as a component of net periodic benefit expense (income).

The measurement of benefit obligations and net periodic benefit expense (income) is based on estimates and assumptions approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases and mortality rates.

The Company records expense for defined contribution plans for the Company's contribution when the employee renders service to the Company, essentially coinciding with the cash contributions to the plans. The expense is recorded in operating expense in the Consolidated Statements of Comprehensive Income.

3. Investments

The amortized cost and fair values of investment securities were as follows:

	December 31, 2017			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Fixed income securities:				
U.S. government and agency obligations .	$217,413	$1,482	$(1,635)	$217,260
Non U.S Government Sovereign Debt.....	95,885	1,283	(444)	96,724
States and political subdivisions	1,311,192	71,599	(1,331)	1,381,460
Corporate fixed income securities.....	564,159	12,141	(2,484)	573,816
Commercial mortgage-backed securities..	76,938	916	(585)	77,269
Residential mortgage-backed securities...	312,902	495	(3,242)	310,155
Other asset backed securities.....	138,589	171	(393)	138,367
	$2,717,078	88,087	(10,114)	2,795,051
Equity securities:				
Equity index mutual funds.....	278,754	281,922	(178)	560,498
Common stock.....	242,487	38,456	(1,773)	279,170
Preferred stock.....	105,098	4,301	(318)	109,081
Private equity securities.....	84,088	16,165	(723)	99,530
Venture capital investments.....	129,195	9,551	(956)	137,790
	839,622	350,395	(3,948)	1,186,069
Real estate.....				
Real estate funds	183,320	52,522	-	235,842
	$3,740,020	$491,004	($14,062)	$4,216,962

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income securities:				
U.S. government and agency obligations	$106,466	$72	$(3,647)	$102,891
States and political subdivisions	1,124,482	62,162	(4,601)	1,182,043
Corporate fixed income securities	318,520	6,699	(4,038)	321,181
Commercial mortgage-backed securities	63,555	761	(727)	63,589
Residential mortgage-backed securities	142,412	236	(1,772)	140,876
Other asset backed securities	61,335	92	(110)	61,317
	$1,816,770	$70,022	$(14,895)	$1,871,897
Equity securities:				
Equity index mutual funds	346,729	213,676	(22,299)	538,106
Common stock	105,654	11,226	(1,075)	115,805
Preferred stock	75,750	976	(1,482)	75,244
Private equity securities	73,901	12,220	(463)	85,658
Venture capital investments	119,979	4,416	(2,756)	121,639
	722,013	242,514	(28,075)	936,452
Real estate				
Real estate funds	173,440	48,227	-	221,667
	$2,712,223	$360,763	$(42,970)	$3, 030,016

As of December 31, 2017 and 2016, the non-credit component of other-than-temporary impairments, net of tax, was $254 and $638, respectively.

Expected Maturities of Fixed Income Securities

The amortized cost and fair values of fixed income securities, by contractual maturity, as of December 31, 2017 are as follows:

	Amortized Cost	Fair Value
Due in one year or less	$107,328	$108,997
Due after one year through five years	494,898	504,708
Due after five years through ten years	529,452	545,917
Due after ten years	1,056,971	1,109,638
	2,188,649	2,269,260
Commercial mortgage-backed securities	$76,938	77,269
Residential mortgage-backed securities	312,902	310,155
Other asset backed securities	138,589	138,367
	$2,717,078	$2,795,051

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. As of December 31, 2017 and 2016, 95.2% and 99.8%, respectively of the fixed income portfolio was held in issues with investment grade credit ratings.

The following is a summary of the sources of net investment income for the year ended December 31:

	2017	2016	2015
Fixed income securities	$79,679	$67,673	$63,593
Equity securities	36,081	27,515	33,270
Cash and cash equivalents	312	79	508
Real estate funds	9,880	6,558	7,703
Total investment income	125,952	101,825	105,074
Investment expenses	(7,510)	(6,680)	(4,255)
Net investment income	$118,442	$95,145	$100,819

The net realized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2017	2016	2015
Gross realized gains on sales:			
Fixed income securities	$5,194	$4,049	$3,357
Equity securities	28,705	67,733	161,287
Total	33,899	71,782	164,644
Gross realized losses on sales:			
Fixed income securities	(4,203)	(2,448)	(1,720)
Equity securities	(23,029)	(7,491)	(10,390)
Total	(27,232)	(9,939)	(12,110)
Net realized gains	6,667	61,843	152,534
OTTI losses recognized in operations:			
Equity securities	(390)	(982)	(2,009)
Total	(390)	(982)	(2,009)
Net realized gains including OTTI losses	$6,277	$60,861	$150,525

The change in net unrealized gains (losses) on securities for the years ended December 31 is summarized as follows:

	2017	2016	2015
Change in net unrealized gains (losses) on securities:			
Fixed income securities	$20,865	$(37,562)	$(21,252)
Equity securities	121,389	(18,538)	(180,714)
Private equity and venture capital	10,619	13,418	-
Real estate funds	4,295	15,607	19,666
	157,168	(27,075)	(182,300)
Deferred federal income tax expense	(54,501)	9,476	63,805
Change in net unrealized gains (losses) on securities net of income tax	$102,667	$(17,599)	$(118,495)

Other-Than-Temporary Impairment

Other-than-temporary impairment losses recognized in income were $390, $982, and $2,009, for the years ended December 31, 2017, 2016 and 2015, respectively, and consisted primarily of losses on equity securities.

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

	2017							
	Less Than 12 Months			12 Months or Greater			Total	
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:								
U.S. government and agency obligations	6	148,670	(1,594)	1	1,284	(41)	149,954	(1,635)
Non U.S. Government Sovereign Debt	61	40,260	(444)	-	-	-	40,260	(444)
States and political subdivisions	38	92,534	(734)	16	39,828	(597)	132,362	(1,331)
Corporate fixed income securities	166	170,890	(1,883)	13	25,357	(601)	196,247	(2,484)
Commercial mortgage-backed securities	12	28,128	(268)	4	7,480	(317)	35,608	(585)
Residential mortgage-backed securities	50	204,769	(2,002)	22	53,643	(1,240)	258,412	(3,242)
Other asset backed securities	30	73,396	(327)	3	5,396	(66)	78,792	(393)
Equity securities:								
Equity index mutual funds	12	3,484	(27)	3	1,863	(151)	5,347	(178)
Common stock	73	41,374	(1,734)	1	522	(39)	41,896	(1,773)
Preferred stock	11	16,113	(318)	-	-	-	16,113	(318)
Private Equity	1	16,816	(469)	2	7,211	(254)	24,027	(723)
Venture Capital	3	40,003	(175)	4	4,285	(781)	44,288	(956)
Total	463	$876,437	$(9,975)	69	$146,869	$(4,087)	$1,023,306	$(14,062)

	2016							
	Less Than 12 Months			12 Months or Greater			Total	
Description of Securities	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income securities:								
U.S. government and agency obligations	1	95,453	(3,647)	-	-	-	95,453	(3,647)
States and political subdivisions	61	163,005	(4,601)	-	-	-	163,005	(4,601)
Corporate fixed income securities	55	109,429	(3,619)	6	9,853	(419)	119,282	(4,038)
Commercial mortgage-backed securities	10	26,659	(644)	6	18,236	(83)	44,895	(727)
Residential mortgage-backed securities	33	105,386	(1,731)	2	2,108	(41)	107,494	(1,772)
Other asset backed securities	6	12,953	(78)	3	11,430	(32)	24,383	(110)
Equity securities:								
Equity index mutual funds	4	68,251	(1,989)	1	75,177	(20,310)	143,428	(22,299)
Common stock	53	23,078	(1,036)	1	522	(39)	23,600	(1,075)
Preferred stock	20	44,221	(1,482)	-	-	-	44,221	(1,482)
Private Equity	5	3,936	(463)	-	-	-	3,936	(463)
Venture Capital	8	55,957	(2,756)	-	-	-	55,957	(2,756)
Total	256	$708,328	$(22,046)	19	$117,326	$(20,924)	$825,654	$(42,970)

Fixed Income Securities – For both 2017 and 2016, the unrealized losses on the Company's fixed income investments were not the result of any credit related issues. In 2017, the unrealized losses on the Company's fixed income investments were mostly attributable to changes in interest rates. All of the issuers have investment grade credit ratings and therefore, the Company believes each issuer will be able to meet the contractual terms of the obligation. At December 31, 2017 and 2016, the Company did not have the intent to sell and it was not more-likely-than-not that the Company would be required to sell the investments before the recovery of its amortized cost basis. The Company therefore did not consider the investments at December 31, 2017 and 2016 to be other-than-temporarily impaired.

Equity Securities – For both 2017 and 2016, the Company's investments in equity securities primarily consist of investments in mutual funds, exchange-traded funds (ETF's), and investments made directly in stocks publicly traded on domestic stock exchanges. Various investment lots were below cost at December 31, 2017 and 2016 and were primarily in emerging market debt ETF's, the vast majority of which had been in a loss position more than twelve months. The unrealized losses in these investments in 2017 were due to uncertainty concerning Federal interest rate actions, changes in commodity prices, and exchange rate movements. The Company believes the declines are not permanent in nature and are due to the lack of clarity regarding Federal policy and commodity price changes, and not related to increased credit risk.

The Company continues to review its investment portfolio under its impairment review policy. Given the unpredictability of market conditions and the significant judgments involved, there is a continuing risk that declines in fair value may occur and other-than-temporary impairments may be recorded in future periods.

4. Goodwill and Intangible Assets

The gross carrying amounts and accumulated amortization for the major intangible asset classes and goodwill at December 31 are as follows:

	2017		2016	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Amortized intangible assets				
Subscriber relationships	$65,881	$42,310	$65,881	$40,055
Provider networks	$7,198	$6,393	7,198	$6,334
	$73,079	$48,703	$73,079	$46,389
Goodwill	95,218	$28,566	95,218	-
Total	$168,297	$77,269	$168,297	$46,389

Amortization expense of goodwill for 2017 and 2016 was $28,566 and $0, respectively. The Company corrected an immaterial error in 2017 to cumulatively catch-up amortization expense from 2015 and 2016 which was previously unrecorded. The impact is an additional expense of $19,044 in 2017.

Estimated goodwill amortization expense for the next five years is as follows: 2018, $9,522; 2019, $9,522; 2020, $9,522; 2021, $9,522 and 2022, $9,522.

Amortization expense of intangible assets for 2017 and 2016 was $2,314 and $2,585 respectively.

Estimated intangible asset amortization expense for the next five years is as follows: 2018, $2,034; 2019, $1,943; 2020, $1,857; 2021, $1,774 and 2022, $1,695.

5. Property and Equipment

Property and equipment as of December 31 consists of:

	2017	2016
Land and improvements	$40,388	$34,250
Buildings	102,426	107,545
Furniture, equipment and leasehold improvements	52,883	52,095
Construction in progress and equipment not in service	102,186	92,158
Computer equipment and software internally developed and purchased	469,897	404,386
	767,780	690,434
Less – accumulated depreciation and amortization	$(258,191)	$(219,877)
	$509,589	$470,557

Depreciation and amortization expense of property and equipment, excluding amortization of intangibles for 2017, 2016 and 2015, was $52,756, $39,023, and $28,166, respectively.

Accumulated amortization for capitalized software and hardware was $191,594 and $163,634 at December 31, 2017 and 2016, respectively. Amortization expense, included in depreciation and amortization above, for capitalized software and hardware for 2017, 2016 and 2015 was $41,342, $27,195, and $21,028, respectively.

At December 31, 2017 and 2016, the Company capitalized $60,944 and $37,045, respectively of internally developed software related to its core operating platform.

6. Medical and Other Benefits Payable

Activity in the medical and other benefits payable liability is summarized as follows:

	2017	2016	2015
Medical and other benefits payable at beginning of year	$708,225	$708,666	$726,684
Incurred related to:			
Current year…….	6,765,957	6,043,226	6,631,617
Prior years……...	(69,205)	(179,664)	(98,764)
Total incurred……..	6,696,752	5,863,562	6,532,853
Paid related to:			
Current year……...	6,033,030	5,288,143	5,873,703
Prior years…….	583,626	575,860	677,168
Total paid	6,616,656	5,864,003	6,550,871
Medical and other benefits payable at end of year…...	788,320	708,225	708,666
Liability for claims processing costs……	20,482	19,164	17,304
Total……..	$808,802	$727,389	$725,970

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately settled. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claims payments becomes known. This information is compared to the originally established year end liability. The favorable development for the years ended December 31, 2017 and December 31, 2016 was the result of actual claim payment patterns and cost trends differing from those assumed at the time the liability was established. The claims payment patterns and cost trends were influenced by utilization levels, unit costs, mix of business, benefit

plan designs, provider reimbursement levels, core operating system conversions and changes, claim inventory levels, claim processing patterns, and claim submission patterns.

Incurred and paid development for years ended December 31, 2017 and 2016 is as follows:

Cumulative Incurred Claims

Claim Year	2017	2016 (unaudited)	2015 (unaudited)
2015 & Prior	$7,074,464	$7,079,873	$7,259,537
2016	5,979,430	6,043,226	-
2017	6,765,957	-	-
Total	$19,819,851	$13,123,099	$7,259,537

Cumulative Paid Claims

Claim Year	2017	2016 (unaudited)	2015 (unaudited)
2015 & Prior	$7,074,464	$7,126,731	$6,550,871
2016	5,949,932	5,288,143	-
2017	6,007,134	-	-
Total	$19,031,530	$12,414,874	$6,550,871

At December 31, 2017, the total of incurred but not reported liabilities plus expected development on reported claims was $788,320, $758,823 pertaining to 2017 services, $29,497 pertaining to 2016 and $0 pertaining to 2015 & prior services.

At December 31, 2017, 2016 and 2015, the cumulative number of reported claims for the claims years was 45.8 million, 43.8 million and 50.2 million, respectively.

The information about incurred and paid claims development for the years ended Decembers 31, 2017, 2016, and 2015, is presented as supplementary information.

The cumulative number of reported claims for each claim year have been developed using historical data captured by our claims payment system. The provided claim amounts are not a precise tool for understanding utilization of medical services. They could be impacted by a variety of factors including changes in provider billing practices, provider reimbursement arrangements, mix of services, benefit design or processing systems. The cumulative number of reported claims has been provided to comply with FASB accounting standards and is not used by management in its claims analysis. Our cumulative number of reported claims may not be comparable to similar measures reported by other health benefits companies.

The Shared Savings liability at December 31, 2017 and 2016, was $31,175 and $0, respectively.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31:

	2017	2016
Accounts payable	$185,056	$108,786
Accrued salaries and other benefit expenses	134,897	110,590
Accrued ACA cost sharing reduction	113,869	50,119
Premium Tax	103,247	53,282
Other accrued expenses	279,747	266,850
	816,816	589,627
Less non-current portion	45,199	45,261
Total	$771,617	$544,366

8. Lines of Credit and Long-Term Debt

BCBSNC has established three credit lines providing a total borrowing capacity of $350,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA). The interest rate for borrowings on the revolving lines is LIBOR plus 65 basis points. The interest rate for borrowings on the secured line is based on rates published by the FHLB for the specific term requested for the borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000, and extend the termination date until July 2017. In July 2016, BCBSNC extended the termination date an additional year to July 2018. In July 2017, BCBSNC extended the termination date an additional year to July 2019 and reduced the borrowing capacity to $100,000.

In September 2015, BCBSNC entered into a second $50,000 revolving line of credit terminating in September 2017. In December 2016, BCBSNC extended the termination date to September 2018.

In September 2016, BCBSNC entered into a credit agreement with the FHLBA providing secured borrowing capacity up to $200,000. The capacity is based on our internal limits and the collateral included cash and securities in our investment portfolio deemed eligible by the FHBLA. Collateral is only encumbered to the extent borrowings are outstanding.

Amounts drawn under these credit lines were $0 and $46,109 at December 31, 2017 and 2016, respectively.

In September 2014, Corium entered into a $165,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender. This note is classified as long term in the accompanying consolidated balance sheets

Long-term debt consists of the following at December 31:

	2017	2016
Long-term debt	$155,260	$158,396
Less current portion of long-term debt	3,267	3,136
Long-term debt, less current portion	$151,993	$155,260

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2017 and 2016, the Company was in compliance with the covenants and requirements outlined in these agreements.

Future maturities of debt are as follows: 2018, $3,267, 2019, $3,403, 2020, $3,544, 2021, $3,692, 2022, $3,846 and thereafter $141,354.

9. Fair Value Measurements

The carrying amounts reported in the Consolidated Balance Sheets for cash, cash equivalents, premiums and other receivables, Affordable Care Act receivables, income tax receivable, unearned premiums, medical and other benefits payable, accounts payable, other assets and accrued expenses, book overdrafts and payables for securities approximate fair value because of the short term nature of these items.

Certain assets and liabilities recorded at estimated fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

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

Transfers between Levels, if any, are recorded as if they had occurred at the beginning of the reporting period during which the change in method for valuing the underlying assets occurred.

Fair values of fixed income and equity securities are based on quoted market prices, where available. Our service provider obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. In addition, the pricing service uses model processes such as the Option Adjusted Spread model to assess interest rate impact and develop prepayment scenarios.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value.

Following is a description of the valuation methodologies used by the Company to value assets, including the pension and postretirement assets, measured at fair value:

Major Category	Valued at
Mutual funds	Closing price reported in the active market in which the individual security is traded.
State and/or U.S. government obligations and common and/or preferred stock	Closing price reported in the active market in which the individual security is traded. If in an inactive market, based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

Major Category	Valued at
Interest in collective trust funds	NAV of shares which are provided by the administrator of the fund.
Pooled separate accounts	Based on underlying value provided by the fund manager
Partnership and real estate funds	Based on net asset value provided by the fund manager
Private equity funds	Based on net asset value provided by the fund manager
Other investments	Dealer quotes, trade data, two-sided markets institutional bids, comparable trades and/or other news media
Privately held fixed income and equity securities, including venture capital investments	Reviewing the value ascribed to the most recent financing, comparing the security with securities of publicly traded companies in a similar line of business, and/or reviewing the underlying financial performance including estimating discounted cash flows
Fixed income securities including corporate, commercial and residential mortgage backed securities	Closing price reported in the active market in which the bond is traded or based on yields currently available on comparable securities of issuers with similar credit ratings or discounted cash flows approach that maximized observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks

The carrying value of corporate-owned life insurance policies is the cash surrender value as reported by the respective insurer.

The fair value of our long-term debt, included in liabilities on the Consolidated Balance Sheets, is based on current market observable rates estimated to be available to us for debt of similar terms and remaining maturities.

The following table summarizes fair value measurements by level at December 31 for assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
December 31, 2017	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	$217,260	-	-	$217,260
Non U.S. Government Sovereign Debt		96,724		96,724
State and political subdivisions	-	1,381,460	-	1,381,460
Corporate fixed income securities	-	573,816	-	573,816
Commercial mortgage-backed securities	-	77,269	-	77,269
Residential mortgage-backed securities	-	310,155	-	310,155
Other asset backed securities	-	138,367	-	138,367
Total fixed income securities	217,260	2,577,791	-	2,795,051
Equity index mutual funds	560,498	-	-	560,498

Common stock	275,449	-	3,721	279,170
Preferred stock	2,487	106,594	-	109,081
Private equity securities	-	-	99,530	99,530
Venture capital investments	45,735	-	92,055	137,790
Total equity securities	884,169	106,594	195,306	1,186,069
Real estate funds	-	-	235,842	235,842
Total investment assets	$1,101,429	$2,684,385	$431,148	$4,216,962

	Fair Value Measurements Using			
December 31, 2016	**Quoted Prices in Active Markets for Identical Assets (Level I)**	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total**
Investments available-for-sale:				
US government and agency obligations	102,891	-	-	102,891
State and political subdivisions	-	1,182,043	-	1,182,043
Corporate fixed income securities	-	321,181	-	321,181
Commercial mortgage-backed securities	-	63,589	-	63,589
Residential mortgage-backed securities	-	140,876	-	140,876
Other asset backed securities	-	61,317	-	61,317
Total fixed income securities	102,891	1,769,006	-	1,871,897
Equity index mutual funds	538,106	-	-	538,106
Common stock	111,836	-	3,969	115,805
Preferred stock	817	74,427	-	75,244
Private equity securities	-	-	85,658	85,658
Venture capital investments	37,577	-	84,062	121,639
Total equity securities	688,336	74,427	173,689	936,452
Real estate funds	-	-	221,667	221,667
Total investment assets	$791,227	$1,843,433	$395,356	$3,030,016

There was no material transfer and one material transfers between Levels I, II or III during the years ended December 31, 2017 and 2016, respectively.

A reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using Level III inputs for the years ended December 31, 2017 and 2016 is as follows:

	Common Stock	**Private Equity**	**Venture Capital**	**Real Estate Trust**	**Total**
Beginning Balance at January 1, 2016……	$3,589	64,022	105,847	200,355	373,813
Transfer out……..	-	-	(37,192)	-	(37,192)
Total gains (losses) Recognized in net income……..	-	(342)	(640)	(500)	(1,482)

Recognized in AOCI……..	380	11,751	2,902	15,607	30,640
Purchases, sales, maturities, calls and redemptions……..	-	10,227	13,145	6,205	29,577
Ending balance at December 31, 2016……	3,969	85,658	84,062	221,667	395,356
Beginning Balance at January 1, 2017……	3,969	85,658	84,062	221,667	395,356
Transfer out……..	-	-	-	-	-
Total gains (losses)					
Recognized in net income……	-	-	(390)	-	(390)
Recognized in AOCI……	(248)	3,684	5,653	4,295	13,384
Purchases, sales, maturities, calls and redemptions	-	10,188	2,730	9,880	22,798
Ending balance at December 31, 2017……	$3,721	$99,530	$92,055	$235,842	$431,148

Private equity, venture capital and real estate trusts included in Level III are valued at net asset value as a practical expedient. For real estate investments, the Company estimates that net asset value is consistent with the liquidation value of these assets. There is a limited market for private equity and venture capital investments, and as a result, if the Company were required to sell these investments, the full fair value of these assets may not be realized. As of December 31, 2017, the Company has unfunded commitments of $99,530 for Private Equity Investments and $92,057 for venture capital investments.

Non-financial assets and liabilities including long-lived assets, goodwill, asset retirement obligations, and certain investments are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

10. Employee Benefit Programs

The Company maintains a noncontributory, defined benefit pension plan. The Plan covers most employees hired before January 1, 2006. Benefits are determined according to the covered employee's years of credited service and final average compensation while an eligible participant. Effective December 31, 2013 the Plan was frozen and no longer recognizes service or compensation earned after this date for retirement benefit determination purposes. All Plan participants are fully vested. The Company also maintains three separate non-contributory, non-qualified defined benefit SERPs for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

The Company provides certain health care and life insurance benefits for retired employees. The Plan is a contributory health and welfare plan, which provides health benefits (medical, hospital, surgical, dental and drug) for eligible retirees. Retirees are eligible for coverage upon retirement at age 55 or later with five or more years of service. In addition, substantially all of those employees hired prior to January 1, 2006 and who reach retirement age with at least 15 years of service may become eligible for both Company subsidized health care insurance and a company-paid life insurance benefit. The Company funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the BCBSA. The Company did not make a contribution for the years 2017 or 2016 to fund the liability for eligible retired employees.

Effective January 1, 2017 retirees and dependents who were age 65 and older obtained coverage through a private health exchange, BCBS Marketplace. Eligible retirees and dependents who enrolled through the BCBS Marketplace received a sponsor subsidy in the form of a Health Reimbursement Account contribution. This modification did not intend or expect to materially impact the cost of the program.

In October 2017, the Company offered a second version of a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and, in certain limited situations, the SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $29.1 million were paid from the qualified retirement plan in 2017, with $20.4 million of those lump sum payments attributable to the COW. Because the qualified plan payments exceeded the sum of estimated 2017 service and interest costs, settlement accounting was triggered. As a result, $3.5 million of unrecognized actuarial loss was relieved from AOCI and recognized in income.

During 2017, the Company made a change to the amortization method used to amortize gains/losses in the Qualified and two of the Non-Qualified retirement benefit plans. The change is that actuarial losses would be recognized in income over a 5-year period, and without regard to any excess threshold. Prior to this change, actuarial losses in excess of certain thresholds were amortized over the average life expectancy of the participants. The impact of the change was determined by going back to the 2010 fiscal year and re-calculating the amortization amount for each of the 2010-2017 fiscal years.

The components of the net periodic benefit cost are as follows for the year ended December 31:

	Retirement Benefits								
	Qualified			Non-Qualified			Other Postretirement Benefits		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Service cost	$950	$900	$800	$24	$85	$86	$1,655	$1,936	$2,302
Interest cost	18,156	16,879	19,693	1,967	1,715	2,274	2,686	2,933	3,249
Expected return on assets	(31,453)	(32,832)	(35,146)	-	-	-	(3,319)	(3,269)	(3,429)
Amortization of prior service cost	-	-	-	-	-	-	(365)	(235)	(235)
Amortization of net loss from past experience	14,996	15,425	11,829	290	(73)	1,484	(7)	396	625
Settlement gain/loss recognized	3,506	-	-	-	-	-	-	-	-
Net periodic benefit expense (income)	$6,155	$372	$(2,824)	$2,281	$1,727	$3,844	$650	$1,761	$2,512

In 2017, 2016 and 2015, the Company recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes.

The reconciliations of the benefit obligation as of December 31 are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2017	2016	2017	2016	2017	2016
Change in benefit obligation:						
Benefit obligation at beginning of year	$513,170	$498,717	$58,353	$56,497	$76,506	$80,747
Service cost earned during the period	950	900	24	85	1,655	1,936
Interest cost on benefit obligation	18,156	16,879	1,967	1,715	2,686	2,933
Plan amendments	-		-	-	-	(1,547)
Plan settlements	(29,124)	-	-	-	-	-
Loss (gain) from past experience.	36,530	20,317	4,797	1,724	4,282	(5,535)
Benefits paid from plan assets.	(19,184)	(23,643)	(1,973)	(1,668)	(3,946)	(3,767)

Retiree contributions……	-	-	-	-	1,000	1,739
Benefit obligation at end of year……..	$520,498	$513,170	$63,168	$58,353	$82,183	$76,506

The changes in plan assets are as follows:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2017	2016	2017	2016	2017	2016
Change in plan assets:						
Fair value of plan assets at beginning of year……	$536,349	$520,122	$-	$-	$61,637	$60,767
Actual return on plan assets……	62,244	39,870	-		8,916	2,508
Company contributions……..	-	-	1,973	1,668	327	391
Plan Settlements…….	(29,124)	-	-	-	-	-
Benefits paid……	(19,184)	(23,643)	(1,973)	(1,668)	(3,946)	(3,768)
Retiree contributions……..	-	-	-		1,000	1,739
Fair value of plan assets at end of year……..	$550,285	$536,349	$-	$-	$67,934	$61,637

Amounts recognized in the Consolidated Balance Sheets consist of:

	Retirement Benefits					
	Qualified		Non-Qualified		Other Postretirement Benefits	
	2017	2016	2017	2016	2017	2016
Prepaid Asset/(Unfunded liabilities)						
Noncurrent assets	$29,787	$23,180	$-	$-	$1,062	$-
Due within one year	-	-	(19,002)	(1,836)	(669)	(686)
Due after one year	-	-	(44,166)	(56,517)	(14,642)	(14,183)
Net amount recognized....	$29,787	$23,180	(63,168)	$(58,353)	$(14,249)	$(14,869)

Amounts recognized in other comprehensive income (loss) net of income tax that have not been recognized as components of net period benefit costs are as follows:

	2017	2016	2015
Net actuarial gains/(losses).....	$(7,686)	$(6,649)	$(13,725)
Prior service (costs)	-	1,006	-
Items amortized:			
Net actuarial losses.....	14,840	10,237	9,060
Prior service costs/(credits).....	(288)	(153)	(153)
Net amount recognized in other comprehensive income (loss)	$6,866	$4,441	$(4,818)

The estimated prior service credit and net actuarial loss that will be amortized from AOCI into net periodic benefit expense in 2018 are $381 and $13,611, respectively.

The accumulated benefit obligation was $521,005 and $513,170 at December 31, 2017 and 2016, for the qualified retirement plan and $63,168 and $58,353 for the non-qualified retirement plans, respectively.

Due to the freeze, there will not be a difference in the accumulated benefit obligation and the projected benefit obligation prospectively.

The following tables present assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified and non-qualified retirement plans as of a measurement date:

	December 31, 2017	December 31, 2016	December 31, 2015
Discount rate…….	see detail below	see detail below	see detail below
Long-term rate of return on qualified plan assets…….	4.50%	6.00%	6.50%
Rate of increase in future compensation level……..	N/A	N/A	N/A

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2017	2016
Qualified	3.62%	4.19%
Nonqualified:		
Partners SERP	3.34%	3.70%
ACS SERP	3.20%	3.53%
Senior SERP	3.64%	3.97%
Restoration SERP	3.56%	4.06%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2017	2016
Qualified	3.30%	3.61%
Nonqualified:		
Partners SERP	2.99%	3.12%
ACS SERP	2.95%	3.19%
Senior SERP	2.56%	3.41%
Restoration SERP	3.11%	3.47%

The Company uses the Mercer Yield Curve to select a discount rate and uses separate discount rates for the different benefit plans as well as no rounding of discount rates, for consistency with industry trends. The expected future cash flows underlying the benefit obligations are discounted by the rate on the yield curve corresponding to the cash flow duration. The single discount rate that would yield the same present value as the sum of the discounted cash flows is determined. As of December 31, 2017 and 2016, the combined duration of all plans was

14 years and 14 years, respectively. The nonqualified pension plans have shorter durations than the qualified pension plan and the other postretirement benefit plans.

On December 31, 2015 we changed the method we use to estimate the service and interest components of net periodic benefit cost for defined benefit pensions and other postretirement benefits. This new estimation approach discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. Historically, we estimated these service and interest cost components utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period.

We have made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. We have accounted for this change as a change in accounting estimate that is inseparable from a change in accounting principle and accordingly have accounted for it prospectively. The benefit obligation measured under this approach was unchanged as of December 31, 2015. The new approach was used to measure the service and interest cost for the pension benefits, other postretirement benefits and other postemployment benefits in 2016. The service cost and interest cost for those plans was reduced by approximately $6.4 million in 2016 as a result of the change.

Starting with the 2016 net periodic benefit cost, the Company elected to use a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Instead of using a single fixed discount rate, each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company also elected to use split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

In 2014, the Society of Actuaries completed a mortality study and issued a new base mortality table (RP-2014) and new mortality improvement scale (MP-2014). The Company moved to the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2016 generational projection scale on December 31, 2017. In previous years, the Company used the same MRP-2007 base mortality table and the MMP-2007 generational projection scale. This change resulted in a decrease of this benefit obligation in 2017.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

The following table presents assumptions used in determining the accumulated postretirement benefit obligation and the subsequent year's net periodic benefit cost for the other postretirement benefit plans:

	December 31, 2017	December 31, 2016	December 31, 2015
Discount rate……..	see detail below	see detail below	see detail below
Rate of increase in future compensation level……	3.50%	3.50%	3.50%
Expected return on plan assets net of tax……..	5.50%	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.62%	4.21%
Retiree Life Insurance	3.61%	4.16%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.30%	3.61%
Retiree Life Insurance	3.26%	3.49%

Effective Discount Rate for Service Cost by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.74%	4.47%
Retiree Life Insurance	3.68%	4.32%

Effective Rate for Interest on Service Cost by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.65%	4.26%
Retiree Life Insurance	3.52%	4.00%

To set the expected return on plan assets for the other postretirement benefit plans, historical markets are studied and long-term relationships between equities and fixed income securities indicate that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established with proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The following table presents the medical trend rate used in determining the accumulated postretirement benefit obligation at December 31 for the other postretirement benefit plans:

	2017	**2016**
Health care cost trend rate assumed for next year:		
Under age 65	6.40%	6.70%
Age 65 and older	6.40%	6.70%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2037
Age 65 and older	2037	2037

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies. The health care cost trend rate assumption can have a significant effect on the amounts reported. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of fiscal 2017 service and interest cost components....	$329	$(257)
Effect on the December 31, 2017 postretirement benefit obligation...	$4,485	$(3,628)

Future expected benefit payments and 2018 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
2018	$22,217	$19,002	$3,334
2019	$22,483	$2,220	$3,435
2020	$22,845	$2,269	$3,515
2021	$23,449	$2,247	$3,656
2022……..	$24,173	$2,329	$3,781
2023-2027	$130,418	$18,146	$20,776
2018 Contributions	$-	$19,002	$669

BCBSNC's benefit plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2017	2016	Target	2017	2016
Asset Category:						
Equity securities:						
Mutual funds……	-%	7%	26%	-%	-%	-%
Common stock……...	-	2	3	-	52	50
Total……	10	9%	29	50-60	52	50
Fixed income securities:						
State and U.S. government obligations……	-	21	37	-	47	49
Domestic corporate fixed income securities….	-	67	31	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total……	88	88	68	40-50	47	49
Cash and cash equivalents……...	2	1	1	0-3	1	1
Collective trust fund - real estate……	-	-	-	-	-	-
Other……	-	2	2	-	-	-
Total……	100%	100%	100%	100%	100%	100%

The Company utilizes a partial liability matching investment strategy. The Plan's funding ratio exceeded 100% at year end and approximately 90% of the portfolio is invested in a liability driven investment strategy.

The Plan's investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic & international equities, real estate and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2017				
Equity securities:				
Common stocks……	$11,404	$ -	$ -	$11,404
Mutual funds…….	38,530	-	-	38,530
Total equity securities……..	49,934	-	-	49,934
Fixed income securities:				
US Treasury and agency securities……....	97,415	-	-	97,415
States and political subdivisions……...	-	-	-	-
Corporate fixed income securities……	-	174,720	-	174,720
Residential mortgage-backed securities...	-	20,555	-	20,555
Collective trust fund – US Fixed Income	-	-	193,982	193,982
Total fixed income securities…….	97,415	195,275	193,982	486,672
Cash and cash equivalents……...	6,061	-	-	6,061
Other……	103	458	9,412	9,973
Total investments……	153,513	195,733	203,394	552,640
Plan receivables……..	1,342	-	-	1,342
Total assets……..	154,855	195,733	203,394	553,982
Plan liabilities……..	(3,637)	(60)	-	(3,697)
Total net assets…….	$151,218	$195,673	$203,394	$550,285

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2016				
Equity securities:				
Common stocks……	$16,591	$ -	$ -	$16,591
Mutual funds……	145,635	-	-	145,635
Total equity securities……	162,226	-	-	162,226
Fixed income securities:				
US Treasury and agency securities……..	49,366	1,216	-	50,582
States and political subdivisions……...	-	4,862	-	4,862
Corporate fixed income securities……	-	151,530	-	151,530
Residential mortgage-backed securities...	-	18,025	-	18,025
Collective trust fund – US Fixed Income	-	-	140,310	140,310
Total fixed income securities……...	49,366	175,633	140,310	365,309
Cash and cash equivalents……...	12,747	-	-	12,747
Other……	-	695	11,099	11,794
Total investments……	224,339	176,328	151,409	552,076
Plan receivables……..	9,902	-	-	9,902
Total assets……	234,241	176,328	151,409	561,978
Plan liabilities……..	(25,629)	-	-	(25,629)
Total net assets……	$208,612	$176,328	$151,409	$536,349

A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2017 and 2016 is as follows:

	Cash & Cash Equivalents	**Equity Securities**	**Collective Trust Fund – Real Estate**	**Other**	**Total**
Beginning balance at January 1, 2016……	$-	$-	$133,530	$11,475	$145,005
Total gains (losses)					
Recognized in net income……..	-	-	103	-	103
Recognized in AOCI……..	-	-	9,429	-	9,429
Purchases……	-	-	8,257	-	8,257
Sales……	-	-	(11,009)	(376)	(11,385)
Ending balance at December 31, 2016…..	$-	$-	$140,310	$11,099	$151,409
Total gains (losses)					
Recognized in net income……	-	-	215	-	215
Recognized in AOCI……...	-	-	12,578	-	12,578
Purchases…….	-	-	49,932	161	50,093
Sales……..	-	-	(9,053)	(1,848)	(10,901)
Ending balance at December 31, 2017……	$-	$-	$193,982	$9,412	$203,394

There were no material transfers between Levels I, II or III during the years ended December 31, 2017 and 2016. The following table summarizes fair value measurements by level at December 31 for other postretirement benefit plan assets and liabilities:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2017			
Equity securities	$36,446	$-	$36,446
States and political subdivisions	-	31,026	31,026
Total investments	36,446	31,026	67,472
Plan receivables	462	-	462
Total assets	36,908	31,026	67,934
Plan liabilities	-	-	-
Total net assets	$36,908	$31,026	$67,934

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Total Fair Value
December 31, 2016			
Equity securities	$33,308	$-	$33,308
States and political subdivisions	-	27,924	27,924
Total investments	33,308	27,924	61,232
Plan receivables	405	-	405
Total assets	33,713	27,924	61,637
Plan liabilities	-	-	-
Total net assets	$33,713	$27,924	$61,637

Other Employee Benefits

BCBSNC sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code, the BCBSNC 401(k) Plan (401(k) Plan). Eligible employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and Transition Contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition Contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $31,678, $32,856 and $31,021 for the years ended December 31, 2017, 2016, and 2015, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plan totaled $3,890, $1,958 and $1,975, for the years ended December 31, 2017, 2016, and 2015, respectively.

11. Income Taxes

BCBSNC files a consolidated federal income tax return with its subsidiaries. Current taxes are allocated among all affiliated companies based on a written tax sharing agreement, primarily on a separate company return basis using a wait-and-see method. These agreements have the effect of crediting each separate company within the consolidated group for the use of its net operating or other losses in the year in which the separate company could utilize the losses on a separate company return basis while charging those companies that previously benefited from use of the losses.

The significant components of income tax expense (benefit) in the Consolidated Statements of Comprehensive Income for the years ended December 31 are as follows:

	2017	2016	2015
Current tax expense (benefit):			
Federal	$171,148	$4,741	$16,406
State	95	936	128
	171,243	5,677	16,534
Deferred tax expense (benefit)	49,763	145,951	9,165
Total tax expense (benefit)	$221,006	$151,628	$25,699

The differences between taxes computed at the federal statutory rate and recorded income tax expense for the years ended December 31 are as follows:

	2017	2016	2015
Federal tax provision at statutory rate	$334,262	$114,483	$6,665
Impact of tax rate change on deferred balances	(102,437)	-	-
Tax exempt income	(17,214)	(15,840)	(17,357)
Book gain on transferred stock to Foundation	(2,628)	-	-
Energy credit and treasury grant	(377)	15	(10,245)
Goodwill	9,969	-	-
ACA compensation limitation	4,865	3,025	4,107
ACA insurer fee	-	43,745	46,054
Change in taxable status	-	-	(4,409)
Other, net	(5,434)	6,200	884
	$221,006	$151,628	$25,699

The components of the deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2017	2016
Deferred tax assets:		
Insurance reserve	$23,144	$92,292
Minimum pension liability	14,698	27,539
Impairment of investments	8,202	13,763
Accrued post and supplemental retirement benefits	7,610	16,661
State NOL carryforward	6,774	5,130
Accrued other liabilities	6,042	-
Investment in state credit funds	4,267	7,650
Federal credit carryforward	-	41,896
AMT credit carryforwards	-	15,724
Charitable contributions carryforward	-	4,276
Other	6,440	16,531
	77,177	241,462

	2017	2016
Less: Valuation allowance	(1,074)	(1,790)
	$76,103	$239,672
Deferred liabilities:		
Unrealized appreciation on securities	$100,158	$111,920
Fixed assets	84,253	113,815
Pension accrual	19,428	34,357
Investment in partnerships	13,321	8,375
Prepaid accounts	4,804	10,712
Acquired intangibles	4,737	8,642
Other	3,628	2,404
	230,329	290,225
Net deferred tax asset (liability)	$(154,226)	$(50,553)

A valuation allowance is required against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based upon all the available evidence, management recorded a valuation allowance of $1,074 and $1,790 as of December 31, 2017 and 2016, respectively. The change during the year in the total valuation allowance was a decrease of $716. Management believes it is more likely than not that the Company will realize its remaining net deferred tax assets as of the respective balance sheet dates.

As of December 31, 2017, we have no remaining federal income tax net operating loss (NOL) carryforward, no remaining federal credit carryforwards, and no remaining AMT credit carryforward. We have $139,337 in state net operating loss carryforwards, which will begin to expire in 2018.

As of December 31, 2017, as further described below, certain tax years remain open to examination by the IRS and various state authorities. As of December 31, 2017, we have recorded $157 in interest and penalties related to uncertain tax positions in the statement of operations and statement of financial position. We do not anticipate the amount of unrecognized tax benefits related to the open tax years will change in the next twelve months. The ultimate resolution of such items is dependent on a number of factors.

The Company's tax years 2014 through 2017 remain open to examination by the IRS. ACS and NobleHealth tax years 2014 to 2017 remain open to examination by various state Departments of Revenue.

12. Related Party Transactions

In November 2000, BCBSNC established the Blue Cross Blue Shield of North Carolina Foundation, formerly The North Carolina Health Foundation, (Foundation), a separate, independent, private, non-consolidated not-for-profit organization in North Carolina. The purpose of the Foundation is to provide financial support to improve the health and well-being of North Carolinians. BCBSNC committed $20,000, $5,000, and $0 in the years ended December 31, 2017, 2016 and 2015, respectively. The Foundation is not a subsidiary of BCBSNC and the financial results of the Foundation are not consolidated with the Company's financial statements. We have no legal obligations for further commitments to the Foundation, nor are we responsible for losses or obligations that may emerge in the Foundation.

13. Commitments and Contingencies

Leases

The Company leases office space and certain computer equipment under non-cancelable operating leases. Related lease expense for 2017, 2016 and 2015 was $6,190, $5,712 and $4,161, respectively.

At December 31, 2017, future lease payments for operating leases with initial or remaining non-cancelable terms of one year or more are $0 and consist of the following: 2018, $4,723; 2019, $2,457; 2020, $1,864; 2021, $317; and 2022, $0.

Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2018, $6,289; 2019, $6,153; 2020, $6,011; 2021, $5,864; 2022, $5,710 and thereafter $70,332.

The Company has a commitment to Topaz to develop a claims processing system. Related funding for 2017, 2016 and 2015 were $48,518, $46,772, and $32,578 respectively. Future expected costs for this system are as follows: 2018, $6,872; 2019, $6,872; 2020, $6,872; 2021, $0; and 2022, $0.

At December 31, 2017, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu and HCL for outsourced IT infrastructure are estimated as follows: 2018, $158,698; 2019, $16,252; 2020,$15,980; 2021, $1,330 and $0 thereafter.

At December 31, 2017, we have various other non-cancelable arrangements with our vendors for outsourced claims processing, healthcare programs, and IT support with future costs estimated as follows: 2018, $167,768; 2019, $45,189; 2020, $4,079; 2021, $826; and 2022, $826.

Litigation Against the Company

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation *(In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama))* which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-three of the consolidated cases (twenty-nine provider cases and fourteen subscriber cases). The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation *(In Re: Anthem Data Breach Litigation(United States District Court, Northern District of California))*. The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans, arising out of a cyber-attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. This case has been settled, with no liability to the Company. The class settlement by Anthem has been preliminarily approved by the Court. The final approval hearing is scheduled for April 9, 2018.

The Company is also a defendant in litigation *(Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al)*. This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the

present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

The Company is also a defendant in *United States of America, Ex Rel Dr. Susan Nedza v. American Imaging Management, Inc. et. al.*, pending in the United States District Court for the Northern District of Illinois. On December 21, 2017, Dr. Susan Nedza, a former employee of American Imaging Management, Inc. ("AIM") filed a *qui tam* action against AIM and several Blue Cross and Blue Shield plans, including Blue Cross NC, alleging on behalf of the United States that the Defendants have caused false and fraudulent health care claims to be made under Medicare Advantage plans offered by the Defendant Blue plans for which AIM provided utilization management services and have defrauded the federal government in violation of the federal False Claims Act. Blue Cross NC was served with this complaint on January 3, 2018 and has not yet retained defense counsel. The Company will vigorously defend this matter.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

Other Contingencies

The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. On July 27, 2016, the Pennsylvania Insurance Commissioner filed a petition to move Penn Treaty from rehabilitation to liquidation. On March 1, 2017, Pennsylvania courts released an Order of Liquidation for Penn Treaty & American Network Insurance Company. This liquidation triggered state guaranty fund actions and GAAP accounting actions by insurers in 2017, resulting in a payment by BCBSNC in the amount of $49,500. Payment of the assessment is expected to be recovered over future years through premium tax credits allowable by the State of North Carolina. BCBSNC recorded an asset for the premium tax offset. The amount accrued, $11,100, equals the amount that will be recovered in the first year after the assessment or 20% of the liability, consistent with the short term nature of our insurance policies.

14. Administrative Services

Claims processed for others under contract, which have been excluded from the financial statements, are summarized for the years ended December 31 as follows:

	2017	2016	2015
Claims processed for:			
State of North Carolina	$2,439,131	$2,167,470	$2,068,634
Other self-funded groups	7,745,591	7,711,509	7,340,238
	$10,184,722	$9,878,979	$9,408,872

Administrative fees received for processing these claims totaled $471,340, $479,168 and $443,919 in 2017, 2016 and 2015, respectively. All claims payments are subject to audit by the program administrators. If the

program administrators determine that the claims or expenses have not been paid in accordance with the contract, the Company may be required to reimburse the program administrators.

15. Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) in the Consolidated Balance Sheets consists of the following:

	Unrealized Gains on Securities	Non-credit Component of Other-Than-Temporary Impairment	Qualified Retirement Plans	Post Retirement and Other Benefit Plans	Accumulated Other Comprehensive (Loss) Income
Balance, December 31, 2014.....	$343,964	$0	$(72,807)	$22,044	$293,201
Change for 2015	(118,495)	1,306	(11,689)	5,422	(123,456)
Balance, December 31, 2015.....	$225,469	$1,306	$(84,496)	$27,466	$169,745
Change for 2016	(17,599)	638	1,395	2,552	(13,014)
Balance, December 31, 2016.....	$207,870	$1,944	$(83,101)	$30,018	$156,731
Change for 2017	102,667	254	9,682	(5,582)	107,021
Balance, December 31, 2017.....	$310,537	$2,198	$(73,419)	$24,436	$263,752

16. Subsequent Events

The Company has evaluated subsequent events through February 22, 2018, which is the date that the financial statements were available to be issued, for recognition or disclosure in our consolidated financial statements. All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

17. Supplemental Statutory Financial Information

The Company is required to file unconsolidated financial statements with, and is subject to exam by, the NCDOI. These financial statements are presented on the basis of accounting practices prescribed or permitted by the NCDOI.

The NCDOI recognizes only Statutory Accounting Practices prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the North Carolina Insurance Law. The NAIC's Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the state of North Carolina.

A reconciliation of net income – statutory basis for the years ended December 31, 2017, 2016 and 2015 and capital and surplus – statutory basis at December 31, 2017 and 2016 to amounts reported in the accompanying consolidated financial statement follows:

	2017	2016	2015
Consolidated GAAP net income ……..	$734,027	$177,069	$(6,655)
Contract reserve difference……	(48,322)	(45,645)	(33,609)
Income tax……..	60,594	148,731	41,503

Subsidiaries' net income……	(2,189)	1,365	(12,950)
Guaranty Expense……	34,872	-	-
Other……	(79,406)	(9,500)	6,000
BCBSNC SAP net income……...	$699,576	$272,020	$(5,711)

	2017	2016
Consolidated GAAP accumulated capital……..	$3,572,900	$2,732,317
Adjustments:		
Investment carrying value……	(82,497)	(60,042)
Contract reserve……	28,483	59,276
Non-admitted assets…….	(610,095)	(596,193)
Deferred income taxes…….	156,485	231,590
Goodwill and intangible assets……..	(82,967)	(111,073)
Guaranty Expense……...	(34,872)	(111,073)
Other……..	(62,706)	(45,346)
BCBSNC SAP capital and surplus……..	$2,954,475	$2,210,529

The NAIC adopted the RBC for Health Organizations Model Act in 1998. The NCDOI subsequently adopted this act in 2001. Under this act, a company's risk-based capital (RBC) is calculated by applying certain factors to various asset, premium and reserve items. If a company's calculated RBC falls below certain thresholds, regulatory intervention or oversight is required. BCBSNC's RBC level, calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of December 31, 2017 and 2016. The Company is also subject to insurance laws and regulations of the State of North Carolina that include but are not limited to restrictions on dividends, types of investments that insurers are allowed to invest in, and the amount of capital and surplus.

ANNUAL STATEMENT

OF THE

Blue Cross and Blue Shield of North Carolina

Of

Durham

in the state of

North Carolina

to the Insurance Department of the state of North Carolina

For the Year Ended

December 31, 2017

2017

HEALTH

54631201720100100

ANNUAL STATEMENT

For the Year Ended December 31, 2017
of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code....758 (Current Period) (Prior Period) NAIC Company Code..... 54631 Employer's ID Number..... 56-0894904

Organized under the Laws of North Carolina State of Domicile or Port of Entry North Carolina Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 Commenced Business..... January 1, 1968

Statutory Home Office	4705 University Drive..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	4615 University Drive..... Durham..... NC.....27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291..... Durham..... NC..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	4705 University Drive, Building 700..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)* tom.krebs@bcbsnc.com *(E-Mail Address)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)* 919-287-5458 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Patrick Hugh Conway #	President & Chief Executive Officer	2. Gerald Allan Petkau	SVP, Chief Operating Officer
3. Mitchell Wade Perry	SVP, Chief Financial Officer & Treasurer	4. Nathan King Prather	SVP, General Counsel & Corporate Secretary

OTHER

James Bradley Wilson #	Former President & Chief Executive Officer	Fara Marie Palumbo	SVP, Chief Human Resources Officer
John Thomas Roos	SVP, Chief Sales, Marketing & Communications Officer	John Michael Parkerson	SVP, Chief Strategy Officer
Patrick Kim Getzen	Chief Actuary	Jogenia Harrell Abernathy	Chief Information Officer
Bruce Lagarde Allen #	VP, Federal Segment	Daniel Fulton Atherton #	VP, Production Operations
Joseph Bastante #	Chief Technology Officer	Tracy Rudolph Bennett	VP, Audit
Gary Paul Bolt #	VP, Individual Under 65 Segment	Samantha Jane Bureau-Johnson	VP, Business Process Excellence & Project Management Office
Lisa Lindoe Cade	Chief Service Operations Officer	Richard Allen Chilton	Chief Information Security Officer
Kenneth Steven Crist #	VP, Major Group Segment	Diane Grace DeGroff	VP, Corporate Services
James Patrick Emmons	VP, Corporate Administrative Services	Robert Mark Fleming	VP, Government Affairs
Robert Taylor Gofourth	VP, Operational Strategy and Performance	Estay Lewis Greene #	VP, Pharmacy Services

DIRECTORS OR TRUSTEES

Frank Brown Holding, Jr., Chairman #	Patrick Hugh Conway #	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Lars Steven Nelson	William Hardy Bryan	Harold Lee Martin, Sr.
Anita Rose Brown-Graham	Edward Lloyd Curran #	Jimmy Walker Phillips	Lisa Anne Carey
John Davis Kimberly			

State of..... North Carolina
County of.....Durham

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

(Signature)	(Signature)	(Signature)
Patrick Hugh Conway	Louis Patalano IV.	Mitchell Wade Perry
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	VP, Deputy General Counsel	SVP, Chief Financial Officer & Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 13 day of Feb 2018

Wendy C Compton
April 5, 2022

WENDY C. COMPTON Notary Public Person County NORTH CAROLINA

a. Is this an original filing? Yes [X] No [ ]

1. State the amendment number
2. Date filed
3. Number of pages attached

OTHER (continued)

Kathryn Mary Higgins	VP, Corporate Affairs
Sean Michael Kems	VP, Ancillary Segment & Division Operations
Adrienna Yvette Maisonet-Morales	VP, Enterprise Learning & Development
Robin Carole Miller	VP, People Strategies
Susan Lorraine Murray	VP, State Segment
Reagan Greene Pruitt #	VP, Integrated Marketing
Maticia Cotton Sims	VP, Corporate Controller
Kelly Ann Wage #	VP, Product & Digital Transformation
Mark Eric Werner	VP, Provider Network & Transformation
Trevor Ronald Johnson #	VP, IT Solution Delivery
David Bruce Kochman #	VP, Communications
Debbie Livengood Miller	VP, Care Management Operations
Barbara Christine Morales-Burke	VP, Health Policy & Chief Compliance Officer
Louis Patalano IV	VP, Deputy General Counsel
Tarsha Vanessa Rowland	VP, Customer Service Operations
Pariyast Joeseph Sinsangkeo	VP, IT Solution & Information Delivery
Roy Edward Watson Jr #	VP, Local Group Segment

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	2,761,344,059		2,761,344,059	1,966,611,051
2. Stocks (Schedule D):				
2.1 Preferred stocks	105,795,186		105,795,186	74,811,635
2.2 Common stocks	1,005,960,934	184,370	1,005,776,564	700,309,579
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....93,087,775 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)	5,102,981		5,102,981	2,657,583
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....3,070,571, Schedule E-Part 1), cash equivalents ($.....69,978,704, Schedule E-Part 2) and short-term investments ($.....479,787, Schedule DA)	73,529,062		73,529,062	(55,129,183)
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	473,161,322		473,161,322	428,964,043
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	540,764	540,764	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	4,425,434,308	725,134	4,424,709,174	3,118,224,708
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	27,289,462		27,289,462	20,727,403
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	282,308,774	6,286,341	276,022,433	219,813,530
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....0) and contracts subject to redetermination ($.....0)			0	1,557,398
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	15,922,845		15,922,845	87,970,753
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	248,079,162	23,909,317	224,169,845	224,372,778
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	37,443,925		37,443,925	168,470,826
19. Guaranty funds receivable or on deposit	44,711,988		44,711,988	
20. Electronic data processing equipment and software	200,364,719	191,480,750	8,883,969	12,541,111
21. Furniture and equipment, including health care delivery assets ($.....0)	18,414,382	18,414,382	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	6,514,582		6,514,582	3,858,240
24. Health care ($.....59,698,397) and other amounts receivable	172,746,764	113,048,367	59,698,397	49,465,474
25. Aggregate write-ins for other-than-invested assets	341,329,243	256,230,768	85,098,475	203,177,514
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,820,560,154	610,095,059	5,210,465,095	4,110,179,735
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	5,820,560,154	610,095,059	5,210,465,095	4,110,179,735
DETAILS OF WRITE-INS				
1101. Goodwill	540,764	540,764	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	540,764	540,764	0	0
2501. Investment In Topaz R & D	145,207,014	145,207,014	0	
2502. Risk Adjustment Receivable	41,000,001		41,000,001	165,000,000
2503. Renewable Energy Credits	49,209,598	20,556,564	28,653,034	24,813,108
2598. Summary of remaining write-ins for Line 25 from overflow page	105,912,630	90,467,190	15,445,440	13,364,406
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	341,329,243	256,230,768	85,098,475	203,177,514

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....2,966,673 reinsurance ceded)	762,077,912	23,569,420	785,647,332	696,584,538
2.	Accrued medical incentive pool and bonus amounts	31,174,995		31,174,995	
3.	Unpaid claims adjustment expenses	19,867,308	614,453	20,481,761	19,163,535
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	245,211,675		245,211,675	268,934,068
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserves			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	123,217,910		123,217,910	126,794,620
9.	General expenses due or accrued	498,805,005		498,805,005	433,599,574
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	82,685,079		82,685,079	7,390,975
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	416,648		416,648	429,677
13.	Remittances and items not allocated	3,417,032		3,417,032	4,696,366
14.	Borrowed money (including $.....62,171,888 current) and interest thereon $.....0 (including $.....0 current)	62,171,888		62,171,888	106,165,508
15.	Amounts due to parent, subsidiaries and affiliates	2,661,416		2,661,416	2,850,910
16.	Derivatives			0	
17.	Payable for securities	6,932,059		6,932,059	4,557,202
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	226,976,634		226,976,634	114,624,022
23.	Aggregate write-ins for other liabilities (including $.....0 current)	166,190,899	0	166,190,899	113,859,028
24.	Total liabilities (Lines 1 to 23)	2,231,806,460	24,183,873	2,255,990,333	1,899,650,023
25.	Aggregate write-ins for special surplus funds	XXX	XXX	169,100,868	0
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other-than-special surplus funds	XXX	XXX	1,023,826,825	936,116,044
31.	Unassigned funds (surplus)	XXX	XXX	1,761,547,069	1,274,413,668
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,954,474,762	2,210,529,712
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	5,210,465,095	4,110,179,735

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	76,099,811		76,099,811	74,842,812
2302.	Accounts Payable	48,977,751		48,977,751	36,824,568
2303.	Intercompany Tax Payable	39,045,441		39,045,441	
2398.	Summary of remaining write-ins for Line 23 from overflow page	2,067,896	0	2,067,896	2,191,648
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	166,190,899	0	166,190,899	113,859,028
2501.	Special Surplus - ACA Health Insurer Tax	XXX	XXX	169,100,868	
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	169,100,868	0
3001.	Contingency Reserve	XXX	XXX	1,023,826,825	936,116,044
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	1,023,826,825	936,116,044

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	20,382,745	19,334,113
2.	Net premium income (including $.....0 non-health premium income)	XXX	8,813,973,311	7,205,926,949
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(92,594,569)	(27,856,542)
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	10,734,297	10,965,543
8.	Total revenues (Lines 2 to 7)	XXX	8,732,113,039	7,189,035,950
Hospital and Medical:				
9.	Hospital/medical benefits		4,455,671,958	4,118,511,745
10.	Other professional services	175,473,427	296,289,692	258,240,915
11.	Outside referrals			
12.	Emergency room and out-of-area	43,178,207	473,903,785	417,556,865
13.	Prescription drugs		1,459,772,020	1,142,173,096
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		38,687,911	
16.	Subtotal (Lines 9 to 15)	218,651,634	6,724,325,366	5,936,482,621
Less:				
17.	Net reinsurance recoveries		27,573,562	71,060,357
18.	Total hospital and medical (Lines 16 minus 17)	218,651,634	6,696,751,804	5,865,422,264
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....265,012,854 cost containment expenses	20,882,052	650,293,191	490,162,428
21.	General administrative expenses		795,005,963	748,553,883
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(97,176,900)	(5,176,153)
23.	Total underwriting deductions (Lines 18 through 22)	239,533,686	8,044,874,058	7,098,962,422
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	687,238,981	90,073,528
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		131,705,769	106,143,290
26.	Net realized capital gains or (losses) less capital gains tax of $.....2,083,380		3,869,134	39,799,797
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	135,574,903	145,943,087
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	24,816,524	20,722,691
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	847,630,408	256,739,306
31.	Federal and foreign income taxes incurred	XXX	148,054,102	(15,280,534)
32.	Net income (loss) (Lines 30 minus 31)	XXX	699,576,306	272,019,840

DETAILS OF WRITE-INS

0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	Loss on Fixed Assets	XXX	(3,058,753)	(327,231)
0702.	North Carolina State Tax Credits	XXX	13,793,050	11,292,774
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	10,734,297	10,965,543
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		24,816,524	24,322,691
2902.	NC DOI Penalties & Fines			(3,600,000)
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	24,816,524	20,722,691

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,210,529,712	2,067,050,162
34. Net income or (loss) from Line 32	699,576,306	272,019,840
35. Change in valuation basis of aggregate policy and claim reserves	17,530,059	28,414,555
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....(16,835,855)	151,882,316	(7,594,519)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(167,638,504)	(121,171,060)
39. Change in nonadmitted assets	(13,902,297)	(26,174,009)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	56,497,170	(2,015,257)
48. Net change in capital and surplus (Lines 34 to 47)	743,945,050	143,479,550
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,954,474,762	2,210,529,712

DETAILS OF WRITE-INS

4701. Change in accounting estimate for pension amortization, net of tax	51,334,213	
4702. Additional Liability for Pension Benefits	5,162,957	(2,015,257)
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	56,497,170	(2,015,257)

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	8,893,178,353	7,200,427,682
2.	Net investment income	142,931,639	121,308,219
3.	Miscellaneous income	10,734,297	10,965,543
4.	Total (Lines 1 through 3)	9,046,844,289	7,332,701,444
5.	Benefit and loss related payments	6,530,362,190	5,736,960,337
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,349,867,631	1,267,125,164
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....2,083,380 tax on capital gains (losses)	33,714,557	(32,604,780)
10.	Total (Lines 5 through 9)	7,913,944,378	6,971,480,721
11.	Net cash from operations (Line 4 minus Line 10)	1,132,899,911	361,220,723
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	729,250,556	351,124,127
	12.2 Stocks	253,654,762	484,364,048
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	72,137,900	99,751,062
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	2,374,857	4,079,203
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,057,418,075	939,318,440
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,501,661,788	556,718,664
	13.2 Stocks	476,319,686	370,688,676
	13.3 Mortgage loans		
	13.4 Real estate	1,385,407	12,059,215
	13.5 Other invested assets	98,796,811	129,327,589
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,078,163,692	1,068,794,144
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(1,020,745,617)	(129,475,704)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	(43,993,620)	(129,840,544)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	58,087,606	(80,479,106)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	14,093,986	(210,319,650)
	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)	126,248,280	21,425,369
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	(52,719,218)	(74,144,587)
	19.2 End of year (Line 18 plus Line 19.1)	73,529,062	(52,719,218)

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

20.0001	Charitable foundation contributions	10,000,000	

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	8,813,973,311	6,191,059,884	381,730,051	72,630,737	7,796,471	1,104,890,366	903,160,393		152,705,409	
2. Change in unearned premium reserves and reserve for rate credit	(92,594,569)					(92,594,569)				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	10,734,297	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,734,297
7. Total revenues (Lines 1 to 6)	8,732,113,039	6,191,059,884	381,730,051	72,630,737	7,796,471	1,012,295,797	903,160,393	0	152,705,409	10,734,297
8. Hospital/medical benefits	4,455,671,958	2,935,023,550	179,077,028			607,659,890	684,055,883		49,855,607	XXX
9. Other professional services	296,289,692	190,308,151	11,313,867	48,046,876	5,150,967	38,391,207			3,078,624	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	473,903,785	349,570,254	21,674,947			73,549,333	23,211,267		5,897,984	XXX
12. Prescription drugs	1,459,772,020	1,041,069,682	65,841,535			223,419,276	66,441,747		62,999,780	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	38,687,911	31,678,222					7,009,689			XXX
15. Subtotal (Lines 8 to 14)	6,724,325,366	4,547,649,859	277,907,377	48,046,876	5,150,967	943,019,706	780,718,586	0	121,831,995	XXX
16. Net reinsurance recoveries	27,573,562	18,815,330							8,758,232	XXX
17. Total hospital and medical (Lines 15 minus 16)	6,696,751,804	4,528,834,529	277,907,377	48,046,876	5,150,967	943,019,706	780,718,586	0	113,073,763	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....265,012,854 cost containment expenses	650,293,191	440,911,710	52,603,215	5,850,817	452,710	46,114,868	92,688,186		11,671,685	
20. General administrative expenses	795,005,963	666,931,373	50,445,446	12,288,373	950,820	24,151,610	68,905,739		(28,667,398)	
21. Increase in reserves for accident and health contracts	(97,176,900)	(96,331,287)	(845,613)							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	8,044,874,058	5,540,346,325	380,110,425	66,186,066	6,554,497	1,013,286,184	942,312,511	0	96,078,050	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	687,238,981	650,713,559	1,619,626	6,444,671	1,241,974	(990,387)	(39,152,118)	0	56,627,359	10,734,297
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Loss on Fixed Assets	(3,058,753)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3,058,753)
0602. North Carolina State Tax Credits	13,793,050	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,793,050
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	10,734,297	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,734,297
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	6,191,059,884			6,191,059,884
2. Medicare supplement	381,730,051			381,730,051
3. Dental only	72,630,737			72,630,737
4. Vision only	7,796,471			7,796,471
5. Federal employees health benefits plan	1,104,890,366			1,104,890,366
6. Title XVIII - Medicare	903,160,393			903,160,393
7. Title XIX - Medicaid				0
8. Other health	163,739,618		11,034,209	152,705,409
9. Health subtotal (Lines 1 through 8)	8,825,007,520	0	11,034,209	8,813,973,311
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	8,825,007,520	0	11,034,209	8,813,973,311

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	6,634,485,230	4,415,994,287	277,537,463	48,808,184	5,179,967	981,019,865	788,966,118		116,979,346	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	111,635,955	103,730,992							7,904,963	
1.4 Net	6,522,849,275	4,312,263,295	277,537,463	48,808,184	5,179,967	981,019,865	788,966,118	0	109,074,383	0
2. Paid medical incentive pools and bonuses	7,512,915	5,774,279					1,738,636			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	788,614,005	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664		14,342,164	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	2,966,673								2,966,673	
3.4 Net	785,647,332	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664	0	11,375,491	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	31,174,996	25,903,943					5,271,053			
6. Net healthcare receivables (a)	25,896,084	25,763,963	(33,776)						165,897	
7. Amounts recoverable from reinsurers December 31, current year	15,922,845	15,922,845								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	711,565,698	456,418,758	28,558,390	3,154,629	191,540	120,209,877	93,708,885		9,323,619	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	14,981,160	12,867,754							2,113,406	
8.4 Net	696,584,538	443,551,004	28,558,390	3,154,629	191,540	120,209,877	93,708,885	0	7,210,213	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	87,970,753	87,970,753								
12. Incurred benefits:										
12.1 Direct	6,685,637,453	4,515,971,636	277,907,377	48,046,876	5,150,967	943,019,706	773,708,897	0	121,831,994	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	27,573,560	18,815,330	0	0	0	0	0	0	8,758,230	0
12.4 Net	6,658,063,893	4,497,156,306	277,907,377	48,046,876	5,150,967	943,019,706	773,708,897	0	113,073,764	0
13. Incurred medical incentive pools and bonuses	38,687,911	31,678,222	0	0	0	0	7,009,689	0	0	0

(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 (Medical and Hospital)	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	235,592,906	197,934,424	606,785			27,951,304	9,100,393			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	235,592,906	197,934,424	606,785	0	0	27,951,304	9,100,393	0	0	0
2. Incurred but unreported:										
2.1 Direct	553,021,099	384,225,646	28,287,743	2,393,321	162,540	54,258,414	69,351,271		14,342,164	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	2,966,673								2,966,673	
2.4 Net	550,054,426	384,225,646	28,287,743	2,393,321	162,540	54,258,414	69,351,271	0	11,375,491	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	788,614,005	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664	0	14,342,164	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	2,966,673	0	0	0	0	0	0	0	2,966,673	0
4.4 Net	785,647,332	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664	0	11,375,491	0

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)	390,428,250	3,993,882,953	35,362,268	546,797,802	425,790,518	443,551,004
2. Medicare supplement	25,663,874	251,873,589	51,886	28,842,642	25,715,760	28,558,389
3. Dental only	3,001,683	45,806,501	942	2,392,379	3,002,625	3,154,629
4. Vision only	556,501	4,623,466	32	162,508	556,533	191,540
5. Federal employees health benefits plan	82,110,507	898,909,358	310,186	81,899,533	82,420,693	120,209,877
6. Title XVIII - Medicare	85,102,747	703,863,370	19,559	78,432,105	85,122,306	93,708,885
7. Title XIX - Medicaid					0	
8. Other health	2,771,189	106,303,194	2,000,000	9,375,490	4,771,189	7,210,214
9. Health subtotal (Lines 1 to 8)	589,634,751	6,005,262,431	37,744,873	747,902,459	627,379,624	696,584,538
10. Healthcare receivables (a)		136,151,760			0	110,255,677
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	7,062,915	450,000	5,761,838	25,413,158	12,824,753	
13. Totals (Lines 9 - 10 + 11 + 12)	596,697,666	5,869,560,671	43,506,711	773,315,617	640,204,377	586,328,861

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	401,703	492,363	492,456	492,457	492,459
2. 2013	4,597,788	5,020,474	5,033,211	5,033,211	5,033,211
3. 2014	XXX	5,735,536	6,399,876	6,406,057	6,406,057
4. 2015	XXX	XXX	5,871,537	6,443,074	6,447,870
5. 2016	XXX	XXX	XXX	5,282,333	5,874,234
6. 2017	XXX	XXX	XXX	XXX	6,005,713

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	428,861	492,366	492,459	492,459	492,459
2. 2013	5,040,150	5,029,227	5,033,211	5,033,211	5,033,211
3. 2014	XXX	6,453,467	6,404,753	6,406,057	6,406,057
4. 2015	XXX	XXX	6,550,900	6,451,276	6,447,870
5. 2016	XXX	XXX	XXX	5,970,712	5,917,742
6. 2017	XXX	XXX	XXX	XXX	6,779,027

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	5,819,893	5,033,211	224,526	4.5	5,257,737	90.3			5,257,737	90.3
2. 2014	7,344,344	6,406,057	241,296	3.8	6,647,353	90.5			6,647,353	90.5
3. 2015	7,433,252	6,447,870	202,677	3.1	6,650,547	89.5			6,650,547	89.5
4. 2016	7,205,926	5,874,234	513,800	8.7	6,388,034	88.6	43,508	1,080	6,432,622	89.3
5. 2017	8,813,972	6,005,712	567,150	9.4	6,572,862	74.6	773,314	19,402	7,365,578	83.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	210,184	299,456	299,549	299,550	299,550
2. 2013	2,608,975	2,786,698	2,795,258	2,795,258	2,795,258
3. 2014	XXX	3,346,929	3,739,829	3,745,929	3,745,929
4. 2015	XXX	XXX	3,721,874	4,059,964	4,065,300
5. 2016	XXX	XXX	XXX	3,201,608	3,593,762
6. 2017	XXX	XXX	XXX	XXX	3,994,332

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	236,529	299,457	299,550	299,550	299,550
2. 2013	2,828,398	2,789,840	2,795,258	2,795,258	2,795,258
3. 2014	XXX	3,743,605	3,740,729	3,745,929	3,745,929
4. 2015	XXX	XXX	4,119,236	4,066,226	4,065,300
5. 2016	XXX	XXX	XXX	3,638,897	3,634,887
6. 2017	XXX	XXX	XXX	XXX	4,566,544

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	3,308,814	2,795,258	165,156	5.9	2,960,414	89.5			2,960,414	89.5
2. 2014	4,296,357	3,745,929	173,955	4.6	3,919,884	91.2			3,919,884	91.2
3. 2015	4,651,137	4,065,300	43,923	1.1	4,109,223	88.3			4,109,223	88.3
4. 2016	4,478,873	3,593,762	337,635	9.4	3,931,397	87.8	41,125	1,019	3,973,541	88.7
5. 2017	6,191,060	3,994,332	415,465	10.4	4,409,797	71.2	572,212	14,160	4,996,169	80.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	27,228	27,520	27,521	27,522	27,521
2. 2013	201,730	226,600	226,893	226,893	226,893
3. 2014	XXX	223,977	252,491	252,784	252,784
4. 2015	XXX	XXX	243,701	269,136	269,135
5. 2016	XXX	XXX	XXX	247,016	272,679
6. 2017	XXX	XXX	XXX	XXX	251,875

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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	27,360	27,521	27,521	27,521	27,521
2. 2013	228,998	226,641	226,893	226,893	226,893
3. 2014	XXX	254,469	252,516	252,784	252,784
4. 2015	XXX	XXX	276,007	269,147	269,135
5. 2016	XXX	XXX	XXX	275,562	272,731
6. 2017	XXX	XXX	XXX	XXX	280,717

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	314,647	226,893	16,381	7.2	243,274	77.3			243,274	77.3
2. 2014	337,578	252,784	15,204	6.0	267,988	79.4			267,988	79.4
3. 2015	351,568	269,135	2,796	1.0	271,931	77.3			271,931	77.3
4. 2016	375,586	272,679	20,829	7.6	293,508	78.1	52	1	293,561	78.2
5. 2017	381,730	251,875	20,602	8.2	272,477	71.4	28,841	752	302,070	79.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	4,465	4,484	4,485	4,486	4,486
2. 2013	63,987	67,703	67,732	67,732	67,732
3. 2014	XXX	53,769	57,379	57,331	57,331
4. 2015	XXX	XXX	50,926	54,823	54,798
5. 2016	XXX	XXX	XXX	47,731	50,758
6. 2017	XXX	XXX	XXX	XXX	45,807

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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	4,494	4,486	4,486	4,486	4,486
2. 2013	67,615	67,722	67,732	67,732	67,732
3. 2014	XXX	58,278	57,406	57,331	57,331
4. 2015	XXX	XXX	54,355	54,825	54,798
5. 2016	XXX	XXX	XXX	50,885	50,759
6. 2017	XXX	XXX	XXX	XXX	48,199

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	87,971	67,732	2,037	3.0	69,769	79.3			69,769	79.3
2. 2014	86,116	57,331	521	0.9	57,852	67.2			57,852	67.2
3. 2015	78,523	54,798	2,548	4.6	57,346	73.0			57,346	73.0
4. 2016	73,243	50,758	2,204	4.3	52,962	72.3	1		52,963	72.3
5. 2017	72,631	45,807	1,731	3.8	47,538	65.5	2,392	62	49,992	68.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	308	308	307	307	307
2. 2013	3,063	3,450	3,450	3,450	3,450
3. 2014	XXX	3,360	3,818	3,818	3,818
4. 2015	XXX	XXX	4,003	4,508	4,508
5. 2016	XXX	XXX	XXX	4,370	4,927
6. 2017	XXX	XXX	XXX	XXX	4,623

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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	307	307	307	307	307
2. 2013	3,253	3,450	3,450	3,450	3,450
3. 2014	XXX	3,496	3,818	3,818	3,818
4. 2015	XXX	XXX	4,183	4,508	4,508
5. 2016	XXX	XXX	XXX	4,559	4,927
6. 2017	XXX	XXX	XXX	XXX	4,783

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	4,828	3,450	63	1.8	3,513	72.8			3,513	72.8
2. 2014	5,809	3,818	6	0.2	3,824	65.8			3,824	65.8
3. 2015	6,574	4,508	19	0.4	4,527	68.9			4,527	68.9
4. 2016	7,341	4,927	136	2.8	5,063	69.0			5,063	69.0
5. 2017	7,796	4,623	115	2.5	4,738	60.8	162	4	4,904	62.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	82,162	83,239	83,239	83,237	83,239
2. 2013	754,034	871,357	875,212	875,212	875,212
3. 2014	XXX	771,326	884,202	884,038	884,038
4. 2015	XXX	XXX	848,470	956,027	955,513
5. 2016	XXX	XXX	XXX	894,637	977,262
6. 2017	XXX	XXX	XXX	XXX	898,909

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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	82,162	83,239	83,239	83,239	83,239
2. 2013	841,370	874,683	875,212	875,212	875,212
3. 2014	XXX	897,116	888,000	884,038	884,038
4. 2015	XXX	XXX	969,521	957,835	955,513
5. 2016	XXX	XXX	XXX	1,013,038	977,572
6. 2017	XXX	XXX	XXX	XXX	980,809

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	896,883	875,212	19,887	2.3	895,099	99.8			895,099	99.8
2. 2014	1,018,780	884,038	17,097	1.9	901,135	88.5			901,135	88.5
3. 2015	1,073,537	955,513	87,115	9.1	1,042,628	97.1			1,042,628	97.1
4. 2016	1,121,822	977,262	82,548	8.4	1,059,810	94.5	310	8	1,060,128	94.5
5. 2017	1,104,890	898,909	58,855	6.5	957,764	86.7	81,900	2,135	1,041,799	94.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	76,186	76,187	76,186	76,185	76,186
2. 2013	860,580	955,910	955,910	955,910	955,910
3. 2014	XXX	1,236,311	1,360,509	1,360,509	1,360,509
4. 2015	XXX	XXX	926,850	1,020,778	1,020,778
5. 2016	XXX	XXX	XXX	780,098	865,202
6. 2017	XXX	XXX	XXX	XXX	703,863

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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	76,839	76,186	76,186	76,186	76,186
2. 2013	963,658	958,135	955,910	955,910	955,910
3. 2014	XXX	1,396,012	1,360,636	1,360,509	1,360,509
4. 2015	XXX	XXX	1,044,773	1,020,897	1,020,778
5. 2016	XXX	XXX	XXX	873,688	865,222
6. 2017	XXX	XXX	XXX	XXX	782,295

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	1,065,687	955,910	15,661	1.6	971,571	91.2			971,571	91.2
2. 2014	1,466,708	1,360,509	29,383	2.2	1,389,892	94.8			1,389,892	94.8
3. 2015	1,127,824	1,020,778	61,814	6.1	1,082,592	96.0			1,082,592	96.0
4. 2016	1,000,698	865,202	64,826	7.5	930,028	92.9	20		930,048	92.9
5. 2017	903,160	703,863	62,019	8.8	765,882	84.8	78,432	2,045	846,359	93.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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					
2. 2013					
3. 2014	XXX				
4. 2015	XXX	XXX			
5. 2016	XXX	XXX	XXX		
6. 2017	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013		0		0.0	0	0.0			0	0.0
2. 2014		0		0.0	0	0.0			0	0.0
3. 2015		0		0.0	0	0.0			0	0.0
4. 2016		0		0.0	0	0.0			0	0.0
5. 2017		0		0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	1,170	1,169	1,169	1,170	1,170
2. 2013	105,419	108,756	108,756	108,756	108,756
3. 2014	XXX	99,864	101,648	101,648	101,648
4. 2015	XXX	XXX	75,713	77,838	77,838
5. 2016	XXX	XXX	XXX	106,873	109,644
6. 2017	XXX	XXX	XXX	XXX	106,303

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	1,170	1,170	1,170	1,170	1,170
2. 2013	106,858	108,756	108,756	108,756	108,756
3. 2014	XXX	100,491	101,648	101,648	101,648
4. 2015	XXX	XXX	82,825	77,838	77,838
5. 2016	XXX	XXX	XXX	114,083	111,644
6. 2017	XXX	XXX	XXX	XXX	115,679

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	141,063	108,756	5,341	4.9	114,097	80.9			114,097	80.9
2. 2014	132,996	101,648	5,130	5.0	106,778	80.3			106,778	80.3
3. 2015	144,089	77,838	4,462	5.7	82,300	57.1			82,300	57.1
4. 2016	148,363	109,644	5,622	5.1	115,266	77.7	2,000	52	117,318	79.1
5. 2017	152,705	106,303	8,363	7.9	114,666	75.1	9,375	244	124,285	81.4

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	199,729								199,729
2. Additional policy reserves (a)	121,395,276		109,331,243						12,064,033
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0 for investment income)	0								
5. Aggregate write-ins for other policy reserves	135,880,432	0	0	0	0	135,880,432	0	0	0
6. Totals (gross)	257,475,437	0	109,331,243	0	0	135,880,432	0	0	12,263,762
7. Reinsurance ceded	12,263,762								12,263,762
8. Totals (net) (Page 3, Line 4)	245,211,675	0	109,331,243	0	0	135,880,432	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. FEP Stabilization Reserve	135,880,432					135,880,432			
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	135,880,432	0	0	0	0	135,880,432	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $.....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 ($.....20,340,348 for occupancy of own building)	4,115,594	5,926,785	4,987,500		15,029,879
2. Salaries, wages and other benefits	166,367,736	251,213,048	261,211,189	878,550	679,670,523
3. Commissions (less $.....0 ceded plus $.....0 assumed)			149,960,895		149,960,895
4. Legal fees and expenses	88,297	156,928	4,537,409		4,782,634
5. Certifications and accreditation fees	633,044	935,562	1,065,608		2,634,214
6. Auditing, actuarial and other consulting services	49,275,056	70,508,933	67,247,218		187,031,207
7. Traveling expenses	665,327	3,355,523	5,326,113		9,346,963
8. Marketing and advertising			24,609,685		24,609,685
9. Postage, express and telephone	2,731,299	10,096,365	9,070,105		21,897,769
10. Printing and office supplies	846,256	4,831,406	7,306,477		12,984,139
11. Occupancy, depreciation and amortization	(1,474,157)	3,917,260	(1,503,924)		939,179
12. Equipment	201,743	303,864	314,760		820,367
13. Cost or depreciation of EDP equipment and software	15,268,374	25,180,999	22,504,347		62,953,720
14. Outsourced services including EDP, claims, and other services	78,644,814	80,515,791	70,245,337	6,727,644	236,133,586
15. Boards, bureaus and association fees	10,343,467	566,530	19,373,680		30,283,677
16. Insurance, except on real estate	5,054	8,934	2,450,958		2,464,946
17. Collection and bank service charges		196	6,738,832		6,739,028
18. Group service and administration fees	42,487,720	44,586,460	9,214,903		96,289,083
19. Reimbursements by uninsured plans	(90,568,218)	(95,752,017)	(112,417,518)		(298,737,753)
20. Reimbursements from fiscal intermediaries	(21,146,867)	(44,918,396)	(73,189,413)		(139,254,676)
21. Real estate expenses	(928,655)	3,827,553	1,312,598	6,431,840	10,643,336
22. Real estate taxes	573,780	818,993	831,275		2,224,048
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			137,736,884		137,736,884
23.3 Regulatory authority licenses and fees	73	121	94,515		94,709
23.4 Payroll taxes	6,883,117	11,683,210	9,962,471		28,528,798
23.5 Other (excluding federal income and real estate taxes)			121,284,988		121,284,988
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	7,516,289	44,729,071	0	52,245,360
26. Total expenses incurred (Lines 1 to 25)	265,012,854	385,280,337	795,005,963	14,038,034	(a) 1,459,337,188
27. Less expenses unpaid December 31, current year	1,865,378	18,616,383	498,805,005		519,286,766
28. Add expenses unpaid December 31, prior year	1,745,320	17,418,215	433,599,574		452,763,109
29. Amounts receivable relating to uninsured plans, prior year	34,197,500	61,275,093	152,296,552		247,769,145
30. Amounts receivable relating to uninsured plans, current year	34,240,289	61,351,762	152,487,111		248,079,162
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	264,935,585	384,158,838	729,991,091	14,038,034	1,393,123,548

DETAILS OF WRITE-INS

2501. Charitable foundation contributions			40,000,000		40,000,000
2502. Interest expense		7,516,289			7,516,289
2503. Guarantee Association assessment expense			4,729,071		4,729,071
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	7,516,289	44,729,071	0	52,245,360

(a) Includes management fees of $.....(1,767,525) 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) 3,816,781	4,335,708
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 75,214,740	81,033,026
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 5,379,590	5,349,446
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	16,367,106	16,566,945
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 20,340,348	20,340,348
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 849,656	904,986
7.	Derivative instruments	(f)	
8.	Other invested assets	17,291,163	17,119,663
9.	Aggregate write-ins for investment income	4,471,421	4,471,421
10.	Total gross investment income	143,730,805	150,121,542
11.	Investment expenses		(g) 14,038,034
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) 4,191,799
15.	Aggregate write-ins for deductions from investment income		185,940
16.	Total deductions (Lines 11 through 15)		18,415,773
17.	Net investment income (Line 10 minus Line 16)		131,705,769
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income	2,747,849	2,747,849
0902.	FEP Interest	1,723,572	1,723,572
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	4,471,421	4,471,421
1501.	Rental property expense		185,940
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		185,940

(a) Includes $.....875,580 accrual of discount less $.....14,444,321 amortization of premium and less $.....8,008,784 paid for accrued interest on purchases.
(b) Includes $.....12,069 accrual of discount less $.....39,458 amortization of premium and less $.....(70,642) 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 $.....20,340,348 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....2,146 amortization of premium and less $.....6,044 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 $.....4,191,799 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	(1,968,017)		(1,968,017)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	(10,713,268)		(10,713,268)	22,399,867	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	(315,799)		(315,799)	1,634,914	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	16,325,740		16,325,740	93,918,491	
2.21	Common stocks of affiliates			0	2,181,614	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	(2,927)	
7.	Derivative instruments			0		
8.	Other invested assets	3,013,857	(390,000)	2,623,857	14,914,502	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	6,342,514	(390,000)	5,952,514	135,046,461	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 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)		26,171,944	26,171,944
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	184,370	252,412	68,042
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)		2,409,965	2,409,965
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	540,764	679,931	139,167
12. Subtotals, cash and invested assets (Lines 1 to 11)	725,134	29,514,252	28,789,118
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	6,286,341	7,765,842	1,479,501
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination		13,563,760	13,563,760
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	23,909,317	23,396,367	(512,950)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	191,480,750	146,512,163	(44,968,587)
21. Furniture and equipment, including health care delivery assets	18,414,382	23,031,544	4,617,162
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	113,048,367	87,041,389	(26,006,978)
25. Aggregate write-ins for other-than-invested assets	256,230,768	265,367,445	9,136,677
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	610,095,059	596,192,762	(13,902,297)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	610,095,059	596,192,762	(13,902,297)

DETAILS OF WRITE-INS

1101. Goodwill	540,764	679,931	139,167
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	540,764	679,931	139,167
2501. Investment in Topaz R & D	145,207,014	134,909,233	(10,297,781)
2502. Prepaid Expenses	61,155,398	65,556,757	4,401,359
2503. Prepaid Retirement	29,280,350	23,179,740	(6,100,610)
2598. Summary of remaining write-ins for Line 25 from overflow page	20,588,006	41,721,715	21,133,709
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	256,230,768	265,367,445	9,136,677

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	70,064	61,211	61,045	60,867	60,268	731,556
2. Provider service organizations						
3. Preferred provider organizations	1,001,515	1,220,544	1,183,687	1,145,972	1,117,330	14,080,085
4. Point of service	9,911	9,477	9,080	8,037	7,801	105,261
5. Indemnity only	208,459	205,853	205,516	205,688	205,399	2,468,669
6. Aggregate write-ins for other lines of business	250,954	257,203	249,825	246,413	243,489	2,997,174
7. Total	1,540,903	1,754,288	1,709,153	1,666,977	1,634,287	20,382,745
DETAILS OF WRITE-INS						
0601. Dental	165,961	171,220	168,156	165,266	161,955	2,007,511
0602. Vision	84,993	85,983	81,669	81,147	81,534	989,663
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	250,954	257,203	249,825	246,413	243,489	2,997,174

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	259,057,907					259,057,907
0299997. Group subscribers subtotal	259,057,907	0	0	0	0	259,057,907
0299998. Premiums due and unpaid not individually listed	9,551,366	1,488,488	453,180	3,651,153	3,651,153	11,493,034
0299999. Total group	268,609,273	1,488,488	453,180	3,651,153	3,651,153	270,550,941
0399999. Premiums due and unpaid from Medicare entities	4,520,950	544,387	406,155	2,635,188	2,635,188	5,471,492
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	273,130,223	2,032,875	859,335	6,286,341	6,286,341	276,022,433

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeuticis	19,067,149	21,224,052	19,407,196	76,453,680	76,453,680	59,698,397
0199999. Total Pharmaceutical Rebate Receivables	19,067,149	21,224,052	19,407,196	76,453,680	76,453,680	59,698,397
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				28,904,805	28,904,805	0
0299999. Total Claim Overpayment Receivables	0	0	0	28,904,805	28,904,805	0
Other Receivables						
0699998. Other Receivables Not Listed Individually				7,689,882	7,689,882	0
0699999. Total Other Receivables	0	0	0	7,689,882	7,689,882	0
0799999. Gross Health Care Receivables	19,067,149	21,224,052	19,407,196	113,048,367	113,048,367	59,698,397

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	110,255,677			136,152,078	110,255,677	110,255,677
2. Claim overpayment receivables	18,822,129			28,904,805	18,822,129	18,822,129
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	7,429,057			7,689,880	7,429,057	7,429,057
7. Totals (Lines 1 through 6)	136,506,863	0	0	172,746,763	136,506,863	136,506,863

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	4,039,434	626,932	186,846	102,639	262,419	5,218,270
0399999. Aggregate accounts not individually listed - covered	233,574,320	36,251,430	10,804,119	5,934,924	15,173,971	301,738,764
0499999. Subtotals	237,613,754	36,878,362	10,990,965	6,037,563	15,436,390	306,957,034
0599999. Unreported claim and other claim reserves						481,656,971
0799999. Total claims unpaid						788,614,005
0899999. Accrued medical incentive pool and bonus amounts						31,174,995

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
NobleHealth	2,862,256					2,862,256	
ACS Benefit Services, Inc	2,500,000					2,500,000	
Mosaic Health Solutions, LLC	601,358					601,358	
Mosaic Group Services, LLC	550,256					550,256	
NobleHealth Services	300					300	
0199999. Individually listed receivables	6,514,170	0	0	0	0	6,514,170	0
0299999. Receivables not individually listed	412					412	
0399999. Total gross amounts receivable	6,514,582	0	0	0	0	6,514,582	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	2,507,035	2,507,035	
0199999. Individually listed payables		2,507,035	2,507,035	0
0299999. Payables not individually listed		154,381	154,381	
0399999. Total gross payables		2,661,416	2,661,416	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	44,712,031	0.7	1,634,287	100.0		44,712,031
4. Total capitation payments	44,712,031	0.7	1,634,287	100.0	0	44,712,031
Other Payments:						
5. Fee-for-service	1,942,392,158	29.7	XXX	XXX		1,942,392,158
6. Contractual fee payments	4,535,745,086	69.5	XXX	XXX		4,535,745,086
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	7,512,915	0.1	XXX	XXX		7,512,915
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	6,485,650,159	99.3	XXX	XXX	0	6,485,650,159
13. Total (Line 4 plus Line 12)	6,530,362,190	100.0	XXX	XXX	0	6,530,362,190

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	45,357,858	638,867	(27,911,423)	17,446,435	17,446,435	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	6,318,272		(5,350,324)	967,948	967,948	0
6. Total	51,676,130	638,867	(33,261,747)	18,414,383	18,414,383	0

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (BCBSNC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the State of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of North Carolina is show below:

		State of Domicile	2017	2016
	NET INCOME			
1.	BCBSNC state basis (Page 4, Line 32, Columns 2&3)	NC	$699,576,306	$272,019,840
2.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
3.	State Permitted Practices that increase/(decrease) NAIC SAP:			
4.	NAIC SAP (1-2-3=4)	NC	$699,576,306	$272,019,840
	SURPLUS			
5.	BCBSNC state basis (Page 3, Line 33, Columns 3 & 4)	NC	$2,954,474,762	$2,210,529,712
6.	State Prescribed Practices that increase/(decrease) NAIC SAP:			
7.	State Permitted Practices that increase/(decrease) NAIC SAP:			
8.	NAIC SAP (5-6-7=8)	NC	$2,954,474,762	$2,210,529,712

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

On December 22, 2017, the United States government enacted significant changes to the US tax law with the passage of H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act"). The Tax Act included significant changes to existing tax law, including a permanent reduction to the US federal corporate income tax rate from 35% to 21%, along with changes to deductions, credits, and business-related exclusions.

Under SSAP No. 101, the effects of changes in tax rates and laws on deferred tax balances are recognized in the period in which the new legislation is enacted. The Company has not completed its accounting for the tax effects of enactment of the Act as it is still analyzing certain aspects of the Act, and any future guidance from the Treasury, Internal Revenue Service, or the Company's regulator could potentially affect the measurement of those balances or give rise to new deferred tax amounts. However, it has made a reasonable estimate of the effects on its existing deferred tax balances as provided in Footnote 9, Income Taxes.

C. Accounting Policies

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

2. Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair

value with the change recorded in capital and surplus, net of applicable taxes. Prepayment assumptions are determined by using broker data.

The Company holds one SVO-Identified bond ETF reported on Schedule D-1. The ETF is reported at fair value.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment

3. Common stocks of subsidiaries are stated in accordance with SSAP 97. Common stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

4. Preferred stocks are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, BCBSNC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

5. The Company does not have any mortgage loans.

6. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

7. As of December 31, 2017, BCBSNC had five wholly-owned subsidiaries: Beacon Health Holdings ("Beacon"); Corium, LLC ("Corium"); Corium II, LLC ("Corium II"); Blue Cross and Blue Shield of North Carolina Senior Health ("Senior Health"); and NobleHealth, Inc. ("NobleHealth"). Beacon is a holding company for not-for-profit subsidiaries and affiliates. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Senior Health will provide Medicare plans in the future. NobleHealth holds non-controlling strategic investments in certain health services companies and has six wholly-owned subsidiaries: Mosaic Group Services, LLC ("Mosaic Group"); Mosaic Health Solutions, LLC ("Mosaic Health Solutions"); Noble Benefit Services, LLC ("NBS"); Topaz Shared Services, LLC ("Topaz"); ACS Benefit Services, LLC ("ACS"); and NC Health Affiliates, LLC ("NCHA"). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions holds non-controlling strategic investments in certain health services companies. NBS will function as a third-party administrator for self-insured employer groups. Topaz provides a healthcare payer operating system. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NCHA operates as a staff augmentation service.

Noble investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies. The investment which is Common Stock is carried at cost.

8. As of December 31, 2017, the Company holds ownership interest in 36 limited partnerships. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies.

9. There have been no significant changes to the accounting policy related to derivative instruments since the fiscal year 2017 filing.

10. There have been no significant changes related to the methodology used in the premium deficiency calculation.

11. Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Federal and state regulatory changes in December 2013 allowed certain individuals to maintain their pre-ACA plans that are not compliant with health care reform, which led to higher than previously expected retention of existing underwritten health plans. As this was the case with many issuers across many states, this resulted in many consumers who would have bought ACA compliant plans, staying in either grandfathered or transitional (grandmothered) plans. But over the past seven years, many customers have given up their grandfathered plans – and many insurers have stopped offering them. Because no new customers have joined this pool in seven years, the group as a whole has gotten older and sicker. Without new, healthier members to balance these high cost members, grandfathered plans have become too expensive to continue offering and we terminated Individual grandfathered plans effective December 31, 2017.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses. At year-end 2017 and 2016, the Company adjusted contract reserves through capital and surplus by $17,530,059 and $28,414,555 in accordance with the statutory accounting guidance defined in SSAP 54, paragraph 21, as a result of updated experience and refinement of assumptions.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

12. The Company has not modified its capitalization policy from the prior period.

13. The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on the use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed primarily quarterly. The Company records the rebates attributable to insured customers as a reduction to claims and medical expense. The rebates attributable to self-funded customers are accrued as rebates receivable as well as a corresponding payable to self-funded customers in accordance with their contracts. Of these receivables, $76,453,680 and $60,790,203 at December 31, 2017 and 2016, respectively, were nonadmitted because they were outstanding in excess of 90 days.

D. Going Concern

At December 31, 2017, as required by SSAP No, 1, *Accounting Policies, Risk and Uncertainties, and other Disclosures*, the Company has assessed its ability to continue as a going concern and is unaware of any conditions or events that create substantial doubt regarding its ability to do so.

2. Accounting Changes and Corrections of Errors

A. Material changes in accounting principles and/or corrections of errors:

During 2017, we voluntarily changed our method of amortizing actuarial gains and losses in our defined benefit pension plans which are recognized in equity to a straight-line method over a 5 year period without the use of a corridor. Previously, we amortized unrecognized gains and losses in excess of a 10% corridor over the estimated life (approximately 32 years) of plan participants. We adopted this new amortization method because it results in faster amortization and is more consistent with how the related pension balances are recognized on the balance sheet.

The North Carolina Department of Insurance (NCDOI) concluded that this change for statutory purposes is to be treated as a change in accounting estimate per guidance in SSAP No. 3, paragraphs 6, 7 and 8. The result is a pre-tax impact of $95,399,296.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

There have been no significant changes since the fiscal year 2016 filing.

B. Statutory Mergers

There have been no significant changes since the fiscal year 2016 filing.

C. Assumption Reinsurance

The Company has not assumed any reinsurance related to statutory purchase or mergers since the fiscal year 2016 filing.

D. Impairment Loss

There have been no significant changes since the fiscal year 2016 filing. The Company did not recognize any impairment losses.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2017 and 2016.

(1) Not Applicable.

(2) Not Applicable.

(3) Not Applicable.

(4) Not Applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have any mortgage loans as of December 31, 2017 and 2016.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable
(5) Not applicable
(6) Not applicable
(7) Not applicable
(8) Not applicable
(9) Not applicable

B. Debt Restructuring

The Company did not have any debt restructuring as of December 31, 2017 and 2016.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2017 and 2016.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2017.

(3) Loan-backed securities with a recognized other-than-temporary impairment, currently held by the Company, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities are as follows as of December 31, 2017:

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of financial statement Where Reported
None	$-	$-	$-	$-	$-	$-

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

B. The aggregate amount of unrealized losses:

1. Less than 12 Months $2,596,193
2. 12 Months or Longer $1,623,758

C. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months $306,293,230
2. 12 Months or Longer $66,518,991

(5) For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2017 and 2016.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable
(5) Not applicable
(6) Not applicable
(7) Not applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any Repurchase Agreements Transactions Accounted for as Secured Borrowing as of December 31, 2017 and 2016.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable
(5) Not applicable
(6) Not applicable
(7) Not applicable
(8) Not applicable
(9) Not applicable
(10) Not applicable

(11) Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing as of December 31, 2017 and 2016.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Not applicable

(10) Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any Repurchase Agreements Transactions Accounted for as a Sale as of December 31, 2017 and 2016.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as a Sale as of December 31, 2017 and 2016.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

J. Real Estate

(1) The Company has not recognized any impairment losses related to real estate in 2017.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

(4) The Company did not engage in retail land sales operations.

(5) The Company does not hold real estate investments with participating mortgage loan features.

K. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2017 and 2016.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

L. Restricted Assets

(1) On deposit with government authorities as required by law:

Restricted Asset Category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreement	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	$0	$28,581,909	($28,581,909)	-	0%	-
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in order categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	$0	$28,581,909	($28,581,909)	-	0%	-

(2) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2017.

(3) The Company does not have any other restricted assets as of December 31, 2017.

(4) The Company does not have collateral that is reflected as assets as of December 31, 2017.

M. Working Capital Finance Investments

(1) The Company did not have any working capital finance investments as of December 31, 2017 and 2016.

(2) Not applicable

(3) Not applicable

N. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities as of December 31, 2017 and 2016.

O. Structured Notes

The Company did not have joint and several liabilities as of December, 2017 and 2016.

P. 5* Securities

The Company did not have any 5* securities as of December 31, 2017 and 2016.

Q. Short Sales

(1) Not applicable

(2) Not applicable

R. Prepayment Penalty and Acceleration Fees

The Company did not have any prepayment penalties or acceleration fees as of December 31, 2017 and 2016.

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.

B. At December 31, 2017, the Company recognized an impairment for the following investment:

(1) Excel Medical Fund I. This fund has impaired some of the underlying investments. Investor statement indicates write down of underlying securities of 24%, and we took the corresponding write down to our investment.

(2) The amount of the impairment is $390,000. This is consistent with the impairments of the underlying investments.

7. Investment Income

All investment income due and accrued at December 31, 2017 and 2016 was included in the financial statements, and had not been outstanding greater than 90 days.

8. Derivative Instruments

The Company does not hold any derivative instruments at December 31, 2017 and 2016.

9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2017 are as follows:

1.

	12/31/17			12/31/16			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	122,248,039	59,850	122,307,889	305,234,301	8,289,102	313,523,403	(182,986,262)	(8,229,252)	(191,215,513)
(b) Statutory valuation allowance adjustments	(1,073,909)	-	(1,073,909)	(1,789,849)	-	(1,789,849)	715,940	-	715,940
(c) Adjusted gross deferred tax assets (1a - 1b)	121,174,130	59,850	121,233,980	303,444,452	8,289,102	311,733,554	(182,270,322)	(8,229,252)	(190,499,574)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	121,174,130	59,850	121,233,980	303,444,452	8,289,102	311,733,554	(182,270,322)	(8,229,252)	(190,499,574)
(f) Deferred tax liabilities	9,657,342	74,132,714	83,790,055	57,612,725	85,650,002	143,262,727	(47,955,383)	(11,517,288)	(59,472,671)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	111,516,788	(74,072,864)	37,443,925	245,831,727	(77,360,900)	168,470,827	(134,314,939)	3,288,036	(131,026,902)

2.

	12/31/17			12/31/16			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
(a) Federal income taxes paid in prior years recoverable though loss carrybacks	61,587,109	-	61,587,109	-	-	-	61,587,109	-	61,587,109
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below.)	8,756,445	-	8,756,445	205,245,453	-	205,245,453	(196,489,008)	N/A	(196,489,008)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	N/A	N/A	8,756,445	N/A	N/A	205,245,453	N/A	N/A	(196,489,008)
2. Adjusted gross deferred tax assets allowed per limitation threshold	N/A	N/A	436,222,030	N/A	N/A	300,899,240	N/A	N/A	135,322,790
(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)	50,830,576	59,850	50,890,426	98,198,999	8,289,102	106,488,100	(47,368,423)	(8,229,252)	(55,597,674)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	121,174,130	59,850	121,233,980	303,444,452	8,289,102	311,733,554	(182,270,322)	(8,229,252)	(190,499,574)

a. The ratio percentage used to determine recovery period and threshold limitation amount was 937% and 765% in 2017 and 2016, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $311,195,958 and $263,761,161 in 2017 and 2016, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

	(1) 12/31/2017	(2) 12/31/2016	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal income tax on operations	222,045,992	101,207,446	120,838,546
(b) Utilization of net operating loss carryforwards	-	(71,532,882)	71,532,882
(c) Utilization of credit carryforwards	(71,908,510)	(23,524,442)	(48,384,068)
(d) Federal income tax on net capital gains	(2,083,380)	(21,430,660)	19,347,280
(e) Federal income taxes incurred	148,054,102	(15,280,539)	163,334,641
Other line items are not applicable.			
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Medical and Other Benefits Payable	17,163,121	71,545,066	(54,381,945)
(2) Accrued Postretirement Benefits	7,553,702	15,201,551	(7,647,849)
(3) Fixed Assets	10,721,312	16,332,899	(5,611,586)
(4) Other Nonadmitted Assets	34,658,999	52,365,359	(17,706,360)
(5) Accrued Liabilities	9,627,200	12,624,443	(2,997,243)
(6) Investment in Topaz R&D	30,466,503	47,218,232	(16,751,729)
(7) Federal Credit Carryforward	-	41,896,477	(41,896,477)
(8) Investment in State Credit Funds	8,583,481	22,252,780	(13,669,299)
(9) Other - Ordinary	3,473,722	25,797,495	(22,323,773)
(99) Subtotal	122,248,039	305,234,301	(182,986,262)
(b) Statutory Valuation Allowance Adjustment	(1,073,909)	(1,789,849)	715,940
(c) Nonadmitted	-	-	-
(d) Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)	121,174,130	303,444,452	(182,270,322)
(e) Capital:			
(1) Other - Capital	59,850	8,289,102	(8,229,252)
(99) Subtotal	59,850	8,289,102	(8,229,252)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)	59,850	8,289,102	(8,229,252)
(i) Admitted deferred tax assets (2d + 2h)	121,233,980	311,733,554	(190,499,574)
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Federal NOL & Due to Subs (Tax Sharing)	-	57,612,725	(57,612,725)
(2) Guaranty Fund Assessment receivable	9,657,342	-	9,657,342
(99) Subtotal	9,657,342	57,612,725	(47,955,383)
(b) Capital:			
(1) Stocks	59,928,436	66,193,530	(6,265,094)
(2) Other	14,204,278	19,456,472	(5,252,194)
(99) Subtotal	74,132,714	85,650,002	(11,517,288)
(c) Deferred Tax Liabilities (3a99 + 3b99)	83,790,055	143,262,727	(59,472,671)
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	37,443,925	168,470,827	(131,026,902)

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

	12/31/2017	12/31/2016	Change
Total deferred tax assets	121,233,980	311,733,554	(190,499,574)
Total deferred tax liabilities	83,790,055	143,262,727	(59,472,671)
Net deferred tax asset (liability)	37,443,925	168,470,827	(131,026,902)
Tax effect of unrealized gains (losses)			35,136,470
Pension Adjustments to Surplus			34,288,478
Rate Change impact on tax effect of unrealized gain (losses)			(51,972,325)
Rate Change impact on tax effect of pension adj to surplus			9,776,605
Reclass Federal Tax Sharing DTL to Intercompany Payable			(57,612,725)
Adjust Book Basis for Federal Credit			(6,228,104)
Change in net deferred income tax			(167,638,504)

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

	12/31/2017	Effective Tax Rate
Provision computed at statutory rate	295,316,446	35.0%
Change in Nonadmitted Assets	(4,865,805)	-0.6%
Tax Exempt Income	(17,210,310)	-2.0%
Change in Valuation Basis of Aggregate Policy and Claim Reserves	6,135,521	0.7%
Donation of Appreciated Securities	(2,627,852)	-0.3%
ACA Compensation Limitation	4,864,850	0.6%
Energy Credit	(376,793)	0.0%
Rate Change Impact on Items Flowing through Equity	42,195,720	5.0%
Other	(7,739,171)	-0.9%
Total	315,692,606	37.4%
Federal income taxes incurred	148,054,102	17.5%
Change in net deferred income taxes	167,638,504	19.9%
Total statutory income taxes	315,692,606	37.4%

E. The Company had no net capital loss carryforwards and no federal income tax net operating loss (NOL) carryforwards.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
Year ended 2017	$148,054,102	$2,083,380	$150,137,486
Year ended 2016	$-	$-	$-

As discussed in Footnote 1B, Accounting Estimates, the Company has made a reasonable estimate of the effects of the Tax Act on its existing deferred balances. The Company recognized a total provisional tax benefit of $1,093,338 in 2017 due to the application of the newly enacted rates to existing deferred balances. In accordance with SSAP No. 101, tax effects were re-measured and reported on the same reporting lines where previously reflected: benefit of $51,972,325 reflected in the change in net unrealized capital gains and losses, expense of $41,102,382 reflected in the change in net deferred income taxes, and expense of $9,776,605 reflected in the change in additional liability for pension benefits.

F. The Company's federal income tax return is consolidated with the following entities:

Corium, LLC (Corium)
Corium II, LLC (Corium II)
NobleHealth, Inc.
Noble Benefit Services, LLC
Mosaic Group Services, LLC
ACS Benefit Services, LLC
Mosaic Health Solutions, LLC
Topaz Shared Services, LLC
Blue Cross and Blue Shield of North Carolina Senior Health

NC Health Affiliates, LLC
Beacon Health Holdings, Inc.

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

G. Not applicable

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

A., B. &
C. The Company earned management fees of $2,985,462 and $9,211,889 during 2017 and 2016, respectively, from its wholly-owned subsidiaries. The Company has agreed to provide its wholly-owned subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. The Company also paid management fees of $4,752,987 and $5,531,772 during 2017 and 2016, respectively, to its wholly-owned subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2017 and 2016, the Company reported $6,514,582 and $3,858,240 as amounts due from its wholly-owned subsidiaries, respectively. At December 31, 2017 and 2016, the Company reported $2,661,416 and $2,850,910 as amounts due to its wholly-owned subsidiaries, respectively. These inter-company transactions are settled monthly.

E. The Company had no guarantees or undertakings, written or otherwise.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the periods ended December 31, 2017 and 2016, respectively. In addition, ACS paid BCBSNC $110,194 and $66,098 as additional amounts due under an administrative services agreement and BCBSNC paid ACS $331,287 and $904,002 for electronic data interchange services for the periods ended December 31, 2017 and 2016, respectively.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2017 and 2016.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in Corium, Corium II, Senior Health and Noble whose carrying values are less than 10% of the Company's admitted assets. The Company carries Senior Heath at the subsidiaries' statutory equity. The Company carries Noble at GAAP audited equity. Corium and Corium II are recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2017 and 2016.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company has no investment in a downstream non-insurance holding company for which the look-through method is used.

M. All SCA Investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8(ii) Entities	XXX			
c. SSAP No. 97 8b (iii) Entities				
NobleHealth, Inc.		$193,997,215	$193,997,215	$-
Total SSAP No. 97 8b(iii)	100%	$193,997,215	$193,997,215	$-
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	100%	$193,997,215	$193,997,215	$-
f. Aggregate Total (a+e)	XXX	$193,997,215	$193,997,215	$-

2. NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above)	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX					
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8(ii) Entities	XXX	XXX	$-	XXX	XXX	XXX
c. SSAP No. 97 8b (iii) Entities						
NobleHealth, Inc.	S2	11/6/2017	$193,997,215	Y	N	
Total SSAP No. 97 8b(iii)	XXX	XXX	$193,997,215	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 8b(iv) Entities	XXX	XXX	$-	XXX	XX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$193,997,215	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	$193,997,215	XXX	XXX	XXX

N. Investment in Insurance SCAs

1. The Company has received an exemption from the North Carolina Department of Insurance pursuant to 58-10-185 for Senior Health for year-end December 31, 2017. The statute requires an annual audit of financial statements reporting the financial position and the results of operations of insurers by independent certified public accountants.

2. The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA has completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements
Blue Cross and Blue Shield of NC Senior Health	$0	$0	$0	$1,500,000

3. Senior Health is not required to file an HRBC at this time.

11. Debt

A. BCBSNC has established three credit lines providing a total borrowing capacity of $350,000,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA). The interest rate for borrowings on the revolving lines is LIBOR plus 65 basis points. The interest rate for borrowings on the secured line is based on rates published by the FHLB for the specific term requested for the borrowings.

In November 2013, BCBSNC entered into a revolving line of credit and amended and restated it in July 2015, to increase the borrowing capacity to $150,000,000 and extend the termination date until July 2017. In July 2016, BCBSNC extended the termination date an additional year to July 2018. In July 2017, BCBSNC extended the termination date an additional year to July 2019 and reduced the borrowing capacity to $100,000,000.

In September 2015, BCBSNC entered into a second $50,000,000 revolving line of credit terminating in September 2017. In December 2016, BCBSNC extended the termination date to September 2018.

In September 2016, BCBSNC entered into a credit agreement with the FHLBA providing secured borrowing capacity up to $200,000,000. The capacity is based on our internal limits and the collateral will included cash and securities in our investment portfolio deemed eligible by the FHBLA. Collateral is only encumbered to the extent borrowings are outstanding.

Amounts drawn under these revolving lines of credit were $0 and $46,109,000 at December 31, 2017 and 2016, respectively.

In September 2014, the Company entered into a $165,000,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender.

BCBSNC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2017 and December 31, 2016, the Company was in compliance with the covenants and requirements outlined in these agreements.

B. FHLB (Federal Home Loan Bank) Agreements

1. In 2016, the Company became a member of the Federal Home Loan Bank (FHLB) of Atlanta. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as a component of its working capital financing structure. The Company has determined the actual/estimated maximum borrowing capacity as $200,000,000. The Company calculated this amount in accordance with current debt policy.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current Year

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	37,354
(c)	Activity Stock	-
(d)	Excess Stock	-
(e)	Aggregate Total	37,354
(f)	Actual or estimated borrowing capacity as determined by the insurer	$200,000,000

2. Prior Year-end

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	-
(c)	Activity Stock	-
(d)	Excess Stock	-
(e)	Aggregate Total	-
(f)	Actual or estimated borrowing capacity as determined by the insurer	-

b. Membership Stock (Class A and B) Eligible and Not Eligible for redemption

					Eligible for Redemption		
Membership Stock		1. Current Year Total	2. Not Eligible for Redemption	3. Less Than 6 Months	4. 6 Months to Less than 1 Year	5. 1 to Less than 3 Years	6. 3 to 5 Years
1.	Class A	-	-	-	-	-	-
2.	Class B	37,354	-	-	-	-	37,354

3. Collateral Pledged to FHLB

a. Amount Pledged to FHLB

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	$-	$-	$-
2. Prior Year-end Total Maximum collateral Pledged	$-	$-	$-

b. Maximum amount Pledged During Reporting Period

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	$-	$-	$-
2. Prior Year-end Total Maximum collateral Pledged	$35,273,000	$110,815,000	$25,000,000

4. Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	Total	Funding Agreements Reserves Established
(a) Debt	$-	XXX
(b) Funding Agreements	$-	$-
(c) Other	$-	XXX
(d) Aggregate Total	$-	$-

2. Prior Year-end

	Total	Funding Agreements Reserves Established
(a) Debt	$-	XXX
(b) Funding Agreements	$-	$-
(c) Other	$-	XXX
(d) Aggregate Total	$-	$-

b. Maximum Amount During reporting Period (Current Year)

	Total
1. Debt	$-
2. Funding Agreements	$-
3. Other	$-
4. Aggregate Total	$-

c. FHLB – Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company maintains a noncontributory, defined benefit pension plan. The Plan covers most employees hired before January 1, 2006. Benefits are determined according to the covered employee's years of credited service and final average compensation while an eligible participant. Effective December 31, 2013 the Plan was frozen and no longer recognizes service or compensation earned after this date for retirement benefit determination purposes. All Plan participants are fully vested. The Company also maintains three separate non-contributory, non-qualified defined benefit SERPs for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

Effective January 1, 2017 retirees and dependents who were age 65 and older obtained coverage through a private health exchange, BCBS Marketplace. Eligible retirees and dependents who enrolled through the BCBS Marketplace received a sponsor subsidy in the form of a Health Reimbursement Account contribution. This modification did not intend or expect to materially impact the cost of the program.

In October 2017, the Company offered a second version of a Cash Out Window (COW) to terminated vested participants in the qualified defined benefit plan and, in certain limited situations, the SERP. The COW allowed the participants to elect an immediate lump sum distribution of their benefit in the plan(s). Lump sum payments of $29,124,131 were paid from the qualified retirement plan in 2017, with $20,460,662 of those lump sum payments attributable to the COW. Because the qualified plan payments exceeded the sum of estimated 2017 service and interest costs, settlement accounting was triggered. As a result, $3,506,381 of unrecognized actuarial loss was relieved from equity and recognized in income.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2017 and 2016:

1. Change in Benefit Obligation

	Over Funded		Underfunded	
	2017	2016	2017	2016
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$513,169,730	$498,716,810	$ -	$ -
2 Service Cost	950,000	900,000	-	-
3 Interest Cost	18,155,866	16,878,589	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	37,036,811	20,316,959	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	(19,183,568)	(23,642,628)	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	(29,124,131)	-	-	-
10 Benefit Obligation, End of Year	$521,004,708	$513,169,730	$ -	$ -

	Over Funded		Underfunded	
	2017	2016	2017	2016
b. Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$62,453,172	$ -	$71,162,309	$136,079,198
2 Service Cost	1,303,114	-	375,899	1,957,793
3 Interest Cost	2,207,856	-	2,406,154	4,607,580
4 Contribution by plan participants	999,556	-	-	1,739,073
5 Actuarial (Gain)/Loss	3,576,820	-	5,467,710	(3,785,254)
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	(3,669,334)	-	(2,249,900)	(5,436,130)
8 Plan Amendments	-	-	-	(1,546,779)
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$66,871,184	$ -	$77,162,172	$133,615,481

	Over Funded		Underfunded	
	2017	2016	2017	2016
c. Special or Contractual Benefits per SSAP No. 11				
1 Benefit Obligation, Beginning of Year	$ -	$ -	$ -	$ -
2 Service Cost	-	-	-	-
3 Interest Cost	-	-	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	-	-	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	-	-	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$ -	$ -	$ -	$ -

2. Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2017	2016	2017	2016	2017	2016
a Plan Assets as Fair Value, Beginning of Year	$536,349,470	$520,122,517	$ 61,637,078	$ 60,766,536	$ -	$ -
b Actual Return on Plan Assets	62,243,287	39,869,581	8,916,057	2,508,144	-	-
c Foreign currency exchange rate changes	-	-	-	-	-	-
d Company Contributions	-	-	2,300,088	2,059,455	-	-
e Plan participants' contributions	-	-	999,556	1,739,073	-	-
f Benefits Paid	(19,183,568)	(23,642,628)	(5,919,234)	(5,436,130)	-	-
g Plan Settlements	(29,124,131)	-	-	-	-	-
h Plan Assets as Fair Value, End of Year	$550,285,058	$536,349,470	$67,933,545	$61,637,078	$ -	$ -

3. Funded Status

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
a Components				
1. Prepaid benefit costs	92,006,383	176,149,254	5,773,582	-
2. Overfunded plan assets	(62,726,033)	(152,969,514)	(4,711,221)	-
3. Accrued benefit costs	-	-	(73,356,329)	(55,669,262)
4. Liability for pension benefits	-	-	(3,805,843)	(16,309,141)
b Assets and liabilities recognized				
1. Assets (nonadmitted)	29,280,350	23,179,740	1,062,361	-
2. Liability recognized	-	-	(77,162,172)	(71,978,403)
c Unrecognized liabilities	-	-	-	-

4. Components of net period benefit cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2017	2016	2017	2016	2017	2016
a Service Cost	950,000	900,000	1,679,013	1,957,793		
b Interest cost	18,155,866	16,878,589	4,614,010	4,607,580	$ -	$ -
c Expected return on plan assets	(31,453,206)	(32,832,011)	(3,319,469)	(3,268,843)	-	-
d Expense Load	-	-	-	-	-	-
e Amortization of actuarial (gain)/loss	92,983,830	2,936,298	8,395,990	(137,772)	-	-
f Amortization of prior service cost/(credit)	-	-	2,844,029	2,968,669	-	-
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit	3,506,381	-	-	-	-	-
h Total net periodic benefit cost	84,142,871	(12,117,124)	14,213,573	6,127,427	$ -	$ -

5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
a Items not yet recognized as a component of net periodic cost - prior year	152,969,514	142,626,423	16,309,141	23,711,372
b Net transition asset or obligation recognized	-	-	-	-
c Net prior service cost or credit arising during the period	-	-	-	(1,546,779)
d Net prior service (cost) or credit recognized	-	-	(2,844,029)	(2,968,669)
e Net gain and loss arising during the period	6,246,730	13,279,389	3,447,942	(3,024,555)
f Net gain and (loss) recognized	(96,490,211)	(2,936,298)	(8,395,990)	137,772
g Items not yet recognized as a component of net periodic cost-current year	62,726,033	152,969,514	8,517,064	16,309,141

6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
a Net transition asset or obligation	-	-	-	-
b Net prior service (cost) or credit	-	-	(2,844,029)	(2,844,029)
c Net recognized gain and (loss)	(12,545,207)	(3,303,444)	(868,280)	112,271

7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
a Net transition asset or obligation	-	-	-	-
b Net prior service (cost) or credit	-	-	(7,484,598)	(10,328,627)
c Net recognized gain and (loss)	(62,726,033)	(152,969,514)	(1,032,466)	(5,980,514)

(8) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified		Non Qualified		Other Postretirement	
	2017	2016	2017	2016	2017	2016
Discount Rate	See detail below	See detail below	See detail below	See detail below	See detail below	See detail below
Rate of Compensation Increase	n/a	n/a	n/a	n/a	3.50%	3.50%
Expected long-term rate of return on plan assets	4.50%	6.00%	n/a	n/a	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2017	2016
Qualified	3.62%	4.19%
Nonqualified:		
Partners SERP	3.34%	3.70%
Senior SERP	3.64%	3.97%
Restoration SERP	3.56%	4. 06%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2017	2016
Qualified	3.30%	3.61%
Nonqualified:		
Partners SERP	2.99%	3.12%
Senior SERP	2.56%	3.41%
Restoration SERP	3.11%	3.47%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.62%	4.21%
Retiree Life Insurance	3.61%	4.16%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.30%	3.61%
Retiree Life Insurance	3.26%	3.49%

Effective Discount Rate for Service Cost by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.74%	4.47%
Retiree Life Insurance	3.68%	4.32%

Effective Rate for Interest on Service Cost by Benefit Plan

	2017	2016
Retiree Medical and Dental	3.65%	4.26%
Retiree Life Insurance	3.52%	4.00%

A measurement date of December 31, 2017 and 2016, respectively, was used for the benefit plans.

The medical trend rate used in determining the accumulated postretirement benefit obligation at December 31:

	2017	**2016**
Health care cost trend rate assumed for next year:		
Under age 65	6.40%	6.70%
Age 65 and older	6.40%	6.70%

Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate:		
Under age 65	2037	2037
Age 65 and older	2037	2037

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was $521,004,708 for the current year and $513,169,730 for the prior year.

(10) The Company provides certain health care and life insurance benefits for retired employees. The Plan is a contributory health and welfare plan, which provides health benefits (medical, hospital, surgical, dental and drug) for eligible retirees. Retirees are eligible for coverage upon retirement at age 55 or later with five or more years of service. In addition, substantially all of those employees hired prior to January 1, 2006 and who reach retirement age with at least 15 years of service may become eligible for both Company subsidized health care insurance and a company-paid life insurance benefit. The Company funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the BCBSA. The Company did not make a contribution for the years 2017 or 2016 to fund the liability for eligible retired employees.

(11) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service and interest cost components	$329,072	$(256,692)
Effect on postretirement benefit obligation	$4,484,549	$(3,627,680)

(12) Future expected benefit payments and 2018 contributions are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
a. 2018	$22,217,096	$19,002,125	$3,333,969
b. 2019	$22,483,046	$2,106,519	$3,434,894
c. 2020	$22,844,959	$2,155,585	$3,514,542
d. 2021	$23,449,010	$2,133,626	$3,656,007
e. 2022	$24,173,364	$2,215,552	$3,780,871
f. Thereafter Total	$130,418,253	$17,576,937	$20,775,551

(13) The Company anticipates that it will make cash contributions in 2018 of $19,002,125 and $669,219 to the non-qualified and postretirement pension plan. The Plan does not expect to make a cash contribution to the qualified pension plan. Expected contributions are dependent on many variables, including the variability of the market value of the assets as compared to the obligation and other market or regulatory conditions. The Plan takes into consideration its business investment opportunities and resulting cash requirements. Accordingly, actual funding may differ from current estimates. The Pension Protection Act established certain minimum funding standards for defined benefit plans, and the Plan is in compliance with these funding standards.

(14) Not Applicable

(15) In 2017 and 2016, BCBSNC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes.

(16) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(17) No significant special or contractual termination benefits were recognized during the period.

(18) There was no significant change in the benefit obligation or plan asset in 2017 or 2016 not otherwise apparent in the disclosures herein.

(19) There are no plan assets expected to be returned to the employer.

(20) The accumulated postretirement and pension benefit obligation, fair value of plan assets and funded status of the benefit plans are disclosed in the tables herein.

(21) The full surplus impacts of SSAP No. 102 and SSAP No. 92 have been recognized. There is no transition liability, nor will there be any future recognition of the initial application if this guidance.

B. Investment Plan Policies for Plan Assets

BCBSNC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2017	2016	Target	2017	2016
Asset Category:						
Equity securities:						
Mutual funds	-%	7%	26%	-%	-%	-%
Common stock	-	2	3	-	52	50
Total	10	9%	29	50 -60	52	50
Fixed income securities:						
State and U.S. government obligations	-	21	37	-	47	49
Domestic corporate fixed income securities	-	67	31	-	-	-
International corporate fixed income securities	-	-	-	-	-	-
Total	88	88	68	40-50	47	49
Cash and cash equivalents	2	1	1	0-3	1	1
Collective trust fund - real estate	-	-	-	-	-	-
Other	-	2	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The Company utilizes a partial liability matching investment strategy. The Plan's funding ratio exceeded 100% at year end and approximately 90% of the portfolio was transitioned to a liability driven investment strategy.

The Plan's investments remain diversified and of high quality. At year end the Plan had investments in funds invested in fixed income, domestic and international equities, real estate and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

For the company's defined benefit pensions and other postretirement benefits, the company discounts the individual expected cash flows underlying the service cost and interest cost using the applicable spot rates derived from the yield curve used to discount the cash flows used to measure the benefit obligation. This approach provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates.

The Company uses a spot discount rate approach to determine the interest cost component of expense and interest on the service cost component. Each year's cash flow is discounted at, and then credited with, interest based on the spot rate for that duration. The effective rate for interest on the benefit obligation is the single equivalent rate such that interest on the plan's PBO using the single rate equals the sum of the interest on each year's discounted cash flows determined using the corresponding spot rate along the Mercer Yield Curve. Interest on benefit obligations for purposes of determining the interest cost component of expense is calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment. In addition to the spot discount rate approach described above, the Company uses split discount rates for the calculation of the PBO and service cost component of expense. The service cost calculation uses the same method as the calculation of the PBO, but is based on expected service cost cash flows only (e.g. expected retiree cash flows are not included).

The Company also uses the Mercer modified MRP-2007 base mortality table and the Mercer modified MMP-2007 generational projection scale.

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic

conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

C. Fair Value Measurement of Plan Assets

(1) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total Fair Value
December 31, 2017				
Equity securities:				
Common stocks	$ 11,404,102	$ -	$ -	$ 11,404,102
Mutual funds	38,530,145	-	-	38,530,145
Total equity securities.....	49,934,247	-	-	49,934,247
Fixed income securities:				
US Treasury and agency securities	97,414,748	-	-	97,414,748
States and political subdivisions	-	-	-	-
Corporate fixed income securities	-	174,720,073	-	174,720,073
Residential mortgage-backed	-	20,554,463	-	20,554,463
Collective trust fund – US Fixed Income	-	-	193,981,590	193,981,590
Total fixed income securities	97,414,748	195,274,536	193,981,590	486,670,874
Cash and cash equivalents.....	6,060,622	-	-	6,060,622
Other	102,773	458,379	9,413,148	9,974,300
Total investments	153,512,390	195,732,915	203,394,738	552,640,043
Plan receivables	1,342,067	-	-	1,342,067
Total assets	154,854,457	195,732,915	203,394,738	553,982,110
Plan liabilities	(3,637,051)	(60,000)	-	(3,697,051)
Total net assets	$151,217,406	$195,672,915	$203,394,738	$550,285,059

(2) A reconciliation of the beginning and ending balances of qualified retirement benefit plan assets measured at fair value using Level III inputs for the years ended December 31, 2017 is as follows:

	Cash & Cash Equivalents	Fixed Income Securities	Collective Trust Fund – Real Estate	Other	Total
Beginning balance at January 1, 2016	-	-	133,530,573	$11,474,748	$145,005,321
Total gains (losses)					
Realized	-	-	103,396	-	103,396
Unrealized	-	-	9,428,801	-	9,428,801
Purchases	-	-	8,256,944	-	8,256,944
Sales	-	-	(11,009,330)	(375,386)	(11,384,716)
Ending balance at December 31, 2016	-	-	140,310,384	$11,099,362	$151,409,746
Total gains (losses)					
Realized	-	-	214,924	-	214,924
Unrealized	-	-	12,577,632	-	12,577,632
Purchases	-	-	49,932,241	161,466	50,093,707
Sales	-	-	(9,053,591)	(1,847,680)	(10,901,271)
Ending balance at December 31, 2017	$-	$-	$193,981,590	$9,413,148	$203,394,738

(3) The following is a description of the valuation methodologies used for the benefit plan assets. There have been no changes in the methodologies used during the years ended December 31, 2017 and 2016.

D. Rate of Return on Assets Assumption

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

E. Defined Contribution Plans

BCBSNC has a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code, the BCBSNC Retirement Savings Plan and the BCBSNC 401(k) Plan (401(k) Plan). Participant pretax and Roth contributions are matched at a rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company, and Transition Contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition Contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $31,458,000 and $32,632,458 for the years ended December 31, 2017 and 2016, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the BCBSNC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $3,889,737 and $1,958,045 for the years ended December 31, 2017 and 2016, respectively.

F. Multiemployer Plans

BCBSNC does not participate in any multiemployer plans.

G. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates.

H. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits

(1) The Medicare Prescription Drug, Improvement and Modernization Act of 2003 allows employers who offer actuarially equivalent prescription drug benefits to retirees to receive a federal subsidy starting in 2006. The Plan did not apply for these federal subsidies during 2017 or 2016 and does not expect to apply for them in 2018.

(2) Not applicable.

(3) Not applicable.

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2017 and 2016.

(2) The Company has no preferred stock outstanding.

(3) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(4) The Company did not pay any dividends as of December 31, 2017 or 2016.

(5) The Company did not pay any dividends to stockholders as of December 31, 2017 or 2016.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2017 and 2016.

(7) The Company had no unpaid advances of surplus as of December 31, 2017 and 2016.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2017 and 2016.

(9) The Company does not have any special surplus funds as of December 31, 2016 Per the Consolidated Appropriations Act of 2016, Title II, Moratorium on Annual Fee on Health Insurance Providers, the collection of the health insurer fee is suspended for calendar year 2017. The Affordable Care Act (ACA) imposes a nondeductible assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. The liability related to the Section 9010 ACA assessment shall be estimated and recorded in full

once the entity provides qualifying health insurance (typically January 1) in the applicable calendar year in which the assessment is paid (fee year) with a corresponding entry to expense. The Section 9010 ACA assessment shall be recognized in full on January 1 of the fee year, in the operating expense category of Taxes, Licenses and Fees. On January 1, 2018 the Company recognized in full $169,100,868 related to the Section 9010 ACA assessment.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses, including accumulated amortized goodwill of $3,759,778 were ($397,841,477) and ($209,456,306) in 2017 and 2016, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2017 and 2016.

(12) The Company does not have any quasi-reorganizations as of December 31, 2017 and 2016.

(13) The Company was not involved in any quasi-reorganizations; therefore, there is no effective date(s) for quasi-reorganization.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2018, $6,289,338; 2019, $6,153,205; 2020, $6,011,398; 2021, $5,863,682; 2022, 5,709,809 and thereafter $70,331,765.

The Company has a commitment to Topaz to develop a claims processing system. Related funding for 2017 and 2016 were $48,518,355 and $46,771,663, respectively. Future expected costs for this system are as follows: 2018, $6,871,899; 2019, $6,871,899; 2020, $6,871,899; 2021, $0; and 2022, $0.

At December 31, 2017, expected future costs to BCBSNC related to a purchase obligation for stated service fees with non-cancelable terms with Fujitsu and HCL for outsourced IT infrastructure are estimated as follows: 2018, $158,698,280; 2019, $16,252,215; 2020, $15,979,647; 2021, $1,329,761 and $0 thereafter.

At December 31, 2017, we have various other non-cancelable arrangements with our vendors for outsourced claims processing, healthcare programs, and IT support with future costs estimated as follows: 2018, $167,768,137; 2019, $45,188,513; 2020, $4,078,911; 2021, $825,844, and 2022, $825,844.

B. Assessments

1. The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. The Company is aware that the Pennsylvania Insurance Commissioner (Insurance Commissioner) has placed Penn Treaty Network America Insurance Company and its subsidiary American Network Insurance Company, or collectively Penn Treaty, in rehabilitation, an intermediate action before insolvency. On July 27, 2016, the Pennsylvania Insurance Commissioner filed a petition to move Penn Treaty from rehabilitation to liquidation. This liquidation triggers state guaranty fund actions and statutory accounting actions by insurers in 2017, including a payment of the assessment in the amount of $49,514,336 as well as treatment of tax credits according to NAIC guidance. Payment of the assessments is expected to be recovered over future years through premium tax credits allowable by the state of North Carolina. In accordance with SSAP No. 35R, Guaranty Fund and Other Assessments, $4,802,372 of the assessments was recognized as an expense in 2017, the period in which the court ordered liquidation was entered, along with a discounted receivable in the amount of $44,711,964 for the premium tax credits.

2.

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$0
b. Decreases current year:	$0
c. Increases current year:	$41,711,988
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$41,711,988

3.

a. Discount Rate Applied 3.5%

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency:

	Guaranty Fund Assessment		Related Assets	
Names of the Insolvency	Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty	$49,514,336	$44,711,964	$49,514,336	$44,711,964

Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of Discounting Time Period for Payables and Recoverables by Insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Year
Penn Treaty	51	2-10	8	1	2-10	8

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2017 and 2016.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2017 and 2016.

F. All Other Contingencies

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation (In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama)) which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-three of the consolidated cases (twenty-nine provider cases and fourteen subscriber cases). The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations ("MFN") clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company intends to vigorously defend this litigation.

The Company is also involved in litigation (In Re: Anthem Data Breach Litigation(United States District Court, Northern District of California)). The case is a Federal, multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans, arising out of a cyber-attack perpetrated against Anthem, Inc. in December, 2014 and January, 2015. The case seeks certification of a class of all Blue plan insured members and alleges various negligence and breach of contract claims and violations of consumer protection laws and seeks injunctive relief and compensatory and punitive damages. This case has been settled, with no liability to the Company. The class settlement by Anthem has been preliminarily approved by the Court. The final approval hearing is scheduled for April 9, 2018.

The Company is also a defendant in litigation (Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al). This class action was filed May 22, 2015 against BCBSNC and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. ("HNS") to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which are currently pending. The Company is vigorously defending the case.

The Company is also a defendant in United States of America, Ex Rel Dr. Susan Nedza v. American Imaging Management, Inc. et. al., pending in the United States District Court for the Northern District of Illinois. On December 21, 2017, Dr. Susan Nedza, a former employee of American Imaging Management, Inc. ("AIM") filed a qui tam action

against AIM and several Blue Cross and Blue Shield plans, including Blue Cross NC, alleging on behalf of the United States that the Defendants have caused false and fraudulent health care claims to be made under Medicare Advantage plans offered by the Defendant Blue plans for which AIM provided utilization management services and have defrauded the federal government in violation of the federal False Claims Act. Blue Cross NC was served with this complaint on January 3, 2018 and has not yet retained defense counsel. The Company will vigorously defend this matter.

Additionally, BCBSNC is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating leases. Rental expense was $5,837,025 and $5,352,385 for periods ended December 31, 2017 and 2016, respectively.

b. The Company does not have contingent rental payments.

c. Certain rental commitments have renewal options extending through the year 2018 and are subject to adjustments in future periods.

d. The Company does not have lease agreement that include restrictions.

e. The Company does not have lease agreements that were terminated early or for which the Company is no longer using the leased property benefits, and the liability recognized in the financial statements.

(2) a. At December 31, 2017, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2018	$4,458,226
2.	2019	$2,453,906
3.	2020	$1,864,114
4.	2021	$316,909
5.	2022 and thereafter	$0
6.	Total	$9,093,155

b. The Company does not have any total minimum rentals to be received in the future under non-cancelable subleases as of December 31, 2017.

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2017 and 2016.

B.

(1) For Operating Leases:

Properties that BCBSNC owns and leases to others do not represent a significant portion of BCBSNC's revenues, net income or assets.

(2) For leveraged Leases

The Company did not have any leveraged leases as of December 31, 2017 and 2016.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2017 and 2016.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2017 and 2016.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2017 and 2016.

C. Wash Sales

The Company had no wash sales during 2017 and 2016.

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2017:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$(37,422,974)	$ -	$(37,422,974)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	$(37,422,974)	$ -	$(37,422,974)
Total claim payment volume	$2,439,131,010	$ -	$2,439,131,010

Administrative fees incurred under this plan were $81,804,173 during 2017.

The Company's ASO business includes a multi-year agreement with a key customer. Currently, the Company anticipates ultimate future revenues will be less than the anticipated cost of administration.

B. ASC Plans

The income from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2017:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including other BlueCard claims)	$7,569,431,331	$ -	$7,569,431,331
Gross administrative fees accrued	375,147,996	-	375,147,996
Other income or expenses (including interest paid to or received from plans)	-	-	-
	$7,944,579,327		7,944,579,327
Gross expenses incurred (claims and administrative)	7,927,049,689	-	7,927,049,689
Total gain from operations	$17,529,638	$ -	$17,529,638

C. **Medicare or Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

1. Reinsurance subsidy cash receipts deposit from CMS net of claims incurred for the period ended December 31, 2017 is a receivable of $0. These cash receipts are subject to quarterly true up for actual claims incurred.

2. Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2017 is a payable of $41,703,784. These cash receipts are subject to quarterly true up for actual claims incurred.

3. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2017.

4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$848,331

C – Claims Payment
CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

December 31, 2017	Level I	Level II	Level III	Total
Cash Equivalents and Short Term Investments	$479,787	$-	$-	$479,787
Investments available-for-sale				
Unaffiliated common stock	789,561,513	-	3,720,591	793,282,104
Total equity securities	789,561,513	-	3,720,591	793,282,104
Other Invested Assets	-	-	473,161,322	473,161,322
Total assets	$790,041,300	-	476,881,913	$1,266,923,213

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2017	Transfers into Level #3	Transfers out of Level #3	Total Gains and Loss included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2017
Unaffiliated common stock	$3,717,038	-	-	3,553		-		-	$3,720,591
Other invested assets	$428,964,043	-	-	17,538,358	98,796,821	-	72,137,900	-	$473,161,322
Total Investments	$432,681,081	$-	$-	$17,541,911	$98,796,821	$-	$72,137,900	$-	$476,881,913

There were no material transfers between Levels I, II or III during the years ended December 31, 2017 and 2016.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2017 Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Cash Equivalents, and Short Term Investments	$479,787	$479,787	$479,787	-	-	-
Bond Securities	2,840,606,708	$2,761,344,059	$217,260,134	$2,623,346,574	-	-
Unaffiliated common stock	793,282,105	793,097,734.30	789,561,513	-	$3,720,591	
Unaffiliated preferred stock	109,081,321	$105,795,186	109,081,321	-	-	-
Other invested assets	473,161,322	$473,161,322	-	-	473,161,322	-
Total	4,216,611,243	4,133,878,088	1,116,382,755	2,623,346,574	476,881,914	-

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturiy Date	Explanation
Affiliated common stock	-	-	-	

21. Other Items

A. Unusual or Infrequent Items

The Company had no unusual or infrequent events or transactions during 2017 and 2016.

B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructurings during 2017 and 2016.

C. Other Disclosures

The Company had no other disclosures during 2017 and 2016.

D. Business Interruption Insurance Recoveries

The Company had no business interruption recoveries recognized in December 31, 2017 and 2016.

E. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	$49,209,598	$227,737,343
Total		$49,209,598	$227,737,343

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$28,653,035	$20,556,564

F. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk at December 31, 2017 and 2016.

G. Retained Assets

The Company did not have any retained assets at December 31, 2017 or 2016.

H. Insurance-Linked Securities (ILS) Contracts

The Company did not have any ILS contracts at December 31, 2017 or 2016.

22. Events Subsequent

Type I: Recognized Subsequent Events:

The Company has evaluated subsequent events through February 28, 2018, which is the date that the financial statements were available to be issued, for recognition or disclosure in our statutory financial statements. All of the effects of subsequent

events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

Type II: Non-recognized Subsequent Events:

On January 1, 2018, the Company would be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. 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 $169,100,868. This amount is reflected in special surplus funds. This assessment is expected to impact risk based capital (RBC) by a 4.8% reduction. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subjected to Section 9010 of the Federal Affordable Care Act?	Yes	
B.	ACA fee assessment payable for the upcoming year	$169,100,868	$0
C.	ACA fee assessment paid	$0	$0
D.	Premium written subject to ACA 9010 assessment	$8,342,998,225	$6,761,556,092
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$2,954,474,762	
F.	Authorized Control Level before surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$2,785,373,894	
G.	Authorized Control level after surplus adjustment ((Five-Year Historical Line 15)	$311,195,958	
H.	Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level	No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
(X) No

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
(X) No

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
(X) No

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
(X) No

Section 3 – Ceded Reinsurance Report – Part B

1. What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
NONE

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
(X) No

B. Uncollectible Reinsurance

The Company does not have any uncollectible reinsurance balances due as of December 31, 2017 and 2016.

C. Commutation of Ceded Reinsurance

The Company had no commutation of reinsurance agreements during 2017 and 2016.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

1. Reporting Entity ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

The Company does not have certified reinsurer with a rating downgrade or a status subject to revocation.

a. Not applicable

b. Not applicable

2. Reporting Entity's certified Reinsurer Rating Downgraded or Status Subject to Revocation.

The Company does not have certified reinsurer with a rating downgraded rating or a status subject to revocation.

1. Not applicable

2. Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

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. Accrued Retrospective Premium Disclosure

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

C. Net Premiums Written Disclosure

The amount of net premiums written by the Company for the period ended December 31, 2017 that are subject to retrospective rating features was $8,342,998,225, that represented 95% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

The Company does not anticipate having to pay a rebate as of the current reporting period year to date, and as a result, there have been no rebates accrued for the Company's Individual, Small, Student, or Large Group business as of December 31, 2017.

Beginning in 2014, Medicare Advantage plans are also subject to the 85% minimum MLR. MLR rebates to Centers for Medicare and Medicaid Services (CMS) are to be provided annually if the insurer fails to meet the requirements in the market for the prior year. Medicare rebates for 2015 reporting were paid in July 2017. As of December 31, 2017, activity related to Medicare MLR rebate reserves and premium adjustments was as follows:

		1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	-	-	-	-	-
(2)	Medical loss ratio rebates paid	-	-	-	$1,610,003	$1,610,003
(3)	Medical loss ratio rebates unpaid	-	-	-	-	-
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	-	-	-	-	-
(8)	Medical loss ratio rebates paid	-	-	-	-	-
(9)	Medical loss ratio rebates unpaid	-	-	-	-	-
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	-	-

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

(1) In 2017, the Company did write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provision.

(2) Impact of risk-Sharing Provision of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a Permanent Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment $41,000,001

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment $228,310
3. Premium adjustments payable due to ACA Risk Adjustment $0

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment $44,742,129
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) $620,505

b Transitional Reinsurance Program

Assets

1. Amounts recoverable for claims paid to ACA Reinsurance $15,922,845
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) $0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance $0

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium $15,734
5. Ceded reinsurance premiums payable due to ACA Reinsurance $0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance $0

Operations

7. Ceded reinsurance premiums due to ACA Reinsurance $0
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments $18,815,330
9. ACA Reinsurance contributions – not reported as ceded premium $0

c Temporary Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors $0

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA risk Corridors $0

Operations

3. Effect of ACA Risk Corridors on net premium income (paid/received) ($13,656,122)
4. Effect of ACA Risk Corridors on change in reserves for rate credits $0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

	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	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1 Premium adjustments receivable	165,000,000		170,492,731	-	(5,492,731)	-	5,492,731	-	a	0	-
2 Premium adjustments (payable)				-		-	-			-	-
3 Subtotal ACA Permanent Risk Adjustment Program	**165,000,000**	**-**	**170,492,731**	**-**	**(5,492,731)**	**-**	**5,492,731**	**-**		**0**	**-**
b. Transitional ACA Reinsurance Program											
1 Amounts recoverable for claims paid	100,838,506		103,734,718	-	(2,896,212)	-	18,819,056		a	15,922,845	-
2 Amounts recoverable for claims unpaid (contra liability)		-		-	-	-	-			-	-
3 Amounts receivable relating to uninsured plans	-		-	-	-	-	-	-		-	-
4 Liabilities for contributions payable due to ACA Reinsurane - not reported as ceded premium	-	-	-	-		-	-			-	-
5 Ceded reinsurance premiums payable	-		-	-	-	-	-	-		-	-
6 Liability for amounts held under uninsured plans	-	-	-	-		-	-			-	-
7 Subtotal ACA Transitional Reinsurance Program	**100,838,506**	**-**	**103,734,718**	**-**	**(2,896,212)**	**-**	**18,819,056**	**-**		**15,922,845**	**-**
c. Temporary ACA Risk Corridors Program											
1 Accrued retrospective premium	15,121,158	-	1,465,036	-	13,656,122		(13,656,121)		b	0	-
2 Reserve for rate credits or policy experience rating refunds	-	-	-	-		-				-	-
3 Subtotal ACA Risk Corridors Program	**15,121,158**	**-**	**1,465,036**	**-**	**13,656,122**	**-**	**(13,656,121)**	**-**		**0**	**-**
d **Total for ACA Risk Sharing Provisions**	**280,959,664**	**-**	**275,692,485**	**-**	**5,267,179**	**-**	**10,655,666**	**-**		**15,922,845**	**-**

Explanations of Adjustments:

a. Adjustment is based on updated data
b. Adjustment is based on updated data

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

						Differences		Adjustments		Unsettled Balances as of the Reporting Date	
		Accrued As of December 31 of the prior reporting year		Received or Paid as of the Current Period on business Written For the Risk Corridors Program Year		Accred Less Payments (Col 1 - 3)	Accred Less Payments (Col 2 - 4)	Balances	Balances	Cumulative Balance (Col 1-3+7)	Cumulative Balance (Col 2-4+8)
		1	2	3	4	5	6	7	8	9	10
Risk Corridors Program Year:		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
2014	Accrued Retrospective premium	15,121,158	-	1,465,036	-	13,656,122	-	(13,656,121)	-	0	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2015	Accrued Retrospective premium	-		-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2016	Accrued Retrospective premium	-	-	-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2017	Accrued Retrospective premium	-	-	-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
Total for Risk Corridors		$15,121,158	$0	$1,465,036	$0	$13,656,122	$0	($13,656,121)	$0	$0	$0

(5) ACA Risk Corridors Receivable as of Reporting date:

	(A)	(B)	(C)	(D)=(A)-(B)-(C)	(E)	(F)=(D)-(E)
Risk Corridors Program Year	**Estimated Amount to be Filed or Final Amount Filed with CMS**	**Non-Accrued Amounts for Impairment or Other Reasons**	**Amounts received from CMS**	**Asset Balance (Gross of Non-admissions)**	**Non-admitted Amount**	**Net Admitted Asset**
2014	147,474,968	126,022,938	21,452,030	(0)	-	(0)
2015	215,313,094	215,313,094		-	-	-
2016	18,159,126	18,159,126	-	-	-	-
2017	-	-	-	-	-	-
Total	$380,947,188	$359,495,158	$21,452,030	($0)	$0	($0)

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2016 were $696,584,538. As of December 31, 2017, $589,634,751 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $37,744,873 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of business. Therefore, there has been a $69,204,914 favorable prior-year development since December 31, 2016 to December 31, 2017, primarily a result of favorable claims development.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements recognized in December 31, 2017 and 2016.

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $136,152,078 and $110,255,677 as pharmaceutical rebate receivables and admitted $59,698,398 and $49,465,474 at December 31, 2016 and 2015, respectively. The Company received a pharmaceutical rebate of $54,956,068 in fourth quarter 2017 for receivables as of December of 2016 through June of 2017.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2017	$61,715,422	$66,868,511	$-	$-	$-
9/30/2017	$58,423,970	$67,446,429	$-	$-	$-
6/30/2017	$56,319,307	$63,703,135	$-	$62,631,980	$-
3/31/2017	$51,042,967	$58,485,155	$-	$57,430,534	$288,639
12/31/2016	$49,465,474	$48,276,003	$-	$47,752,800	$523,203
9/30/2016	$54,714,231	$51,069,468	$-	$50,545,076	$524,392
6/30/2016	$47,392,545	$47,717,935	$-	$47,001,799	$716,137
3/31/2016	$44,789,555	$46,521,845	$-	$45,358,766	$1,163,079
12/31/2015	$51,632,441	$55,186,929	$-	$53,424,029	$1,762,899
9/30/2015	$45,613,874	$52,218,247		$50,895,335	$1,322,912
6/30/2015	$40,712,000	$46,642,127	$-	$43,632,011	$3,010,116
3/31/15	$34,602,784	$40,264,859	$-	$39,651,410	$613,450

B. Risk Share Receivables

The Company estimates our risk sharing receives by consulting with a 3rd party vendor with internal validation and review. As of December 31, 2017, respectively, the Company reported a receivable in the amount of $41,000,001, and a payable of 1,890,396.

Calendar Year	Evaluation Period Year Ending	Risk Sharing receivable as Estimated in the Prior Year	Risk Sharing receivable as Estimated in the Current Year	Risk Sharing receivable Billed	Risk Sharing receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing amounts Received First Year Subsequent	Actual Risk Sharing amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
	2014	-	$43,460,329	$31,121,927	-	-	-	-	-
	2015	$43,460,329	$99,034,029	$83,326,072	-	$83,326,072	-	-	-
	2016	$99,034,029	$165,000,000	$170,492,731	-	$170,492,731	-	-	-
	2017	$165,000,000	$41,000,001	-	$41,000,001	-	-	-	-

29. Participating Policies

The Company had no participating policies recognized in December 31, 2017 and 2016.

30. Premium Deficiency Reserves

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, *Individual and Group and Health Contracts*. Premium deficiency reserves as of both December 31, 2017 and December 31, 2016 was $0.

1. Liability carried for premium deficiency reserves — $ -
2. Date of most recent evaluation of this liability — 12/31/2017
3. Was anticipated investment income utilized in the calculation? — Yes

31. Anticipated Salvage and Subrogation

No Change.

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$8,825,007,520
Add: Uncollected premiums PY	227,579,372
Less: Uncollected premiums CY	(282,308,774)
Premiums collected, excluding reinsurance	**$8,770,278,118**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000
Remaining amount @ 1%	$87,698,781
Total	$87,710,781
BCBSNC Contingency Reserve @ 12/31/2016	936,116,044
BCBSNC Contingency Reserve @ 12/31/2017	**$1,023,826,825**

33. Premium and Premium Equivalent Reporting

The information below presents BCBSNC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	86.6%
Operating expense ratio (with premium equivalents)	9.9%
Net income ratio (with premium equivalents)	3.6%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2017 are as follows:

Premiums	
Net premium income	$8,813,973,311
Change in unearned premium reserves	($92,594,569)
Total premium income	8,721,378,742
Claims processed for self funded business	
ASO Plan	2,439,131,010
ASC Plan	7,569,431,331
Total claims processed for self funded business	10,008,562,341
Administrative fees	
ASO Plan	81,804,173
ASC Plan	375,147,996
Total administrative fees	456,952,169
Premium equivalents	10,465,514,510
Total premiums and premium equivalents	$19,186,893,252
Other revenues (including BlueCard Access Fees)	$24,816,524
Net investment gains or (losses)	$135,574,903
Total revenues	$19,347,284,679
Claims	
Total hospital and medical	$6,696,751,804
Increase in reserves for life and accident and health contracts	($97,176,900)
Total claims	6,599,574,904
Claims processed for self funded business	
ASO Plan	2,439,131,010
ASC Plan	7,569,431,331
Total claims processed for self funded business	10,008,562,341
Total claims (insured and self funded)	$16,608,137,245
Operating Expenses	
Claims adjustment expenses	$650,293,191
General administrative expenses	$795,005,963
Total operating expenses	1,445,299,154
Operating expenses reimbursed through administrative fees	
ASO Plan	81,804,173
ASC Plan	375,147,996
Total operating expenses reimbursed through administrative fees	456,952,169
Total operating expenses (insured and self funded)	$1,902,251,323
Net Income	$699,576,306

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? If yes, complete Schedule Y, Parts 1, 1A and 2. Yes [X] No [ ]

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? North Carolina

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2013

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [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 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 %

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 with the Federal Reserve Board? Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 100 N Tryon Street, Charlotte, NC 28202

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Patrick K. Getzen, FSA, MAAA, Vice President & Chief Actuary (Employee), Blue Cross and Blue Shield of North Carolina, 4705 University Drive, Durham, NC 27707-3346

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 [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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 subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers 0

20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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]

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 current 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 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ ] No [X]

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
Bank of America, NA	200 N. College St. Charlotte, NC

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)
Mellon Bank, NA	One Mellon Center, Pittsburgh, PA	Written to comply with provisions contained in the
		Model Custodian and Fiscal Agency agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved by NCDOI.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Robert W. Baird & Co. Incorporated	U
Wellington Management Company	U
Madison Investment Advisors, LLC	U
Van Eck Securities Corporation	U
The Vanguard Group	U
Columbia Management	U
NISA Investment Advisors, LLC	U
J.P. Morgan Investment Management INC.	U
Thompson Siegel & Walmsley LLC	U
Flaherty & Crumrine Inc	U

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 [X] No [ ]

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
8158	Robert W. Baird & Co. Incorporated	549300772UJAHRD6LO53	SEC	DS
106595	Wellington Management Company	549300YHP12TEZNLCX41	SEC	DS
110297	Madison Investment Advisors, LLC		SEC	DS
2269	Van Eck Securities Corporation	549300GEIRRGSDOHI251	SEC	DS
7452	The Vanguard Group	5493002789CX3L0CJP65	SEC	DS
111168	Columbia Management	6YVO3H2OUHJXER5SGR23	SEC	DS
107313	NISA Investment Advisors, LLC	549300L1IG2JOW7XNY28	SEC	DS
107038	J.P. Morgan Investment Management INC.	7H6GLXDRUGQFU57RNE97	SEC	DS
105726	Thompson Siegel & Walmsley LLC	549300DQ5OUKYTQHD798	SEC	DS
105499	Flaherty & Crumrine Inc	2549000IWBOG75EEB694	SEC	DS

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	$ 39,027
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF	$ 5,641
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL I MF	$ 84,343,632
256206 10 3	DODGE & COX INTL STOCK MF	$ 73,005
315792 23 4	FIDELITY ABERDEEN STREET TRUST	$ 448,734
315792 24 2	FIDELITY ABERDEEN STREET TRUST	$ 271,202
315910 28 1	FIDELITY DVSD INTL;K	$ 20,773
315911 87 5	FIDELITY INTL MKT IDX CL PRM MF	$ 4,216
316200 85 6	FIDELITY GRO COMPANY;K	$ 16,060
316345 80 0	FIDELITY LOW-PRCD STK;K	$ 19,647
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF	$ 14,993
413838 40 0	OAKMARK EQUITY AND INCOME CL INV MF	$ 428,409
55273W 47 5	MFS MID CAP VALUE;R6	$ 4,889
57630A 59 2	MASSMUTUAL SEL:MC GR;I	$ 4,189
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF	$ 44,210
893509 22 4	TRANSAM:INTERNTL EQ;I	$ 39,298,460
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	$ 68,028
922040 20 9	VANGUARD INST INX CL INST PLS MF	$ 265,965,986
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF	$ 122,778,781
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF	$ 45,987
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF	$ 22,250
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF	$ 194,008
29.2999 TOTAL		$ 514,112,127

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Aberdeen Emerging Markets Fund;Institutional	SAMSUNG ELECTRONICS-PREF	$	48,844	12/31/2017
	TAIWAN SEMICONDUCTOR MANUFAC	$	41,656	12/31/2017
	HOUSING DEVELOPMENT FINANCE	$	33,398	12/31/2017
	TENCENT HOLDINGS LTD	$	32,234	12/31/2017
	BANCO BRADESCO-ADR	$	26,846	12/31/2017
American Beacon Large Cap Value Fund;Institutional	CITIGROUP INC	$	28,853	12/31/2017
	JPMORGAN CHASE & CO	$	26,055	12/31/2017
	BANK OF AMERICA CORP	$	22,801	12/31/2017
	WELLS FARGO & CO	$	21,028	12/31/2017
	BP PLC-SPONS ADR	$	17,672	12/31/2017
Columbia Acorn International;Z	HEXAGON AB-B SHS	$	15,622	12/31/2017
	PARTNERS GROUP HOLDING AG	$	13,731	12/31/2017
	CCL INDUSTRIES INC - CL B	$	12,202	12/31/2017
	KINDRED GROUP PLC	$	11,892	12/31/2017
	WIRECARD AG	$	10,091	12/31/2017
Dodge & Cox International Stock Fund	Naspers, Ltd.	$	271,630	12/31/2017
	Sanofi	$	220,950	12/31/2017
	ICICI Bank, Ltd.	$	190,602	12/31/2017
	Itau Unibanco Holding SA	$	167,260	12/31/2017
	BNP Paribas SA	$	154,582	12/31/2017
Fidelity Freedom K 2020 Fund	FIDELITY SER INVEST GRADE BD	$	393,702	12/31/2017
	FIDELITY SER EMERGING MARKET	$	145,932	12/31/2017
	FIDELITY SER GOVT MMK	$	115,191	12/31/2017
	FIDELITY SER INTL GROWTH	$	112,779	12/31/2017
	FIDELITY SER INTL VALUE	$	111,334	12/31/2017
Fidelity Freedom K 2015 Fund	FIDELITY SER INVEST GRADE BD	$	127,789	12/31/2017
	FIDELITY SER GOVT MMK	$	44,985	12/31/2017
	FIDELITY SER EMERGING MARKET	$	39,932	12/31/2017
	FIDELITY SER INTL GROWTH	$	29,862	12/31/2017
	FIDELITY SER INTL VALUE	$	29,490	12/31/2017
Fidelity Diversified International Fund;K	US DOLLAR	$	37,214	12/31/2017
	ORIX CORP	$	32,021	12/31/2017
	PRUDENTIAL PLC	$	29,701	12/31/2017
	BAYER AG-REG	$	27,634	12/31/2017
	SAP SE	$	27,541	12/31/2017
Fidelity International Index Fund;Pr	MSCI EAFE Mar18	$	37,192	12/31/2017
	NESTLE SA-REG	$	35,388	12/31/2017
	US DOLLAR	$	35,115	12/31/2017
	HSBC HOLDINGS PLC	$	30,187	12/31/2017
	NOVARTIS AG-REG	$	26,883	12/31/2017
Fidelity Growth Company Fund;K	NVIDIA CORP	$	352,282	12/31/2017
	AMAZON.COM INC	$	244,206	12/31/2017
	APPLE INC	$	209,533	12/31/2017
	ALPHABET INC-CL A	$	158,133	12/31/2017
	FACEBOOK INC-A	$	139,066	12/31/2017
Fidelity Low-Priced Stock Fund;K	US DOLLAR	$	440,811	12/31/2017
	UNITEDHEALTH GROUP INC	$	235,852	12/31/2017
	BEST BUY CO INC	$	131,871	12/31/2017
	SEAGATE TECHNOLOGY	$	131,620	12/31/2017
	ROSS STORES INC	$	130,376	12/31/2017
Goldman Sachs Small Cap Value Fund;A	PEBBLEBROOK HOTEL TRUST	$	8,957	12/31/2017
	HILTON GRAND VACATIONS INC	$	7,776	12/31/2017
	XPO LOGISTICS INC	$	7,625	12/31/2017
	BURLINGTON STORES INC	$	7,408	12/31/2017
	BEACON ROOFING SUPPLY INC	$	7,129	12/31/2017
Oakmark Equity and Income Fund;Investor	BANK OF AMERICA CORP	$	93,444	12/31/2017
	GENERAL MOTORS CO	$	83,443	12/31/2017
	TE CONNECTIVITY LTD	$	69,393	12/31/2017
	MASTERCARD INC - A	$	49,619	12/31/2017
	TII 1 ¼ 07/15/20	$	48,840	12/31/2017
MFS Mid Cap Value Fund;R6	HARTFORD FINANCIAL SVCS GRP	$	9,995	12/31/2017
	KEYCORP	$	9,939	12/31/2017
	COMERICA INC	$	9,517	12/31/2017
	CITIZENS FINANCIAL GROUP	$	9,033	12/31/2017

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

	SUNTRUST BANKS INC	$	9,025	12/31/2017
MassMutual Select Mid Cap Growth Equity II Fd;I	TELEFLEX INC	$	12,171	12/31/2017
	TEXTRON INC	$	10,914	12/31/2017
	DOLLAR GENERAL CORP	$	10,838	12/31/2017
	TAPESTRY INC	$	8,791	12/31/2017
	WILLIS TOWERS WATSON PLC	$	8,788	12/31/2017
Metropolitan West Total Return Bond Fund;Plan	T 1 ? 07/31/22	$	519,884	12/31/2017
	T 1 ? 08/31/22	$	470,140	12/31/2017
	T 1 ? 09/30/22	$	216,387	12/31/2017
	T 2 ¾ 08/15/47	$	205,705	12/31/2017
	T 2 ¼ 08/15/27	$	133,367	12/31/2017
TRANSAMERICA INTERNATIONAL EQUITY	NOVARTIS AG-REG	$	13,135	12/31/2017
	NESTLE SA-REG	$	12,557	12/31/2017
	VIVENDI	$	11,117	12/31/2017
	ORIX CORP	$	10,628	12/31/2017
	KONINKLIJKE PHILIPS NV	$	10,001	12/31/2017
Vanguard Total Bond Market Index Fund;Admiral	US DOLLAR	$	399,940	12/31/2017
	T 2 ? 05/15/25	$	75,999	12/31/2017
	G2SF 3.5 1/18	$	72,824	12/31/2017
	T 2 ¼ 11/15/27	$	71,919	12/31/2017
	T 2 ? 11/15/20	$	70,109	12/31/2017
Vanguard Institutional Index Fund;Inst Plus	APPLE INC	$	882,272	12/31/2017
	MICROSOFT CORP	$	707,307	12/31/2017
	AMAZON.COM INC	$	577,422	12/31/2017
	FACEBOOK INC-A	$	421,518	12/31/2017
	JPMORGAN CHASE & CO	$	396,548	12/31/2017
Vanguard Small-Cap Index Fund;Admiral	US DOLLAR	$	110,351	12/31/2017
	NEKTAR THERAPEUTICS	$	23,039	12/31/2017
	DIAMONDBACK ENERGY INC	$	21,343	12/31/2017
	BROADRIDGE FINANCIAL SOLUTIO	$	20,370	12/31/2017
	IAC/INTERACTIVECORP	$	19,944	12/31/2017
Vanguard Mid-Cap Index Fund;Admiral	FISERV INC	$	55,976	12/31/2017
	EDWARDS LIFESCIENCES CORP	$	53,261	12/31/2017
	ROPER TECHNOLOGIES INC	$	53,208	12/31/2017
	AMPHENOL CORP-CL A	$	51,685	12/31/2017
	MOODY'S CORP	$	51,385	12/31/2017
Vanguard Small-Cap Index Fund;Inst Plus	US DOLLAR	$	110,351	12/31/2017
	NEKTAR THERAPEUTICS	$	23,039	12/31/2017
	DIAMONDBACK ENERGY INC	$	21,343	12/31/2017
	BROADRIDGE FINANCIAL SOLUTIO	$	20,370	12/31/2017
	IAC/INTERACTIVECORP	$	19,944	12/31/2017
Vanguard 500 Index Fund;Admiral	APPLE INC	$	882,272	12/31/2017
	MICROSOFT CORP	$	707,307	12/31/2017
	AMAZON.COM INC	$	577,422	12/31/2017
	FACEBOOK INC-A	$	421,518	12/31/2017
	JPMORGAN CHASE & CO	$	396,548	12/31/2017

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	$ 2,761,823,846	$ 2,841,086,495	$ 79,262,649
30.2	Preferred Stocks	$ 105,795,186	$ 109,081,321	$ 3,286,135
30.3	Totals	$ 2,867,619,032	$ 2,950,167,816	$ 82,548,784

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

Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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? $ 4,639,001

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
Blue Cross and Blue Shield Association	$ 4,639,001

35.1 Amount of payments for legal expenses, if any? $ 4,147,461

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

1 Name	2 Amount Paid
Kilpatrick Stockton LLP	$ 1,170,330

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 409,873

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

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only.	$	381,730,050
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.	$	277,907,378
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned	$	102,079,422
	1.62 Total incurred claims	$	75,963,734
	1.63 Number of covered lives		55,653
	All years prior to most current three years:		
	1.64 Total premium earned	$	279,650,628
	1.65 Total incurred claims	$	201,943,644
	1.66 Number of covered lives		104,287
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	$ 8,813,973,311	$ 7,205,926,949
2.2	Premium Denominator	$ 8,813,973,311	$ 7,205,926,949
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%
2.4	Reserve Numerator	$ 1,062,034,002	$ 965,518,606
2.5	Reserve Denominator	$ 1,062,034,002	$ 965,518,606
2.6	Reserve Ratio (2.4/2.5)	100.0%	100.0%

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 [ ]
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	$	1,000,000
	5.32 Medical Only	$	0
	5.33 Medicare Supplement	$	0
	5.34 Dental and 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:

NC Life and Guaranty Associations; appropriate provisions in provider agreements protecting members in case of insolvency, as required by law.

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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		56,067
8.2	Number of providers at end of reporting year		60,163
9.1	Does the reporting entity have business subject to premium rate guarantees?		Yes [X] No [ ]
9.2	If yes, direct premium earned:		
9.21	Business with rate guarantees with rate guarantees between 15-36 months	$	3,487,234
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 [X] No [ ]
10.2	If yes:		
10.21	Maximum amount payable bonuses		0
10.22	Amount actually paid for year bonuses		7,512,915
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. North Carolina		
11.4	If yes, show the amount required.	$	1,023,826,825
11.5	Is this amount included as part of a contingency reserve in stockholder's equity?		Yes [X] No [ ]
11.6	If the amount is calculated, show the calculation See Footnote #32		

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

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, authorized reinsurers?		Yes [ ] No [ ] N/A [X]

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		$	$	$	$

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
15.3	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 Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	5,210,465,095	4,110,179,735	4,102,658,894	4,206,136,280	3,786,788,030
2. Total liabilities (Page 3, Line 24)	2,255,990,333	1,899,650,023	2,035,608,732	1,907,821,268	1,398,255,210
3. Statutory minimum capital and surplus requirement	1,023,826,825	936,116,044	863,861,427	789,097,678	716,071,701
4. Total capital and surplus (Page 3, Line 33)	2,954,474,762	2,210,529,712	2,067,050,162	2,298,315,012	2,388,532,820
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	8,732,113,039	7,189,035,950	7,457,050,299	7,351,796,416	5,816,079,768
6. Total medical and hospital expenses (Line 18)	6,696,751,804	5,865,422,264	6,505,480,537	6,483,983,831	5,035,915,571
7. Claims adjustment expenses (Line 20)	650,293,191	490,162,428	468,546,991	460,093,279	455,081,921
8. Total administrative expenses (Line 21)	795,005,963	748,553,883	795,147,111	776,568,491	406,297,483
9. Net underwriting gain (loss) (Line 24)	687,238,981	90,073,528	(308,559,786)	(363,960,993)	(34,510,710)
10. Net investment gain (loss) (Line 27)	135,574,903	145,943,087	214,737,214	169,187,702	158,126,832
11. Total other income (Lines 28 plus 29)	24,816,524	20,722,691	23,362,720	23,689,450	25,721,943
12. Net income or (loss) (Line 32)	699,576,306	272,019,840	(5,710,317)	(137,577,232)	180,060,588
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	1,132,899,911	361,220,723	(169,746,111)	(276,173,986)	137,800,814
Risk-Based Capital Analysis					
14. Total adjusted capital	2,954,474,762	2,210,529,712	2,067,050,162	2,298,315,012	2,388,532,820
15. Authorized control level risk-based capital	311,195,958	263,761,161	285,108,826	291,744,856	231,193,669
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,634,287	1,540,903	1,773,115	1,859,662	1,723,426
17. Total member months (Column 6, Line 7)	20,382,745	19,334,113	21,719,849	22,427,397	20,162,345
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 (Line 18 plus Line 19).	76.8	81.7	87.6	88.3	86.5
20. Cost containment expenses	3.0	2.4	2.0	2.2	2.8
21. Other claims adjustment expenses	4.4	4.4	4.3	4.1	5.0
22. Total underwriting deductions (Line 23)	92.2	98.9	104.6	105.1	100.5
23. Total underwriting gain (loss) (Line 24)	7.9	1.3	(4.2)	(5.0)	(0.6)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	640,204,377	475,667,802	578,761,115	446,135,205	374,957,311
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	586,328,861	580,958,712	624,180,448	415,619,515	379,192,876
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	212,678,829	195,497,215	203,879,420	108,512,343	65,993,403
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	212,678,829	195,497,215	203,879,420	108,512,343	65,993,403
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 [ ]

If no, please explain:

* 5 4 6 3 1 2 0 1 7 4 3 0 5 9 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....758

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal Employees Health			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,540,903	373,673	436,157	160,025	84,993	165,961	164,388	107,272		48,434
2. First quarter	1,754,288	618,752	415,562	159,924	85,983	171,220	164,267	92,651		45,929
3. Second quarter	1,709,153	588,399	409,060	159,769	81,669	168,156	163,953	92,400		45,747
4. Third quarter	1,666,977	558,158	400,444	160,028	81,147	165,266	164,105	92,169		45,660
5. Current year	1,634,287	525,039	404,954	159,940	81,534	161,955	164,096	91,310		45,459
6. Current year member months	20,382,745	6,929,321	4,909,267	1,919,694	989,663	2,007,511	1,970,698	1,107,616		548,975
Total Member Ambulatory Encounters for Year:										
7. Physician	9,122,222	2,050,352	1,649,671	3,771,401		49,690	89,955	1,511,153		
8. Non-physician	0									
9. Totals	9,122,222	2,050,352	1,649,671	3,771,401	0	49,690	89,955	1,511,153	0	0
10. Hospital patient days incurred	784,083	152,292	101,300	310,022			32,960	187,509		
11. Number of inpatient admissions	123,602	30,306	21,458	38,937			6,980	25,921		
12. Health premiums written (b)	8,825,007,520	4,175,219,791	2,015,840,093	381,730,051	7,796,471	72,630,737	1,104,890,366	903,160,393		163,739,618
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	8,732,412,951	4,175,219,791	2,015,840,093	381,730,051	7,796,471	72,630,737	1,012,295,797	903,160,393		163,739,618
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,530,362,189	2,743,823,008	1,574,214,565	277,537,463	5,179,967	48,808,184	981,019,865	790,704,754		109,074,383
18. Amount incurred for provision of health care services	6,724,325,366	3,011,011,485	1,536,638,374	277,907,378	5,150,967	48,046,876	943,019,707	780,718,585		121,831,994

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,117,330 and number of persons insured under indemnity only products.....205,399.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....966,620,767

* 5 4 6 3 1 2 0 1 7 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....758

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,540,903	373,673	436,157	160,025	84,993	165,961	164,388	107,272		48,434
2. First quarter	1,754,288	618,752	415,562	159,924	85,983	171,220	164,267	92,651		45,929
3. Second quarter	1,709,153	588,399	409,060	159,769	81,669	168,156	163,953	92,400		45,747
4. Third quarter	1,666,977	558,158	400,444	160,028	81,147	165,266	164,105	92,169		45,660
5. Current year	1,634,287	525,039	404,954	159,940	81,534	161,955	164,096	91,310		45,459
6. Current year member months	20,382,745	6,929,321	4,909,267	1,919,694	989,663	2,007,511	1,970,698	1,107,616		548,975
Total Member Ambulatory Encounters for Year:										
7. Physician	9,122,222	2,050,352	1,649,671	3,771,401		49,690	89,955	1,511,153		
8. Non-physician	0									
9. Totals	9,122,222	2,050,352	1,649,671	3,771,401	0	49,690	89,955	1,511,153	0	0
10. Hospital patient days incurred	784,083	152,292	101,300	310,022			32,960	187,509		
11. Number of inpatient admissions	123,602	30,306	21,458	38,937			6,980	25,921		
12. Health premiums written (b)	8,825,007,520	4,175,219,791	2,015,840,093	381,730,051	7,796,471	72,630,737	1,104,890,366	903,160,393		163,739,618
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	8,732,412,951	4,175,219,791	2,015,840,093	381,730,051	7,796,471	72,630,737	1,012,295,797	903,160,393		163,739,618
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,530,362,189	2,743,823,008	1,574,214,565	277,537,463	5,179,967	48,808,184	981,019,865	790,704,754		109,074,383
18. Amount incurred for provision of health care services	6,724,325,366	3,011,011,485	1,536,638,374	277,907,378	5,150,967	48,046,876	943,019,707	780,718,585		121,831,994

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,117,330 and number of persons insured under indemnity only products.....205,399.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....966,620,767

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
.....	AA-9990032...	01/01/2014	U.S. Department of Health and Human Services	DC	15,922,845	.....
69515.....	34-0977231....	12/01/2002	MedAmerica Insurance Co	MD	.....	2,966,673
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates				15,922,845	2,966,673
2199999.	Total - Accident and Health Non-Affiliates				15,922,845	2,966,673
2299999.	Total - Accident and Health				15,922,845	2,966,673
2399999.	Total U.S.				15,922,845	2,966,673
9999999.	Total				15,922,845	2,966,673

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
26921	22-2005057	.12/01/2002	Everest Reinsurance Company	DE	Oth/A/G	SLEL	10,185,878						
69515	34-0977231	.12/01/2002	MedAmerica Insurance Co	MD	LTC/A/G	LTC	848,331	199,729	12,064,033				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						11,034,209	199,729	12,064,033	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						11,034,209	199,729	12,064,033	0	0	0	0
1199999.	Total - General Account - Authorized						11,034,209	199,729	12,064,033	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						11,034,209	199,729	12,064,033	0	0	0	0
6999999.	Total - U.S.						11,034,209	199,729	12,064,033	0	0	0	0
9999999.	Total						11,034,209	199,729	12,064,033	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)	9 Letters of Credit	10 Issuing or Confirming Bank Reference Number (a)	11 Trust Agreements	12 Funds Deposited by and Withheld from Reinsurers	13 Other	14 Miscellaneous Balances (Credit)	15 Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year ($000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2017	2 2016	3 2015	4 2014	5 2013
A.	**OPERATIONS ITEMS**					
1.	Premiums	11,034	20,725	31,618	9,192	10,884
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	2,639	2,368	1,816	1,628	2,067
5.	Total hospital and medical expenses	21,753	71,060	254,553	4,406	6,899
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses	15,923	87,971	211,063	247,785	
9.	Experience rating refunds due or unpaid					299
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers					
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust					
18.	Funds deposited by and withheld from (F)					
19.	Letters of credit (L)					
20.	Trust agreements (T)					
21.	Other (O)					

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	4,424,709,174		4,424,709,174
2.	Accident and health premiums due and unpaid (Line 15)	276,022,433		276,022,433
3.	Amounts recoverable from reinsurers (Line 16.1)	15,922,845		15,922,845
4.	Net credit for ceded reinsurance	XXX	15,230,435	15,230,435
5.	All other admitted assets (balance)	493,810,643		493,810,643
6.	Totals assets (Line 28)	5,210,465,095	15,230,435	5,225,695,530
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	785,647,332	2,966,673	788,614,005
8.	Accrued medical incentive pool and bonus payments (Line 2)	31,174,995		31,174,995
9.	Premiums received in advance (Line 8)	123,217,910		123,217,910
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	1,315,950,096	12,263,762	1,328,213,858
15.	Total liabilities (Line 24)	2,255,990,333	15,230,435	2,271,220,768
16.	Total capital and surplus (Line 33)	2,954,474,762	XXX	2,954,474,762
17.	Total liabilities, capital and surplus (Line 34)	5,210,465,095	15,230,435	5,225,695,530
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	2,966,673		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	2,966,673		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	(12,263,762)		
30.	Total ceded reinsurance payables/offsets	(12,263,762)		
31.	Total net credit for ceded reinsurance	15,230,435		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	6,785,870,754	903,160,393		1,104,890,366			8,793,921,513	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	31,086,007	0	0	0	0	0	31,086,007	0
59. Subtotal	XXX	6,816,956,761	903,160,393	0	1,104,890,366	0	0	8,825,007,520	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	6,816,956,761	903,160,393	0	1,104,890,366	0	0	8,825,007,520	0
DETAILS OF WRITE-INS									
58001. ACA Rsk Adjustment		44,742,129						44,742,129	
58002. ACA Risk Corridor		(13,656,122)						(13,656,122)	
58003.								0	
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998)		31,086,007	0	0	0	0	0	31,086,007	0

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

Explanation of basis of allocation by states, premiums by state, etc.

The Company only has business in the State of North Carolina

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

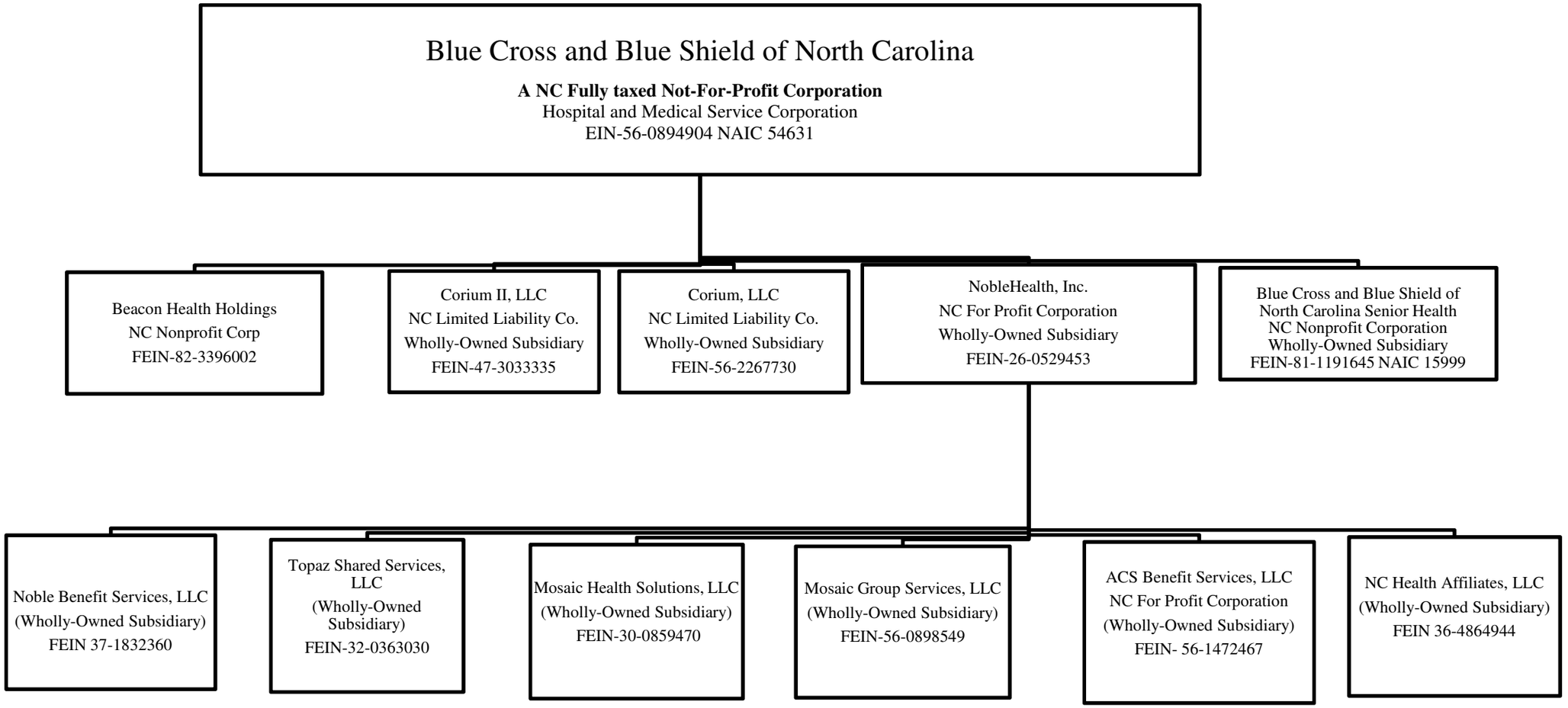
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				848,331		848,331
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	848,331	0	848,331

Corporate Structure
Blue Cross and Blue Shield of North Carolina



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
Members															
0758	BCBS of NC Grp	54631	56-0894904				Blue Cross and Blue Shield of North Carolina	NC	UDP	BCBSNC	Ownership	100.000	Board of Directors	N	A
0758	BCBS of NC Grp	15999	81-1191645				Blue Cross and Blue Shield of North Carolina Senior Health	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			56-2267730				Corium, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			47-3033335				Corium II, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			82-3396002				Beacon Health Holdings	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			26-0529453				NobleHealth, Inc	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	Y	B
			32-0363030				Topaz Shared Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B
			56-0898549				Mosaic Group Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B
			37-1832360				Noble Benefit Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B
			36-4864944				NC Health Affiliates, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B
			30-0859470				Mosaic Health Solutions, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B
			56-1472467				ACS Benefit Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	B

Asterisk	Explanation
A	BCBSNC has agreed to provide NobleHealth, administrative services which include but are not limited to management duties, production of business and servicing of the subsidiaries business.
B	BCBSNC has an agreement to provide administrative services.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
	56-0898549	Mosaic Group Services, LLC					(2,985,462)				(2,985,462)	
	56-1472467	ACS Benefit Services, Inc.					4,752,987				4,752,987	
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina					(1,767,525)				(1,767,525)	
9999999	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
14.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
15.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
17.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
18.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
20.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
21.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
22.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
23.	Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
24.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

1.

2.

3.

4.

5.

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8.

9.

10.

11.

12. The data for this supplement is not required to be filed.

13.

14. The data for this supplement is not required to be filed.

15. The data for this supplement is not required to be filed.

16.

17. The data for this supplement is not required to be filed.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20.

21.

22.

23.

24.

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Prepaid Expenses	61,155,398	61,155,398	0	
2505. Prepaid Retirement	29,280,350	29,280,350	0	
2506. Cash Surrender Value of Life Insurance	12,458,216		12,458,216	11,315,253
2507. AR- VEBA	2,619,596		2,619,596	1,681,525
2508. Mill Credit Note Receivable	367,628		367,628	367,628
2509. Automobiles	31,442	31,442	0	
2597. Summary of remaining write-ins for Line 25	105,912,630	90,467,190	15,445,440	13,364,406

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Non ACA Risk Adjustment Payable	1,890,396		1,890,396	1,984,137
2305. Unearned Rent	177,500		177,500	207,511
2397. Summary of remaining write-ins for Line 23	2,067,896	0	2,067,896	2,191,648

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Renewable Energy Credits	20,556,564	41,721,715	21,165,151
2505. Automobiles	31,442		(31,442)
2597. Summary of remaining write-ins for Line 25	20,588,006	41,721,715	21,133,709

Overflow Page for Write-Ins

NONE

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	217,413,066	4.9	217,413,066		217,413,066	4.9
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	94,028,916	2.1	94,028,916		94,028,916	2.1
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	127,107,695	2.9	127,107,695		127,107,695	2.9
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	213,782,969	4.8	213,782,969		213,782,969	4.8
1.43 Revenue and assessment obligations	878,309,589	19.9	878,309,589		878,309,589	19.9
1.44 Industrial development and similar obligations	91,992,127	2.1	91,992,127		91,992,127	2.1
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	21,279,018	0.5	21,279,018		21,279,018	0.5
1.512 Issued or guaranteed by FNMA and FHLMC	212,529,896	4.8	212,529,896		212,529,896	4.8
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	79,093,269	1.8	79,093,269		79,093,269	1.8
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other	76,938,025	1.7	76,938,025		76,938,025	1.7
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	463,706,160	10.5	463,706,160		463,706,160	10.5
2.2 Unaffiliated non-U.S. securities (including Canada)	285,163,329	6.4	285,163,329		285,163,329	6.4
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	514,112,126	11.6	514,112,126		514,112,126	11.6
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated	105,415,469	2.4	105,415,469		105,415,469	2.4
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	1,500,000	0.0	1,500,000		1,500,000	0.0
3.32 Unaffiliated	275,449,387	6.2	275,449,387		275,449,387	6.2
3.4 Other equity securities:						
3.41 Affiliated	211,178,829	4.8	211,178,829		211,178,829	4.8
3.42 Unaffiliated	4,100,309	0.1	3,915,939		3,915,939	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0			0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	5,102,981	0.1	5,102,981		5,102,981	0.1
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	71,762,716	1.6	73,529,062		73,529,062	1.7
11. Other invested assets	473,161,322	10.7	473,161,322		473,161,322	10.7
12. Total invested assets	4,423,127,198	100.0	4,424,709,174	0	4,424,709,174	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		2,657,583
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)	1,385,407	1,385,407
3.	Current year change in encumbrances:		
	3.1 Totals, Part 1, Column 13	5,251,790	
	3.2 Totals, Part 3, Column 11		5,251,790
4.	Total gain (loss) on disposals, Part 3, Column 18		
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	Total foreign exchange change in book/adjusted carrying value:		
	6.1 Totals, Part 1, Column 15		
	6.2 Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 Totals, Part 1, Column 12		
	7.2 Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
	8.1 Totals, Part 1, Column 11	4,191,799	
	8.2 Totals, Part 3, Column 9		4,191,799
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		5,102,981
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		5,102,981

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 12		
	3.2 Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 9		
	5.2 Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
	9.1 Totals, Part 1, Column 13		
	9.2 Totals, Part 3, Column 13		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 11		
	10.2 Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		428,964,043
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	44,401,060	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	54,395,751	98,796,811
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		10
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	13,675,871	
	5.2 Totals, Part 3, Column 9	1,238,631	14,914,502
6.	Total gain (loss) on disposals, Part 3, Column 19		3,013,857
7.	Deduct amounts received on disposals, Part 3, Column 16		72,137,900
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15	390,000	
	10.2 Totals, Part 3, Column 11		390,000
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		473,161,322
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		473,161,322

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		2,768,156,609
2.	Cost of bonds and stocks acquired, Part 3, Column 7		1,977,981,474
3.	Accrual of discount		667,213
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	1,759,255	
	4.2 Part 2, Section 1, Column 15	1,110,809	
	4.3 Part 2, Section 2, Column 13	107,662,479	
	4.4 Part 4, Column 11	9,602,344	120,134,886
5.	Total gain (loss) on disposals, Part 4, Column 19		3,328,657
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		982,905,318
7.	Deduct amortization of premium		14,263,343
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14		
	9.4 Part 4, Column 13		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		3,873,100,179
11.	Deduct total nonadmitted amounts		184,370
12.	Statement value at end of current period (Line 10 minus Line 11)		3,872,915,809

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	242,281,557	241,802,386	242,505,558	237,937,723
Governments (Including all obligations	2. Canada	997,767	1,000,450	995,900	1,000,000
guaranteed by governments)	3. Other Countries	93,031,150	93,964,457	93,695,595	83,140,375
	4. Totals	336,310,473	336,767,293	337,197,052	322,078,098
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	114,296,970	118,259,285	118,075,717	108,505,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	226,593,693	235,842,011	231,635,237	204,755,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	1,260,693,778	1,315,446,307	1,287,542,314	1,194,843,770
Industrial and Miscellaneous, SVO Identified	8. United States	540,644,186	548,604,013	545,292,656	485,192,804
Funds and Hybrid Securities (Unaffiliated)	9. Canada	13,825,103	13,839,596	14,018,619	13,765,000
	10. Other Countries	268,979,856	271,848,204	269,540,110	263,826,506
	11. Totals	823,449,145	834,291,813	828,851,386	762,784,311
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	2,761,344,059	2,840,606,708	2,803,301,706	2,592,966,179
PREFERRED STOCKS	14. United States	105,795,186	109,081,321	105,164,551	
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	105,795,186	109,081,321	105,164,551	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	105,795,186	109,081,321	105,164,551	
COMMON STOCKS	20. United States	780,774,417	780,774,417	464,317,540	
Industrial and Miscellaneous (Unaffiliated)	21. Canada	676,529	676,529	599,083	
	22. Other Countries	11,831,159	11,831,159	10,837,319	
	23. Totals	793,282,105	793,282,105	475,753,942	
Parent, Subsidiaries and Affiliates	24. Totals	212,678,829	212,678,829	200,703,964	
	25. Total Common Stocks	1,005,960,934	1,005,960,934	676,457,907	
	26. Total Stocks	1,111,756,120	1,115,042,254	781,622,458	
	27. Total Bonds and Stocks	3,873,100,179	3,955,648,963	3,584,924,164	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. **U.S. Governments**												
1.1 NAIC 1	3,911,209	106,549,944	55,098,219	3,710,214	73,011,971	XXX	242,281,557	8.8	179,162,632	8.8	242,281,557	
1.2 NAIC 2						XXX	0	0.0		0.0		
1.3 NAIC 3						XXX	0	0.0		0.0		
1.4 NAIC 4						XXX	0	0.0		0.0		
1.5 NAIC 5						XXX	0	0.0		0.0		
1.6 NAIC 6						XXX	0	0.0		0.0		
1.7 Totals	3,911,209	106,549,944	55,098,219	3,710,214	73,011,971	XXX	242,281,557	8.8	179,162,632	8.8	242,281,557	0
2. **All Other Governments**												
2.1 NAIC 1		1,030,996	7,725,882		1,297,556	XXX	10,054,433	0.4	997,365	0.0	10,054,433	
2.2 NAIC 2	240,538	9,693,506	24,627,448	14,437,207	13,790,573	XXX	62,789,273	2.3		0.0	61,438,744	1,350,529
2.3 NAIC 3	187,060	2,813,353	4,388,219		2,964,061	XXX	10,352,695	0.4		0.0	10,352,695	
2.4 NAIC 4	809,838	4,165,602	4,400,446	309,983	986,106	XXX	10,671,975	0.4		0.0	7,752,101	2,919,874
2.5 NAIC 5			439,787			XXX	439,787	0.0		0.0	439,787	
2.6 NAIC 6						XXX	0	0.0		0.0		
2.7 Totals	1,237,437	17,703,458	41,581,783	14,747,190	19,038,296	XXX	94,308,163	3.4	997,365	0.0	90,037,760	4,270,403
3. **U.S. States, Territories and Possessions, etc., Guaranteed**												
3.1 NAIC 1	26,311,493	46,912,479	38,510,355			XXX	111,734,327	4.0	113,095,009	5.5	111,734,327	
3.2 NAIC 2			2,562,643			XXX	2,562,643	0.1	2,571,010	0.1	2,562,643	
3.3 NAIC 3						XXX	0	0.0		0.0		
3.4 NAIC 4						XXX	0	0.0		0.0		
3.5 NAIC 5						XXX	0	0.0		0.0		
3.6 NAIC 6						XXX	0	0.0		0.0		
3.7 Totals	26,311,493	46,912,479	41,072,998	0	0	XXX	114,296,970	4.1	115,666,018	5.6	114,296,970	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 NAIC 1	16,466,090	51,337,420	152,000,639	5,863,715	925,830	XXX	226,593,693	8.2	143,497,846	7.0	226,593,693	
4.2 NAIC 2						XXX	0	0.0		0.0		
4.3 NAIC 3						XXX	0	0.0		0.0		
4.4 NAIC 4						XXX	0	0.0		0.0		
4.5 NAIC 5						XXX	0	0.0		0.0		
4.6 NAIC 6						XXX	0	0.0		0.0		
4.7 Totals	16,466,090	51,337,420	152,000,639	5,863,715	925,830	XXX	226,593,693	8.2	143,497,846	7.0	226,593,693	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 NAIC 1	80,896,529	490,306,015	530,492,865	118,650,169	14,187,228	XXX	1,234,532,806	44.7	975,658,013	47.7	1,234,532,806	
5.2 NAIC 2	3,630,935	12,255,915	4,277,815	457,595	522,421	XXX	21,144,681	0.8	22,886,939	1.1	21,144,681	
5.3 NAIC 3	5,016,291					XXX	5,016,291	0.2		0.0	5,016,291	
5.4 NAIC 4						XXX	0	0.0		0.0		
5.5 NAIC 5						XXX	0	0.0		0.0		
5.6 NAIC 6						XXX	0	0.0		0.0		
5.7 Totals	89,543,756	502,561,930	534,770,679	119,107,764	14,709,649	XXX	1,260,693,778	45.6	998,544,951	48.8	1,260,693,778	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 NAIC 1	19,584,917	217,941,651	102,405,377	13,917,312	12,125,366	XXX	365,974,623	13.3	239,004,363	11.7	248,865,581	117,109,041
6.2 NAIC 2	11,541,982	125,597,827	162,875,733	11,681,835	32,865,375	XXX	344,562,753	12.5	163,071,155	8.0	291,456,861	53,105,892
6.3 NAIC 3	1,807,868	12,690,219	3,417,378	83,255	1,348,938	XXX	19,347,658	0.7	156,764,393	7.7	14,816,927	4,530,731
6.4 NAIC 4	157,219	3,469,808	1,281,121		168,895	XXX	5,077,043	0.2		0.0	2,968,020	2,109,023
6.5 NAIC 5	105,966	227,002	387,985	204,494		XXX	925,449	0.0		0.0	925,449	
6.6 NAIC 6						XXX	0	0.0		0.0		
6.7 Totals	33,197,952	359,926,508	270,367,595	25,886,896	46,508,574	XXX	735,887,525	26.6	558,839,911	27.3	559,032,837	176,854,688
7. **Hybrid Securities**												
7.1 NAIC 1		1,442,099	568,263	2,024,366		XXX	4,034,728	0.1	8,343,978	0.4	3,834,728	200,000
7.2 NAIC 2	9,928,032	28,200,843	11,799,662		6,251,356	XXX	56,179,893	2.0	34,555,559	1.7	51,001,271	5,178,622
7.3 NAIC 3		7,762,594	15,841,475	3,154,269	789,200	XXX	27,547,538	1.0	7,803,261	0.4	23,569,633	3,977,905
7.4 NAIC 4						XXX	0	0.0		0.0		
7.5 NAIC 5						XXX	0	0.0		0.0		
7.6 NAIC 6						XXX	0	0.0		0.0		
7.7 Totals	9,928,032	37,405,536	28,209,400	5,178,635	7,040,556	XXX	87,762,159	3.2	50,702,798	2.5	78,405,633	9,356,526
8. **Parent, Subsidiaries and Affiliates**												
8.1 NAIC 1						XXX	0	0.0		0.0		
8.2 NAIC 2						XXX	0	0.0		0.0		
8.3 NAIC 3						XXX	0	0.0		0.0		
8.4 NAIC 4						XXX	0	0.0		0.0		
8.5 NAIC 5						XXX	0	0.0		0.0		
8.6 NAIC 6						XXX	0	0.0		0.0		
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. **SVO Identified Funds**												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.7 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. **Total Bonds Current Year**												
10.1 NAIC 1	(d)147,170,238	915,520,604	886,801,600	144,165,775	101,547,950	0	2,195,206,167	79.5	XXX	XXX	2,077,897,126	117,309,041
10.2 NAIC 2	(d)25,341,488	175,748,091	206,143,301	26,576,638	53,429,725	0	487,239,242	17.6	XXX	XXX	427,604,200	59,635,043
10.3 NAIC 3	(d)7,011,219	23,266,167	23,647,072	3,237,524	5,102,199	0	62,264,181	2.3	XXX	XXX	53,755,546	8,508,636
10.4 NAIC 4	(d)967,057	7,635,410	5,681,568	309,983	1,155,001	0	15,749,019	0.6	XXX	XXX	10,720,121	5,028,897
10.5 NAIC 5	(d)105,966	227,002	827,772	204,494	0	0	(c)1,365,236	0.0	XXX	XXX	1,365,236	0
10.6 NAIC 6	(d)0	0	0	0	0	0	(c)0	0.0	XXX	XXX	0	0
10.7 Totals	180,595,968	1,122,397,275	1,123,101,313	174,494,414	161,234,875	0	(b)2,761,823,845	100.0	XXX	XXX	2,571,342,228	190,481,617
10.8 Line 10.7 as a % of Col. 7	6.5	40.6	40.7	6.3	5.8	0.0	100.0	XXX	XXX	XXX	93.1	6.9
11. **Total Bonds Prior Year**												
11.1 NAIC 1	221,797,679	665,342,659	589,953,889	105,314,542	77,350,435		XXX	XXX	1,659,759,205	81.1	1,598,630,660	61,128,545
11.2 NAIC 2	8,639,513	83,397,587	107,800,912	11,445,288	11,801,361		XXX	XXX	223,084,662	10.9	197,987,833	25,096,829
11.3 NAIC 3		150,605,616	7,649,433		6,312,606		XXX	XXX	164,567,654	8.0	161,291,145	3,276,510
11.4 NAIC 4							XXX	XXX	0	0.0		
11.5 NAIC 5							XXX	XXX	(c)0	0.0		
11.6 NAIC 6							XXX	XXX	(c)0	0.0		
11.7 Totals	230,437,192	899,345,863	705,404,233	116,759,831	95,464,402	0	XXX	XXX	(b)2,047,411,521	100.0	1,957,909,638	89,501,883
11.8 Line 11.7 as a % of Col. 9	11.3	43.9	34.5	5.7	4.7	0.0	XXX	XXX	100.0	XXX	95.6	4.4
12. **Total Publicly Traded Bonds**												
12.1 NAIC 1	143,517,231	831,430,306	863,991,241	140,003,559	98,954,790		2,077,897,126	75.2	1,598,630,660	78.1	2,077,897,126	XXX
12.2 NAIC 2	22,272,183	163,652,873	171,541,819	22,854,840	47,282,485		427,604,200	15.5	197,987,833	9.7	427,604,200	XXX
12.3 NAIC 3	7,002,794	20,728,113	19,042,839	1,879,601	5,102,199		53,755,546	1.9	161,291,145	7.9	53,755,546	XXX
12.4 NAIC 4	769,541	6,251,378	3,336,167	121,930	241,105		10,720,121	0.4	0	0.0	10,720,121	XXX
12.5 NAIC 5	105,966	227,002	827,772	204,494			1,365,236	0.0	0	0.0	1,365,236	XXX
12.6 NAIC 6							0	0.0	0	0.0	0	XXX
12.7 Totals	173,667,715	1,022,289,672	1,058,739,838	165,064,424	151,580,579	0	2,571,342,228	93.1	1,957,909,638	95.6	2,571,342,228	XXX
12.8 Line 12.7 as a % of Col. 7	6.8	39.8	41.2	6.4	5.9	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	6.3	37.0	38.3	6.0	5.5	0.0	93.1	XXX	XXX	XXX	93.1	XXX
13. **Total Privately Placed Bonds**												
13.1 NAIC 1	3,653,007	84,090,298	22,810,359	4,162,217	2,593,161		117,309,041	4.2	61,128,545	3.0	XXX	117,309,041
13.2 NAIC 2	3,069,304	12,095,218	34,601,482	3,721,798	6,147,240		59,635,043	2.2	25,096,829	1.2	XXX	59,635,043
13.3 NAIC 3	8,425	2,538,054	4,604,233	1,357,923			8,508,636	0.3	3,276,510	0.2	XXX	8,508,636
13.4 NAIC 4	197,516	1,384,033	2,345,400	188,053	913,895		5,028,897	0.2	0	0.0	XXX	5,028,897
13.5 NAIC 5							0	0.0	0	0.0	XXX	0
13.6 NAIC 6							0	0.0	0	0.0	XXX	0
13.7 Totals	6,928,252	100,107,604	64,361,474	9,429,990	9,654,297	0	190,481,617	6.9	89,501,883	4.4	XXX	190,481,617
13.8 Line 13.7 as a % of Col. 7	3.6	52.6	33.8	5.0	5.1	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.3	3.6	2.3	0.3	0.3	0.0	6.9	XXX	XXX	XXX	XXX	6.9

(a) Includes $.....190,481,617 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....18,301,630 current year, $.....8,810,473 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....200,540; NAIC 4 $.....279,247; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. **U.S. Governments**												
1.1 Issuer Obligations		95,662,857	49,226,353		72,523,855	XXX	217,413,066	7.9	161,094,475	7.9	217,413,066	
1.2 Residential Mortgage-Backed Securities	3,015,298	8,550,835	5,514,556	3,710,214	488,116	XXX	21,279,018	0.8	18,068,157	0.9	21,279,018	
1.3 Commercial Mortgage-Backed Securities	895,911	2,336,252	357,310			XXX	3,589,473	0.1		0.0	3,589,473	
1.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
1.5 Totals	3,911,209	106,549,944	55,098,219	3,710,214	73,011,971	XXX	242,281,557	8.8	179,162,632	8.8	242,281,557	0
2. **All Other Governments**												
2.1 Issuer Obligations	1,237,437	17,703,458	41,581,783	14,747,190	19,038,296	XXX	94,308,163	3.4	997,365	0.0	90,037,760	4,270,403
2.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
2.5 Totals	1,237,437	17,703,458	41,581,783	14,747,190	19,038,296	XXX	94,308,163	3.4	997,365	0.0	90,037,760	4,270,403
3. **U.S. States, Territories and Possessions, Guaranteed**												
3.1 Issuer Obligations	26,311,493	46,912,479	41,072,998			XXX	114,296,970	4.1	115,666,018	5.6	114,296,970	
3.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
3.5 Totals	26,311,493	46,912,479	41,072,998	0	0	XXX	114,296,970	4.1	115,666,018	5.6	114,296,970	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 Issuer Obligations	16,466,090	51,337,420	152,000,639	5,863,715	925,830	XXX	226,593,693	8.2	143,497,846	7.0	226,593,693	
4.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
4.5 Totals	16,466,090	51,337,420	152,000,639	5,863,715	925,830	XXX	226,593,693	8.2	143,497,846	7.0	226,593,693	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 Issuer Obligations	38,717,391	370,404,526	395,745,678	69,679,388	7,684,837	XXX	882,231,820	31.9	791,105,413	38.6	882,231,820	
5.2 Residential Mortgage-Backed Securities	27,770,060	97,869,325	75,701,272	49,428,376	7,024,812	XXX	257,793,844	9.3	95,272,075	4.7	257,793,844	
5.3 Commercial Mortgage-Backed Securities		12,628,461	17,611,388			XXX	30,239,848	1.1	10,137,206	0.5	30,239,848	
5.4 Other Loan-Backed and Structured Securities	23,056,305	21,659,619	45,712,341			XXX	90,428,265	3.3	102,030,258	5.0	90,428,265	
5.5 Totals	89,543,756	502,561,930	534,770,679	119,107,764	14,709,649	XXX	1,260,693,778	45.6	998,544,951	48.8	1,260,693,778	0
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 Issuer Obligations	24,025,049	226,657,823	199,711,549	23,337,318	45,703,475	XXX	519,435,214	18.8	414,037,752	20.2	431,235,041	88,200,172
6.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
6.3 Commercial Mortgage-Backed Securities	2,142,524	16,233,245	56,329,116	1,428,040	805,100	XXX	76,938,025	2.8	82,490,051	4.0	74,358,025	2,580,000
6.4 Other Loan-Backed and Structured Securities	7,030,379	117,035,440	14,326,930	1,121,538		XXX	139,514,287	5.1	62,312,108	3.0	53,439,771	86,074,515
6.5 Totals	33,197,952	359,926,508	270,367,595	25,886,896	46,508,574	XXX	735,887,525	26.6	558,839,911	27.3	559,032,837	176,854,688
7. **Hybrid Securities**												
7.1 Issuer Obligations	9,928,031	37,405,537	28,209,400	5,178,635	7,040,556	XXX	87,762,159	3.2	50,702,798	2.5	78,405,633	9,356,526
7.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
7.5 Totals	9,928,031	37,405,537	28,209,400	5,178,635	7,040,556	XXX	87,762,159	3.2	50,702,798	2.5	78,405,633	9,356,526
8. **Parent, Subsidiaries and Affiliates**												
8.1 Issuer Obligations						XXX	0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. **SVO Identified Funds**												
9.1 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.2 Bond Mutual Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.3 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	0	0.0	0	0
10. **Total Bonds Current Year**												
10.1 Issuer Obligations	116,685,491	846,084,099	907,548,399	118,806,247	152,916,849	XXX	2,142,041,085	77.6	XXX	XXX	2,040,213,983	101,827,102
10.2 Residential Mortgage-Backed Securities	30,785,358	106,420,159	81,215,828	53,138,589	7,512,927	XXX	279,072,862	10.1	XXX	XXX	279,072,862	0
10.3 Commercial Mortgage-Backed Securities	3,038,435	31,197,958	74,297,814	1,428,040	805,100	XXX	110,767,346	4.0	XXX	XXX	108,187,346	2,580,000
10.4 Other Loan-Backed and Structured Securities	30,086,684	138,695,059	60,039,271	1,121,538	0	XXX	229,942,552	8.3	XXX	XXX	143,868,036	86,074,515
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10.6 Totals	180,595,967	1,122,397,275	1,123,101,312	174,494,415	161,234,876	0	2,761,823,846	100.0	XXX	XXX	2,571,342,228	190,481,617
10.7 Line 10.6 as a % of Col. 7	6.5	40.6	40.7	6.3	5.8	0.0	100.0	XXX	XXX	XXX	93.1	6.9
11. **Total Bonds Prior Year**												
11.1 Issuer Obligations	166,894,228	752,337,075	570,640,986	95,370,081	91,859,297	XXX	XXX	XXX	1,677,101,667	81.9	1,633,927,340	43,174,327
11.2 Residential Mortgage-Backed Securities	14,249,287	43,999,531	30,406,149	21,080,159	3,605,105	XXX	XXX	XXX	113,340,232	5.5	113,340,232	
11.3 Commercial Mortgage-Backed Securities	22,003,034	20,034,408	50,589,815			XXX	XXX	XXX	92,627,257	4.5	88,793,839	3,833,419
11.4 Other Loan-Backed and Structured Securities	27,290,644	82,974,848	53,767,283	309,590		XXX	XXX	XXX	164,342,365	8.0	121,848,228	42,494,138
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		XXX	XXX	0	0.0		
11.6 Totals	230,437,192	899,345,863	705,404,233	116,759,831	95,464,402	0	XXX	XXX	2,047,411,521	100.0	1,957,909,638	89,501,883
11.7 Line 11.6 as a % of Col. 9	11.3	43.9	34.5	5.7	4.7	0.0	XXX	XXX	100.0	XXX	95.6	4.4
12. **Total Publicly Traded Bonds**												
12.1 Issuer Obligations	113,395,430	815,717,510	857,012,545	110,825,946	143,262,552	XXX	2,040,213,983	73.9	1,633,927,340	79.8	2,040,213,983	XXX
12.2 Residential Mortgage-Backed Securities	30,785,358	106,420,159	81,215,828	53,138,589	7,512,927	XXX	279,072,862	10.1	113,340,232	5.5	279,072,862	XXX
12.3 Commercial Mortgage-Backed Securities	2,860,504	30,486,234	73,408,159	627,350	805,100	XXX	108,187,346	3.9	88,793,839	4.3	108,187,346	XXX
12.4 Other Loan-Backed and Structured Securities	26,626,423	69,665,769	47,103,306	472,538		XXX	143,868,036	5.2	121,848,228	6.0	143,868,036	XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	0	0.0	0	XXX
12.6 Totals	173,667,715	1,022,289,672	1,058,739,838	165,064,424	151,580,579	0	2,571,342,228	93.1	1,957,909,638	95.6	2,571,342,228	XXX
12.7 Line 12.6 as a % of Col. 7	6.8	39.8	41.2	6.4	5.9	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10	6.3	37.0	38.3	6.0	5.5	0.0	93.1	XXX	XXX	XXX	93.1	XXX
13. **Total Privately Placed Bonds**												
13.1 Issuer Obligations	3,290,061	30,366,590	50,535,854	7,980,301	9,654,297	XXX	101,827,102	3.7	43,174,327	2.1	XXX	101,827,102
13.2 Residential Mortgage-Backed Securities						XXX	0	0.0	0	0.0	XXX	0
13.3 Commercial Mortgage-Backed Securities	177,931	711,724	889,655	800,690		XXX	2,580,000	0.1	3,833,419	0.2	XXX	2,580,000
13.4 Other Loan-Backed and Structured Securities	3,460,261	69,029,290	12,935,965	649,000		XXX	86,074,515	3.1	42,494,138	2.1	XXX	86,074,515
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	0	0.0	XXX	0
13.6 Totals	6,928,252	100,107,604	64,361,474	9,429,990	9,654,297	0	190,481,617	6.9	89,501,883	4.4	XXX	190,481,617
13.7 Line 13.6 as a % of Col. 7	3.6	52.6	33.8	5.0	5.1	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10	0.3	3.6	2.3	0.3	0.3	0.0	6.9	XXX	XXX	XXX	XXX	6.9

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	54,628,536	54,628,536			
2. Cost of short-term investments acquired	484,860	484,860			
3. Accrual of discount	0				
4. Unrealized valuation increase (decrease)	(2,927)	(2,927)			
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	54,628,536	54,628,536			
7. Deduct amortization of premium	2,146	2,146			
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	479,787	479,787	0	0	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	479,787	479,787	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
	2.1 Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
	2.2 Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
	3.1 Section 1, Column 17			
	3.2 Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
	6.1 Section 1, Column 19			
	6.2 Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
	7.1 Section 1, Column 20			
	7.2 Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
	8.1 Section 1, Column 18			
	8.2 Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)			
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)			
3.1	Add:			
	Change in variation margin on open contracts - highly effective hedges:			
	3.11 Section 1, Column 15, current year minus			
	3.12 Section 1, Column 15, prior year		0	
	Change in the valuation margin on open contracts - all other:			
	3.13 Section 1, Column 18, current year minus			
	3.14 Section 1, Column 18, prior year		0	0
3.2	Add:			
	Change in adjustment to basis of hedged item:			
	3.21 Section 1, Column 17, current year to date minus			
	3.22 Section 1, Column 17, prior year		0	
	Change in amount recognized:			
	3.23 Section 1, Column 19, current year to date minus			
	3.24 Section 1, Column 19, prior year		0	0
3.3	Subtotal (Line 3.1 minus Line 3.2)			0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)			
4.2	Less:			
	4.21 Amount used to adjust basis of hedged item (Section 2, Column 17)			
	4.22 Amount recognized (Section 2, Column 16)		0	
4.3	Subtotal (Line 4.1 minus Line 4.2)			0
5.	Dispositions gains (losses) on contracts terminated in prior year:			
	5.1 Total gain (loss) recognized for terminations in prior year			
	5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year			
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)			0
7.	Deduct nonadmitted assets			
8.	Statement value at end of current period (Line 6 minus Line 7)			0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

SI12

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

NONE

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

NONE

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Total (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0
		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0
		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Money Market Mutual Funds	4 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0			
2. Cost of cash equivalents acquired	1,643,975,971		1,643,975,971	
3. Accrual of discount	0			
4. Unrealized valuation increase (decrease)	0			
5. Total gain (loss) on disposals	0			
6. Deduct consideration received on disposals	1,573,997,266		1,573,997,266	
7. Deduct amortization of premium	0			
8. Total foreign exchange change in book/adjusted carrying value	0			
9. Deduct current year's other-than-temporary impairment recognized	0			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	69,978,704	0	69,978,704	0
11. Deduct total nonadmitted amounts	0			
12. Statement value at end of current period (Line 10 minus Line 11)	69,978,704	0	69,978,704	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Health Care Delivery																
Building 100		Durham	NC	12/31/2009.	01/01/2014.	33,543,628	17,329,338			481,184		1,486,230	1,005,046		4,755,564	1,900,767
Building 200 & 250		Durham	NC	12/31/2009.	01/01/2014.	40,187,581	19,896,441			773,186		(1,480,918)	(2,254,105)		5,697,493	1,003,181
Parking Deck B		Durham	NC	12/31/2009.	01/01/2014.	6,735,186	3,410,028			285,014		276,370	(8,644)		954,864	216,036
Building 450		Durham	NC	06/02/2013.	04/16/2016.	18,080,856	17,113,916			529,042		196,139	(332,903)		2,563,368	456,820
Parking Deck E		Durham	NC	06/02/2013.	04/16/2016.	8,403,021	7,273,003			565,009		544,264	(20,745)		1,191,317	154,072
Building 400		Durham	NC	06/02/2013.	04/16/2016.	8,099,732	7,633,392			233,170		212,425	(20,745)		1,148,319	704,793
Building 500		Durham	NC	06/02/2013.	04/16/2016.	5,233,016	5,877,170			141,310		127,480	(13,830)		741,898	355,160
Building 600		Durham	NC	03/07/2003.	04/06/2016.	8,940,941	5,243,778			386,296		3,262,165	2,875,869		1,267,579	317,722
Building 700		Durham	NC	09/03/2013.	10/26/2016.	6,540,196	5,695,748			194,876		166,009	(28,867)		927,220	298,800
Building 800		Durham	NC	12/31/2008.	10/26/2016.	7,707,602	3,614,961			132,938		461,625	328,688		1,092,726	238,430
0199999. Properties Occupied by the Reporting Entity - Health Care Delivery						143,471,759	93,087,775	0	0	3,722,025	0	5,251,790	1,529,765	0	20,340,348	5,645,781
0399999. Total - Properties Occupied by the Reporting Entity						143,471,759	93,087,775	0	0	3,722,025	0	5,251,790	1,529,765	0	20,340,348	5,645,781
Properties Held for the Production of Income																
Dukestrert building		Durham	NC	01/23/1970.	03/05/2010.	8,183,876		5,102,981	5,480,000	469,774			(469,774)		430,832	223,877
0499999. Total - Properties Held for the Production of Income						8,183,876	0	5,102,981	5,480,000	469,774	0	0	(469,774)	0	430,832	223,877
0699999. Totals						151,655,635	93,087,775	5,102,981	5,480,000	4,191,799	0	5,251,790	1,059,991	0	20,771,180	5,869,658

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Building 200 & 250	Durham	NC	06/30/2017.	Various				134,941
Building 200 & 250	Durham	NC	07/01/2017.	Various				14,015
Building 200 & 250	Durham	NC	08/01/2017.	Various				10,457
Building 200 & 250	Durham	NC	12/01/2017.	Various				471,068
Building 450	Durham	NC	06/30/2017.	Various				82,344
Building 450	Durham	NC	07/01/2017.	Various				190,625
Building 450	Durham	NC	08/01/2017.	Various				15,229
Building 100	Durham	NC	03/31/2017.	Various				56,800
Building 100	Durham	NC	06/30/2017.	Various				140,825
Building 100	Durham	NC	07/01/2017.	Various				9,300
Building 100	Durham	NC	08/01/2017.	Various				241,826
Building 100	Durham	NC	12/17/2017.	Various				17,977
0199999. Total - Acquired by Purchase					0	0	0	1,385,407
0399999. Totals					0	0	0	1,385,407

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred

NONE

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

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NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP			USA	Adams Street Partners LLC		07/06/2012		16,048,525	19,657,958	19,657,958	1,938,095					3,343		3.366
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II			USA	Blue Cross Blue Shield Ventures II, Inc		06/24/2011		1,649,638	3,646,357	3,646,357	315,377							2.623
000000 00 0	BULLCITY VENTURE PARTNERS FUND III			USA	Bull City Fund III GP, LLC		02/13/2013		377,431	318,180	318,180	(21,853)							3.891
000000 00 0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P.			USA	Camden Partners Strategic V, LLC		04/03/2014		4,749,312	6,184,030	6,184,030	1,310,213							9.200
000000 00 0	C.B. HEALTHCARE FUND II, L.P.			USA	Cain Brothers, LLC		04/24/2001		44,409	32,924	32,924	5,077					11,597		3.202
000000 00 0	EXCEL MEDICAL FUND I			USA	Excel Medical Ventures, LLC		03/18/2013		1,027,773	1,055,375	1,055,375	279,715		390,000			(227,875)		2.434
000000 00 0	EXCEL VENTURE FUND II			USA	Excel Ventures II GP, LLC		03/28/2013		1,360,211	1,593,569	1,593,569	328,879							2.063
000000 00 0	FLARE CAPITAL PARTNERS I, L.P.			USA	Foundation Medical Managers IV, LLC		06/20/2014		1,286,060	1,288,837	1,288,837	116,282							1.756
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP			USA	HarbourVest Partners IX - Venture Associ		06/28/2012		8,810,400	11,502,123	11,502,123	853,787					(583,312)		1.230
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP			USA	HarbourVest Partners IX -Buyout Associat		06/28/2012		5,661,156	7,096,613	7,096,613	26,399					(82,388)		0.640
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P.			USA	Hatteras Ventures Advisors IV, LLC		08/25/2011		1,010,413	2,131,494	2,131,494	740,856							1.620
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P.			USA	HEP Associates II, LLC		07/10/2013		661,804	794,052	794,052	30,346							6.950
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P.			USA	HEP Associates, LLC		03/30/2007		1,942,489	2,496,485	2,496,485	38,882					(11,783)		3.288
000000 00 0	NAUTIC PARTNERS VII-A, L.P.			USA	Nautic Partners, LLC		10/27/2014		658,262	3,569,552	3,569,552	458,428					(291,338)		2.280
000000 00 0	NORO-MOSELEY PARTNERS VII, L.P.			USA	Moseley and Company VII LLC		10/22/2014		2,400,000	2,890,795	2,890,795	398,234							6.399
000000 00 0	NORTHGATE VENTURE PARTNERS VII, L.P.			USA	NCD Management VII, LLC		07/12/2012		6,400,000	6,277,590	6,277,590	291,900							8.231
000000 00 0	NORTHGATE VENTURE PARTNERS VI, LLC			USA	Northgate Venture VI, LLC		08/31/2012		16,979,791	19,808,004	19,808,004	591,524							8.823
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P.			USA	So. Capital Tech. Fund II Mgmt Co		06/15/2006		236,964	386,773	386,773	(68,902)							3.319
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P.			USA	Synergy Management, LLC		12/13/2007		1,171,408	1,385,402	1,385,402	301,859							2.083
000000 00 0	Welsh, Carson, Anderson & Stowe XII, L.P.			USA	Wlsh Carson Anderson & Stowe		04/20/2015		3,891,051	4,994,265	4,994,265	908,952					(98,068)		0.300
000000 00 0	HLM Venture Partners IV, L.P.			USA	HKN Venture Partners IV LP		09/16/2015		2,100,000	1,800,738	1,800,738	(138,910)							5.710
000000 00 0	COMVEST INVESTMENT PARTNERS V-A, LP			USA	Comvest Investment Partners V-A, LP		11/02/2015		1,064,563	933,109	933,109	(83,533)							1.229
000000 00 0	HATTERAS VENTURE PARTNERS V, LP			FRA	Hatteras Venture Partners V, LP		01/12/2016		1,072,500	987,364	987,364	(18,876)							3.500
000000 00 0	NORTHGATE VENTURE GROWTH III			USA	NCD Management III, LLC		03/29/2016		17,284,686	16,815,953	16,815,953	(2,760,792)							8.000
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES III			USA	Blue Cross Blue Shield Ventures III, Inc		03/29/2016		1,849,447	1,463,833	1,463,833	(205,399)					8,068		4.233
000000 00 0	NAUTIC PARTNERS VIII-A, L.P.			USA	Nautic Partners, LLC		12/14/2016		2,539,851	2,690,336	2,690,336	149,015					957,909		3.977
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									102,278,143	121,801,711	121,801,711	5,785,555	0	390,000	0	0	(313,847)	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	AEW REAL ESTATE TRUST			USA	AEW Capital Management LP		04/02/2012		52,731,652	65,270,540	65,270,540	582,381					3,246,857		1.150
000000 00 0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME			USA	I&G Manager, LLC		01/02/2015		59,365,010	80,840,752	80,840,752	1,506,933					3,201,733		3.000
000000 00 0	MORGAN STANLEY PRIME PROPERTY FUND			USA	Prime Property Fund LLC		09/30/2013		71,223,261	89,730,312	89,730,312	2,205,771					3,431,326		0.490
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									183,319,923	235,841,603	235,841,603	4,295,085	0	0	0	0	9,879,916	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	CRESCENT MEZZANINE PARTNERS VI			USA	Crescent Mezzanine VI, LLC		08/30/2013		18,940,366	19,532,598	19,532,598	(411,148)					904,071		1.000
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP			USA	KKR Associates EIGF LP		10/31/2013		18,116,892	21,250,987	21,250,987	3,638,587					(449,874)		3.100
000000 00 0	PRINCIPAL REAL ESTATE DEBT FUND, L.P.			USA	Principal Real Estate Debt Fund GP, LLC		05/07/2014		19,526,454	19,786,366	19,786,366	38,744					(2,618,474)		6.411
000000 00 0	CRESCENT MEZZANINE PARTNERS VII				Crescent Mezzanine Partners VII, L.P.		01/19/2016		8,728,060	9,214,382	9,214,382	287,880					198,470		1.000
000000 00 0	Principal Real Estate Debt Fund II, LP			NC	Blue Cross and Blue Shield of North Caro		08/21/2017		5,892,578	6,048,891	6,048,891	156,313					(1,295,670)		5.460
000000 00 0	Adams Street Private Credit Fund-A LP			USA	Adams Street Private Credit Fund-A		12/26/2017		1,250,000	1,173,587	1,173,587	(76,413)							10.940

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
31424D 10 4	FEDERATED P&T FIN TENDER			USA	Federated Project & Trade Finance Tender		01/31/2017		38,549,928	38,511,196	38,511,196	(38,731)					855,017		67.660
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									111,004,278	115,518,008	115,518,008	3,595,231	0	0	0	0	(2,406,459)	0	XXX
4499999. Subtotal - Unaffiliated									396,602,345	473,161,322	473,161,322	13,675,871	0	390,000	0	0	7,159,610	0	XXX
4699999. Totals									396,602,345	473,161,322	473,161,322	13,675,871	0	390,000	0	0	7,159,610	0	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated										
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP		USA	ADAMS STREET 2012 GLOABAL FUND LP	07/06/2012.			2,437,500		3.366
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II		USA	BLUE CROSS BLUE SHIELD VENTURES II	06/24/2011.			507,490		2.623
000000 00 0	BULLCITY VENTURE PARTNERS FUND III		USA	BULLCITY VENTURE PARTNERS FUND III				63,172		3.891
000000 00 0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P		USA	CAMDEN PARTNERS STRATEGIC FUND V - A, L	04/03/2014.			675,000		9.200
000000 00 0	EXCEL MEDICAL FUND I		USA	EXCEL MEDICAL FUND I	03/18/2013.			155,508		2.434
000000 00 0	EXCEL VENTURE FUND II		USA	EXCEL VENTURE FUND II				165,006		2.063
000000 00 0	FLARE CAPITAL PARTNERS I, L.P		USA	FLARE CAPITAL PARTNERS I, L.P	06/20/2014.			561,000		1.756
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP		USA	HARBOURVEST PARTNERS IX -BUYOUT FUND LP	06/28/2012.			1,225,000		1.230
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP		USA	HARBOURVEST PARTNERS IX -VENTURE FUND LP	06/28/2012.			450,000		0.640
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P		USA	HATTERAS VENTURES PARTNERS IV, L.P	08/25/2011.			75,000		1.620
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P		USA	HEALTH ENTERPRISE PARTNERS II, L.P	07/10/2013.			130,374		6.950
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P		USA	HEALTH ENTERPRISE PARTNERS, L.P				9,353		3.288
000000 00 0	NAUTIC PARTNERS VII-A, L.P		USA	NAUTIC PARTNERS VII-A, L.P	10/27/2014.			385,883		2.280
000000 00 0	NORO-MOSELEY PARTNERS VII, L.P		USA	NORO-MOSELEY PARTNERS VII, L.P	10/22/2014.			600,000		6.399
000000 00 0	NORTHGATE VENTURE PARTNERS VII, L.P		USA	NORTHGATE VENTURE PARTNERS VII, L.P	07/12/2012.			2,800,000		8.231
000000 00 0	NORTHGATE VENTURE PARTNERS VI, LLC		USA	NORTHGATE VENTURE PARTNERS VI, LLC	08/31/2012.			2,400,000		8.823
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P		USA	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P	06/15/2006.			15,000		3.319
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P		USA	SYNERGY LIFE SCIENCE PARTNERS, L.P				30,000		2.083
000000 00 0	Welsh, Carson, Anderson & Stowe XII, L.P		USA	Welsh, Carson, Anderson & Stowe XII, L.P	04/20/2015.			1,346,496		0.300
000000 00 0	HLM Venture Partners IV, L.P		USA	VARIOUS	09/16/2015.			625,000		5.710
000000 00 0	COMVEST INVESTMENT PARTNERS V-A, LP		USA	COMVEST INVESTMENT PARTNERS V-A, LP				265,990		1.229
000000 00 0	HATTERAS VENTURE PARTNERS V, LP		FRA	HATTERAS VENTURE PARTNERS V, LP	01/12/2016.			735,000		3.500
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES III		USA	BLUE CROSS BLUE SHIELD VENTURES III	03/29/2016.			727,263		4.233
000000 00 0	NAUTIC PARTNERS VIII-A, L.P		USA	NAUTIC PARTNERS VIII-A, L.P	12/14/2016.			2,291,684		3.977
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							0	18,676,719	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated										
000000 00 0	AEW REAL ESTATE TRUST		USA	AEW REAL ESTATE TRUST	04/02/2012.		2,596,707	650,150		1.150
000000 00 0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME		USA	J.P. MORGAN US REAL ESTATE INCOME AND GR	01/02/2015.			4,049,708		3.000
000000 00 0	MORGAN STANLEY PRIME PROPERTY FUND		USA	MORGAN STANLEY PRIME PROPERTY FUND	09/30/2013.			3,431,326		0.490
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							2,596,707	8,131,184	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated										
000000 00 0	CRESCENT MEZZANINE PARTNERS VI		USA	CRESCENT MEZZANINE PARTNERS VI	08/30/2013.			1,885,650		1.000
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP		USA	KKR ENERGY INCOME & GROWTH FUND LP	10/31/2013.			11,644,066		3.100
000000 00 0	CRESCENT MEZZANINE PARTNERS VII			CRESCENT MEZZANINE PARTNERS VII	01/19/2016.			8,103,221		1.000
000000 00 0	Principal Real Estate Debt Fund II, LP		NC	Principal Real Estate Debt Fund II, LP	08/21/2017.		2,314,398	5,099,893		5.460
000000 00 0	Adams Street Private Credit Fund-A LP		USA	Adams Street Private Credit Fund-A LP	12/26/2017.		1,250,000			10.940
31424D 10 4	FEDERATED P&T FIN TENDER		USA	FEDERATED P&T FIN TENDER	01/31/2017.		37,694,911	855,017		67.660
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							41,259,309	27,587,847	0	XXX
Surplus Debentures - Unaffiliated										

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
575767 AL 2	MASSACHUSETTS MUTUAL LIFE INSURANCE CO		MA	MASSACHUSETTS MUTUAL LIFE INSURANCE CO			545,045			
2399999. Total - Surplus Debentures - Unaffiliated							545,045	0	0	XXX
4499999. Subtotal - Unaffiliated							44,401,060	54,395,751	0	XXX
4699999. Totals							44,401,060	54,395,751	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP		USA	Adams Street Partners LLC..	07/06/2012.	08/04/2017.						0		762,546	1,290,046		527,500	527,500	
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II		USA	Blue Cross Blue Shield Ventures II, Inc	06/24/2011.	09/13/2017.						0		335,816	335,816			0	
000000 00 0	BULLCITY VENTURE PARTNERS FUND III		USA	Bull City Fund III GP, LLC.....	02/13/2013.	07/07/2017.						0		241	241			0	
000000 00 0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P.		USA	Camden Partners Strategic V, LLC	04/03/2014.	10/01/2017.						0		175,688	475,000		299,312	299,312	
000000 00 0	EXCEL MEDICAL FUND I		USA	Excel Medical Ventures, LLC	03/18/2013.	12/08/2017.	182,652					0		227,875	374,526		146,651	146,651	227,875
000000 00 0	FLARE CAPITAL PARTNERS I, L.P.		USA	Foundation Medical Managers IV, LLC	06/20/2014.	05/12/2017.						0		42,862	74,915		32,053	32,053	
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP		USA	HarbourVest Partners IX - Venture Associ	06/28/2012.	12/28/2017.	154,101					0		1,248,389	3,056,792		1,808,403	1,808,403	527,370
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP		USA	HarbourVest Partners IX - Buyout Associat	06/28/2012.	12/28/2017.	(246,136)					0		306,415	995,241		688,826	688,826	82,136
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P.		USA	Hatteras Ventures Advisors IV, LLC	08/25/2011.	02/17/2017.						0		122,086	122,086			0	
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P.		USA	HEP Associates II, LLC	07/10/2013.	10/27/2017.						0		47,145	64,231		17,086	17,086	
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P.		USA	HEP Associates, LLC	03/30/2007.	05/25/2017.						0			126,888		126,888	126,888	
000000 00 0	NAUTIC PARTNERS VII-A, L.P.		USA	Nautic Partners, LLC	10/27/2014.	12/28/2017.	(208,399)					0		1,060,525	1,060,525			0	948,773
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P.		USA	So. Capital Tech. Fund II Mgmt Co.	06/15/2006.	09/05/2017.						0		24,163	24,163			0	
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P.		USA	Synergy Management, LLC...	12/13/2007.	04/30/2017.						0		261,226	261,226			0	
000000 00 0	Welsh, Carson, Anderson & Stowe XII, L.P.		USA	Wlsh Carson Anderson & Stowe	04/20/2015.	12/19/2017.	(1,731,615)					0		236,094	236,094			0	98,068
000000 00 0	C.B. HEALTHCARE FUND II, L.P. ADD-ON FUND		USA	Cain Brothers, LLC	04/24/2001.	04/01/2017.	268	(3,026)				(3,026)		(2,758)	(2,758)			0	2,758
000000 00 0	NAUTIC PARTNERS VIII-A, L.P.		USA	Nautic Partners, LLC	12/14/2016.	12/28/2017.	(2,139,856)					0		300,843	300,843			0	300,843
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							(3,988,985)	(3,026)	0	0	0	(3,026)	0	5,149,156	8,795,875	0	3,646,719	3,646,719	2,187,823
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME		USA	I&G Manager, LLC	01/02/2015.	10/01/2017.						0		847,965	847,975		10	10	
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated							0	0	0	0	0	0	0	847,965	847,975	0	10	10	0
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	CRESCENT MEZZANINE PARTNERS VI		USA	Crescent Mezzanine VI, LLC.	08/30/2013.	12/21/2017.	4,874,498					0		4,952,981	5,482,815		529,834	529,834	1,447,991
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP		USA	KKR Associates EIGF LP	10/31/2013.	12/15/2017.	(8,479,108)					0		5,271,894	5,273,939		2,045	2,045	205,095
000000 00 0	PRINCIPAL REAL ESTATE DEBT FUND, L.P.		USA	Principal Real Estate Debt Fund GP, LLC	05/07/2014.	12/29/2017.	710,699					0		9,895,224	9,895,224			0	4,587,690
000000 00 0	FEDERATED PROJECT & TRADE FINANCE CORE FUND		USA	Federated Investors Inc	05/30/2014.	01/27/2017.	37,577,463	1,241,657				1,241,657		38,819,120	37,577,463		(1,241,657)	(1,241,657)	171,499
000000 00 0	CRESCENT MEZZANINE PARTNERS VII			Crescent Mezzanine Partners VII, L.P.	01/19/2016.	09/21/2017.						0		2,120,936	2,146,262		25,326	25,326	
000000 00 0	Principal Real Estate Debt Fund II, LP		NC..	Blue Cross and Blue Shield of North Caro	08/21/2017.	12/14/2017.						0		1,521,713	1,521,713			0	1,521,713
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							34,683,551	1,241,657	0	0	0	1,241,657	0	62,581,868	61,897,416	0	(684,452)	(684,452)	7,933,988
Surplus Debentures - Unaffiliated																			

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
575767 AL 2	MASSACHUSETTS MUTUAL LIFE INSURANCE CO		MA.	Massachusetts Mutual Life Insurance Comp	03/20/2017.	07/31/2017.			10			10		545,055	596,635		51,580	51,580	9,732
2399999. Total - Surplus Debentures - Unaffiliated							0	0	10	0	0	10	0	545,055	596,635	0	51,580	51,580	9,732
4499999. Subtotal - Unaffiliated							30,694,566	1,238,631	10	0	0	1,238,641	0	69,124,044	72,137,900	0	3,013,857	3,013,857	10,131,543
4699999. Totals							30,694,566	1,238,631	10	0	0	1,238,641	0	69,124,044	72,137,900	0	3,013,857	3,013,857	10,131,543

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912810 QA 9	UNITED STATES TREASURY				1	30,105,660	114.148	29,707,017	26,025,000	29,832,803		(114,139)			3.500	2.595	FA	344,053	735,875	11/10/2017.	02/15/2039.
912810 RB 6	UNITED STATES TREASURY				1	38,002,813	102.740	38,707,295	37,675,000	37,998,388		(2,419)			2.875	2.826	MN	140,631	752,531	11/10/2017.	05/15/2043.
912810 RK 6	UNITED STATES TREASURY				1	1,793,133	95.248	1,904,960	2,000,000	1,802,253		4,642			2.500	3.038	FA	18,886	50,000	12/31/2015.	02/15/2045.
912810 RQ 3	UNITED STATES TREASURY				1	2,881,360	95.079	3,113,837	3,275,000	2,890,411		8,483			2.500	3.131	FA	30,926	81,875	12/05/2016.	02/15/2046.
912828 J7 6	UNITED STATES TREASURY				1	51,616,092	98.367	51,150,840	52,000,000	51,629,246		13,153			1.750	1.925	MS	232,500	245,000	12/01/2017.	03/31/2022.
912828 M5 6	UNITED STATES TREASURY				1	11,135,484	99.112	11,298,768	11,400,000	11,159,575		23,827			2.250	2.547	MN	33,302	256,500	03/08/2017.	11/15/2025.
912828 U2 4	UNITED STATES TREASURY				1	7,849,445	96.764	7,837,884	8,100,000	7,851,734		2,288			2.000	2.385	MN	21,033	71,521	12/22/2017.	11/15/2026.
912828 W8 9	UNITED STATES TREASURY				1	44,045,074	98.876	43,480,721	43,975,000	44,033,612		(11,462)			1.875	1.842	MS	211,395	234,609	12/29/2017.	03/31/2022.
912828 WJ 5	UNITED STATES TREASURY				1	30,273,134	101.123	30,058,812	29,725,000	30,215,044		(41,794)			2.500	2.221	MN	96,483	658,125	11/10/2017.	05/15/2024.
0199999. U.S. Government - Issuer Obligations						217,702,195	XXX	217,260,134	214,175,000	217,413,066	0	(117,421)	0	0	XXX	XXX	XXX	1,129,209	3,086,036	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
36176W 7E 5	GN 778793 - RMBS			4	1	3,892,579	103.821	3,885,587	3,742,583	3,893,653		1,075			3.500	2.706	MON	10,916	11,056	11/20/2017.	01/15/2042.
36179M NH 9	G2 MA0392 - RMBS			4	1	2,800,440	104.008	2,811,638	2,703,290	2,797,267		2,452			3.500	2.846	MON	7,885	96,175	07/08/2014.	09/20/2042.
36179M X4 7	G2 MA0699 - RMBS			4	1	3,444,153	104.008	3,375,945	3,245,852	3,456,136		4,658			3.500	2.324	MON	9,467	115,385	04/15/2016.	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS			4	1	3,373,386	103.609	3,290,745	3,176,119	3,401,866		16,984			3.500	2.231	MON	9,264	113,461	08/05/2016.	03/20/2045.
36179R 7K 9	G2 MA3598 - RMBS			4	1	2,908,539	104.918	2,892,708	2,757,113	2,914,819		6,280			4.000	2.742	MON	9,190	56,340	06/23/2017.	04/20/2046.
36179R F9 5	G2 MA2892 - RMBS			4	1	2,621,190	103.609	2,608,984	2,518,105	2,621,967		5,813			3.500	2.742	MON	7,344	89,792	07/28/2015.	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS			4	1	2,172,435	104.729	2,133,180	2,036,857	2,193,310		14,347			4.000	2.391	MON	6,790	83,463	09/09/2015.	08/20/2045.
36225C NZ 5	G2 080407 - RMBS			4,5	1		103.565								1.750		MON	1		06/15/2000.	05/20/2030.
0299999. U.S. Government - Residential Mortgage-Backed Securities						21,212,722	XXX	20,998,787	20,179,919	21,279,018	0	51,609	0	0	XXX	XXX	XXX	60,857	565,672	XXX	XXX
U.S. Government - Commercial Mortgage-Backed Securities																					
38379R G5 6	GNR 17109 A - CMBS			4	1	3,590,642	98.902	3,543,465	3,582,804	3,589,473		(1,169)			2.330	2.222	MON	6,957	27,875	08/18/2017.	09/16/2045.
0399999. U.S. Government - Commercial Mortgage-Backed Securities						3,590,642	XXX	3,543,465	3,582,804	3,589,473	0	(1,169)	0	0	XXX	XXX	XXX	6,957	27,875	XXX	XXX
0599999. Total - U.S. Government						242,505,559	XXX	241,802,386	237,937,723	242,281,557	0	(66,981)	0	0	XXX	XXX	XXX	1,197,023	3,679,583	XXX	XXX
All Other Governments - Issuer Obligations																					
040114 HM 5	ARGENTINA, REPUBLIC OF (GOVERNMENT)		C		4FE	225,000	103.300	258,250	250,000	225,000					7.125	7.917	JD	9,055		06/19/2017.	06/28/2117.
07737J AA 1	BELARUS, REPUBLIC OF (GOVERNMENT)		C		4FE	330,000	111.500	367,950	330,000	330,000					7.625	7.625	JD	140	12,581	06/22/2017.	06/29/2027.
07737J AB 9	BELARUS, REPUBLIC OF (GOVERNMENT)		C		4FE	484,239	107.558	516,278	480,000	483,853		(386)			6.875	6.654	FA	11,275	5,408	07/14/2017.	02/28/2023.
195325 BK 0	COLOMBIA (REPUBLIC OF)		C		2FE	1,039,300	135.600	1,084,800	800,000	1,035,654		(3,646)			7.375	5.006	MS	16,881	29,500	07/13/2017.	09/18/2037.
195325 BN 4	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1	2FE	427,960	105.700	422,800	400,000	425,887		(2,073)			4.375	2.450	JJ	8,215		09/12/2017.	07/12/2021.
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	2,077,200	106.000	2,120,000	2,000,000	2,076,969		(231)			5.000	4.745	JD	4,444	50,000	11/02/2017.	06/15/2045.
195325 DL 6	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	1,421,739	101.925	1,426,950	1,400,000	1,420,834		(905)			3.875	3.679	AO	9,946	40,688	07/13/2017.	04/25/2027.
279158 AJ 8	ECOPETROL SA		C	1	2FE	316,430	102.450	329,889	322,000	316,489		59			5.875	6.003	MN	1,734	9,459	09/13/2017.	05/28/2045.
29245J AK 8	EMPRESA NACIONAL DEL PETROLEO		C	1,2	2FE	369,094	96.260	365,788	380,000	369,145		51			4.500	4.679	MS	5,083		09/11/2017.	09/14/2047.
445545 AD 8	HUNGARY, REPUBLIC OF (GOVERNMENT)		C		2FE	1,100,135	107.305	1,073,050	1,000,000	1,081,657		(18,478)			6.250	2.204	JJ	26,389	21,875	09/12/2017.	01/29/2020.
445545 AF 3	HUNGARY, REPUBLIC OF (GOVERNMENT)		C		2FE	1,062,750	157.016	1,099,112	700,000	1,058,531		(4,219)			7.625	4.163	MS	13,640	26,688	09/12/2017.	03/29/2041.
445545 AJ 5	HUNGARY, REPUBLIC OF (GOVERNMENT)		C		2FE	4,741,790	114.557	4,696,837	4,100,000	4,697,781		(44,009)			5.750	3.027	MN	25,540	117,875	09/12/2017.	11/22/2023.
470160 AV 4	JAMAICA (GOVERNMENT)		C		4FE	253,100	122.946	245,892	200,000	245,892	(6,791)	(417)			8.000	5.772	MS	4,711	8,000	09/12/2017.	03/15/2039.
48669D AA 0	NK KAZAKHSTAN TEMIR ZHOLY AO		C		2FE	582,279	104.461	605,874	580,000	582,257		(22)			4.850	4.800	MN	3,438		11/13/2017.	11/17/2027.
50066K AB 7	KOREA RESOURCES CORP		C		1FE	633,807	98.948	623,372	630,000	633,497		(309)			3.000	2.862	AO	3,518	9,450	09/13/2017.	04/24/2022.
60937L AB 1	MONGOLIA (GOVERNMENT)		C		4FE	200,000	101.143	202,286	200,000	200,000					5.625	5.625	MN	1,875		10/25/2017.	05/01/2023.
65412J AB 9	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT		C		4FE	520,000	107.573	559,380	520,000	520,000					7.625	7.625	MN	3,635		11/20/2017.	11/28/2047.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
65412J AC 7	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT		C		4FE	290,000	104.528	303,131	290,000	290,000					6.500	6.500	MN	1,728		11/20/2017.	11/28/2027.
698299 AD 6	PANAMA (REPUBLIC OF)		C		2FE	863,040	145.500	873,000	600,000	851,032		(12,008)			8.875	3.717	MS	13,460	26,625	06/05/2017.	09/30/2027.
698299 AK 0	PANAMA (REPUBLIC OF)		C		2FE	2,100,810	152.000	2,128,000	1,400,000	2,079,423		(21,387)			9.375	3.979	AO	32,813	65,625	09/12/2017.	04/01/2029.
698299 AW 4	PANAMA (REPUBLIC OF)		C		2FE	1,175,990	133.600	1,202,400	900,000	1,170,210		(5,780)			6.700	4.214	JJ	25,963	30,150	07/13/2017.	01/26/2036.
698299 BE 3	PANAMA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	529,000	104.375	521,875	500,000	527,910		(1,090)			3.750	2.860	MS	5,469	9,375	09/12/2017.	03/16/2025.
698299 BG 8	PANAMA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	1,155,930	107.900	1,186,900	1,100,000	1,155,773		(157)			4.500	4.192	MN	6,325	15,750	12/14/2017.	05/15/2047.
715638 AP 7	PERU (THE REPUBLIC OF)		C		2FE	2,662,590	157.750	2,681,750	1,700,000	2,642,800		(19,790)			8.750	3.999	MN	16,528	74,375	09/12/2017.	11/21/2033.
715638 AS 1	PERU (THE REPUBLIC OF)		C		2FE	396,600	129.800	389,400	300,000	390,587		(6,013)			7.350	2.874	JJ	9,800	11,025	06/05/2017.	07/21/2025.
715638 BM 3	PERU, REPUBLIC OF (GOVERNMENT)		C		2FE	622,000	128.550	642,750	500,000	621,059		(941)			5.625	4.251	MN	3,359	14,063	06/05/2017.	11/18/2050.
71654Q CA 8	PETROLEOS MEXICANOS		C	1	2FE	1,316,460	108.950	1,307,400	1,200,000	1,299,912		(16,548)			6.375	3.509	FA	31,238	38,250	07/13/2017.	02/04/2021.
71654Q CC 4	PETROLEOS MEXICANOS		C	1	2FE	1,389,851	104.635	1,398,970	1,337,000	1,389,692		(159)			6.750	6.450	MS	25,069	45,124	07/17/2017.	09/21/2047.
716564 AA 7	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	199,100	101.375	202,750	200,000	199,127		27			4.750	4.792	JD	317	4,750	07/17/2017.	06/19/2032.
716564 AB 5	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	200,000	105.250	210,500	200,000	200,000					5.625	5.625	JD	375	5,625	06/12/2017.	06/19/2047.
71656M BM 0	PETROLEOS MEXICANOS		C	1	2FE	531,625	104.385	521,925	500,000	531,530		(95)			6.750	6.279	MS	9,375	16,875	09/12/2017.	09/21/2047.
71656M BN 8	PETROLEOS MEXICANOS		C	9	2FE	326,625	110.049	330,147	300,000	323,452		(3,173)			5.186	3.255	MJSD	908	11,083	06/05/2017.	03/11/2022.
71656M BP 3	PETROLEOS MEXICANOS		C	1	2FE	2,342,225	106.250	2,337,500	2,200,000	2,332,213		(10,012)			5.375	3.811	MS	35,475	18,813	10/16/2017.	03/13/2022.
71656M BQ 1	PETROLEOS MEXICANOS		C	1	2FE	1,644,739	109.425	1,641,375	1,500,000	1,638,432		(6,307)			6.500	5.223	MS	29,250	48,750	07/17/2017.	03/13/2027.
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)		C		2FE	2,416,500	158.360	2,375,400	1,500,000	2,383,744		(32,756)			9.500	3.485	FA	58,979	71,250	06/05/2017.	02/02/2030.
731011 AT 9	POLAND, REPUBLIC OF (GOVERNMENT)		C		1FE	1,130,455	101.837	1,120,207	1,100,000	1,128,172		(2,283)			3.000	2.473	MS	9,533	16,500	09/12/2017.	03/17/2023.
731011 AU 6	POLAND, REPUBLIC OF (GOVERNMENT)		C		1FE	922,230	102.323	920,907	900,000	921,016		(1,214)			3.250	2.929	AO	6,906	14,625	07/14/2017.	04/06/2026.
74408D AE 4	PROVINCIA DE CORDOBA		C	1	4FE	279,975	106.375	297,850	280,000	279,997		22			7.125	7.125	FA	9,643		06/29/2017.	08/01/2027.
748149 AG 6	QUEBEC, PROVINCE OF				1FE	995,900	100.045	1,000,450	1,000,000	997,767		402			2.625	2.672	FA	10,063	26,250	02/06/2013.	02/13/2023.
760942 BB 7	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN		C		2FE	1,287,000	107.412	1,288,944	1,200,000	1,283,271		(3,729)			4.375	3.456	AO	9,333	26,250	09/12/2017.	10/27/2027.
77586T AA 4	ROMANIA, REPUBLIC OF (GOVERNMENT)		C		2FE	350,370	114.695	344,085	300,000	344,767		(5,603)			6.750	2.866	FA	8,100	10,125	06/05/2017.	02/07/2022.
77586T AD 8	ROMANIA, REPUBLIC OF (GOVERNMENT)		C		2FE	989,650	110.191	991,719	900,000	983,079		(6,571)			4.875	3.187	JJ	19,378	21,938	07/14/2017.	01/22/2024.
77586T AE 6	ROMANIA, REPUBLIC OF (GOVERNMENT)		C		2FE	1,214,236	129.418	1,229,471	950,000	1,212,687		(1,549)			6.125	4.342	JJ	25,699	9,188	11/27/2017.	01/22/2044.
903724 BM 3	UKRAINE, REPUBLIC OF (GOVERNMENT)		C		4FE	600,000	98.504	591,024	600,000	591,024	(8,976)				7.375	7.375	MS	11,800		09/18/2017.	09/25/2032.
91086Q AZ 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	309,420	107.000	321,000	300,000	309,444		24			5.750	5.573	AO	3,785	8,625	06/05/2017.	10/12/2110.
91086Q BC 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	530,950	104.900	524,500	500,000	529,540		(1,410)			4.000	2.878	AO	4,944	10,000	09/12/2017.	10/02/2023.
91086Q BE 7	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	1,681,830	112.875	1,693,125	1,500,000	1,680,127		(1,703)			5.550	4.756	JJ	37,000	41,625	07/13/2017.	01/21/2045.
91087B AC 4	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	1,357,840	103.825	1,349,725	1,300,000	1,355,617		(2,223)			4.150	3.601	MS	13,937	26,975	09/12/2017.	03/28/2027.
917288 BA 9	URUGUAY (THE REPUBLIC OF)		C		2FE	2,782,960	143.500	2,870,000	2,000,000	2,767,052		(15,908)			7.875	4.367	JJ	72,625	43,313	09/12/2017.	01/15/2033.
G10367 AA 1	BERMUDA (GOVERNMENT)		C	1	1FE	632,280	105.362	632,172	600,000	629,441		(2,839)			4.138	3.073	JJ	12,276	8,276	07/13/2017.	01/03/2023.
G10367 AD 5	BERMUDA, GOVERNMENT OF (GOVERNMENT)		C	1,2	1FE	609,220	101.125	606,750	600,000	608,886		(334)			3.717	3.520	JJ	9,664	11,399	09/12/2017.	01/25/2027.
M0208J AF 1	AFRICAN EXPORT IMPORT BANK		D		2FE	1,016,961	102.288	1,002,422	980,000	1,007,954		(9,007)			4.750	2.885	JJ	19,654	23,275	07/17/2017.	07/29/2019.
M1487W BR 5	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)		D		4FE	213,400	110.529	221,058	200,000	212,860		(540)			7.500	6.549	JJ	6,292	7,500	06/05/2017.	01/31/2027.
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)		D		5FE	218,625	102.258	216,787	212,000	216,787	(1,808)	(30)			6.752	6.041	MS	5,646		12/18/2017.	03/09/2023.
M75242 AW 3	OMAN, SULTANATE OF (GOVERNMENT)		D		3FE	2,099,055	97.294	2,043,174	2,100,000	2,043,174	(55,893)	12			4.750	4.756	JD	4,433	90,250	07/14/2017.	06/15/2026.
M75242 BA 0	OMAN, SULTANATE OF (GOVERNMENT)		D		3FE	2,281,580	100.381	2,208,382	2,200,000	2,208,382	(72,940)	(258)			6.500	6.223	MS	44,886	29,250	12/15/2017.	03/08/2047.
M75242 BB 8	OMAN, SULTANATE OF (GOVERNMENT)		D		3FE	208,374	101.087	202,174	200,000	202,174	(5,988)	(212)			5.375	4.820	MS	3,374		09/12/2017.	03/08/2027.
M8489S AB 3	QATAR, STATE OF (GOVERNMENT)		D	1	1FE	397,200	98.325	393,300	400,000	397,499		299			2.375	2.567	JD	765	4,750	07/28/2017.	06/02/2021.
M87883 CE 8	LEBANON (REPUBLIC OF)		D		4FE	487,125	104.584	470,628	450,000	470,628	(13,673)	(2,824)			8.250	5.668	AO	8,147	18,563	09/12/2017.	04/12/2021.
M87883 DJ 6	LEBANESE REPUBLIC		D		4FE	150,960	95.688	141,618	148,000	141,618	(9,218)	(124)			6.600	6.315	MN	895	4,884	06/05/2017.	11/27/2026.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
M87883 DL 1	LEBANESE REPUBLIC		D		4FE	788,205	99.585	776,763	780,000	776,763	(10,110)	(1,332)			5.450	4.959	MN	3,897	21,255	10/13/2017.	11/28/2019.
N6497T AA 6	NORTHERN LIGHTS III BV		D		4FE	113,422	103.179	112,852	109,375	112,619		(803)			7.000	3.523	FMAN	957	4,341	06/05/2017.	08/16/2019.
P04808 AN 4	ARGENTINA, REPUBLIC OF (GOVERNMENT)		C		4FE	241,372	103.300	239,656	232,000	239,073	(2,330)	31			7.125	6.847	JD	8,403		10/31/2017.	06/28/2117.
P19110 AG 3	BUENOS AIRES, PROVINCE OF		D		4FE	1,096,605	116.086	1,102,817	950,000	1,077,034		(19,571)			9.950	5.010	JD	5,777	47,263	09/12/2017.	06/09/2021.
P29595 AB 4	COMISION FEDERAL DE ELECTRICIDAD CFE		C	1	2FE	422,960	105.000	420,000	400,000	422,365		(595)			4.750	4.013	FA	6,756		09/12/2017.	02/23/2027.
P3579E AH 0	DOMINICAN REPUBLIC (GOVERNMENT)		C		3FE	444,840	109.375	437,500	400,000	436,474	(262)	(8,104)			7.500	3.375	MN	4,583	15,000	07/13/2017.	05/06/2021.
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)		C		3FE	229,000	119.750	239,500	200,000	228,804		(196)			7.450	6.320	AO	2,525	7,450	07/13/2017.	04/30/2044.
P3579E BK 2	DOMINICAN REPUBLIC (GOVERNMENT)		C		3FE	451,440	114.276	457,104	400,000	448,842		(2,598)			6.875	5.017	JJ	11,611	13,750	07/13/2017.	01/29/2026.
P3699P GJ 0	COSTA RICA, REPUBLIC OF (GOVERNMENT)		C	1	3FE	534,775	105.375	526,875	500,000	526,875	(7,766)	(134)			7.158	6.606	MS	10,836	10,737	09/12/2017.	03/12/2045.
P37110 AK 2	EMPRESA NACIONAL DEL PETROLEO		C	1,2	2FE	1,241,320	99.500	1,233,800	1,240,000	1,241,285		(35)			3.750	3.735	FA	18,858	19,500	09/13/2017.	08/05/2026.
P37466 AP 7	EMPRESA DE TRANSPORTE DE PASAJEROS METRO		C	2	1FE	1,298,400	110.025	1,320,300	1,200,000	1,297,556		(844)			5.000	4.492	JJ	26,000	30,000	07/13/2017.	01/25/2047.
P3772N HK 1	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	786,712	97.937	783,496	800,000	787,942		1,230			2.625	2.940	MS	6,183	10,500	06/05/2017.	03/15/2023.
P3R94G AK 5	CORPORACION FINANCIERA DE DESARROLLO SA		C	1	2FE	645,460	106.700	640,200	600,000	643,193		(2,267)			4.750	3.649	JJ	13,142	9,500	09/12/2017.	07/15/2025.
P5178R AB 4	HONDURAS, REPUBLIC OF		D		3FE	458,360	112.420	449,680	400,000	449,680	(12)	(8,668)			8.750	4.234	JD	1,458	35,000	06/05/2017.	12/16/2020.
P56226 AC 0	INSTITUTO COSTARRICENSE DE ELECTRICIDAD		C	1	3FE	438,000	108.000	432,000	400,000	432,000	(2,507)	(3,493)			6.950	4.488	MN	3,938	13,900	09/12/2017.	11/10/2021.
P6480J AG 2	PROVINCIA DE MENDOZA		C		4FE	326,250	111.756	335,268	300,000	325,016		(1,234)			8.375	6.744	MN	2,931	12,563	09/12/2017.	05/19/2024.
P75744 AE 5	PARAGUAY, REPUBLIC OF (GOVERNMENT)		D		3FE	931,200	105.000	945,000	900,000	929,854		(1,346)			4.700	4.262	MS	11,045	21,150	07/13/2017.	03/27/2027.
P7808B AA 5	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	316,455	101.375	304,125	300,000	316,231		(224)			4.750	4.246	JD	475	7,125	09/12/2017.	06/19/2032.
P7808B AB 3	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	637,008	105.250	631,500	600,000	636,889		(119)			5.625	5.214	JD	1,125	16,875	09/12/2017.	06/19/2047.
P78954 AC 1	PETROLEUM COMPANY OF TRINIDAD AND TOBAGO		C	1	3FE	107,350	107.000	107,000	100,000	105,552		(1,798)			9.750	6.095	FA	3,710	4,875	06/05/2017.	08/14/2019.
P79171 AD 9	PROVINCIA DE CORDOBA		C	1	4FE	159,915	108.246	162,369	150,000	158,657		(1,258)			7.125	5.268	JD	623	5,344	06/05/2017.	06/10/2021.
P8054Q AQ 6	ECUADOR, REPUBLIC OF (GOVERNMENT)		D	1	4FE	325,800	115.125	345,375	300,000	325,472		(328)			9.650	8.287	JD	1,448	14,475	10/17/2017.	12/13/2026.
P8055Q DQ 2	ECUADOR, REPUBLIC OF (GOVERNMENT)		D	1	4FE	210,760	111.000	222,000	200,000	208,831		(1,929)			10.500	8.285	MS	5,658	10,500	06/05/2017.	03/24/2020.
V06423 AM 5	BANQUE CENTRALE DE TUNISIE		D		4FE	394,875	99.681	398,724	400,000	395,015		140			5.750	5.968	JJ	9,647		10/20/2017.	01/30/2025.
V21735 AA 9	ANGOLA, REPUBLIC OF (GOVERNMENT)		D		4FE	214,500	115.168	230,336	200,000	214,203		(297)			9.500	8.254	MN	2,586	9,500	09/27/2017.	11/12/2025.
V7179T AE 2	NAMIBIA, REPUBLIC OF (GOVERNMENT)		D		3FE	771,645	101.890	764,175	750,000	764,175	(6,988)	(482)			5.250	4.813	AO	6,781	19,688	10/20/2017.	10/29/2025.
V7179U AF 6	ZAMBIA, REPUBLIC OF (GOVERNMENT)		D		4FE	432,250	112.718	450,872	400,000	431,334		(916)			8.970	7.701	JJ	15,050	8,970	10/17/2017.	07/30/2027.
X3446N AZ 2	SLOVENIA, REPUBLIC OF (GOVERNMENT)		D		1FE	3,472,006	114.371	3,431,130	3,000,000	3,440,600		(31,406)			5.250	2.639	FA	58,188	57,750	09/12/2017.	02/18/2024.
X51770 AA 7	MFB MAGYAR FEJLESZTESI BANK ZRT		D		2FE	446,500	108.899	435,596	400,000	439,080		(7,420)			6.250	2.611	AO	4,861	12,500	06/08/2017.	10/21/2020.
X5S005 UE 9	UKRAINE, REPUBLIC OF (GOVERMENT)		D		4FE	426,728	105.891	423,564	400,000	423,564	(1,355)	(1,808)			7.750	5.211	MS	10,333		10/16/2017.	09/01/2020.
X5S005 UF 6	UKRAINE, REPUBLIC OF (GOVERMENT)		D		4FE	320,145	106.670	320,010	300,000	318,771		(1,374)			7.750	5.827	MS	7,750		09/12/2017.	09/01/2021.
X5S005 UH 2	UKRAINE, REPUBLIC OF (GOVERMENT)		D		4FE	199,000	106.405	212,810	200,000	199,095		95			7.750	7.851	MS	5,167	7,750	06/29/2017.	09/01/2023.
X5S73N AC 8	MAGYAR EXPORT IMPORT BANK ZRT		D		2FE	623,900	102.322	613,932	600,000	619,215		(4,685)			4.000	2.411	JJ	10,067	12,000	07/14/2017.	01/30/2020.
X7330Z BB 7	CROATIA, REPUBLIC OF (GOVERNMENT)		D		3FE	442,860	109.050	436,200	400,000	435,752		(7,108)			6.625	2.940	JJ	12,293	9,938	07/14/2017.	07/14/2020.
X7344W AK 9	BELARUS, REPUBLIC OF (GOVERNMENT)		D		5FE	224,400	111.500	223,000	200,000	223,000	(869)	(531)			7.625	5.960	JD	85	7,625	09/12/2017.	06/29/2027.
X77765 BK 4	SERBIA, REPUBLIC OF (GOVERNMENT)		D		3FE	1,160,330	114.327	1,143,270	1,000,000	1,140,956	(2,360)	(17,014)			7.250	3.154	MS	18,729	36,250	09/12/2017.	09/28/2021.
Y2029S AF 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC		C		4FE	533,500	105.570	527,850	500,000	527,285	(1,159)	(5,055)			6.250	4.046	AO	7,552	15,625	07/14/2017.	10/04/2020.
Y20721 AJ 8	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	2,137,460	128.208	2,179,536	1,700,000	2,130,480		(6,980)			6.625	4.617	FA	41,922	49,688	09/12/2017.	02/17/2037.
Y20721 AU 3	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	864,120	106.837	854,696	800,000	857,217		(6,903)			4.875	2.625	MN	6,067	19,500	09/12/2017.	05/05/2021.
Y20721 BJ 7	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	915,600	114.095	912,760	800,000	906,913		(8,687)			5.875	3.407	JJ	21,672	23,500	06/05/2017.	01/15/2024.
Y20721 BK 4	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	1,607,850	133.158	1,597,896	1,200,000	1,604,966		(2,884)			6.750	4.529	JJ	37,350	20,250	10/13/2017.	01/15/2044.
Y20721 BN 8	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	545,710	108.884	544,420	500,000	544,084		(1,626)			4.750	3.479	JJ	11,413		09/12/2017.	01/08/2026.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
Y20721 BQ 1	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	1,172,360	105.962	1,165,582	1,100,000	1,170,664		(1,696)			4.350	3.513	JJ	22,995		10/13/2017.	01/08/2027.
Y23874 GR 8	EXPORT-IMPORT BANK OF INDIA		D		2FE	418,920	103.717	414,868	400,000	417,202		(1,718)			4.000	3.072	JJ	7,422	8,000	06/05/2017.	01/14/2023.
Y3972R AN 1	LEMBAGA PEMBIAYAAN EKSPOR INDONESIA		D		2FE	1,182,890	102.004	1,183,246	1,160,000	1,181,563		(1,327)			3.875	3.541	AO	10,613	22,475	09/13/2017.	04/06/2024.
Y5S01W AB 6	ARMENIA, REPUBLIC OF (GOVERNMENT)		D		4FE	450,000	113.958	455,832	400,000	447,808		(2,192)			7.150	5.148	MS	7,547	14,300	09/12/2017.	03/26/2025.
Y7083V AD 1	POWER SECTOR ASSETS AND LIABILITIES MANA		C		2FE	516,500	127.801	511,204	400,000	508,752		(7,749)			7.390	3.007	JD	2,381	14,780	06/05/2017.	12/02/2024.
Y7136Y AA 8	PERUSAHAAN GAS NEGARA PERSERO TBK PT		C		2FE	1,122,700	107.582	1,108,095	1,030,000	1,120,179		(2,521)			5.125	3.576	MN	6,598	26,394	10/17/2017.	05/16/2024.
Y7276L DC 9	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	1,538,570	104.097	1,561,455	1,500,000	1,536,452		(2,118)			3.875	3.469	AO	12,432	29,063	09/12/2017.	10/14/2024.
Y7276L DD 7	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	944,853	107.510	967,590	900,000	944,749		(103)			4.875	4.552	AO	9,384		11/13/2017.	10/14/2044.
Y7276L DF 2	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	484,960	128.652	514,608	400,000	484,216		(744)			6.500	5.073	JJ	11,556	13,000	06/05/2017.	07/21/2045.
Y8793Y AV 4	PAKISTAN, ISLAMIC REPUBLIC OF (GOVERNMEN		D		4FE	225,250	110.658	221,316	200,000	221,314	(2,657)	(1,277)			8.250	5.937	AO	3,483	8,250	07/31/2017.	04/15/2024.
0699999. All Other Governments - Issuer Obligations						94,691,495	XXX	94,964,906	84,140,375	94,028,916	(213,662)	(450,377)	0	0	XXX	XXX	XXX	1,348,591	2,070,492	XXX	XXX
1099999. Total - All Other Governments						94,691,495	XXX	94,964,906	84,140,375	94,028,916	(213,662)	(450,377)	0	0	XXX	XXX	XXX	1,348,591	2,070,492	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
011770 3N 2	ALASKA ST		..	2	1FE	2,349,620	115.220	2,304,400	2,000,000	2,289,830		(33,767)			5.000	2.861	FA	41,667	100,000	03/10/2016.	08/01/2035.
13063B FV 9	CALIFORNIA ST		..	1,2	1FE	5,903,141	111.717	5,697,567	5,100,000	5,513,360		(183,513)			7.950	3.961	MS	135,150	405,450	07/22/2016.	03/01/2036.
13063B JB 9	CALIFORNIA ST		..	1,2	1FE	302,178	115.044	345,132	300,000	301,038		(318)			7.700	7.562	MN	3,850	23,100	11/19/2010.	11/01/2030.
13063C 4Q 0	CALIFORNIA ST		..	2	1FE	2,429,353	123.006	2,521,623	2,050,000	2,397,113		(32,240)			5.000	2.770	FA	42,708	51,250	01/31/2017.	08/01/2028.
13063C 4R 8	CALIFORNIA ST		..	2	1FE	2,002,158	122.215	2,077,655	1,700,000	1,976,569		(25,589)			5.000	2.850	FA	35,417	42,500	01/31/2017.	08/01/2029.
13063C 6S 4	CALIFORNIA ST		..	2	1FE	625,790	119.618	663,880	555,000	620,589		(5,201)			5.000	3.401	FA	11,563	10,560	03/08/2017.	08/01/2035.
13063C 6W 5	CALIFORNIA ST		..	2	1FE	5,366,850	108.615	5,430,750	5,000,000	5,356,321		(10,529)			4.000	3.050	FA	83,333		09/13/2017.	08/01/2037.
13063C X2 1	CALIFORNIA ST		..	2	1FE	2,372,400	123.120	2,462,400	2,000,000	2,342,957		(29,443)			5.000	2.750	MAR	33,333	96,667	02/23/2017.	09/01/2028.
13063D CL 0	CALIFORNIA ST		..	2	1FE	2,164,400	109.524	2,190,480	2,000,000	2,160,207		(4,193)			4.000	3.051	MN	13,333	10,889	09/13/2017.	11/01/2037.
20772J G3 0	CONNECTICUT ST		..	2	1FE	2,872,400	114.194	2,854,850	2,500,000	2,787,515		(33,584)			5.000	3.250	JD	5,556	125,000	05/13/2015.	06/15/2029.
20772J RC 8	CONNECTICUT ST		..	2	1FE	3,434,280	112.691	3,380,730	3,000,000	3,274,814		(42,525)			5.000	3.250	AO	31,667	150,000	01/22/2014.	10/15/2026.
452150 Y6 6	ILLINOIS ST		..		1FE	4,108,333	101.818	3,843,630	3,775,000	3,839,788		(108,799)			5.500	2.520	FA	86,510	207,625	06/22/2015.	08/01/2018.
452152 XY 2	ILLINOIS ST		..	2	2FE	2,581,875	106.456	2,661,400	2,500,000	2,562,643		(8,367)			5.000	4.540	MN	20,833	125,000	08/06/2015.	05/01/2029.
57582N UT 0	MASSACHUSETTS ST		..		1FE	2,268,560	109.048	2,180,960	2,000,000	2,062,768		(22,638)			5.250	3.960	FA	43,750	105,000	01/08/2007.	08/01/2020.
57582P M3 1	MASSACHUSETTS ST		..	2	1FE	2,086,900	102.879	2,057,580	2,000,000	2,056,429		(16,284)			4.000	3.080	AO	20,000	80,000	02/03/2016.	04/01/2042.
57582R GV 2	MASSACHUSETTS ST		..	2	1FE	4,847,200	114.436	4,577,440	4,000,000	4,692,466		(104,575)			5.000	2.000	MS	66,667	200,000	07/01/2016.	03/01/2046.
57582R JF 4	MASSACHUSETTS ST		..	2	1FE	1,145,470	107.816	1,078,160	1,000,000	1,122,050		(15,393)			4.000	2.171	AO	10,000	40,000	06/16/2016.	04/01/2033.
594610 3D 7	MICHIGAN ST		..	2	1FE	5,405,400	103.105	5,155,250	5,000,000	5,050,547		(58,707)			5.250	4.000	MN	43,750	262,500	03/24/2011.	11/01/2022.
604129 YU 4	MINNESOTA ST		..	2	1FE	5,000,000	105.510	5,275,500	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011.	10/01/2031.
605581 GY 7	MISSISSIPPI ST		..	2	1FE	3,530,070	119.317	3,579,510	3,000,000	3,431,561		(48,365)			5.000	2.931	MN	25,000	150,000	11/19/2015.	11/01/2031.
605581 HY 6	MISSISSIPPI ST		..	2	1FE	2,691,089	119.946	2,848,718	2,375,000	2,663,860		(26,506)			5.000	3.406	JD	9,896	111,823	12/07/2016.	12/01/2035.
677521 BD 7	OHIO STATE		..		1FE	3,692,098	111.443	3,621,898	3,250,000	3,407,283		(40,464)			5.000	3.550	FA	67,708	162,500	01/22/2010.	08/01/2021.
70914P RD 6	PENNSYLVANIA ST		..	2	1FE	3,219,180	106.827	3,204,810	3,000,000	3,216,505		(2,675)			4.000	2.050	MN	15,333		12/12/2017.	11/15/2028.
76222R KJ 0	RHODE ISLAND ST & PROVIDENCE PLANTATIONS		..	2	1FE	2,186,940	113.209	2,264,180	2,000,000	2,076,817		(19,414)			5.500	4.331	FA	45,833	110,000	08/24/2011.	08/01/2031.
76222R KK 7	RHODE ISLAND ST & PROVIDENCE PLANTATIONS		..	2	1FE	2,202,200	113.209	2,264,180	2,000,000	2,082,881		(20,989)			5.500	4.241	FA	45,833	110,000	08/24/2011.	08/01/2030.
882721 2J 1	TEXAS ST		..	2	1FE	7,389,483	102.052	7,541,643	7,390,000	7,389,982		3			5.000	5.000	FA	153,958	369,500	09/18/2008.	08/01/2023.
93974C BM 1	WASHINGTON ST		..	2	1FE	7,387,774	101.783	7,124,810	7,000,000	7,024,647		(47,756)			5.000	4.281	JJ	175,000	350,000	07/15/2008.	07/01/2024.
93974C JP 6	WASHINGTON ST		..	2	1FE	4,328,640	103.492	4,139,680	4,000,000	4,040,778		(39,214)			5.000	3.950	JJ	100,000	200,000	07/14/2009.	01/01/2024.
93974C Q2 9	WASHINGTON ST		..	2	1FE	4,157,240	106.179	4,247,160	4,000,000	4,072,354		(16,201)			4.000	3.521	FA	66,667	160,000	04/24/2012.	02/01/2031.
93974C WR 7	WASHINGTON ST		..	2	1FE	9,031,949	109.885	9,917,122	9,025,000	9,027,513		(736)			5.000	4.990	FA	188,021	451,250	01/20/2011.	02/01/2029.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
93974D SW 9	WASHINGTON ST			2	1FE	1,726,298	118.371	1,757,808	1,485,000	1,711,201		(15,097)			5.000	2.760	FA	30,938	37,125	06/01/2017.	08/01/2039.
93974D YQ 5	WASHINGTON ST			2	1FE	1,698,930	118.176	1,772,640	1,500,000	1,683,301		(15,629)			5.000	3.350	FA	31,250	37,500	02/15/2017.	08/01/2039.
97705L NA 1	WISCONSIN ST				1FE	4,410,680	104.528	4,181,120	4,000,000	4,054,754		(39,327)			5.000	3.934	MN	33,333	200,000	01/10/2007.	05/01/2019.
97705L UH 8	WISCONSIN ST			2	1FE	3,156,840	101.154	3,034,620	3,000,000	3,006,529		(19,212)			5.000	4.329	MN	25,000	150,000	09/08/2008.	05/01/2024.
1199999. U.S. States, Territories & Possessions - Issuer Obligations						118,075,719	XXX	118,259,286	108,505,000	114,296,970	0	(1,087,247)	0	0	XXX	XXX	XXX	1,792,857	4,835,239	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						118,075,719	XXX	118,259,286	108,505,000	114,296,970	0	(1,087,247)	0	0	XXX	XXX	XXX	1,792,857	4,835,239	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
005518 WV 3	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,205,060	120.945	1,209,450	1,000,000	1,199,823		(5,237)			5.000	2.689	JD	14,861		09/07/2017.	12/01/2036.
005518 WW 1	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,322,299	120.654	1,327,194	1,100,000	1,316,632		(5,667)			5.000	2.719	JD	16,347		09/07/2017.	12/01/2037.
005518 WX 9	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,798,695	120.460	1,806,900	1,500,000	1,791,093		(7,602)			5.000	2.749	JD	22,292		09/07/2017.	12/01/2038.
018106 PT 5	ALLEN TEX INDPT SCH DIST			2	1FE	5,838,000	117.297	5,864,850	5,000,000	5,794,162		(43,838)			5.000	2.800	FA	127,083		06/20/2017.	02/15/2042.
038663 GW 4	ARAPAHOE CNTY COLO SCH DIST NO 001 ENGLE			2	1FE	1,990,229	119.329	2,076,325	1,740,000	1,977,163		(13,066)			5.000	3.226	JD	50,750		05/05/2017.	12/01/2038.
072887 V8 2	BAYONNE N J			2	1FE	1,153,660	114.980	1,149,800	1,000,000	1,131,357		(13,237)			5.000	3.221	JJ	25,000	50,000	03/23/2016.	07/01/2034.
072887 V9 0	BAYONNE N J			2	1FE	1,148,970	114.899	1,148,990	1,000,000	1,127,394		(12,807)			5.000	3.271	JJ	25,000	50,000	03/23/2016.	07/01/2035.
074851 RE 8	BEAVER CNTY PA				1FE	1,785,771	113.463	1,758,677	1,550,000	1,779,621		(6,150)			5.000	2.031	AO	11,410		10/04/2017.	04/15/2023.
088281 UE 8	BEXAR CNTY TEX			2	1FE	2,812,551	115.903	2,839,624	2,450,000	2,800,354		(12,197)			5.000	2.580	JD	5,444	61,250	09/29/2017.	06/15/2040.
101565 VW 6	BOULDER LARIMER & WELD CNTYS COLO ST VRA				1FE	5,617,900	110.415	5,520,750	5,000,000	5,155,422		(48,531)			5.250	4.121	JD	11,667	262,500	03/22/2006.	12/15/2020.
108151 4F 5	BRIDGEPORT CONN				1FE	3,632,803	111.495	3,478,644	3,120,000	3,441,944		(62,811)			5.000	2.671	AO	39,000	156,000	11/07/2014.	10/01/2022.
108151 5H 0	BRIDGEPORT CONN			2	1FE	1,294,048	114.268	1,279,802	1,120,000	1,268,081		(14,675)			5.000	3.231	FA	21,156	56,000	03/04/2016.	08/15/2033.
108151 5J 6	BRIDGEPORT CONN			2	1FE	1,507,325	113.943	1,492,653	1,310,000	1,477,950		(16,604)			5.000	3.281	FA	24,744	65,500	03/04/2016.	08/15/2034.
147051 SW 7	CARY N C			2	1FE	995,290	103.477	1,034,770	1,000,000	998,567		1,523			4.000	4.105	JD	3,333	40,000	07/31/2013.	06/01/2025.
167505 DB 9	CHICAGO ILL BRD ED				1FE	5,457,655	104.831	5,241,550	5,000,000	5,094,207		(46,307)			5.250	4.215	JD	21,875	262,500	04/25/2008.	12/01/2019.
167560 SX 0	CHICAGO ILL MET WTR RECLAMATION DIST GTR			2	1FE	4,389,718	120.301	4,240,610	3,525,000	4,278,511		(75,223)			5.000	2.330	JD	14,688	176,250	06/08/2016.	12/01/2028.
167560 TK 7	CHICAGO ILL MET WTR RECLAMATION DIST GTR			2	1FE	2,062,672	118.367	2,053,667	1,735,000	2,058,339		(4,333)			5.000	2.640	JD	7,229	43,375	11/09/2017.	12/01/2031.
172252 A7 3	CINCINNATI OHIO CITY SCH DIST				1FE	3,727,570	124.465	4,356,275	3,500,000	3,638,860		(12,287)			5.250	4.700	JD	15,313	183,750	06/09/2009.	12/01/2026.
172252 A8 1	CINCINNATI OHIO CITY SCH DIST				1FE	5,672,450	125.909	6,295,450	5,000,000	5,405,280		(32,283)			5.250	4.240	JD	21,875	262,500	01/24/2008.	12/01/2027.
179093 JD 2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH			2	1FE	1,196,390	123.580	1,235,800	1,000,000	1,182,624		(13,766)			5.000	2.789	JD	2,222	39,306	02/01/2017.	06/15/2029.
179093 JM 2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH			2	1FE	1,726,455	120.271	1,804,065	1,500,000	1,711,032		(15,423)			5.000	3.259	JD	3,333	58,958	02/01/2017.	06/15/2037.
181059 TC 0	CLARK CNTY NEV SCH DIST			2	1FE	4,442,080	120.562	4,551,216	3,775,000	4,383,859		(58,222)			5.000	2.730	JD	8,389	188,750	02/16/2017.	06/15/2026.
181059 YM 2	CLARK CNTY NEV SCH DIST			2	1FE	1,168,230	119.661	1,196,610	1,000,000	1,167,235		(995)			5.000	3.040	JD	3,333		12/01/2017.	06/15/2032.
181288 RA 1	CLARK CNTY WASH SCH DIST NO 117 CAMAS			2	1FE	3,359,813	122.612	3,371,830	2,750,000	3,355,794		(4,018)			5.000	2.480	JD	9,931		11/15/2017.	12/01/2031.
213185 JQ 5	COOK CNTY ILL			2	1FE	2,615,044	108.891	2,531,716	2,325,000	2,537,367		(51,346)			5.240	2.736	MN	15,567	182,745	06/20/2016.	11/15/2025.
213185 KM 2	COOK CNTY ILL			1,2	1FE	1,194,240	115.298	1,152,980	1,000,000	1,169,948		(16,645)			5.000	2.821	MN	6,389	50,000	06/15/2016.	11/15/2031.
215615 DW 2	COOK CNTY ILL HIGH SCH DIST NO 212 LEYDE			2	1FE	2,575,012	114.749	2,524,478	2,200,000	2,514,130		(40,766)			5.000	2.721	JD	9,167	110,000	06/03/2016.	12/01/2028.
234667 JL 8	DALLAS CNTY TEX HOSP DIST			1	1FE	941,963	125.192	938,940	750,000	925,830		(3,562)			5.621	4.157	FA	15,926	42,158	02/01/2013.	08/15/2044.
239864 AP 6	DAYTON OHIO METRO LIBR			2	1FE	3,728,480	110.753	3,876,355	3,500,000	3,623,081		(28,489)			5.000	4.020	JD	14,583	175,000	01/24/2014.	12/01/2038.
249174 HM 8	DENVER COLO CITY & CNTY SCH DIST NO 1				1FE	5,977,400	120.533	6,026,650	5,000,000	5,394,097		(58,000)			5.500	3.991	JD	22,917	275,000	06/28/2005.	12/01/2023.
25476F NT 1	DISTRICT COLUMBIA			2	1FE	1,679,370	115.491	1,732,365	1,500,000	1,661,862		(17,508)			5.000	3.130	JD	6,250	75,000	03/16/2017.	06/01/2038.
25476F RK 6	DISTRICT COLUMBIA			2	1FE	3,218,024	121.992	3,110,796	2,550,000	3,124,197		(61,858)			5.000	2.070	JD	10,625	127,500	06/08/2016.	06/01/2028.
25476F UH 9	DISTRICT COLUMBIA			2	1FE	1,177,360	120.568	1,205,680	1,000,000	1,168,338		(9,022)			5.000	2.940	JD	4,167	25,000	05/18/2017.	06/01/2035.
25476F UJ 5	DISTRICT COLUMBIA			2	1FE	1,174,510	120.289	1,202,890	1,000,000	1,165,646		(8,864)			5.000	2.970	JD	4,167	25,000	05/18/2017.	06/01/2036.
25476F UL 0	DISTRICT COLUMBIA			2	1FE	1,170,740	120.012	1,200,120	1,000,000	1,162,084		(8,656)			5.000	3.010	JD	4,167	25,000	05/18/2017.	06/01/2037.
25476F VK 1	DISTRICT COLUMBIA			2	1FE	1,173,290	119.275	1,192,750	1,000,000	1,172,804		(486)			5.000	2.890	JD	1,389		12/14/2017.	06/01/2042.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
287299 LQ 2	ELK GROVE VILLAGE ILL			2	1FE	1,155,630	118.170	1,181,700	1,000,000	1,150,709		(4,921)			5.000	3.068	JJ	16,944		08/16/2017.	01/01/2034.
287299 LS 8	ELK GROVE VILLAGE ILL			2	1FE	1,148,620	118.083	1,180,830	1,000,000	1,143,943		(4,677)			5.000	3.148	JJ	16,944		08/16/2017.	01/01/2036.
34153P DT 2	FLORIDA ST BRD ED PUB ED			2	1FE	6,004,500	102.484	6,154,164	6,005,000	6,004,926		12			5.000	5.000	JD	25,021	300,250	09/18/2008.	06/01/2023.
368347 CW 8	GEARY CNTY KANS UNI SCH DIST NO 475			2	1FE	5,708,150	116.797	5,839,850	5,000,000	5,705,689		(2,461)			5.000	2.923	MS	6,944		11/21/2017.	09/01/2041.
373046 VW 8	GEORGETOWN TEX INDPT SCH DIST			2	1FE	2,462,032	122.496	2,468,294	2,015,000	2,458,471		(3,561)			5.000	2.422	FA	16,792		11/10/2017.	08/15/2031.
373046 VY 4	GEORGETOWN TEX INDPT SCH DIST			2	1FE	1,692,319	121.536	1,695,427	1,395,000	1,689,961		(2,359)			5.000	2.513	FA	11,625		11/10/2017.	08/15/2033.
414004 3W 9	HARRIS CNTY TEX			1	1FE	4,939,335	125.810	5,661,450	4,500,000	4,793,768		(24,044)			5.250	4.410	FA	89,250	236,250	02/17/2011.	08/15/2027.
416415 FV 4	HARTFORD CONN			2	1FE	3,594,270	113.959	3,418,770	3,000,000	3,423,165		(56,463)			5.000	2.699	AO	37,500	150,000	10/17/2014.	10/01/2028.
438670 XM 8	HONOLULU HAWAII CITY & CNTY			2	1FE	5,169,450	108.797	5,581,286	5,130,000	5,144,665		(4,575)			5.000	4.894	JD	21,375	256,500	01/12/2011.	12/01/2030.
447025 F5 1	HUNTSVILLE ALA			2	1FE	2,587,468	110.528	2,625,040	2,375,000	2,458,985		(6,947)			5.000	3.858	MN	19,792	59,375	11/09/2011.	05/01/2033.
447025 F7 7	HUNTSVILLE ALA			2	1FE	626,440	109.609	630,252	575,000	595,333		(1,682)			5.000	3.858	MN	4,792	14,375	11/09/2011.	05/01/2033.
447025 XJ 1	HUNTSVILLE ALA			2	1	2,233,393	110.596	2,267,218	2,050,000	2,122,424		(20,007)			5.000	3.859	MN	17,083	102,500	11/09/2011.	05/01/2033.
447819 ET 6	HURST EULESS BEDFORD TEX INDPT SCH DIST				1FE	4,335,484	123.635	4,277,771	3,460,000	4,315,367		(20,117)			5.000	1.881	FA	57,667		09/12/2017.	08/15/2026.
447819 EU 3	HURST EULESS BEDFORD TEX INDPT SCH DIST				1FE	1,517,676	125.428	1,505,136	1,200,000	1,511,222		(6,454)			5.000	2.021	FA	20,000		09/12/2017.	08/15/2027.
447819 EV 1	HURST EULESS BEDFORD TEX INDPT SCH DIST			2	1FE	1,352,765	124.442	1,343,974	1,080,000	1,347,254		(5,511)			5.000	2.141	FA	18,000		09/12/2017.	08/15/2028.
478718 R5 0	JOHNSON CNTY KANS UNI SCH DIST NO 233			2	1FE	1,647,855	108.382	1,625,730	1,500,000	1,625,763		(17,069)			4.000	2.620	MS	20,000	57,667	08/11/2016.	09/01/2036.
490278 5C 8	KENT CNTY MICH			2	1FE	6,395,410	108.302	6,395,233	5,905,000	6,267,420		(45,841)			4.000	3.021	JJ	118,100	236,200	01/23/2015.	01/01/2033.
503462 UB 7	LA JOYA TEX INDPT SCH DIST			2	1FE	6,183,500	123.329	6,166,450	5,000,000	5,863,715		(72,010)			5.000	3.008	FA	94,444	250,000	04/17/2013.	02/15/2031.
517840 6B 5	LAS VEGAS VALLEY NEV WTR DIST			2	1FE	4,496,840	115.706	4,628,240	4,000,000	4,448,670		(48,170)			5.000	3.180	JD	16,667	200,000	02/23/2017.	06/01/2039.
581664 HJ 1	MC KINNEY TEX INDPT SCH DIST			2	1FE	4,765,840	120.085	4,803,400	4,000,000	4,742,912		(22,928)			5.000	2.690	FA	63,889		08/03/2017.	02/15/2035.
586145 WZ 3	MEMPHIS TENN			2	1FE	2,756,500	108.026	2,700,650	2,500,000	2,573,309		(27,465)			5.000	3.760	JJ	62,500	125,000	06/22/2010.	07/01/2023.
59333F LV 0	MIAMI-DADE CNTY FLA			2	1FE	5,149,400	110.362	5,518,100	5,000,000	5,060,919		(15,690)			5.000	4.619	JJ	125,000	250,000	08/02/2011.	07/01/2031.
602409 GP 3	MILWAUKEE WIS MET SEW DIST			2	1FE	4,894,242	102.617	4,905,093	4,780,000	4,790,340		(13,314)			5.000	4.701	AO	59,750	239,000	07/29/2008.	10/01/2026.
607114 2W 4	MOBILE ALA			2	1FE	1,231,671	100.411	1,209,953	1,205,000	1,205,496		(3,288)			5.000	4.655	FA	22,761	30,125	07/24/2008.	02/15/2020.
607114 2Z 7	MOBILE ALA			2	1FE	812,596	100.420	798,339	795,000	795,327		(2,169)			5.000	4.655	FA	15,017	19,875	07/24/2008.	02/15/2020.
642713 6C 0	NEW BRITAIN CONN				1FE	3,670,000	100.076	3,672,789	3,670,000	3,670,000					2.329	2.330	FA	35,614	85,474	04/01/2015.	02/01/2018.
642713 6D 8	NEW BRITAIN CONN				1FE	300,000	100.482	301,446	300,000	300,000					2.778	2.779	FA	3,473	8,334	04/01/2015.	02/01/2019.
642713 7T 2	NEW BRITAIN CONN			2	1FE	1,144,220	118.553	1,185,530	1,000,000	1,134,288		(9,932)			5.000	3.290	MS	16,667	23,056	02/10/2017.	03/01/2029.
64966J AS 5	NEW YORK N Y			2	1FE	1,000,000	112.191	1,121,910	1,000,000	1,000,000					6.646	6.646	JD	5,538	66,460	12/15/2010.	12/01/2031.
64966L Q4 6	NEW YORK N Y			2	1FE	3,382,099	116.889	3,477,448	2,975,000	3,290,719		(36,904)			5.000	3.370	JD	12,396	148,750	06/03/2015.	06/01/2035.
64966M HG 7	NEW YORK N Y			2	1FE	1,240,525	119.505	1,314,555	1,100,000	1,228,047		(12,084)			5.000	3.471	JD	4,583	52,097	12/07/2016.	12/01/2034.
64966M JL 4	NEW YORK N Y			2	1FE	2,731,107	123.388	2,837,924	2,300,000	2,698,421		(32,686)			5.000	2.825	FA	47,917	50,792	02/15/2017.	08/01/2027.
64966M RA 9	NEW YORK N Y			2	1FE	1,783,065	119.966	1,799,490	1,500,000	1,776,954		(6,111)			5.000	2.820	AO	18,333		09/15/2017.	10/01/2038.
673475 CV 9	OAKLAND MICH SCHS INTER SCH DIST			2	1FE	1,182,780	117.618	1,176,180	1,000,000	1,154,441		(16,171)			5.000	2.900	MN	8,333	50,000	03/11/2016.	05/01/2036.
718814 J2 3	PHOENIX ARIZ			2	1FE	6,169,496	105.728	6,290,816	5,950,000	6,057,974		(21,754)			4.000	3.560	JJ	119,000	238,000	05/24/2012.	07/01/2033.
755638 ZH 9	READING PA SCH DIST			2	1FE	1,704,375	115.739	1,736,085	1,500,000	1,698,083		(6,292)			5.000	3.317	MS	25,208		07/31/2017.	03/01/2038.
759911 2B 5	REGIONAL TRANSN AUTH ILL			2	1FE	3,990,597	115.653	3,909,071	3,380,000	3,898,304		(53,583)			5.000	2.930	JD	14,083	169,000	03/31/2016.	06/01/2034.
796237 C9 4	SAN ANTONIO TEX			2	1FE	5,330,100	112.024	5,601,200	5,000,000	5,173,224		(38,250)			5.000	4.071	FA	104,167	250,000	07/16/2013.	02/01/2033.
810453 7Y 0	SCOTTSDALE ARIZ			2	1FE	1,102,470	112.964	1,129,640	1,000,000	1,077,809		(9,186)			4.000	2.841	JJ	20,000	40,000	02/20/2015.	07/01/2028.
901561 GS 3	TWIN FALLS CNTY IDAHO SCH DIST NO 411			2	1FE	2,189,080	113.599	2,271,980	2,000,000	2,130,810		(16,950)			4.750	3.641	MS	27,972	95,000	05/16/2014.	09/15/2037.
914460 QE 3	UNIVERSITY MINN			2	1FE	1,205,820	122.008	1,220,080	1,000,000	1,201,019		(4,801)			5.000	2.630	MS	12,917		09/14/2017.	09/01/2036.
914460 QF 0	UNIVERSITY MINN			2	1FE	1,502,438	121.720	1,521,500	1,250,000	1,496,560		(5,877)			5.000	2.670	MS	16,146		09/14/2017.	09/01/2037.
914460 QG 8	UNIVERSITY MINN			2	1FE	1,199,050	121.528	1,215,280	1,000,000	1,194,422		(4,628)			5.000	2.701	MS	12,917		09/14/2017.	09/01/2038.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
914460 QH 6	UNIVERSITY MINN			2	1FE	1,196,160	121.432	1,214,320	1,000,000	1,191,606		(4,554)			5.000	2.731	MS	12,917		09/14/2017.	09/01/2039.
938395 RV 4	WASHINGTON & CLACKAMAS CNTYS ORE SCH DIS			2	1FE	1,708,050	120.271	1,804,065	1,500,000	1,695,311		(12,739)			5.000	3.379	JD	3,333	52,292	03/09/2017.	06/15/2037.
938429 U8 8	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV			2	1FE	4,544,627	117.586	4,762,233	4,050,000	4,575,764		31,138				3.127	JD			07/13/2017.	06/15/2035.
938429 U9 6	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV			2	1FE	1,136,100	117.401	1,174,010	1,000,000	1,142,094		5,994				2.989	JD			08/03/2017.	06/15/2036.
941247 3U 0	WATERBURY CONN			2	1FE	1,204,084	119.039	1,208,246	1,015,000	1,202,529		(1,555)			5.000	2.840	MN	4,652		11/17/2017.	11/15/2030.
941247 3X 4	WATERBURY CONN			2	1FE	1,475,636	117.904	1,485,590	1,260,000	1,473,876		(1,760)			5.000	3.000	MN	5,775		11/17/2017.	11/15/2033.
941247 4C 9	WATERBURY CONN			2	1FE	2,336,017	115.949	2,359,561	2,035,000	2,333,586		(2,428)			5.000	3.250	MN	9,327		11/17/2017.	11/15/2042.
962506 RZ 6	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN			2	1FE	1,210,430	122.316	1,223,160	1,000,000	1,204,600		(5,830)			5.000	2.641	JD	4,167	11,806	08/17/2017.	12/01/2033.
962506 SA 0	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN			2	1FE	1,204,460	121.433	1,214,330	1,000,000	1,198,811		(5,649)			5.000	2.701	JD	4,167	11,806	08/17/2017.	12/01/2034.
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations		XXX	XXX	XXX	XXX	231,635,239	XXX	235,842,011	204,755,000	226,593,693	0	(1,533,261)	0	0	XXX	XXX	XXX	2,149,048	6,949,026	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions		XXX	XXX	XXX	XXX	231,635,239	XXX	235,842,011	204,755,000	226,593,693	0	(1,533,261)	0	0	XXX	XXX	XXX	2,149,048	6,949,026	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
010268 BA 7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R			2	1FE	3,476,220	119.616	3,588,480	3,000,000	3,447,301		(28,919)			5.000	3.030	MS	50,000	75,000	05/04/2017.	09/01/2036.
010268 BX 7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R			2	1FE	2,522,016	120.669	2,558,183	2,120,000	2,504,407		(17,608)			5.000	2.841	MS	35,333	18,256	06/21/2017.	06/01/2037.
011798 LB 9	ALASKA MUN BD BK ALASKA MUN BD BK AUTH			2	1FE	5,369,700	110.443	5,522,150	5,000,000	5,227,937		(39,685)			5.000	4.000	FA	104,167	250,000	03/18/2014.	02/01/2043.
02765U EK 6	AMERICAN MUN PWR OHIO INC REV			1	1FE	408,477	170.934	512,802	300,000	404,444		(1,122)			8.084	5.707	FA	9,162	24,252	02/04/2014.	02/15/2050.
02765U GJ 7	AMERICAN MUN PWR OHIO INC REV			2	1FE	5,491,050	114.157	5,707,850	5,000,000	5,432,974		(58,076)			5.000	3.420	FA	94,444	250,000	01/24/2017.	02/15/2039.
040484 PY 7	ARIZONA BRD REGENTS UNIV ARIZ SYS REV			2	1FE	5,275,217	106.922	5,201,755	4,865,000	5,231,913		(37,771)			4.000	2.980	JD	16,217	207,033	10/05/2016.	06/01/2040.
04184R AY 6	ARLINGTON TEX SPL TAX REV			2	1FE	1,572,419	119.294	1,562,751	1,310,000	1,563,862		(8,557)			5.000	2.061	FA	16,921		09/14/2017.	02/15/2026.
047870 CY 4	ATLANTA GA WTR & WASTEWTR REV				1FE	4,527,840	123.624	4,944,960	4,000,000	4,368,096		(29,460)			5.500	4.340	MN	36,667	220,000	12/15/2011.	11/01/2027.
047870 FC 9	ATLANTA GA WTR & WASTEWTR REV				1FE	5,463,100	137.062	6,853,100	5,000,000	5,351,990		(19,177)			5.750	5.000	MN	47,917	287,500	05/10/2011.	11/01/2030.
051595 BA 3	AURORA COLO WTR REV			2	1FE	2,796,975	118.852	2,674,170	2,250,000	2,728,541		(49,979)			5.000	2.260	FA	46,875	107,813	07/22/2016.	08/01/2036.
069643 BH 6	BARTOW CNTY GA DEV AUTH POLLUTN CTL REV				1FE	570,000	100.073	570,416	570,000	570,000					2.050	2.051	MS	2,402		10/12/2017.	09/01/2029.
100216 FR 6	BOSSIER CITY LA UTILS REV			2	1FE	2,259,480	117.048	2,340,960	2,000,000	2,187,365		(24,291)			5.000	3.433	AO	25,000	100,000	10/01/2014.	10/01/2036.
100216 FS 4	BOSSIER CITY LA UTILS REV			2	1FE	1,126,140	116.843	1,168,430	1,000,000	1,091,159		(11,800)			5.000	3.473	AO	12,500	50,000	10/01/2014.	10/01/2037.
114894 MU 9	BROWARD CNTY FLA ARPT SYS REV			2	1FE	3,190,232	112.931	3,037,844	2,690,000	3,074,664		(76,861)			5.000	1.840	AO	33,625	134,500	06/23/2016.	10/01/2023.
114894 XQ 6	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,771,245	118.363	1,775,445	1,500,000	1,768,524		(2,721)			5.000	2.881	AO	8,333		11/08/2017.	10/01/2035.
114894 XR 4	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,230,038	118.176	1,234,939	1,045,000	1,228,185		(1,853)			5.000	2.921	AO	5,806		11/08/2017.	10/01/2036.
114894 XS 2	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,176,130	118.083	1,180,830	1,000,000	1,174,367		(1,763)			5.000	2.931	AO	5,556		11/08/2017.	10/01/2037.
121342 PB 9	BURKE CNTY GA DEV AUTH POLLUTN CTL REV				1FE	1,953,000	96.619	1,932,380	2,000,000	1,958,302		5,302			1.650	2.280	MN	5,500	16,500	07/12/2017.	11/01/2048.
121342 PH 6	BURKE CNTY GA DEV AUTH POLLUTN CTL REV				1FE	445,000	100.073	445,325	445,000	445,000					2.050	2.050	AO	1,875		10/11/2017.	10/01/2032.
12677R BY 2	CABARRUS CNTY N C LTD OBLIG			2	1FE	4,351,433	118.109	4,358,222	3,690,000	4,248,436		(59,082)			5.000	2.922	AO	46,125	184,500	03/11/2016.	04/01/2034.
13033L AS 6	CALIFORNIA HEALTH FACS FING AUTH REV			2	1FE	3,594,570	106.579	3,197,370	3,000,000	3,200,571		(131,276)			6.000	1.477	JJ	90,000	180,000	10/16/2014.	07/01/2029.
13034P ZW 0	CALIFORNIA HSG FIN AGY REV			2	1FE	3,125,000	101.775	3,180,469	3,125,000	3,125,000					3.656	3.656	FA	57,760		06/21/2017.	02/01/2029.
160131 DB 1	CHARLESTON EDL EXCELLENCE FING CORP S C			2	1FE	4,648,640	115.020	4,600,800	4,000,000	4,389,695		(58,999)			5.000	3.180	JD	16,667	200,000	04/04/2013.	12/01/2030.
167510 AL 0	CHICAGO ILL BRD ED DEDICATED CAP IMPT			2	1FE	1,497,755	109.080	1,505,304	1,380,000	1,496,807		(948)			5.000	3.901	AO	5,942		11/16/2017.	04/01/2042.
167562 NN 3	CHICAGO ILL MIDWAY ARPT REV			2	1FE	3,431,610	114.496	3,434,880	3,000,000	3,298,238		(44,465)			5.000	3.168	JJ	75,000	150,000	11/14/2014.	01/01/2025.
167593 HU 9	CHICAGO ILL O HARE INTL ARPT REV				1FE	1,108,109	111.462	1,070,035	960,000	1,046,229		(20,191)			5.000	2.620	JJ	24,000	48,000	11/03/2014.	01/01/2022.
167593 QJ 4	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,789,110	115.535	1,733,025	1,500,000	1,739,442		(30,932)			5.000	2.500	JJ	37,500	75,000	05/17/2016.	01/01/2028.
167593 QQ 8	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,076,350	113.140	1,131,400	1,000,000	1,060,431		(7,345)			5.000	4.002	JJ	25,000	50,000	10/08/2015.	01/01/2034.
167725 AB 6	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	737,828	107.467	736,149	685,000	732,761		(5,067)			6.300	4.344	JD	3,596	26,303	07/13/2017.	12/01/2021.
167725 AE 0	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	247,880	107.467	247,174	230,000	246,145		(1,736)			6.300	4.331	JD	1,208	8,820	07/11/2017.	12/01/2021.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
167727 UG 9	CHICAGO ILL WASTEWATER TRANSMISSION REV			2	1FE	3,030,480	101.886	3,056,580	3,000,000	3,018,735		(4,256)			4.000	3.830	JJ	60,000	120,000	02/10/2015.	01/01/2034.
167736 YU 5	CHICAGO ILL WTR REV			1	1FE	114,267	133.388	133,388	100,000	113,275		(278)			6.742	5.696	MN	1,124	6,742	02/04/2014.	11/01/2040.
18610R BA 1	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	7,505,850	123.501	9,262,575	7,500,000	7,505,313		(223)			5.000	4.993	JJ	187,500	375,000	09/09/2013.	07/01/2033.
18610R BB 9	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	5,140,000	125.832	6,291,600	5,000,000	5,125,710		(3,827)			5.000	4.800	JJ	125,000	250,000	12/17/2013.	07/01/2037.
19464V CT 5	COLLIER CNTY FLA SPL OBLIG REV			2	1FE	5,134,800	105.658	5,282,900	5,000,000	5,073,370		(13,913)			4.000	3.660	AO	50,000	200,000	04/11/2013.	10/01/2032.
196474 5J 5	COLORADO HEALTH FACS AUTH REV				1FE	3,067,650	116.046	2,901,150	2,500,000	2,965,045		(74,823)			5.000	1.661	MN	15,972	125,000	06/23/2016.	11/15/2036.
196479 B9 9	COLORADO HSG & FIN AUTH			2	1FE	2,930,000	100.684	2,950,041	2,930,000	2,930,000					3.050	3.050	MN	14,894	25,925	06/28/2017.	11/01/2044.
196479 E6 2	COLORADO HSG & FIN AUTH			2	1FE	3,572,249	107.395	3,533,296	3,290,000	3,568,019		(4,230)			4.000	3.009	MN	22,299		10/06/2017.	05/01/2048.
196632 A2 9	COLORADO SPRINGS COLO UTILS REV			2	1FE	2,370,260	119.994	2,399,880	2,000,000	2,361,904		(8,356)			5.000	2.880	MN	26,111		09/14/2017.	11/15/2042.
196707 KW 2	COLORADO ST BRD GOVERNORS UNIV ENTERPRIS				1FE	5,829,468	124.934	6,234,207	4,990,000	5,705,840		(28,984)			5.000	3.850	MS	83,167	249,500	06/04/2013.	03/01/2035.
20281P FS 6	COMMONWEALTH FING AUTH PA REV			2	1FE	3,375,420	110.027	3,300,810	3,000,000	3,242,470		(50,598)			5.000	3.030	JD	12,500	150,000	04/16/2015.	06/01/2031.
20281P JW 3	COMMONWEALTH FING AUTH PA REV				1FE	3,697,792	116.655	3,732,960	3,200,000	3,642,928		(54,864)			5.000	2.640	JD	13,333	160,000	02/13/2017.	06/01/2024.
20774Y Z9 1	CONNECTICUT ST HEALTH & EDL FACS AUTH RE			2	1FE	1,167,660	117.501	1,175,010	1,000,000	1,165,992		(1,668)			5.000	2.981	JJ	5,417		11/08/2017.	07/01/2035.
20775C XL 3	CONNECTICUT ST HSG FIN AUTH HSG MTG FIN			2	1FE	2,086,661	107.778	2,063,949	1,915,000	2,084,565		(2,096)			4.000	2.913	MN	10,001		11/02/2017.	05/15/2047.
230593 AA 3	CUMBERLAND CNTY N C LTD OBLIG			1,2	1FE	1,000,000	111.461	1,114,610	1,000,000	1,000,000					6.100	6.101	MN	10,167	61,000	01/12/2011.	11/01/2025.
240523 UK 4	DEKALB CNTY GA WTR & SEW REV			2	1FE	12,954,860	123.065	13,537,150	11,000,000	12,256,688		(119,677)			5.250	3.708	AO	144,375	577,500	01/25/2012.	10/01/2032.
246343 LA 3	DELAWARE RIV JT TOLL BRDG COMMN PA BRDG			2	1FE	810,754	121.107	847,749	700,000	803,075		(7,679)			5.000	3.191	JJ	17,500	11,667	02/15/2017.	07/01/2030.
25484J DB 3	DISTRICT COLUMBIA UNIV REV			2	1FE	2,273,820	117.716	2,354,320	2,000,000	2,251,868		(21,952)			5.000	3.401	AO	25,000	70,278	01/06/2017.	04/01/2035.
266780 AV 7	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	3,061,978	107.832	3,224,177	2,990,000	3,026,128		(7,404)			4.000	3.701	JD	9,967	119,600	07/31/2013.	06/01/2029.
266780 BW 4	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	9,637,640	113.389	9,638,065	8,500,000	9,154,530		(108,253)			5.000	3.430	JD	35,417	425,000	03/14/2013.	06/01/2038.
29508R KS 4	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	1,437,372	121.816	1,461,792	1,200,000	1,431,194		(6,178)			5.000	2.717	MS	17,833		08/25/2017.	09/01/2036.
29508R KU 9	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	1,553,396	121.528	1,579,864	1,300,000	1,546,813		(6,583)			5.000	2.747	MS	19,319		08/25/2017.	09/01/2037.
29508R KV 7	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	2,384,060	121.336	2,426,720	2,000,000	2,374,101		(9,959)			5.000	2.777	MS	29,722		08/25/2017.	09/01/2038.
302716 AM 7	FYI PPTYS WASH LEASE REV			2	1FE	3,098,172	105.028	3,150,840	3,000,000	3,023,931		(16,007)			5.250	4.661	JD	13,125	157,500	08/05/2009.	06/01/2023.
302716 AP 0	FYI PPTYS WASH LEASE REV			2	1FE	4,388,838	104.999	4,514,957	4,300,000	4,315,549		(10,361)			5.250	4.982	JD	18,813	225,750	08/05/2009.	06/01/2025.
341271 AA 2	FLORIDA ST BRD ADMIN FIN CORP REV			1	1FE	2,600,000	99.813	2,595,138	2,600,000	2,600,000					2.163	2.163	JJ	28,119	56,238	02/23/2016.	07/01/2019.
353187 CN 5	FRANKLIN CNTY OHIO HOSP REV			2	1FE	5,352,145	116.430	5,594,462	4,805,000	5,230,265		(49,519)			5.000	3.621	MN	30,699	240,250	06/04/2015.	05/15/2034.
359900 5Q 6	FULTON CNTY GA DEV AUTH REV			2	1FE	2,211,920	113.417	2,268,340	2,000,000	2,145,537		(20,055)			5.000	3.700	MN	16,667	100,000	07/09/2014.	05/01/2039.
362762 LB 0	GAINESVILLE & HALL CNTY GA HOSP AUTH REV			2,5	1FE	2,300,000	99.781	2,294,963	2,300,000	2,300,000					2.660	2.659	MON	4,202	40,027	12/01/2014.	08/15/2035.
368497 JM 6	GEISINGER AUTH PA HEALTH SYS REV			2	1FE	1,985,620	116.802	2,044,035	1,750,000	1,972,231		(13,389)			5.000	3.371	FA	33,056	23,333	04/19/2017.	02/15/2039.
387883 VS 7	GRANT CNTY WASH PUB UTIL DIST NO 2 PRIES			2	1FE	2,595,241	115.224	2,540,689	2,205,000	2,480,931		(38,087)			5.000	2.876	JJ	55,125	110,250	11/01/2014.	01/01/2027.
392274 K6 2	GREATER ORLANDO AVIATION AUTH ORLANDO FL				1FE	1,196,560	113.366	1,133,660	1,000,000	1,151,807		(30,489)			5.000	1.661	AO	12,500	50,000	06/24/2016.	10/01/2022.
392274 R4 0	GREATER ORLANDO AVIATION AUTH ORLANDO FL			2	1FE	1,134,265	115.946	1,188,447	1,025,000	1,125,382		(8,883)			5.000	3.680	AO	12,813	49,542	01/24/2017.	10/01/2039.
45203H 4Q 2	ILLINOIS FIN AUTH REV				1FE	1,204,000	112.607	1,126,070	1,000,000	1,157,147		(30,761)			5.000	1.630	MN	6,389	50,000	06/16/2016.	11/15/2022.
45203H X5 6	ILLINOIS FIN AUTH REV			2	2FE	1,686,390	114.845	1,722,675	1,500,000	1,643,999		(16,186)			5.000	3.551	FA	28,333	75,000	03/18/2015.	08/15/2026.
45204E GT 9	ILLINOIS FIN AUTH REV			2	2FE	2,917,457	109.571	2,635,183	2,405,000	2,620,585		(129,321)			7.750	2.099	FA	70,413	186,388	08/31/2015.	08/15/2034.
45204E YE 2	ILLINOIS FIN AUTH REV			2	1FE	1,178,140	119.050	1,190,500	1,000,000	1,173,001		(5,139)			5.000	2.811	JJ	15,139		08/30/2017.	07/01/2035.
45204E YF 9	ILLINOIS FIN AUTH REV			2	1FE	2,350,900	118.873	2,377,460	2,000,000	2,340,788		(10,112)			5.000	2.841	JJ	30,278		08/30/2017.	07/01/2036.
45204E YG 7	ILLINOIS FIN AUTH REV			2	1FE	2,933,735	118.609	2,965,225	2,500,000	2,921,247		(12,488)			5.000	2.863	JJ	37,847		09/05/2017.	07/01/2037.
452252 JJ 9	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	1,666,014	117.776	1,648,864	1,400,000	1,592,901		(24,601)			5.000	2.817	JJ	35,000	70,000	10/31/2014.	01/01/2027.
452252 LQ 0	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	2,430,387	117.853	2,421,879	2,055,000	2,418,950		(11,436)			5.000	2.658	JJ	51,375		09/08/2017.	01/01/2032.
452252 LR 8	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	1,951,664	117.520	1,880,320	1,600,000	1,903,248		(31,632)			5.000	2.510	JJ	40,000	83,333	05/19/2016.	01/01/2033.
452252 LS 6	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	2,930,975	117.189	2,929,725	2,500,000	2,917,924		(13,051)			5.000	2.778	JJ	62,500		09/08/2017.	01/01/2034.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
45470R DT 0	INDIANA FIN AUTH HWY REV			2	1FE	5,409,180	121.140	5,451,300	4,500,000	5,386,206		(22,974)			5.000	2.719	JD	66,250		08/24/2017.	06/01/2036.
454898 TX 5	INDIANA MUN PWR AGY PWR SUPPLY SYS REV			2	1FE	3,409,239	117.106	3,466,338	2,960,000	3,386,925		(22,314)			5.000	3.060	JJ	74,000	74,000	06/22/2017.	01/01/2042.
45506D F6 7	INDIANA ST FIN AUTH REV			2	1FE	1,144,530	115.870	1,158,700	1,000,000	1,138,808		(5,722)			5.000	3.321	AO	12,500	10,972	06/07/2017.	10/01/2038.
45528S 4X 1	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,350,040	106.692	3,200,760	3,000,000	3,082,600		(38,398)			5.000	3.587	JJ	69,167	150,000	02/02/2010.	01/15/2022.
45528S 5Q 5	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,332,820	106.671	3,200,130	3,000,000	3,078,998		(36,691)			5.000	3.647	JJ	69,167	150,000	02/25/2010.	01/15/2023.
45528U AP 6	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	4,821,968	110.157	5,078,238	4,610,000	4,687,043		(22,725)			5.250	4.662	FA	100,844	242,025	03/17/2011.	02/01/2027.
45528U AS 0	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	2,953,050	109.349	3,280,470	3,000,000	2,964,860		2,056			5.000	5.131	FA	62,500	150,000	03/25/2011.	02/01/2030.
45528U BV 2	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,508,002	110.157	3,684,752	3,345,000	3,404,742		(17,636)			5.250	4.622	FA	73,172	175,613	04/26/2011.	02/01/2027.
45528U XS 5	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	4,638,440	117.349	4,693,960	4,000,000	4,637,838		(602)			5.000	3.130	JJ	1,667		12/20/2017.	01/01/2040.
46246K Y4 8	IOWA FIN AUTH REV			2	1FE	5,180,550	108.795	5,439,750	5,000,000	5,107,989		(17,187)			4.000	3.570	FA	83,333	200,000	05/31/2013.	08/01/2033.
46257T AN 9	IOWA ST SPL OBLIG			2	1FE	5,349,050	104.796	5,239,800	5,000,000	5,059,068		(39,756)			5.000	4.131	JD	20,833	250,000	07/14/2009.	06/01/2023.
46257T BB 4	IOWA ST SPL OBLIG			2	1FE	2,211,420	104.796	2,095,920	2,000,000	2,039,071		(26,470)			5.000	3.571	JD	8,333	100,000	06/08/2010.	06/01/2024.
469487 GB 2	JACKSONVILLE FLA SPL REV			2	1FE	2,281,862	112.883	2,483,426	2,200,000	2,250,924		(9,438)			5.000	4.454	AO	27,500	110,000	07/19/2013.	10/01/2032.
469487 MN 9	JACKSONVILLE FLA SPL REV			2	1FE	2,643,660	119.303	2,684,318	2,250,000	2,634,048		(9,612)			5.000	2.970	AO	31,563		08/23/2017.	10/01/2037.
479354 AP 7	JOHNSTON CNTY N C LTD OBLIG			2	1FE	2,083,558	109.017	2,174,889	1,995,000	2,024,218		(9,653)			5.000	4.435	AO	21,058	99,750	11/19/2010.	10/15/2025.
48503S EJ 4	KANSAS CITY MO INDL DEV AUTH REV			2	1FE	2,433,343	112.143	2,349,396	2,095,000	2,284,275		(48,327)			5.500	2.883	MS	38,408	115,225	08/05/2014.	09/01/2027.
486296 LM 6	KAUKAUNA WIS ELEC SYS REV			2	1FE	3,965,559	111.078	4,332,042	3,900,000	3,939,138		(6,853)			5.000	4.770	JD	8,667	195,000	10/22/2013.	12/15/2035.
49126P EC 0	KENTUCKY ECONOMIC DEV FIN AUTH REV				2FE	3,500,000	101.354	3,547,390	3,500,000	3,500,000					2.700	2.700	MN	15,750	94,500	11/06/2014.	05/01/2039.
49151F PA 2	KENTUCKY ST PPTY & BLDGS COMMN REVS			2	1	4,298,003	103.165	4,554,735	4,415,000	4,390,798		27,616			5.375	6.062	MN	39,551	237,306	10/08/2008.	11/01/2023.
49151F QC 7	KENTUCKY ST PPTY & BLDGS COMMN REVS			2	1FE	569,498	103.207	603,761	585,000	581,793		5,418			5.375	6.062	MN	5,241	31,444	10/08/2008.	11/01/2023.
491552 US 2	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			2	1FE	1,026,031	105.062	1,050,620	1,000,000	1,007,072		(4,459)			5.000	4.507	JJ	25,000	50,000	04/16/2009.	07/01/2025.
491552 UU 7	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV			2	1FE	1,017,591	105.062	1,050,620	1,000,000	1,003,411		(2,144)			5.000	4.762	JJ	25,000	50,000	04/16/2009.	07/01/2026.
517845 AX 1	LAS VEGAS VY NEV WTR DIST			2	1FE	4,604,760	118.274	4,730,960	4,000,000	4,514,957		(52,451)			5.000	3.240	JD	16,667	200,000	03/11/2016.	06/01/2046.
528921 DA 4	LEXINGTON-FAYETTE URBAN CNTY GOVT KY PUB			2	1FE	5,147,630	110.178	5,508,900	5,000,000	5,058,944		(15,510)			5.250	4.871	JD	21,875	262,500	07/14/2011.	06/01/2031.
542269 CE 3	LONE STAR COLLEGE SYS TEX REV FING SYS R			2	1FE	2,244,480	108.513	2,170,260	2,000,000	2,158,078		(48,239)			5.000	2.359	FA	37,778	100,000	03/04/2016.	02/15/2043.
544445 CA 5	LOS ANGELES CALIF DEPT ARPTS ARPT REV			2	1FE	1,455,174	117.610	1,540,691	1,310,000	1,442,386		(12,788)			5.000	3.591	MN	8,369	53,856	01/06/2017.	05/15/2036.
54466H DN 3	LOS ANGELES CNTY CALIF MET TRANSN AUTH S			2	1FE	1,208,410	124.519	1,245,190	1,000,000	1,186,978		(19,714)			5.000	2.520	JD	4,167	50,139	11/18/2016.	06/01/2027.
544712 2F 8	LOS ANGELES CNTY CALIF MET TRANSN AUTH S			1	1FE	1,687,284	107.713	1,938,834	1,800,000	1,747,957		10,220			4.530	5.273	JD	6,795	81,540	02/17/2011.	06/01/2022.
54473E NT 7	LOS ANGELES CNTY CALIF PUB WKS FING AUTH			1	1FE	243,717	137.738	275,476	200,000	238,298		(1,504)			7.488	5.627	FA	6,240	14,976	02/04/2014.	08/01/2033.
545909 CG 6	LOUDOUN CNTY VA INDL DEV AUTH LEASE REV			2	1FE	8,464,750	109.947	8,795,760	8,000,000	8,182,219		(48,577)			5.000	4.276	JD	33,333	400,000	06/27/2011.	06/01/2031.
546540 HT 5	LOUISIANA ST UNIV & AGRIC & MECHANICAL C			2	1FE	3,227,640	107.975	3,239,250	3,000,000	3,065,680		(24,475)			5.000	4.070	JJ	75,000	150,000	06/10/2010.	07/01/2023.
546589 D2 5	LOUISVILLE & JEFFERSON CNTY KY MET SWR D			2	1FE	5,552,899	106.188	5,643,892	5,315,000	5,366,882		(26,054)			5.000	4.450	MN	33,957	265,750	08/13/2009.	05/15/2023.
546589 D6 6	LOUISVILLE & JEFFERSON CNTY KY MET SWR D			2	1FE	3,843,122	106.188	3,913,028	3,685,000	3,720,971		(18,064)			5.000	4.450	MN	23,543	184,250	08/13/2009.	05/15/2023.
54811B QJ 3	LOWER COLO RIV AUTH TEX TRANSMISSION CON				1FE	1,380,808	119.243	1,311,673	1,100,000	1,335,962		(29,595)			5.000	1.870	MN	7,028	55,000	06/09/2016.	05/15/2025.
558459 RK 1	MADISON WIS CMNTY DEV AUTH REV			2	1FE	5,108,441	105.984	4,864,666	4,590,000	4,696,954		(58,308)			5.000	3.611	AO	57,375	229,500	01/12/2010.	10/01/2024.
56042R NU 2	MAINE HEALTH & HIGHER EDL FACS AUTH REV			2	1FE	3,167,659	104.955	3,174,889	3,025,000	3,051,677		(3,510)			5.000	4.386	JJ	75,625		12/08/2009.	07/01/2026.
56042R PE 6	MAINE HEALTH & HIGHER EDL FACS AUTH REV			2	1FE	7,301,363	104.365	7,279,459	6,975,000	7,036,511		(8,094)			5.000	4.386	JJ	174,375		12/08/2009.	07/01/2026.
560459 R9 2	MAINE MUN BD BK			2	1FE	1,467,250	106.098	1,442,933	1,360,000	1,383,757		(12,270)			5.000	4.001	MN	11,333	68,000	05/27/2009.	11/01/2027.
56052F JS 5	MAINE ST HSG AUTH MTG PUR			2	1FE	1,094,786	105.467	1,075,763	1,020,000	1,093,429		(1,357)			3.500	2.586	MN	6,446		09/20/2017.	11/15/2047.
56682H CM 9	MARICOPA CNTY ARIZ INDL DEV AUTH REV				1FE	2,891,250	114.064	2,851,600	2,500,000	2,875,967		(15,283)			5.000	1.721	JJ	25,347		09/29/2017.	01/01/2048.
57420P FX 9	MARYLAND ST ECONOMIC DEV CORP LEASE REV			2	1FE	11,252,800	110.540	11,054,000	10,000,000	10,498,426		(135,328)			5.000	3.440	JD	41,667	500,000	12/01/2011.	06/01/2026.
575579 PZ 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	5,953,229	128.227	7,103,776	5,540,000	5,827,796		(20,880)			5.250	4.620	JJ	145,425	290,850	02/15/2011.	07/01/2028.
575579 QC 4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	11,652,630	131.468	14,461,480	11,000,000	11,498,773		(25,775)			5.250	4.790	JJ	288,750	577,500	02/16/2011.	07/01/2031.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
57584X UQ 2	MASSACHUSETTS ST DEV FIN AGY REV			2	1FE	1,232,440	118.231	1,182,310	1,000,000	1,203,974		(20,723)			5.000	2.401	AO	12,500	50,000	08/03/2016.	10/01/2034.
576000 UA 9	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED			2	1FE	2,866,550	118.142	2,953,550	2,500,000	2,840,655		(25,895)			5.000	3.040	MN	15,972	125,000	04/21/2017.	11/15/2045.
576002 BP 3	MASSACHUSETTS ST SPL OBLIG DEDICATED TAX				1FE	5,316,350	134.826	6,741,300	5,000,000	5,269,935		(10,800)			5.500	5.006	JJ	137,500	275,000	08/28/2013.	01/01/2034.
576051 BN 5	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,042,280	108.366	2,167,320	2,000,000	2,013,466		(4,792)			5.000	4.720	FA	41,667	100,000	02/10/2011.	08/01/2028.
576051 FP 6	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,311,380	112.826	2,256,520	2,000,000	2,229,030		(46,788)			5.000	2.350	FA	41,667	100,000	03/16/2016.	08/01/2037.
576528 DQ 3	MATAGORDA CNTY TEX NAV DIST NO 1 POLLUTN			2	1FE	2,511,180	105.939	3,178,170	3,000,000	2,598,987		22,034			4.000	5.500	JD	10,000	120,000	08/23/2013.	06/01/2030.
58401A BD 1	MECKLENBURG CNTY N C PUB FACS CORP LTD O			2	1FE	1,606,095	104.024	1,560,360	1,500,000	1,520,271		(16,749)			5.000	3.800	MS	25,000	75,000	07/31/2013.	03/01/2026.
586158 MK 0	MEMPHIS TENN ELEC SYS REV				1FE	7,449,381	103.191	7,223,370	7,000,000	7,049,652		(52,200)			5.000	4.201	JD	29,167	350,000	06/18/2008.	12/01/2018.
59259N 2V 4	METROPOLITAN TRANSN AUTH N Y DEDICATED T			1,2	1FE	4,091,545	123.447	4,116,957	3,335,000	3,978,329		(63,136)			5.250	2.781	MN	22,372	175,088	03/03/2016.	11/15/2033.
59259N 8D 8	METROPOLITAN TRANSN AUTH N Y DEDICATED T			2	1FE	4,113,825	121.347	4,259,280	3,510,000	4,083,008		(30,818)			5.000	3.070	MN	22,425	86,775	05/11/2017.	11/15/2035.
59259N ZH 9	METROPOLITAN TRANSN AUTH N Y DEDICATED T			1	1FE	2,100,000	155.132	3,257,772	2,100,000	2,100,000					7.336	7.336	MN	19,685	154,056	04/23/2009.	11/15/2039.
59259Y Q8 5	METROPOLITAN TRANSN AUTH N Y REV			2	1FE	2,699,025	117.313	2,932,825	2,500,000	2,629,453		(19,208)			5.000	4.001	MN	15,972	125,000	03/04/2014.	11/15/2031.
59259Y RE 1	METROPOLITAN TRANSN AUTH N Y REV			2	1FE	5,199,750	113.645	5,682,250	5,000,000	5,114,802		(20,671)			5.000	4.470	MN	31,944	250,000	07/17/2013.	11/15/2032.
59261A PG 6	METROPOLITAN TRANSN AUTH N Y REV	@			1FE	1,252,399	71.895	1,297,705	1,805,000	1,254,214		1,815				3.090	N/A			11/22/2017.	11/15/2029.
59333A GH 8	MIAMI-DADE CNTY FLA EDL FACS AUTH REV			1	1FE	5,236,550	107.782	5,389,100	5,000,000	5,054,780		(22,602)			5.250	4.730	AO	65,625	262,500	03/11/2008.	04/01/2020.
59333G AL 2	MIAMI DADE CNTY FLA INDL DEV AUTH SOLID				1FE	1,000,000	100.743	1,007,430	1,000,000	1,000,000					2.125	2.125	MN	3,542	21,250	10/31/2014.	11/01/2041.
59333P L2 2	MIAMI-DADE CNTY FLA AVIATION REV			2	1FE	5,568,550	115.290	5,764,500	5,000,000	5,413,182		(53,198)			5.000	3.609	AO	62,500	250,000	12/03/2014.	10/01/2032.
59333T EC 0	MIAMI-DADE CNTY FLA PUB FACS REV			2	1FE	6,309,418	114.362	6,575,815	5,750,000	6,187,987		(50,238)			5.000	3.811	JD	23,958	287,500	06/25/2015.	06/01/2033.
59334D HH 0	MIAMI-DADE CNTY FLA WTR & SWR REV			2	1FE	1,951,950	112.258	1,964,515	1,750,000	1,895,304		(27,997)			5.000	3.105	AO	21,875	87,500	12/08/2015.	10/01/2042.
593464 AA 8	MIAMI FLA RENT REV				1FE	135,151	106.301	132,876	125,000	126,424		(862)			8.650	7.830	JJ	5,406	14,273	01/04/2000.	07/01/2019.
59447P 7Q 8	MICHIGAN FIN AUTH REV			2	1FE	2,993,940	113.237	3,029,090	2,675,000	2,877,295		(42,076)			5.000	3.151	JD	11,146	133,750	02/12/2015.	12/01/2030.
59447P L3 3	MICHIGAN FIN AUTH REV			2	1FE	3,591,189	112.515	3,544,223	3,150,000	3,467,659		(41,367)			5.000	3.319	AO	39,375	157,500	10/23/2014.	10/01/2031.
594654 BE 4	MICHIGAN ST HSG DEV AUTH SINGLE FAMILY M			2	1FE	3,199,080	105.124	3,153,720	3,000,000	3,195,872		(3,208)			3.500	2.672	JD	17,208		10/13/2017.	06/01/2048.
602248 KA 3	MILWAUKEE CNTY WIS ARPT REV			2	1FE	2,479,174	114.247	2,484,872	2,175,000	2,384,638		(31,718)			5.000	3.198	JD	9,063	108,750	10/23/2014.	12/01/2029.
60416H 4Y 7	MINNESOTA ST HIGHER ED FACS AUTH REV			2	1FE	2,308,360	116.235	2,324,700	2,000,000	2,303,021		(5,339)			5.000	3.179	AO	31,667		10/17/2017.	10/01/2047.
60534T FR 1	MISSISSIPPI DEV BK SPL OBLIG			2	1FE	5,094,400	110.607	5,530,350	5,000,000	5,053,799		(10,088)			5.000	4.740	MS	83,333	250,000	08/22/2013.	09/01/2030.
610530 FN 2	MONROE CNTY GA DEV AUTH POLLUTION CTL RE				1FE	450,000	99.962	449,829	450,000	450,000					2.050	2.051	JJ	1,896		10/11/2017.	07/01/2049.
613603 TC 3	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,430,806	107.221	1,350,985	1,260,000	1,342,390		(28,619)			5.000	2.521	AO	15,750	63,000	10/23/2014.	10/01/2020.
613603 TD 1	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU				2FE	1,496,154	109.555	1,446,126	1,320,000	1,419,640		(24,852)			5.000	2.861	AO	16,500	66,000	10/23/2014.	10/01/2021.
625914 HG 4	MUNICIPAL ENERGY AGY OF NEB PWR SUPPLY S			2	1FE	3,555,840	111.757	3,352,710	3,000,000	3,275,076		(60,347)			5.000	2.700	AO	37,500	150,000	02/04/2013.	04/01/2027.
626207 K8 6	MUNICIPAL ELEC AUTH GA			2	1FE	1,145,180	113.887	1,138,870	1,000,000	1,116,070		(14,610)			5.000	3.140	JJ	25,000	50,000	12/10/2015.	01/01/2035.
626207 S8 8	MUNICIPAL ELEC AUTH GA			2	1	3,593,040	102.188	3,178,047	3,110,000	3,150,062		(78,138)			6.000	3.380	JJ	93,300	186,600	10/31/2011.	01/01/2023.
626207 T7 9	MUNICIPAL ELEC AUTH GA			2	1FE	1,258,950	102.233	1,114,340	1,090,000	1,104,038		(27,379)			6.000	3.381	JJ	32,700	65,400	10/31/2011.	01/01/2023.
626207 ZR 8	MUNICIPAL ELEC AUTH GA			2	1FE	4,310,640	107.890	4,358,756	4,040,000	4,125,373		(27,841)			5.000	4.200	MN	33,667	202,000	05/20/2010.	11/01/2027.
626207 ZS 6	MUNICIPAL ELEC AUTH GA			2	1FE	2,678,861	107.747	2,731,386	2,535,000	2,580,437		(14,784)			5.000	4.320	MN	21,125	126,750	05/10/2010.	11/01/2028.
63968A YL 3	NEBRASKA PUB PWR DIST REV			2	1FE	1,113,130	110.329	1,103,290	1,000,000	1,067,499		(15,582)			5.000	3.189	JJ	25,000	50,000	11/05/2014.	01/01/2034.
64465P MH 8	NEW HAMPSHIRE MUN BD BK			2	1FE	3,755,610	108.489	3,759,144	3,465,000	3,552,155		(30,946)			5.000	3.980	FA	65,450	173,250	06/17/2010.	08/15/2028.
64465P MS 4	NEW HAMPSHIRE MUN BD BK			2	1FE	2,153,980	108.489	2,169,780	2,000,000	2,000,000					5.000	4.999	FA	37,778	100,000	06/17/2010.	08/15/2029.
64465P TT 5	NEW HAMPSHIRE MUN BD BK			2	1FE	1,817,370	114.495	1,717,425	1,500,000	1,662,556		(32,780)			5.000	2.502	FA	28,333	75,000	04/18/2012.	08/15/2024.
645790 LL 8	NEW JERSEY HEALTH CARE FACS FING AUTH RE			2	1FE	1,909,936	116.687	1,931,170	1,655,000	1,901,632		(8,304)			5.000	3.171	JJ	30,801		08/04/2017.	07/01/2035.
646139 6T 7	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,134,120	118.346	1,183,460	1,000,000	1,125,538		(8,582)			5.000	3.371	JJ	25,000	11,111	03/30/2017.	01/01/2035.
646139 7M 1	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,165,990	118.968	1,189,680	1,000,000	1,160,373		(5,617)			5.000	3.121	JJ	20,556		07/19/2017.	01/01/2040.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
646139 W3 5	NEW JERSEY ST TPK AUTH TPK REV			1	1FE	1,700,000	154.740	2,630,580	1,700,000	1,700,000					7.414	7.415	JJ	63,019	126,038	04/20/2009.	01/01/2040.
646140 CA 9	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	2,005,472	121.200	2,048,280	1,690,000	2,004,121		(1,352)			5.000	2.850	JJ	3,990		12/01/2017.	01/01/2031.
646140 CB 7	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,181,880	120.710	1,207,100	1,000,000	1,181,103		(777)			5.000	2.900	JJ	2,361		12/01/2017.	01/01/2032.
647200 6Y 5	NEW MEXICO MTG FIN AUTH			2	1FE	2,599,739	105.870	2,551,467	2,410,000	2,597,409		(2,330)			3.750	2.783	MS	11,297		10/04/2017.	03/01/2048.
647429 Y6 0	NEW MEXICO ST UNIV REVS			2	1FE	3,194,038	117.095	3,231,822	2,760,000	3,178,596		(15,442)			5.000	3.101	AO	34,500	29,900	08/07/2017.	04/01/2042.
64971M 5F 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	2,292,370	106.782	2,135,640	2,000,000	2,138,814		(34,182)			4.325	2.417	MN	14,417	86,500	04/17/2013.	11/01/2021.
64971Q 6R 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	3,214,320	113.141	3,394,230	3,000,000	3,135,401		(22,333)			5.000	4.050	MN	25,000	150,000	04/03/2014.	05/01/2042.
64971Q T9 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1	73,095	104.582	73,207	70,000	70,717		(513)			5.000	4.200	MN	583	3,500	12/19/2012.	05/01/2023.
64971Q XW 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	5,372,200	114.382	5,719,100	5,000,000	5,217,628		(40,083)			5.000	4.000	MN	41,667	250,000	11/21/2013.	11/01/2031.
64971W 2M 1	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1	1,393,107	110.475	1,287,034	1,165,000	1,278,279		(29,157)			5.500	1.953	MN	10,679	64,075	10/09/2014.	11/01/2035.
64971W 3B 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	1,865,440	110.562	1,724,767	1,560,000	1,711,687		(39,043)			5.500	1.953	MN	14,300	85,800	10/09/2014.	11/01/2035.
64971W V2 3	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	1,150,640	120.682	1,206,820	1,000,000	1,140,756		(9,884)			5.000	3.240	MN	8,333	30,417	03/09/2017.	11/01/2033.
64971X AS 7	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	1,925,950	120.136	1,952,210	1,625,000	1,916,147		(9,803)			5.000	2.850	FA	30,243		08/09/2017.	08/01/2037.
64972F 4K 9	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			2	1FE	3,158,910	110.233	3,306,990	3,000,000	3,079,618		(21,019)			5.000	4.167	JD	6,667	150,000	06/15/2011.	06/15/2031.
64972G KE 3	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			2	1FE	2,399,580	119.670	2,393,400	2,000,000	2,340,977		(33,027)			5.000	2.831	JD	4,444	100,000	03/01/2016.	06/15/2036.
64972H VS 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	9,237,600	117.370	9,389,600	8,000,000	9,205,328		(32,272)			5.000	2.640	JJ	184,444		10/12/2017.	07/15/2040.
64983S FU 4	NEW YORK ST DORM AUTH REVS NON ST SUPPOR				1FE	3,263,081	128.588	3,317,570	2,580,000	3,106,641		(29,877)			5.500	3.580	JJ	70,950	141,900	04/19/2012.	07/01/2031.
649883 2J 3	NEW YORK ST MTG AGY HOMEOWNER MTG REV			2	1FE	3,805,200	107.611	3,766,385	3,500,000	3,801,317		(3,883)			4.000	2.880	AO	17,500		10/11/2017.	04/01/2040.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV			2	1FE	1,720,355	103.006	1,673,848	1,625,000	1,693,026		(9,847)			3.500	2.766	AO	14,219	60,378	02/11/2015.	10/01/2034.
64990A GD 1	NEW YORK ST DORM AUTH SALES TAX REV ST S			2	1FE	8,232,156	121.438	8,136,346	6,700,000	8,186,412		(45,744)			5.000	2.309	MS	143,306		09/06/2017.	03/15/2031.
64990E W8 6	NEW YORK ST DORM AUTH ST PERS INCOME TAX			2	1FE	5,690,400	119.417	5,970,850	5,000,000	5,552,349		(61,882)			5.000	3.360	MS	73,611	250,000	09/17/2015.	03/15/2034.
658196 2M 1	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1FE	500,280	103.543	517,715	500,000	500,054		(51)			5.000	4.989	JJ	12,500	25,000	03/10/2011.	01/01/2026.
658196 QY 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1FE	2,319,940	116.538	2,330,760	2,000,000	2,112,449		(25,153)			6.000	4.450	JJ	60,000	120,000	01/04/2008.	01/01/2022.
658196 Z2 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS			2	1FE	5,984,640	104.035	6,242,100	6,000,000	5,996,677		3,146			5.500	5.558	JJ	165,000	330,000	01/13/2011.	01/01/2026.
658203 4V 3	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			2	1	4,078,533	103.492	4,419,108	4,270,000	4,210,521		55,814			5.000	6.461	JJ	106,750	213,500	01/13/2011.	01/01/2030.
658203 5C 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			2	1	1,652,427	103.220	1,785,706	1,730,000	1,672,547		3,334			5.000	5.379	JJ	43,250	86,500	01/13/2011.	01/01/2030.
65820A AJ 7	NORTH CAROLINA CAP FACS FIN AGY SOLID WA			2	1FE	10,448,000	105.594	11,087,370	10,500,000	10,460,932		2,030			4.375	4.411	AO	114,844	459,375	08/09/2011.	10/01/2031.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	987,147	104.448	1,044,480	1,000,000	996,295		4,225			4.750	5.025	JD	3,958	47,500	10/22/2009.	06/01/2030.
65821D DW 8	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	2,030,000	107.713	2,154,260	2,000,000	2,008,571		(3,272)			5.000	4.810	JD	8,333	100,000	04/22/2010.	06/01/2035.
65821D DX 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,119,880	107.713	1,077,130	1,000,000	1,042,922		(16,854)			5.000	3.140	JD	4,167	50,000	02/22/2013.	06/01/2042.
65821D FW 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,553,715	109.984	1,649,760	1,500,000	1,517,732		(5,745)			5.000	4.550	MN	12,500	75,000	10/22/2010.	11/01/2030.
65821D LH 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	9,165,865	112.504	9,562,840	8,500,000	8,888,563		(79,490)			5.000	3.862	JD	35,417	425,000	06/27/2013.	06/01/2032.
65821D NE 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	5,327,000	105.198	5,259,900	5,000,000	5,175,994		(32,553)			4.000	3.220	JD	16,667	200,000	01/15/2013.	12/01/2033.
65821D SM 4	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	3,558,060	113.840	3,415,200	3,000,000	3,482,695		(58,310)			5.000	2.600	JD	12,500	150,000	09/09/2016.	06/01/2040.
65821D SN 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	3,939,880	113.429	3,970,015	3,500,000	3,912,878		(27,002)			5.000	3.200	JD	14,583	87,500	06/08/2017.	06/01/2045.
65821D VJ 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,114,950	108.935	1,089,350	1,000,000	1,100,370		(10,512)			4.000	2.661	JD	3,333	40,000	08/04/2016.	06/01/2036.
65825P CA 6	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	1,066,858	104.542	1,045,420	1,000,000	1,011,407		(8,177)			5.000	4.110	MN	8,333	50,000	04/16/2009.	05/01/2023.
65825P CB 4	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	1,056,760	104.542	1,045,420	1,000,000	1,009,730		(6,964)			5.000	4.240	MN	8,333	50,000	04/16/2009.	05/01/2024.
65825P DD 9	NORTH CAROLINA ST CAP IMPT LTD OBLIG			2	1FE	4,909,100	106.315	5,315,750	5,000,000	4,964,551		31,626			4.500	4.825	MN	37,500	225,000	03/22/2011.	05/01/2028.
65887P RB 3	NORTH DAKOTA PUB FIN AUTH			2	1FE	1,801,441	117.036	1,825,762	1,560,000	1,745,125		(21,807)			5.000	3.190	JD	6,500	78,000	04/24/2015.	06/01/2032.
66285W LS 3	NORTH TEX TWY AUTH REV			2	1FE	3,481,691	115.099	3,596,844	3,125,000	3,373,731		(36,629)			5.000	3.517	JJ	78,125	156,250	11/06/2014.	01/01/2030.
664754 Y5 1	NORTHERN ARIZ UNIV REVS			2	1FE	3,061,543	114.507	3,171,844	2,770,000	2,944,440		(27,607)			5.000	3.740	FA	57,708	138,500	06/05/2013.	08/01/2029.
677632 PA 3	OHIO ST UNIV GEN RCPTS			1	1FE	1,484,895	112.840	1,692,600	1,500,000	1,484,873		8			4.800	4.849	JD	6,000	72,000	10/20/2011.	06/01/2111.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
679111 WR 1	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	146,595	117.539	152,801	130,000	145,129		(1,465)			5.000	3.331	JJ	3,250	2,582	02/01/2017.	01/01/2037.
679111 XB 5	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	292,760	117.381	305,191	260,000	289,870		(2,890)			5.000	3.351	JJ	6,500	5,164	02/01/2017.	01/01/2038.
679111 XU 3	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	1,798,680	119.492	1,792,380	1,500,000	1,797,848		(832)			5.000	2.520	JJ	2,083		12/07/2017.	01/01/2036.
682004 DW 3	OMAHA PUB PWR DIST NEB SEPARATE ELEC REV			2	1FE	2,351,240	119.124	2,382,480	2,000,000	2,261,632		(32,766)			5.000	2.941	FA	41,667	100,000	02/27/2015.	02/01/2028.
684618 AN 1	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,135,640	111.573	1,115,730	1,000,000	1,056,193		(13,841)			5.000	3.390	AO	12,500	50,000	09/14/2011.	10/01/2024.
684618 AP 6	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,123,000	111.573	1,115,730	1,000,000	1,051,158		(12,560)			5.000	3.530	AO	12,500	50,000	09/14/2011.	10/01/2025.
684618 AQ 4	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,226,380	111.573	2,231,460	2,000,000	2,094,449		(23,128)			5.000	3.640	AO	25,000	100,000	09/14/2011.	10/01/2026.
684618 BH 3	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,748,900	113.258	2,831,450	2,500,000	2,624,375		(23,625)			4.750	3.600	AO	29,688	118,750	03/30/2012.	10/01/2032.
708692 AJ 7	PENNSYLVANIA ECONOMIC DEV FING AUTH SOLI				1FE	2,000,000	103.000	2,060,000	2,000,000	2,000,000					1.500	2.625	MN	8,750	52,500	10/31/2014.	11/01/2021.
70869P HY 6	PENNSYLVANIA ECONOMIC DEV FING AUTH REV				2FE	3,804,210	101.067	3,582,825	3,545,000	3,585,176		(79,782)			4.000	1.701	JD	71,294	141,800	02/25/2015.	06/30/2018.
70870J AW 8	PENNSYLVANIA ECONOMIC DEV FING AUTH UPMC			2	1FE	1,042,180	106.458	1,064,580	1,000,000	1,041,398		(782)			4.000	3.500	MN	8,889		09/28/2017.	11/15/2035.
70917S R7 0	PENNSYLVANIA ST HIGHER EDL FACS AUTH REV			2	1FE	1,665,944	119.737	1,700,265	1,420,000	1,664,799		(1,145)			5.000	2.931	FA	3,550		11/29/2017.	08/15/2031.
709222 CN 1	PENNSYLVANIA ST TPK COMMN REGISTRATION F				1FE	3,937,220	108.687	3,804,045	3,500,000	3,594,348		(34,578)			5.250	4.120	JJ	84,729	183,750	08/02/2005.	07/15/2020.
709224 D4 8	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	2,972,325	119.114	2,977,850	2,500,000	2,970,844		(1,481)			5.000	2.810	JD	4,167		12/05/2017.	12/01/2030.
709224 D5 5	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,184,160	118.638	1,186,380	1,000,000	1,183,584		(576)			5.000	2.860	JD	1,667		12/05/2017.	12/01/2031.
709224 D6 3	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,769,115	118.164	1,772,460	1,500,000	1,768,275		(840)			5.000	2.910	JD	2,500		12/05/2017.	12/01/2032.
709224 KY 4	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,115,320	116.593	1,165,930	1,000,000	1,104,365		(10,955)			5.000	3.480	JD	4,167	50,000	01/06/2017.	12/01/2035.
709235 WV 3	PENNSYLVANIA ST UNIV			2	1FE	861,840	122.853	829,258	675,000	835,898		(16,859)			5.000	1.991	MS	11,250	33,750	06/08/2016.	09/01/2027.
717817 UH 1	PHILADELPHIA PA ARPT REV			2	1FE	1,153,950	116.597	1,165,970	1,000,000	1,153,489		(461)			5.000	3.120	JJ	1,528		12/15/2017.	07/01/2035.
717893 YU 9	PHILADELPHIA PA WTR & WASTEWTR REV			2	1FE	10,310,000	114.643	11,464,300	10,000,000	10,210,896		(27,240)			5.000	4.621	JJ	250,000	500,000	02/11/2014.	07/01/2043.
71884A YY 9	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX			2	1FE	1,168,880	118.339	1,183,390	1,000,000	1,129,864		(15,193)			5.000	3.050	JJ	25,000	50,000	04/22/2015.	07/01/2032.
720175 VA 3	PIEDMONT MUN PWR AGY S C ELEC REV				1FE	1,193,760	100.000	1,085,000	1,085,000	1,085,000		(16,926)			5.000	3.400	JJ	27,125	54,250	11/17/2010.	01/01/2018.
720175 XD 5	PIEDMONT MUN PWR AGY S C ELEC REV			2	1FE	5,065,600	112.092	5,604,600	5,000,000	5,026,326		(6,636)			5.750	5.582	JJ	143,750	287,500	02/24/2011.	01/01/2034.
725304 SL 4	PITTSBURGH PA WTR & SWR AUTH WTR & SWR S			2	1FE	3,632,685	113.343	3,967,005	3,500,000	3,584,638		(12,852)			5.000	4.511	MS	58,333	175,000	01/07/2014.	09/01/2031.
74444Y AW 4	PUBLIC FIN AUTH WIS LEASE DEV REV			2	1FE	4,450,563	114.534	4,581,360	4,000,000	4,422,781		(27,782)			5.000	3.500	MS	66,667	100,000	05/11/2017.	03/01/2046.
74445M AB 5	PUBLIC FIN AUTH WIS SOLID WASTE DISP REV			2	1FE	285,000	101.146	288,266	285,000	285,000					2.875	2.875	MN	1,366	8,194	05/05/2016.	05/01/2027.
751120 BD 7	RALEIGH N C LTD OBLIG			2	1FE	3,085,560	114.332	3,429,960	3,000,000	3,053,901		(8,014)			5.000	4.640	AO	37,500	150,000	09/19/2013.	10/01/2038.
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN		C		2FE	1,437,860	111.250	1,557,500	1,400,000	1,437,611		(249)			5.100	4.931	JD	2,578	66,300	07/13/2017.	06/18/2050.
762196 EU 3	RHODE IS HEALTH & EDL BLDG CORP PUB SCHS				1FE	1,809,224	109.328	1,743,782	1,595,000	1,765,212		(29,833)			4.000	1.900	MN	8,152	63,800	07/05/2016.	05/15/2023.
76221U ER 3	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			2	1FE	2,027,826	108.697	1,956,546	1,800,000	1,869,198		(11,108)			5.000	3.519	AO	22,500	45,000	06/10/2010.	10/01/2023.
76221U FB 7	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			2	1FE	112,657	108.809	108,809	100,000	103,844		(617)			5.000	3.519	AO	1,250	2,500	06/10/2010.	10/01/2023.
764791 BA 6	RICHMOND IND HOSP AUTH REV			2	1FE	1,683,405	112.688	1,690,320	1,500,000	1,636,570		(16,926)			5.000	3.521	JJ	37,500	75,000	02/11/2015.	01/01/2035.
79165T UA 7	ST LOUIS MO MUN FIN CORP LEASEHOLD REV			2	1FE	2,874,475	116.418	2,910,450	2,500,000	2,867,474		(7,001)			5.000	3.230	AO	37,500		10/11/2017.	10/01/2038.
792905 DG 3	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	1,704,072	115.364	1,776,606	1,540,000	1,667,984		(14,545)			5.000	3.720	JJ	38,500	77,000	05/29/2015.	07/01/2032.
792905 DH 1	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	375,020	115.072	391,245	340,000	367,330		(3,101)			5.000	3.760	JJ	8,500	17,000	05/29/2015.	07/01/2033.
796253 7G 1	SAN ANTONIO TEX ELEC & GAS REV			2	1FE	2,830,357	120.890	2,846,960	2,355,000	2,816,181		(14,176)			5.000	2.670	FA	49,063		08/10/2017.	02/01/2035.
796253 7H 9	SAN ANTONIO TEX ELEC & GAS REV			2	1FE	2,300,141	120.701	2,317,459	1,920,000	2,288,825		(11,316)			5.000	2.711	FA	40,000		08/10/2017.	02/01/2036.
79739G GK 6	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	577,745	118.965	594,825	500,000	574,964		(2,781)			5.000	3.161	JJ	10,278		07/19/2017.	07/01/2035.
79739G GL 4	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	864,548	118.781	890,858	750,000	860,455		(4,092)			5.000	3.191	JJ	15,417		07/19/2017.	07/01/2036.
79739G GM 2	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	863,175	118.505	888,788	750,000	859,136		(4,039)			5.000	3.211	JJ	15,417		07/19/2017.	07/01/2037.
79765R SU 4	SAN FRANCISCO CALIF CITY & CNTY PUB UTIL			1	1FE	1,740,546	113.853	2,049,354	1,800,000	1,762,309		3,703			5.500	5.837	MN	16,500	99,000	02/17/2011.	11/01/2025.
798111 GG 9	SAN JOAQUIN HILLS CALIF TRANSN CORRIDOR			2	2FE	1,526,153	116.804	1,600,215	1,370,000	1,484,260		(14,004)			5.000	3.646	JJ	31,586	68,500	10/23/2014.	01/15/2029.
800618 AD 2	SANFORD N C ENTERPRISE SYS REV			1,2	1FE	3,820,000	108.323	4,137,939	3,820,000	3,820,000					5.920	5.920	JD	18,845	226,144	12/08/2010.	06/01/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG			2	1FE	2,689,657	105.686	2,610,444	2,470,000	2,626,581		(21,575)			4.000	2.922	JJ	51,800	103,899	12/01/2014.	07/01/2041.
837151 HZ 5	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	1,721,025	111.791	1,676,865	1,500,000	1,672,661		(26,424)			5.000	2.870	JD	6,250	75,000	02/19/2016.	12/01/2038.
837151 KQ 1	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	2,146,820	113.802	2,276,040	2,000,000	2,133,447		(13,373)			5.000	3.890	JD	8,333	100,000	03/06/2017.	12/01/2034.
837151 PT 0	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	3,203,910	114.368	3,431,040	3,000,000	3,190,497		(13,413)			5.000	4.100	JD	12,500	150,000	04/06/2017.	12/01/2037.
837545 LX 8	SOUTH DAKOTA CONSERVANCY DIST REV			2	1FE	2,536,757	121.364	2,554,712	2,105,000	2,523,155		(13,601)			5.000	2.640	FA	37,422		08/04/2017.	08/01/2035.
837545 LY 6	SOUTH DAKOTA CONSERVANCY DIST REV			2	1FE	1,562,860	121.175	1,575,275	1,300,000	1,554,591		(8,269)			5.000	2.670	FA	23,111		08/04/2017.	08/01/2036.
83755V XD 1	SOUTH DAKOTA ST HEALTH & EDL FACS AUTH R			2	1FE	3,473,250	113.317	3,399,510	3,000,000	3,341,747		(44,214)			5.000	3.134	MN	25,000	150,000	10/16/2014.	11/01/2034.
83756C TC 9	SOUTH DAKOTA HSG DEV AUTH			2	1FE	3,156,766	107.177	3,102,774	2,895,000	3,155,073		(1,693)			4.000	2.895	MN	7,720		11/07/2017.	11/01/2047.
860820 DM 8	STILLWATER OKLA UTILS AUTH UTIL SYS & SA			2	1FE	2,831,354	116.775	2,907,698	2,490,000	2,745,785		(33,348)			5.000	3.290	AO	31,125	124,500	07/29/2014.	10/01/2032.
870487 CG 8	SWEETWATER CNTY WYO POLLUTION CTL REV			2	1FE	13,000,000	105.693	13,740,090	13,000,000	13,000,000					5.250	5.250	FA	284,375	682,500	12/16/2010.	07/15/2026.
880557 6V 0	TENNESSEE ST SCH BD AUTH			2	1FE	5,970,834	101.187	5,448,920	5,385,000	5,413,620		(84,680)			5.000	3.370	MN	44,875	269,250	09/02/2010.	05/01/2030.
880558 JR 3	TENNESSEE ST SCH BD AUTH			2	1FE	3,618,690	121.856	3,655,680	3,000,000	3,603,587		(15,103)			5.000	2.661	MN	25,000	16,667	09/14/2017.	11/01/2036.
88283K AJ 7	TEXAS TRANSN COMMN CENT TEX TPK SYS REV				1FE	2,333,180	106.504	2,130,080	2,000,000	2,145,269		(64,583)			5.000	1.621	FA	37,778	100,000	01/22/2015.	08/15/2042.
88283L GW 0	TEXAS TRANSN COMMN ST HWY FD REV				1FE	11,338,011	119.961	12,607,901	10,510,000	10,917,136		(55,242)			5.250	4.531	AO	137,944	551,775	07/25/2008.	04/01/2024.
899676 KU 3	TULSA OKLA TULSA INDL AUTH REV			2	1FE	999,975	100.225	1,002,250	1,000,000	999,984		1			4.500	4.500	AO	11,250	45,000	03/31/2010.	10/01/2026.
913366 DF 4	UNIV CALIF REGTS MED CTR POOLED REV			1	1FE	2,000,000	141.054	2,821,080	2,000,000	2,000,000					6.583	6.582	MN	16,823	131,660	12/04/2009.	05/15/2049.
914072 PK 3	UNIVERSITY ARK UNIV REV			2	1FE	4,589,600	114.527	4,581,080	4,000,000	4,353,489		(54,097)			5.000	3.320	MN	33,333	200,000	04/18/2013.	11/01/2037.
91412F 7X 9	UNIVERSITY CALIF REVS			1,2	1FE	999,290	104.944	1,049,440	1,000,000	999,681		15			6.270	6.274	MN	8,012	62,700	08/19/2009.	05/15/2031.
914714 CN 8	UNIVERSITY N C CHAPEL HILL UNIV N C HOSP			1,2	1FE	2,500,000	112.132	2,803,300	2,500,000	2,500,000					6.329	6.330	FA	65,927	158,225	11/10/2010.	02/01/2031.
914720 JC 2	UNIVERSITY N C SYS POOL REV				1FE	4,799,660	104.401	4,541,444	4,350,000	4,401,703		(39,577)			5.250	4.260	AO	57,094	228,375	03/23/2005.	04/01/2019.
914720 YH 4	UNIVERSITY N C SYS POOL REV			2	1FE	1,600,644	107.967	1,565,522	1,450,000	1,498,634		(20,403)			5.250	3.680	AO	19,031	76,125	07/31/2013.	04/01/2022.
917565 ET 6	UTAH TRAN AUTH SALES TAX REV				1FE	5,783,450	128.667	6,433,350	5,000,000	5,563,536		(38,094)			5.250	4.013	JD	11,667	262,500	07/27/2011.	06/15/2029.
917565 GR 8	UTAH TRAN AUTH SALES TAX REV			1	1FE	3,182,850	126.543	3,796,290	3,000,000	3,150,138		(7,972)			5.000	4.500	JD	6,667	150,000	07/17/2013.	06/15/2031.
919061 EY 3	VALDEZ ALASKA MARINE TERM REV				1FE	1,122,700	108.891	1,088,910	1,000,000	1,044,396		(13,820)			5.000	3.430	JJ	25,000	50,000	10/21/2011.	01/01/2021.
924190 KZ 3	VERMONT HSG FIN AGY			2	1FE	1,209,235	106.346	1,175,123	1,105,000	1,195,560		(10,129)			4.000	2.826	MN	7,367	54,049	07/15/2016.	11/01/2046.
924190 PA 3	VERMONT HSG FIN AGY			2	1FE	1,408,784	106.855	1,389,115	1,300,000	1,406,924		(1,860)			4.000	2.937	MN	8,811		10/20/2017.	05/01/2048.
927781 VQ 4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R			1	1FE	2,004,400	103.478	2,069,560	2,000,000	2,001,339		(468)			4.000	3.973	MS	26,667	80,000	10/28/2010.	09/01/2020.
927793 WM 7	VIRGINIA COMWLTH TRANSN BRD TRANSN REV			2	1FE	5,129,700	106.936	5,346,800	5,000,000	5,074,562		(15,480)			4.000	3.628	MN	25,556	200,000	06/05/2012.	05/15/2034.
928172 RH 0	VIRGINIA ST PUB BLDG AUTH PUB FACS REV			2	1FE	8,887,161	102.147	9,223,874	9,030,000	9,011,509		30,374			5.125	5.487	FA	192,828	462,788	12/04/2008.	08/01/2025.
92818M CM 0	VIRGINIA ST RES AUTH CLEAN WTR REV			2	1FE	3,804,317	114.781	4,068,986	3,545,000	3,699,393		(26,393)			5.000	4.000	MN	29,542	162,500	01/29/2014.	11/01/2042.
92818M DA 5	VIRGINIA ST RES AUTH CLEAN WTR REV			2	1FE	1,561,433	112.804	1,641,298	1,455,000	1,518,368		(11,636)			5.000	4.000	MN	12,125	72,750	01/29/2014.	11/01/2042.
930868 BX 1	WAKE CNTY N C INDL FACS & POLLUTION CTL			2	1FE	3,997,000	105.778	4,231,120	4,000,000	3,997,246		70			4.000	4.005	JD	13,333	160,000	06/02/2014.	06/01/2041.
930876 AZ 0	WAKE CNTY N C LTD OBLIG			2	1FE	3,862,929	104.868	3,670,380	3,500,000	3,573,700		(49,996)			5.000	3.461	JD	14,583	175,000	07/31/2013.	06/01/2023.
930876 BB 2	WAKE CNTY N C LTD OBLIG			2	1FE	1,179,722	104.868	1,153,548	1,100,000	1,120,896		(14,151)			5.000	3.610	JD	4,583	55,000	07/31/2013.	06/01/2024.
930876 BY 2	WAKE CNTY N C LTD OBLIG			2	1FE	6,556,794	106.689	6,299,985	5,905,000	6,055,108		(71,058)			5.000	3.670	JJ	147,625	295,250	12/11/2009.	01/01/2025.
93978H LE 3	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	4,621,922	116.050	4,688,420	4,040,000	4,466,111		(51,870)			5.000	3.332	MS	67,333	202,000	10/23/2014.	03/01/2030.
93978H QT 5	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	1,617,300	114.582	1,718,730	1,500,000	1,592,352		(10,350)			5.000	4.040	JJ	37,500	75,000	06/24/2015.	01/01/2033.
944514 MN 5	WAYNE CNTY MICH ARPT AUTH REV			2	1FE	4,051,019	110.992	4,056,758	3,655,000	3,911,911		(60,851)			5.000	3.080	JD	15,229	182,750	08/27/2015.	12/01/2022.
95648V AS 8	WEST VIRGINIA ECONOMIC DEV AUTH SOLID WA			2	2FE	3,333,360	108.785	3,263,550	3,000,000	3,190,262		(65,207)			5.375	3.010	JD	13,438	161,250	10/20/2015.	12/01/2038.
958697 JV 7	WESTERN MINN MUN PWR AGY MINN PWR SUPPLY			2	1FE	3,333,420	115.159	3,454,770	3,000,000	3,231,625		(34,058)			5.000	3.560	JJ	75,000	150,000	07/02/2014.	01/01/2040.
961017 PF 1	WESTMORELAND CNTY PA MUN AUTH MUN SVC RE			2	1FE	5,173,050	112.854	5,642,700	5,000,000	5,110,486		(16,892)			5.000	4.550	FA	94,444	250,000	01/08/2014.	08/15/2031.
967338 UB 8	WICHITA KANS WTR & SWR UTIL REV			2	1FE	3,642,963	111.189	3,563,607	3,205,000	3,413,504		(51,656)			5.000	3.146	AO	40,063	160,250	11/15/2011.	10/01/2025.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
967338 UC 6	WICHITA KANS WTR & SWR UTIL REV			2	1FE	4,819,840	110.997	4,717,373	4,250,000	4,489,208		(58,925)			5.000	3.388	AO	53,125	212,500	11/02/2011.	10/01/2026.
967338 UD 4	WICHITA KANS WTR & SWR UTIL REV			2	1FE	4,941,079	110.806	4,869,924	4,395,000	4,624,984		(56,506)			5.000	3.497	AO	54,938	219,750	11/02/2011.	10/01/2027.
971697 BN 6	WILMINGTON N C LTD OBLIG REV			2	1FE	585,785	113.328	566,640	500,000	541,268		(8,621)			5.000	2.990	JD	2,083	25,000	06/12/2012.	06/01/2024.
975700 HV 0	WINSTON-SALEM N C MULTIFAMILY REV			2	1FE	422,800	103.406	413,624	400,000	405,091		(3,470)			4.000	3.073	JD	1,333	16,000	06/07/2010.	06/01/2022.
975706 GT 3	WINSTON SALEM ST UNIV N C REV			2	1FE	1,120,470	118.738	1,187,380	1,000,000	1,113,341		(7,129)			5.000	3.610	AO	12,500	24,444	03/31/2017.	10/01/2042.
97689Q FK 7	WISCONSIN HSG & ECONOMIC DEV AUTH HOME O			2	1FE	2,863,714	107.281	2,832,218	2,640,000	2,859,690		(4,015)			4.000	2.957	MS	19,653		10/06/2017.	03/01/2048.
977100 FG 6	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1	805,720	105.851	740,957	700,000	717,954		(11,782)			6.000	4.001	MN	7,000	42,000	03/03/2010.	05/01/2026.
977100 FM 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1	958,624	105.523	976,088	925,000	931,492		(4,153)			5.750	5.197	MN	8,865	53,188	02/03/2011.	05/01/2033.
977100 FQ 4	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1FE	8,407,677	105.864	7,728,072	7,300,000	7,487,235		(123,233)			6.000	4.001	MN	73,000	438,000	03/03/2010.	05/01/2026.
977100 FV 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION			2	1FE	9,404,876	105.523	9,576,203	9,075,000	9,138,691		(40,741)			5.750	5.197	MN	86,969	521,813	02/03/2011.	05/01/2033.
97712D CZ 7	WISCONSIN ST HEALTH & EDL FACS AUTH REV			2	1FE	1,247,389	111.314	1,224,454	1,100,000	1,197,697		(16,670)			5.125	3.281	AO	11,901	56,375	10/20/2014.	04/15/2031.
97712D QR 0	WISCONSIN ST HEALTH & EDL FACS AUTH REV			2	1FE	2,072,540	105.393	2,107,860	2,000,000	2,071,970		(570)			4.000	3.500	MN	10,222		11/30/2017.	11/15/2039.
982674 GW 7	WYANDOTTE CNTY KANS CITY KANS UNI GOVT U			2	1FE	5,780,900	112.431	5,621,550	5,000,000	5,398,128		(78,098)			5.000	3.150	MS	83,333	250,000	10/03/2012.	09/01/2032.
P14517 AA 7	BANCO NACIONAL DE COMERCIO EXTERIOR SNC		C	1	2FE	310,125	104.250	312,750	300,000	309,561		(564)			4.375	3.896	AO	2,807	6,563	06/05/2017.	10/14/2025.
P42009 AA 1	FONDO MIVIVIENDA SA		C	1	2FE	612,060	100.640	603,840	600,000	611,197		(863)			3.500	3.100	JJ	8,808	7,000	09/12/2017.	01/31/2023.
2599999. U.S. Special Revenue & Assessment Obligations - Issuer Obligations						906,264,709	XXX	934,719,350	829,560,000	882,231,820	0	(6,252,235)	0	0	XXX	XXX	XXX	10,913,071	34,076,562	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																					
3128MA BS 7	FH G07849 - RMBS			4	1	2,847,880	103.381	2,789,441	2,698,214	2,846,817		(716)			3.500	2.602	MON	7,870	95,519	05/18/2016.	05/01/2044.
3128MA GC 7	FH G07995 - RMBS			4	1	1,556,397	111.100	1,528,536	1,375,820	1,566,617		6,639			5.500	2.361	MON	6,306	77,234	02/22/2016.	01/01/2039.
3128ME 6K 2	FH G16074 - RMBS			4	1	4,974,783	102.028	4,921,347	4,823,526	4,970,498		(4,286)			3.000	2.292	MON	12,059	57,935	07/28/2017.	02/01/2032.
3128MJ 2L 3	FH G08778 - RMBS			4	1	7,516,153	100.125	7,419,187	7,409,925	7,514,161		(1,992)			3.000	2.820	MON	18,525	55,786	09/07/2017.	09/01/2047.
3128MJ 2R 0	FH G08783 - RMBS			4	1	11,564,773	100.151	11,441,011	11,423,761	11,561,682		(3,091)			3.000	2.847	MON	28,559	85,931	09/06/2017.	10/01/2047.
3128MJ S6 8	FH G08540 - RMBS			4	1	2,084,732	100.497	2,120,942	2,110,453	2,086,143		(190)			3.000	3.175	MON	5,276	63,906	07/28/2014.	08/01/2043.
3128MJ TA 8	FH G08544 - RMBS			4	1	2,111,822	100.497	2,163,561	2,152,861	2,114,641		(99)			3.000	3.270	MON	5,382	65,188	07/16/2014.	09/01/2043.
3128MJ UV 0	FH G08595 - RMBS			4	1	4,755,820	104.655	4,711,797	4,502,219	4,762,420		6,681			4.000	2.787	MON	15,007	183,383	07/18/2014.	07/01/2044.
3128MJ YC 8	FH G08706 - RMBS			4	1	6,590,614	102.894	6,563,916	6,379,300	6,592,878		2,265			3.500	2.952	MON	18,606	75,482	08/08/2017.	05/01/2046.
3128MJ YR 5	FH G08719 - RMBS			4	1	2,133,372	96.774	2,104,167	2,174,310	2,133,821		449			2.500	2.750	MON	4,530	13,654	09/06/2017.	08/01/2046.
3128MJ YU 8	FH G08722 - RMBS			4	1	4,331,587	102.895	4,212,466	4,093,946	4,325,520		(1,810)			3.500	2.600	MON	11,941	144,831	09/06/2016.	09/01/2046.
3128P7 TC 7	FH C91447 - RMBS			4	1	1,947,188	104.111	1,899,051	1,824,064	1,941,779		(6,421)			3.500	1.934	MON	5,320	64,727	06/28/2016.	05/01/2032.
3128P8 EX 5	FH C91950 - RMBS			4	1	3,810,884	103.756	3,775,284	3,638,618	3,805,880		(5,003)			3.500	2.609	MON	10,613	32,011	09/07/2017.	09/01/2037.
312936 6F 9	FH A89870 - RMBS			4	1	3,450,244	106.716	3,403,316	3,189,134	3,492,598		15,147			4.500	2.585	MON	11,959	146,353	07/08/2014.	11/01/2039.
312943 UJ 0	FH A95085 - RMBS			4	1	5,116,291	105.026	5,089,535	4,845,976	5,113,929		(205)			4.000	2.908	MON	16,153	196,638	07/08/2014.	11/01/2040.
3132HR MY 3	FH Q14875 - RMBS			4	1	2,073,363	100.648	2,008,650	1,995,718	2,077,722		2,691			3.000	2.402	MON	4,989	60,691	07/19/2016.	01/01/2043.
3132J7 TM 4	FH Q16455 - RMBS			4	1	1,870,946	100.646	1,915,049	1,902,758	1,870,335		(611)			3.000	3.263	MON	4,757	43,291	03/09/2017.	03/01/2043.
3132L7 F9 5	FH V81992 - RMBS			4	1	3,583,744	104.615	3,554,471	3,397,669	3,586,464		2,720			4.000	2.915	MON	11,326	23,104	09/26/2017.	10/01/2045.
31335A CA 4	FH G60065 - RMBS			4	1	2,108,668	105.020	2,102,812	2,002,296	2,108,764		96			4.000	2.946	MON	6,674	54,148	03/23/2017.	09/01/2043.
31335A NJ 3	FH G60393 - RMBS			4	1	3,415,701	103.192	3,353,892	3,250,147	3,400,388		(2,639)			3.500	2.744	MON	9,480	114,897	02/23/2016.	01/01/2046.
31335A WL 8	FH G60651 - RMBS			4	1	4,267,396	104.848	4,252,991	4,056,339	4,266,482		(914)			4.000	2.986	MON	13,521	13,605	11/09/2017.	06/01/2046.
31335B CZ 7	FH G60988 - RMBS			4	1	4,459,524	100.271	4,423,914	4,411,958	4,459,126		(398)			3.000	2.850	MON	11,030	33,321	09/15/2017.	05/01/2047.
3136AK 5X 7	FNR 1467A PL - CMO/RMBS			4	1	4,813,261	101.031	4,744,279	4,695,865	4,810,805		(2,456)			3.000	2.374	MON	11,740	47,545	08/17/2017.	04/25/2043.
3136AX BX 2	FNR 1756A PA - CMO/RMBS			4	1	6,561,053	100.597	6,438,609	6,400,398	6,558,478		(2,575)			3.000	2.444	MON	16,001	64,687	08/24/2017.	12/25/2045.
3136AX QN 8	FNR 1758A P - CMO/RMBS			4	1	9,929,902	100.406	9,750,824	9,711,396	9,922,482		(7,420)			3.000	2.559	MON	24,278	97,765	08/09/2017.	06/25/2046.
3137BX GR 7	FHR 4678D MA - CMO/RMBS			4	1	9,536,388	101.030	9,397,717	9,301,907	9,522,705		(13,683)			3.000	2.308	MON	23,255	93,576	08/23/2017.	08/15/2044.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3137F1 XN 3	FHR 4698A HP - CMO/RMBS			4	1	4,714,602	100.910	4,663,149	4,621,097	4,709,959		(4,643)			3.000	2.542	MON	11,553	58,119	07/26/2017.	05/15/2046.
3137F2 ZF 6	FHR 4712 PA - CMO/RMBS			4	1	9,749,794	100.728	9,589,281	9,519,976	9,739,519		(10,275)			3.000	2.396	MON	23,800	95,807	08/24/2017.	12/15/2045.
3138AM UJ 2	FN AI7784 - RMBS			4	1	1,309,283	107.178	1,302,332	1,215,111	1,312,055		2,772			4.500	2.825	MON	4,557	37,146	03/29/2017.	07/01/2041.
3138E0 RA 9	FN AJ7680 - RMBS			4	1	4,594,229	103.316	4,621,293	4,472,970	4,582,361		(1,017)			3.500	3.061	MON	13,046	158,495	07/10/2014.	12/01/2041.
3138EH B8 4	FN AL0962 - RMBS			4	1	496,516	107.701	486,484	451,699	497,358		(1,304)			4.500	2.423	MON	1,694	20,586	05/27/2016.	10/01/2041.
3138EP EP 5	FN AL6441 - RMBS			4	1	1,427,803	105.576	1,413,963	1,339,284	1,419,552		1,541			4.000	2.736	MON	4,464	54,518	07/09/2015.	02/01/2045.
3138EQ 5E 8	FN AL8044 - RMBS			4	1	2,559,356	107.188	2,545,269	2,374,584	2,566,237		6,881			4.500	2.812	MON	8,905	72,658	03/29/2017.	11/01/2042.
3138EQ RG 9	FN AL7686 - RMBS			4	1	3,728,442	102.098	3,634,589	3,559,902	3,699,445		(13,359)			3.000	2.027	MON	8,900	107,897	02/18/2016.	12/01/2030.
3138EQ TZ 5	FN AL7767 - RMBS			4	1	2,517,321	107.191	2,499,188	2,331,528	2,522,936		5,615			4.500	2.779	MON	8,743	97,930	01/06/2017.	06/01/2044.
3138EQ VQ 2	FN AL7822 - RMBS			4	1	2,115,203	105.071	2,059,626	1,960,223	2,117,598		866			4.000	2.495	MON	6,534	79,541	11/04/2016.	07/01/2043.
3138ES B6 4	FN AL9960 - RMBS			4	1	4,639,269	100.560	4,628,366	4,602,592	4,638,743		(526)			3.000	2.869	MON	11,506	69,755	05/19/2017.	02/01/2044.
3138L1 WL 9	FN AM1550 - RMBS			4	1	2,959,801	99.479	2,929,163	2,944,504	2,957,892		(1,909)			2.440	2.300	MON	6,187	36,579	06/12/2017.	12/01/2023.
3138LD 5G 4	FN AN1746 - RMBS			4	1	2,971,406	98.034	2,941,020	3,000,000	2,973,106		1,699			2.150	2.272	MON	5,554	32,788	06/12/2017.	09/01/2023.
3138LG X9 2	FN AN4303 - RMBS			4	1	3,686,895	102.870	3,600,450	3,500,000	3,682,377		(4,517)			3.320	2.766	MON	9,683	29,373	09/06/2017.	01/01/2029.
3138LH Q5 6	FN AN4975 - RMBS			4	1	6,210,009	102.377	6,316,661	6,170,000	6,212,980		2,971			3.210	3.267	MON	17,055	151,294	02/28/2017.	03/01/2029.
3138W7 GD 0	FN AR9195 - RMBS			4	1	3,068,180	100.598	3,052,191	3,034,047	3,068,251		71			3.000	2.820	MON	7,585	38,387	06/28/2017.	03/01/2043.
3138WF AD 8	FN AS5403 - RMBS			4	1	1,467,210	100.238	1,456,365	1,452,908	1,463,708		(616)			2.500	2.300	MON	3,027	36,923	07/13/2015.	07/01/2030.
3138WF HA 7	FN AS5624 - RMBS			4	1	1,551,461	102.100	1,520,718	1,489,440	1,538,214		(2,652)			3.000	2.169	MON	3,724	45,327	08/11/2015.	08/01/2030.
3138WQ AW 2	FN AT2720 - RMBS			4	1	5,035,997	100.599	4,973,183	4,943,571	5,036,490		69			3.000	2.710	MON	12,359	103,350	06/28/2017.	05/01/2043.
3138WQ AX 0	FN AT2721 - RMBS			4	1	1,402,446	100.560	1,406,125	1,398,294	1,402,465		19			3.000	2.943	MON	3,496		11/10/2017.	05/01/2043.
3138WT RW 8	FN AT5900 - RMBS			4	1	6,386,559	100.555	6,504,325	6,468,425	6,385,959		(2,021)			3.000	3.181	MON	16,171	196,034	07/18/2014.	06/01/2043.
3138X0 Y3 6	FN AU1629 - RMBS			4	1	1,985,114	100.549	2,022,238	2,011,197	1,985,472		(474)			3.000	3.182	MON	5,028	60,919	07/22/2014.	07/01/2043.
3138Y6 4A 9	FN AX5316 - RMBS			4	1	1,207,368	107.186	1,187,956	1,108,313	1,215,223		2,754			4.500	2.507	MON	4,156	50,772	12/11/2014.	01/01/2042.
31402R RN 1	FN 735893 - RMBS			4	1	2,892,646	108.648	2,853,040	2,625,948	2,895,833		3,187			5.000	2.640	MON	10,941	44,603	08/08/2017.	10/01/2035.
3140E2 TX 9	FN AZ9565 - RMBS			4	1	2,924,542	102.784	2,909,141	2,830,345	2,923,720		(822)			3.500	2.943	MON	8,255	50,040	05/30/2017.	12/01/2045.
3140EV TB 3	FN BC1445 - RMBS			4	1	2,708,460	100.352	2,715,024	2,705,501	2,707,976		(484)			3.000	2.976	MON	6,764	47,671	04/27/2017.	07/01/2046.
3140FQ TZ 0	FN BE5067 - RMBS			4	1	3,984,528	102.784	3,986,453	3,878,476	3,982,484		(2,044)			3.500	3.038	MON	11,312	79,911	04/25/2017.	11/01/2046.
3140J5 EV 7	FN BM1047 - RMBS			4	1	4,637,590	105.047	4,595,556	4,374,762	4,639,358		1,769			4.000	2.833	MON	14,583	88,771	05/19/2017.	02/01/2045.
3140J5 SS 9	FN BM1428 - RMBS			4	1	5,877,006	103.352	5,879,253	5,688,572	5,877,950		943			3.500	2.936	MON	16,592	16,822	10/19/2017.	09/01/2043.
3140J7 N2 7	FN BM3108 - RMBS			4	1	2,580,376	106.597	2,571,408	2,412,270	2,581,333		958			4.500	2.942	MON	9,046		12/13/2017.	08/01/2046.
31410K HA 5	FN 889525 - RMBS			4	1	488,027	108.560	473,301	435,981	496,576		3,640			5.000	1.907	MON	1,817	22,311	04/29/2015.	05/01/2036.
31417F SA 7	FN AB8612 - RMBS			4	1	5,252,922	100.549	5,247,320	5,218,669	5,252,370		(554)			3.000	2.892	MON	13,047	78,604	09/26/2017.	03/01/2043.
31418A AV 0	FN MA0919 - RMBS			4	1	2,067,965	104.047	2,025,981	1,947,179	2,065,285		(5,187)			3.500	1.988	MON	5,679	69,193	06/15/2016.	12/01/2031.
31418A BT 4	FN MA0949 - RMBS			4	1	4,273,877	104.047	4,290,311	4,123,436	4,274,723		846			3.500	2.555	MON	12,027		12/12/2017.	01/01/2032.
31418A CM 8	FN MA0975 - RMBS			4	1	3,206,452	103.319	3,169,741	3,067,917	3,212,786		1,065			3.500	2.707	MON	8,948	108,757	03/22/2016.	02/01/2042.
31418A M3 9	FN MA1277 - RMBS			4	1	4,335,162	100.545	4,296,357	4,273,069	4,317,975		(4,758)			2.500	2.164	MON	8,902	108,541	07/15/2014.	12/01/2027.
31418C EP 5	FN MA2841 - RMBS			4	1	2,320,365	98.322	2,299,031	2,338,267	2,320,605		241			2.500	2.618	MON	4,871	19,601	08/04/2017.	12/01/2036.
31418C M2 7	FN MA3076 - RMBS			4	1	9,640,526	99.938	9,574,335	9,580,275	9,637,534		(2,992)			2.500	2.359	MON	19,959	100,654	07/12/2017.	07/01/2032.
31418M GG 1	FN AD0198 - RMBS			4	1	3,639,412	110.934	3,612,837	3,256,744	3,656,234		13,123			5.500	2.683	MON	14,927	182,777	07/22/2014.	09/01/2038.
31418U EL 4	FN AD6438 - RMBS			4	1	2,145,644	107.957	2,088,587	1,934,647	2,175,844		11,909			5.000	2.288	MON	8,061	98,810	07/08/2014.	06/01/2040.
31419B CT 0	FN AE0981 - RMBS			4	1	1,630,659	103.311	1,604,906	1,553,470	1,634,223		499			3.500	2.603	MON	4,531	55,087	03/29/2016.	03/01/2041.
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities						257,802,909	XXX	255,633,282	249,983,771	257,793,844	0	(14,537)	0	0	XXX	XXX	XXX	693,146	4,811,559	XXX	XXX

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Commercial Mortgage-Backed Securities																					
3137A7 NU 0	FHMS K011 A2 - CMBS				1	2,808,188	104.656	2,668,728	2,550,000	2,722,502		(61,730)			4.084	1.544	MON	8,679	104,142	09/09/2016.	11/25/2020.
3137B2 HN 3	FHMS K028 A2 - CMBS				1	3,807,808	102.999	3,733,714	3,625,000	3,797,537		(10,271)			3.111	2.072	MON	9,398	28,193	09/08/2017.	02/25/2023.
3137B3 6J 2	FHMS K029 A2 - CMBS				1	1,474,320	103.960	1,455,440	1,400,000	1,469,353		(4,967)			3.320	2.247	MON	3,873	15,493	08/16/2017.	02/25/2023.
3137BL AC 2	FHMS K048 A2 - CMBS				1	3,659,688	103.658	3,628,030	3,500,000	3,650,111		(9,576)			3.284	2.622	MON	9,578	47,892	06/29/2017.	06/25/2025.
3137BL W9 5	FHMS K050 A2 - CMBS				1	2,953,891	103.976	2,937,322	2,825,000	2,943,066		(10,825)			3.334	2.702	MON	7,849	62,790	04/05/2017.	08/25/2025.
3137BM LC 8	FHMS K504 A2 - CMBS				1	3,270,250	100.655	3,195,796	3,175,000	3,223,353		(24,587)			2.566	1.764	MON	6,789	81,471	01/15/2016.	09/25/2020.
3137BY PQ 7	FHMS K726 A2 - CMBS				1	2,343,234	101.678	2,313,175	2,275,000	2,338,059		(5,175)			2.905	2.397	MON	5,507	33,044	06/21/2017.	04/25/2024.
3137FB BX 3	FHMS K068 A2 - CMBS				1FE	2,909,657	103.162	2,914,327	2,825,000	2,908,205		(1,452)			3.244	2.883	MON	7,637	15,274	10/18/2017.	08/25/2027.
3137FB U7 9	FHMS K069 A2 - CMBS				1FE	3,218,563	102.694	3,209,188	3,125,000	3,217,565		(998)			3.187	2.830	MON	8,299	8,299	11/08/2017.	09/25/2027.
31398E 2F 0	FHMS K003 A5 - CMBS				1	4,158,098	102.598	3,924,374	3,825,000	3,970,097		(134,936)			5.085	1.478	MON	16,208	194,501	08/03/2016.	03/25/2019.
2799999. U.S. Special Revenue - Commercial Mortgage-Backed Securities						30,603,697	XXX	29,980,094	29,125,000	30,239,848	0	(264,517)	0	0	XXX	XXX	XXX	83,817	591,099	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Other Loan-Backed and Structured Securities																					
010047 CZ 9	AKRON OHIO CTFS PARTN				1FE	1,066,019	107.150	1,023,283	955,000	1,013,403		(18,974)			5.000	2.800	JD	3,979	48,875	02/24/2015.	12/01/2030.
04048P JN 1	ARIZONA BRD REGENTS CTFS PARTN				1FE	4,707,672	111.797	4,952,607	4,430,000	4,584,050		(31,203)			5.000	4.130	JD	18,458	221,500	10/02/2013.	06/01/2028.
040588 WU 5	ARIZONA ST CTFS PARTN				1FE	1,020,209	100.586	1,005,860	1,000,000	1,000,492		(2,964)			5.000	4.691	MS	16,667	50,000	06/26/2008.	09/01/2021.
040588 WV 3	ARIZONA ST CTFS PARTN				1FE	5,099,500	100.586	5,029,300	5,000,000	5,003,387		(20,397)			5.000	4.575	MS	83,333	250,000	06/26/2008.	09/01/2022.
040588 XP 5	ARIZONA ST CTFS PARTN				1FE	5,058,750	106.074	5,303,700	5,000,000	5,014,025		(7,498)			5.250	5.080	AO	65,625	262,500	01/18/2011.	10/01/2021.
040588 XV 2	ARIZONA ST CTFS PARTN				1FE	1,957,410	105.504	1,846,320	1,750,000	1,832,584		(45,863)			5.000	2.230	AO	21,875	87,500	03/18/2015.	10/01/2029.
051556 JA 7	AURORA COLO CTFS PARTN				1FE	2,817,575	117.414	2,935,350	2,500,000	2,799,302		(18,273)			5.000	3.430	JD	10,417	72,569	05/04/2017.	12/01/2042.
12677P HD 6	CABARRUS CNTY N C CTFS PARTN				1FE	1,018,916	103.492	1,034,920	1,000,000	1,003,860		(3,688)			5.000	4.601	JJ	25,000	50,000	07/31/2013.	01/01/2023.
161037 YG 5	CHARLOTTE N C CTFS PARTN				1FE	3,884,545	104.796	3,667,860	3,500,000	3,571,823		(48,700)			5.000	3.500	JD	14,583	175,000	11/12/2010.	06/01/2021.
161037 YK 6	CHARLOTTE N C CTFS PARTN				1FE	552,775	104.796	523,980	500,000	508,954		(6,058)			5.000	3.689	JD	2,083	25,000	09/30/2009.	06/01/2024.
19668Q GC 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT				1FE	1,055,030	103.316	1,033,160	1,000,000	1,027,309		(5,966)			4.000	3.298	MS	11,778	40,000	01/04/2013.	03/15/2032.
19668Q HP 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT				1FE	5,799,550	117.376	5,868,800	5,000,000	5,794,275		(5,275)			5.000	3.011	MS	16,667		11/22/2017.	03/15/2037.
196734 BQ 9	COLORADO ST HIGHER ED CAP CONSTR LEASE P				1FE	1,885,120	103.226	1,956,133	1,895,000	1,893,144		2,126			5.500	5.622	MN	17,371	104,225	01/19/2010.	11/01/2027.
196734 BR 7	COLORADO ST HIGHER ED CAP CONSTR LEASE P				1FE	5,078,375	103.226	5,269,687	5,105,000	5,099,999		5,728			5.500	5.622	MN	46,796	280,775	01/19/2010.	11/01/2027.
230582 CU 0	CUMBERLAND CNTY N C CTFS PARTN				1FE	1,077,401	103.173	1,031,730	1,000,000	1,014,284		(15,128)			5.000	3.400	JD	4,167	50,000	07/31/2013.	12/01/2018.
24919P HT 4	DENVER COLO CITY & CNTY SCH DIST NO 001				1FE	5,639,595	113.978	5,659,008	4,965,000	5,373,223		(60,764)			5.000	3.460	JD	11,033	248,250	04/25/2013.	12/15/2033.
264474 GW 1	DULUTH MINN INDPT SCH DIST NO 709 CTFS P				1FE	2,897,010	112.971	2,728,250	2,415,000	2,798,992		(71,667)			5.000	1.720	FA	50,313	115,383	07/20/2016.	02/01/2023.
403715 CM 5	GWINNETT CNTY GA DEV AUTH CTFS PARTN				1FE	12,962,881	121.261	14,551,320	12,000,000	12,503,578		(59,865)			5.250	4.543	JJ	315,000	630,000	09/11/2008.	01/01/2025.
413328 FF 7	HARNETT CNTY N C CTFS PARTN				1FE	1,018,272	104.796	1,047,960	1,000,000	1,004,905		(3,282)			5.000	4.638	JD	4,167	50,000	07/31/2013.	06/01/2023.
583887 CZ 5	MECKLENBURG CNTY N C CTFS PARTN				1FE	2,122,884	103.760	2,173,772	2,095,000	2,098,706		(3,255)			5.000	4.830	FA	43,646	104,750	01/30/2009.	02/01/2025.
583887 DP 6	MECKLENBURG CNTY N C CTFS PARTN				1FE	614,153	100.266	586,556	585,000	585,723		(8,479)			5.000	3.508	FA	12,188	29,250	06/30/2014.	02/01/2024.
583887 DQ 4	MECKLENBURG CNTY N C CTFS PARTN				1FE	1,284,499	100.266	1,228,259	1,225,000	1,226,476		(17,312)			5.000	3.545	FA	25,521	61,250	06/30/2014.	02/01/2025.
583887 EE 0	MECKLENBURG CNTY N C CTFS PARTN				1FE	734,961	100.268	716,915	715,000	715,500		(5,853)			5.000	4.153	FA	14,896	35,750	06/30/2014.	02/01/2024.
583887 EF 7	MECKLENBURG CNTY N C CTFS PARTN				1FE	1,536,372	100.268	1,504,020	1,500,000	1,501,010		(11,828)			5.000	4.184	FA	31,250	75,000	06/30/2014.	02/01/2025.
59333M U6 0	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN				1FE	2,226,184	115.569	2,311,380	2,000,000	2,187,020		(19,559)			5.000	3.654	FA	41,667	100,000	11/17/2015.	02/01/2034.
59333M V6 9	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN				1FE	2,350,855	116.275	2,372,010	2,040,000	2,302,659		(28,078)			5.000	3.181	FA	42,500	102,000	03/03/2016.	02/01/2032.
646046 MP 4	NEW JERSEY ST CTFS PARTN				3AM	5,224,650	101.581	5,079,050	5,000,000	5,016,291		(34,890)			5.000	4.266	JD	11,111	250,000	05/28/2008.	06/15/2020.
664751 DJ 0	NORTHERN ARIZ UNIV CTFS PARTN				1FE	1,146,080	116.248	1,162,480	1,000,000	1,109,051		(14,484)			5.000	3.171	MS	16,667	50,000	04/16/2015.	09/01/2028.
684517 RW 7	ORANGE CNTY FLA SCH BRD CTFS PARTN				1FE	3,387,480	118.682	3,560,460	3,000,000	3,357,093		(30,387)			5.000	3.390	FA	62,500	75,000	02/15/2017.	08/01/2033.
684517 RX 5	ORANGE CNTY FLA SCH BRD CTFS PARTN				1FE	1,165,160	117.588	1,175,880	1,000,000	1,141,339		(14,161)			5.000	3.111	FA	20,833	50,000	03/16/2016.	08/01/2034.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
75913T HV 9	REGIONAL TRANSN DIST COLO CTFS PARTN			2	1FE	5,317,700	111.879	5,593,950	5,000,000	5,220,307		(35,674)			5.000	4.085	JD	20,833	250,000	06/12/2014.	06/01/2039.
90341U DJ 8	USF FING CORP FLA CTFS PARTN			2	1FE	1,163,420	117.962	1,179,620	1,000,000	1,125,501		(14,644)			5.000	3.111	JJ	25,000	50,000	04/17/2015.	07/01/2028.
2899999. U.S. Special Revenue - Other Loan-Backed and Structured Securities		XXX	XXX	XXX	XXX	92,871,003	XXX	95,113,580	86,175,000	90,428,265	0	(656,315)	0	0	XXX	XXX	XXX	1,107,924	3,994,577	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations		XXX	XXX	XXX	XXX	1,287,542,318	XXX	1,315,446,306	1,194,843,771	1,260,693,777	0	(7,187,604)	0	0	XXX	XXX	XXX	12,797,958	43,473,797	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
000000 00 0	PETROAMAZONAS EP		C		4FE	445,015	97.500	458,250	470,000	445,453		438			4.625	6.644	MON	1,208		12/04/2017.	11/06/2020.
00080Q AF 2	ABN AMRO BANK NV		C		2FE	2,800,257	106.350	2,804,450	2,637,000	2,791,446		(8,811)			4.750	3.851	JJ	53,234	62,629	06/23/2017.	07/28/2025.
00185A AH 7	AON PLC		C	1,2	2FE	3,289,530	111.530	3,345,900	3,000,000	3,286,797		(2,733)			4.750	4.156	MN	18,208	71,250	06/28/2017.	05/15/2045.
00206R DK 5	AT&T INC			1,2	2FE	1,271,543	94.413	1,222,648	1,295,000	1,272,056		397			4.550	4.658	MS	18,331	59,250	09/08/2016.	03/09/2049.
00206R EM 0	AT&T INC			1,2	2FE	3,444,032	100.835	3,478,808	3,450,000	3,444,247		216			3.900	3.921	FA	53,820		07/27/2017.	08/14/2027.
00206R ES 7	AT&T INC			1,2	2FE	2,732,446	100.117	2,821,297	2,818,000	2,740,150		424			4.300	4.600	N/A	10,098		07/10/2014.	02/15/2030.
00401M AB 2	ABU DHABI CRUDE OIL PIPELINE LLC		C	1	1FE	442,000	103.127	455,821	442,000	442,000					4.600	4.600	MN	3,332		10/26/2017.	11/02/2047.
00507U AR 2	ACTAVIS FUNDING SCS		C	1,2	2FE	2,945,811	101.689	2,999,826	2,950,000	2,947,374		571			3.450	3.473	MS	29,967	101,775	03/03/2015.	03/15/2022.
00774M AA 3	AERCAP IRELAND CAPITAL DESIGNATED ACTIVI		C	1,2	2FE	2,691,252	101.574	2,742,498	2,700,000	2,692,590		1,338			3.500	3.568	MN	9,188	78,750	01/23/2017.	05/26/2022.
02665W BH 3	AMERICAN HONDA FINANCE CORP		C	1	1FE	613,143	94.736	582,626	615,000	613,363		168			2.300	2.334	MS	4,401	14,145	09/06/2016.	09/09/2026.
03027X AD 2	AMERICAN TOWER CORP			1	2FE	2,572,152	109.660	2,631,840	2,400,000	2,532,369		(18,751)			5.000	3.976	FA	45,333	120,000	10/22/2015.	02/15/2024.
03523T AV 0	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1	2FE	993,810	106.159	1,061,590	1,000,000	998,315		679			5.000	5.079	AO	10,556	50,000	03/24/2010.	04/15/2020.
03523T BP 2	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1	2FE	1,625,208	99.334	1,738,345	1,750,000	1,680,643		13,890			2.500	3.451	JJ	20,174	43,750	10/10/2013.	07/15/2022.
03524B AE 6	ANHEUSER-BUSCH INBEV FINANCE INC		C	1	1FE	999,750	104.200	1,042,000	1,000,000	999,840		23			3.700	3.703	FA	15,417	37,000	01/22/2014.	02/01/2024.
036752 AC 7	ANTHEM INC			1,2	2FE	3,998,720	101.581	4,063,240	4,000,000	3,998,745		25			3.350	3.355	JD	14,889		11/14/2017.	12/01/2024.
037833 AR 1	APPLE INC			1	1FE	748,155	101.642	762,315	750,000	749,089		256			2.850	2.888	MN	3,266	21,375	04/29/2014.	05/06/2021.
03965P AC 5	ARCOR SAIC		C	1,2	3FE	289,568	106.375	287,213	270,000	287,213	(681)	(1,674)			6.000	4.331	JJ	7,875	6,000	09/13/2017.	07/06/2023.
04650N AB 0	AT&T INC			1	2FE	128,638	105.803	132,254	125,000	128,372		(77)			5.350	5.147	MS	2,229	6,688	03/25/2014.	09/01/2040.
05330R AA 8	AUTOPISTAS DEL SOL SA		C		3FE	206,415	107.000	211,860	198,000	206,205		(210)			7.375	6.695	JD	7,416	1,217	06/19/2017.	12/30/2030.
05463E AC 2	AXIS BANK LTD (DUBAI BRANCH)		C		2FE	608,716	100.603	603,618	600,000	607,436		(1,280)			3.250	2.710	MN	2,167	9,750	09/13/2017.	05/21/2020.
05502J AA 8	AZURE POWER ENERGY LTD		C	1,2	3FE	462,430	102.000	467,160	458,000	461,969	(301)	(160)			5.500	5.274	MN	10,356		09/15/2017.	11/03/2022.
05523U AP 5	BAE SYSTEMS HOLDINGS INC		C	1,2	2FE	548,451	103.852	576,379	555,000	549,598		567			3.850	3.994	JD	950	21,368	12/03/2015.	12/15/2025.
05565Q CS 5	BP CAPITAL MARKETS PLC		C	1	1FE	1,275,000	103.968	1,325,592	1,275,000	1,275,000					3.535	3.535	MN	7,136	45,071	10/30/2014.	11/04/2024.
05583J AC 6	BPCE SA		C		2FE	3,487,120	98.577	3,450,195	3,500,000	3,487,329		209			3.500	3.544	AO	23,139		10/16/2017.	10/23/2027.
05890M AA 1	BANCO DE CREDITO E INVERSIONES		C	1	1FE	1,323,505	97.687	1,309,006	1,340,000	1,323,812		307			3.500	3.648	AO	10,292		10/05/2017.	10/12/2027.
05968A AA 4	BANCO DEL ESTADO DE CHILE		C	1	1FE	419,335	104.409	417,636	400,000	417,318		(2,017)			3.875	2.752	FA	6,157	7,750	07/17/2017.	02/08/2022.
06034L AA 8	BANISTMO SA		C	1	3FE	339,245	99.000	336,600	340,000	336,600	(2,685)	40			3.650	3.699	MS	3,516		09/12/2017.	09/19/2022.
06050T JZ 6	BANK OF AMERICA, N.A.				1FE	1,771,077	130.558	2,219,486	1,700,000	1,757,143		(1,665)			6.000	5.706	AO	21,533	102,000	12/26/2006.	10/15/2036.
06051G FF 1	BANK OF AMERICA CORP				1FE	538,971	105.778	572,259	541,000	539,639		188			4.000	4.046	AO	5,410	25,669	03/27/2014.	04/01/2024.
06051G FX 2	BANK OF AMERICA CORP			1	1FE	2,864,596	102.323	2,865,044	2,800,000	2,863,314		(1,282)			3.500	3.188	AO	19,600		10/19/2017.	04/19/2026.
06051G GW 3	BANK OF AMERICA CORP			1,2,5	1FE	483,382	100.116	486,564	486,000	483,388		7			3.419	3.478	JD	508		12/20/2017.	12/20/2028.
064159 CU 8	BANK OF NOVA SCOTIA				1FE	1,998,580	100.111	2,002,220	2,000,000	1,999,755		291			2.050	2.065	AO	6,947	41,000	10/24/2013.	10/30/2018.
06675F AK 3	BANQUE FEDERATIVE DU CREDIT MUTUEL SA		C		1FE	3,844,572	99.388	3,826,438	3,850,000	3,845,362		791			2.200	2.249	JJ	37,880		07/11/2017.	07/20/2020.
06738E AQ 8	BARCLAYS PLC		C		2FE	2,748,240	100.661	2,768,178	2,750,000	2,748,702		334			3.200	3.214	FA	34,467	88,000	08/03/2016.	08/10/2021.
06738E AS 4	BARCLAYS PLC		C	1,2	2FE	3,886,907	101.560	3,910,060	3,850,000	3,884,095		(2,812)			3.684	3.445	JJ	67,371	52,497	09/28/2017.	01/10/2023.
07330N AJ 4	BRANCH BANKING AND TRUST CO			2	1FE	2,997,480	101.408	3,042,240	3,000,000	2,998,806		346			2.850	2.863	AO	21,375	85,500	02/27/2014.	04/01/2021.
073902 RU 4	BEAR STEARNS & CO INC				1FE	2,723,338	100.401	2,309,223	2,300,000	2,305,809		(68,015)			7.250	4.189	FA	69,479	166,750	01/27/2011.	02/01/2018.
075887 BV 0	BECTON DICKINSON AND CO			1,2	2FE	3,000,000	100.398	3,011,940	3,000,000	3,000,000					3.363	3.363	JD	7,006	50,445	05/22/2017.	06/06/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
096630 AE 8	BOARDWALK PIPELINES LP			1,2	2FE	1,122,660	111.704	1,117,040	1,000,000	1,119,445		(3,215)			5.950	4.207	JD	4,958	29,750	09/21/2017.	06/01/2026.
097014 AL 8	BOEING CAPITAL CORP			1	1FE	2,997,870	104.489	3,134,670	3,000,000	2,999,536		239			4.700	4.709	AO	25,067	141,000	10/22/2009.	10/27/2019.
111013 AL 2	SKY PLC		C	1	2FE	2,550,663	104.427	2,662,889	2,550,000	2,550,582		(75)			3.750	3.746	MS	27,891	95,625	10/23/2015.	09/16/2024.
120568 AZ 3	BUNGE LIMITED FINANCE CORP			1,2	2FE	3,789,968	98.727	3,751,626	3,800,000	3,790,194		226			3.750	3.782	MS	38,000		09/18/2017.	09/25/2027.
12189L AH 4	BURLINGTON NORTHERN SANTA FE LLC			1,2	1FE	997,500	102.136	1,021,360	1,000,000	998,864		250			3.050	3.079	MS	8,981	30,500	02/28/2012.	03/15/2022.
12517M AA 0	CEMIG GERACAO E TRANSMISSAO SA		C	2	4FE	197,486	108.125	216,250	200,000	197,505		19			9.250	9.500	JD	1,336		11/30/2017.	12/05/2024.
12572Q AE 5	CME GROUP INC			1	1FE	1,484,370	102.031	1,530,465	1,500,000	1,490,820		1,785			3.000	3.141	MS	13,250	45,000	03/25/2014.	09/15/2022.
125896 BP 4	CMS ENERGY CORP			1,2	2FE	2,217,947	102.522	2,281,115	2,225,000	2,219,262		619			3.600	3.638	MN	10,235	80,100	11/04/2015.	11/15/2025.
126117 AE 0	CNA FINANCIAL CORPORATION				2FE	2,087,067	119.408	2,083,670	1,745,000	2,030,175		(36,644)			7.250	4.088	MN	16,165	117,631	09/19/2017.	11/15/2023.
13034V AA 2	CALIFORNIA INSTITUTE OF TECHNOLOGY			1	1FE	1,783,530	110.794	1,994,292	1,800,000	1,783,504		9			4.700	4.744	MN	14,100	84,600	11/29/2011.	11/01/2111.
136385 AT 8	CANADIAN NATURAL RESOURCES LTD			1,2	2FE	1,785,730	103.101	1,809,423	1,755,000	1,783,280		(2,450)			3.800	3.502	AO	14,079	33,345	05/23/2017.	04/15/2024.
142339 AH 3	CARLISLE COMPANIES INC			1,2	2FE	3,984,040	101.212	4,048,480	4,000,000	3,984,221		181			3.750	3.798	JD	18,750		11/13/2017.	12/01/2027.
151020 AF 1	CELGENE CORP			1	2FE	2,733,079	118.991	2,647,550	2,225,000	2,715,925		(12,686)			5.700	4.188	AO	26,774	126,825	08/15/2016.	10/15/2040.
151191 BC 6	CELULOSA ARAUCO Y CONSTITUCION SA		C		2FE	249,270	104.250	260,625	250,000	249,272		2			5.500	5.520	MN	2,253		10/26/2017.	11/02/2047.
161175 AY 0	CHARTER COMMUNICATIONS INC			1,2	2FE	3,510,000	106.457	3,736,641	3,510,000	3,510,000					4.908	4.907	JJ	75,608	172,271	07/09/2015.	07/23/2025.
166764 AG 5	CHEVRON CORP			1,2	1FE	753,371	100.517	753,878	750,000	751,396		(557)			2.427	2.347	JD	354	18,203	04/24/2014.	06/24/2020.
16892D AC 2	CHINA SOUTHERN POWER GRID INTERNATIONAL		C	1	1FE	710,741	99.489	696,423	700,000	710,406		(335)			3.500	3.314	MN	3,607	12,250	09/13/2017.	05/08/2027.
172967 KV 2	CITIGROUP INC				2FE	999,300	98.983	989,830	1,000,000	999,490		135			2.350	2.365	FA	9,726	23,500	07/26/2016.	08/02/2021.
172967 LM 1	CITIGROUP INC			1,2,5	2FE	3,000,000	99.591	2,987,730	3,000,000	3,000,000					2.876	2.877	JJ	37,628		07/17/2017.	07/24/2023.
191229 AB 9	COCA-COLA ICECEK AS		C	1,2	2FE	700,000	101.770	712,390	700,000	700,000					4.215	4.215	MS	8,360		09/12/2017.	09/19/2024.
192714 AC 7	COLBUN SA		C	1,2	2FE	817,720	99.937	819,483	820,000	817,763		42			3.950	3.984	AO	7,198		10/04/2017.	10/11/2027.
200340 AP 2	COMERICA INC			2	1FE	1,000,000	99.616	996,160	1,000,000	1,000,000					2.125	2.125	MN	2,243	21,250	05/20/2014.	05/23/2019.
202795 HV 5	COMMONWEALTH EDISON CO			1,2	1FE	1,342,597	103.766	1,297,075	1,250,000	1,287,699		(15,439)			4.000	2.660	FA	20,833	50,000	04/21/2014.	08/01/2020.
20453K AB 1	COMPASS BANK		C	2	2FE	1,845,274	99.045	1,832,333	1,850,000	1,845,588		314			2.875	2.932	JD	295	26,594	09/27/2017.	06/29/2022.
21684A AA 4	RABOBANK NEDERLAND		C		1FE	2,635,100	107.317	2,682,925	2,500,000	2,621,558		(13,542)			4.625	3.702	JD	9,635	115,625	03/28/2017.	12/01/2023.
21688A AF 9	RABOBANK NEDERLAND (NEW YORK BRANCH)		C		1FE	2,569,232	100.492	2,587,669	2,575,000	2,571,397		1,123			2.500	2.548	JJ	28,969	64,375	01/11/2016.	01/19/2021.
224044 CE 5	COX COMMUNICATIONS INC			1,2	2FE	3,250,336	102.460	3,278,720	3,200,000	3,247,416		(2,920)			3.850	3.604	FA	51,333	61,600	06/28/2017.	02/01/2025.
225401 AB 4	CREDIT SUISSE GROUP AG		C	1,2	2FE	3,711,800	101.754	3,764,898	3,700,000	3,711,966		166			3.574	3.469	JJ	63,180	48,249	09/14/2017.	01/09/2023.
23355L AC 0	DXC TECHNOLOGY COMPANY			1,2	2FE	1,870,452	104.285	1,877,130	1,800,000	1,865,432		(5,020)			4.250	3.584	AO	16,150	42,075	06/13/2017.	04/15/2024.
23355L AD 8	DXC TECHNOLOGY CO			1,2	2FE	1,831,121	106.508	1,810,636	1,700,000	1,827,568		(3,553)			4.750	3.763	AO	17,047	44,413	09/08/2017.	04/15/2027.
244199 BE 4	DEERE & CO			2	1FE	1,166,007	100.157	1,201,884	1,200,000	1,180,457		4,063			2.600	2.995	JD	1,993	31,200	04/16/2014.	06/08/2022.
24664U AB 6	DELEK & AVNER (TAMAR BOND) LTD		D	1	2FE	403,845	100.304	397,204	396,000	401,401		(2,444)			3.839	2.442	JD	7,643	5,201	09/13/2017.	12/30/2018.
251525 AT 8	DEUTSCHE BANK AG (NEW YORK BRANCH)		C		2FE	2,496,575	99.564	2,489,100	2,500,000	2,497,091		516			2.700	2.748	JJ	31,500		07/10/2017.	07/13/2020.
251541 AQ 1	DEUTSCHE BANK AG		C		2FE	1,584,930	104.383	1,565,745	1,500,000	1,578,915		(6,015)			4.250	2.775	AO	13,635	31,875	09/08/2017.	10/14/2021.
26444H AA 9	DUKE ENERGY FLORIDA LLC			1,2	1FE	2,734,545	97.056	2,669,040	2,750,000	2,734,994		326			3.400	3.430	AO	23,375	99,214	09/06/2016.	10/01/2046.
26884T AR 3	ERAC USA FINANCE LLC			1,2	2FE	1,594,784	99.311	1,588,976	1,600,000	1,595,471		430			3.300	3.337	JD	4,400	52,800	05/23/2016.	12/01/2026.
279158 AC 3	ECOPETROL SA		C	1	2FE	878,750	110.750	886,000	800,000	872,730		(6,020)			5.875	4.074	MS	13,447	23,500	07/13/2017.	09/18/2023.
279158 AE 9	ECOPETROL SA		C	1	2FE	1,439,480	120.575	1,567,475	1,300,000	1,438,718		(762)			7.375	6.513	MS	27,431	47,938	09/13/2017.	09/18/2043.
279158 AK 5	ECOPETROL SA		C	1	2FE	954,225	100.750	967,200	960,000	954,618		393			4.125	4.218	JJ	18,150	10,313	09/13/2017.	01/16/2025.
279158 AL 3	ECOPETROL SA		C	1,2	2FE	1,638,485	108.220	1,688,232	1,560,000	1,635,142		(3,343)			5.375	4.664	JD	1,165	68,800	09/13/2017.	06/26/2026.
28368E AD 8	EL PASO ENERGY CORPORATION			1	2FE	3,006,919	129.231	3,036,929	2,350,000	2,998,220		(8,699)			7.800	4.981	FA	76,375		09/21/2017.	08/01/2031.
29266M AF 6	ENERGY EAST CORP		C	1	2FE	1,006,159	132.235	1,024,821	775,000	1,002,921		(3,239)			6.750	4.411	JJ	24,122		07/31/2017.	07/15/2036.
29278G AC 2	ENEL FINANCE INTERNATIONAL NV		C	1	2FE	3,120,031	108.621	3,394,406	3,125,000	3,120,077		46			4.750	4.760	MN	14,844	74,219	05/22/2017.	05/25/2047.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
29379V AZ 6	ENTERPRISE PRODUCTS OPERATING LLC			1,2	2FE	1,563,883	102.072	1,633,152	1,600,000	1,578,456		3,660			3.350	3.635	MS	15,782	53,600	10/15/2013.	03/15/2023.
294628 50 8	COMMONWEALTH REIT			2	2FE	1,267,500	25.400	1,270,000	1,250,000	1,271,182		3,682			5.750	5.727	FMAN	11,979	17,969	10/11/2017.	08/01/2042.
302508 AQ 9	FMR CORP			1	1FE	2,699,639	136.400	2,659,800	1,950,000	2,564,371		(41,306)			7.570	4.096	JD	6,561	147,615	07/18/2014.	06/15/2029.
31446Y AB 8	FENIX POWER PERU SA		C	1,2	2FE	540,000	100.050	540,270	540,000	540,000					4.317	4.317	MS	6,540		09/13/2017.	09/20/2027.
31572U AF 3	FIBRIA OVERSEAS FINANCE LTD		C	1	2FE	10,463	107.500	10,750	10,000	10,451		(12)			5.500	4.878	JJ	251		09/01/2017.	01/17/2027.
316044 AB 2	FIDELITY BANK PLC		C		4FE	200,085	102.750	207,555	202,000	200,148		63			10.500	10.750	AO	4,419		10/11/2017.	10/16/2022.
31620M AR 7	FIDELITY NATIONAL INFORMATION SERVICES I			1,2	2FE	755,826	110.660	769,087	695,000	749,138		(6,083)			5.000	3.802	AO	7,336	113,969	11/21/2016.	10/15/2025.
31620M AU 0	FIDELITY NATIONAL INFORMATION SERVICES I			1,2	2FE	3,070,140	104.565	3,136,950	3,000,000	3,070,067		(73)			4.500	4.355	FA	51,000		11/10/2017.	08/15/2046.
337738 AM 0	FISERV INC			1,2	2FE	2,004,960	103.019	2,060,380	2,000,000	2,003,045		(600)			3.500	3.464	AO	17,500	70,000	07/11/2014.	10/01/2022.
345397 VU 4	FORD MOTOR CREDIT CO LLC				2FE	2,520,540	109.888	2,472,480	2,250,000	2,385,103		(34,329)			5.875	4.059	FA	54,711	132,188	10/10/2013.	08/02/2021.
345397 YQ 0	FORD MOTOR CREDIT COMPANY LLC			2	2FE	1,003,070	99.740	997,400	1,000,000	1,002,901		(169)			2.979	2.910	FA	12,247		09/07/2017.	08/03/2022.
35671D AU 9	FREEPORT-MCMORAN COPPER & GOLD INC			1,2	3FE	1,983,420	99.125	1,982,500	2,000,000	1,982,500	110,410	2,090			3.550	3.675	MS	23,667	71,000	07/08/2014.	03/01/2022.
35671D CA 1	FREEPORT-MCMORAN INC			1,2	3FE	1,032,500	103.687	1,036,870	1,000,000	1,026,614		(5,569)			6.750	6.005	FA	28,125	42,750	12/13/2016.	02/01/2022.
36164Q MS 4	GE CAPITAL INTERNATIONAL FUNDING CO			1	1FE	2,077,917	99.572	2,069,106	2,078,000	2,077,981		6			2.342	2.342	MN	6,219	48,667	10/26/2015.	11/15/2020.
36962G 2T 0	GENERAL ELECTRIC CO				1FE	832,493	107.079	766,686	716,000	764,931		(20,059)			5.550	2.523	MN	6,292	73,495	07/08/2014.	05/04/2020.
37045X BS 4	GENERAL MOTORS FINANCIAL COMPANY INC			1,2	2FE	2,530,050	101.431	2,535,775	2,500,000	2,525,574		(4,476)			3.450	3.173	JJ	40,010	42,406	03/23/2017.	01/14/2022.
373298 CF 3	GEORGIA-PACIFIC CORPORATION			1	1FE	969,915	127.403	955,523	750,000	891,321		(20,019)			8.000	4.411	JJ	27,667	60,000	10/10/2013.	01/15/2024.
373334 JK 8	GEORGIA POWER CO			1	1FE	1,991,020	101.445	2,028,900	2,000,000	1,999,523		1,109			5.400	5.459	JD	9,000	108,000	05/27/2008.	06/01/2018.
378272 AF 5	GLENCORE FUNDING LLC		C	1	2FE	2,510,075	103.575	2,589,375	2,500,000	2,506,614		(1,072)			4.125	4.070	MN	8,880	103,125	07/07/2014.	05/30/2023.
38141E A2 5	GOLDMAN SACHS GROUP INC				1FE	3,332,097	105.704	3,012,564	2,850,000	2,929,061		(66,968)			7.500	4.926	FA	80,750	213,750	01/27/2011.	02/15/2019.
38141G ES 9	GOLDMAN SACHS GROUP INC			1	2FE	1,309,801	116.995	1,345,443	1,150,000	1,289,978		(12,430)			5.950	4.310	JJ	31,552	68,425	05/19/2016.	01/15/2027.
38141G VR 2	GOLDMAN SACHS GROUP INC				2FE	829,155	104.591	873,335	835,000	830,234		503			4.250	4.337	AO	6,900	35,488	10/16/2015.	10/21/2025.
38141G WQ 3	GOLDMAN SACHS GROUP INC			1,2,5	1FE	2,000,000	99.663	1,993,260	2,000,000	2,000,000					3.272	3.273	MS	16,724		09/26/2017.	09/29/2025.
39530L AB 6	GREENKO DUTCH BV		C	1,2	3FE	284,000	101.555	288,416	284,000	284,000					5.250	5.250	JJ	6,502		07/17/2017.	07/24/2024.
40052C AC 0	GRUPO KUO SAB DE CV		C	2	3FE	450,000	103.801	467,105	450,000	450,000					5.750	5.750	JJ	12,506		06/29/2017.	07/07/2027.
40429C GD 8	HSBC FINANCE CORP		C		1FE	1,404,674	111.248	1,388,375	1,248,000	1,397,107		(7,567)			6.676	2.563	JJ	38,418		11/01/2017.	01/15/2021.
45167R AF 1	IDEX CORP			1,2	2FE	1,496,235	103.697	1,555,455	1,500,000	1,498,324		382			4.200	4.231	JD	2,800	63,000	12/08/2011.	12/15/2021.
46507N AA 8	ISRAEL ELECTRIC CORP LTD		C	1	2FE	1,074,210	104.413	1,044,130	1,000,000	1,051,191		(23,019)			7.250	2.233	JJ	33,431	19,938	09/13/2017.	01/15/2019.
465685 AK 1	ITC HOLDINGS CORP			1,2	2FE	644,129	99.584	642,317	645,000	644,240		76			3.250	3.266	JD	10,539	10,481	06/29/2016.	06/30/2026.
46590P AB 9	JSL EUROPE SA		C	1,2	3FE	560,380	106.125	583,688	550,000	560,040	(141)	(198)			7.750	7.452	JJ	18,352		09/13/2017.	07/26/2024.
46625H JT 8	JPMORGAN CHASE & CO				1FE	1,508,730	105.158	1,577,370	1,500,000	1,505,815		(835)			3.875	3.803	FA	24,219	58,125	03/25/2014.	02/01/2024.
46625H JY 7	JPMORGAN CHASE & CO				2FE	2,920,885	104.381	2,870,478	2,750,000	2,895,508		(19,378)			3.875	2.996	MS	32,857	106,563	09/06/2016.	09/10/2024.
47215P AB 2	JD.COM INC		C	1	2FE	1,305,491	99.745	1,296,685	1,300,000	1,304,880		(611)			3.125	3.005	AO	6,997	20,313	09/13/2017.	04/29/2021.
47233J AG 3	JEFFERIES GROUP LLC			1	2FE	3,165,840	106.480	3,194,400	3,000,000	3,157,863		(7,977)			4.850	4.146	JJ	67,092	71,942	06/02/2017.	01/15/2027.
476556 CR 4	JERSEY CENTRAL POWER & LIGHT COMPANY			1	2FE	4,663,000	101.133	5,056,650	5,000,000	4,982,578		36,976			4.800	5.590	JD	10,667	240,000	09/19/2006.	06/15/2018.
49306S AA 4	KEYBANK NATIONAL ASSOCIATION				1FE	1,634,448	100.796	1,612,736	1,600,000	1,633,057		(1,391)			3.180	2.678	MN	5,512	25,440	10/18/2017.	10/15/2027.
49327V 2A 1	KEYBANK NA				2FE	2,319,327	99.780	2,319,885	2,325,000	2,320,119		495			3.400	3.429	MN	9,003	79,050	05/17/2016.	05/20/2026.
494550 BV 7	KINDER MORGAN ENERGY PARTNERS LP			1,2	2FE	1,830,345	103.691	1,840,515	1,775,000	1,822,377		(6,387)			4.250	3.778	MS	25,146	75,438	09/27/2016.	09/01/2024.
49456B AM 3	KINDER MORGAN INC			1,2	2FE	1,794,477	99.491	1,790,838	1,800,000	1,794,692		215			3.150	3.214	JJ	22,208		11/20/2017.	01/15/2023.
501555 AA 4	KYOBO LIFE INSURANCE CO LTD		C	2	1FE	646,650	101.757	651,245	640,000	646,273		(377)			3.950	3.714	JJ	11,025		09/13/2017.	07/24/2077.
514666 AM 8	LAND O LAKES INC			9	3FE	250,000	109.250	273,125	250,000	250,000					7.250	7.249	MJSD	806	12,637	03/28/2017.	12/31/2049.
52206A AB 6	LEASEPLAN CORP NV		C		2FE	2,634,086	100.020	2,600,520	2,600,000	2,603,434		(9,087)			2.500	2.142	MN	8,125	65,000	07/09/2014.	05/16/2018.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
53117C	AS	1	LIBERTY PROPERTY LP			1,2	2FE	897,416	98.574	892,095	905,000	898,259		657			3.250	3.349	AO	7,353	30,311	09/13/2016.	10/01/2026.
536333	AA	5	LIQUID TELECOMMUNICATIONS FINANCING PLC		C	1,2	3FE	204,000	105.679	215,585	204,000	204,000					8.500	8.500	JJ	8,092		07/06/2017.	07/13/2022.
539439	AK	5	LLOYDS BANKING GROUP PLC		C		1FE	1,249,075	101.082	1,263,525	1,250,000	1,249,335		176			3.100	3.116	JJ	18,837	38,750	06/30/2016.	07/06/2021.
539439	AQ	2	LLOYDS BANKING GROUP PLC		C	2,5	1FE	2,750,000	99.233	2,728,908	2,750,000	2,750,000					3.574	3.575	MN	14,743		10/31/2017.	11/07/2028.
539830	BH	1	LOCKHEED MARTIN CORP			1,2	2FE	1,800,988	103.988	1,887,382	1,815,000	1,803,579		1,203			3.550	3.641	JJ	29,711	64,433	11/16/2015.	01/15/2026.
548661	CQ	8	LOWES CO INC			1,2	1FE	998,180	104.279	1,042,790	1,000,000	999,508		200			4.625	4.648	AO	9,764	46,250	04/12/2010.	04/15/2020.
55608J	AC	2	MACQUARIE GROUP LTD		C		2FE	3,255,240	106.583	3,197,490	3,000,000	3,224,504		(30,736)			6.000	2.219	JJ	83,500		09/14/2017.	01/14/2020.
55608J	AH	1	MACQUARIE GROUP LTD		C	2,5	1FE	1,000,000	99.304	993,040	1,000,000	1,000,000					3.189	3.190	MN	2,923		11/20/2017.	11/28/2023.
56585A	AG	7	MARATHON PETROLEUM CORP			1,2	2FE	2,342,810	102.107	2,549,612	2,497,000	2,368,492		16,086			3.625	4.524	MS	26,652	90,516	05/18/2016.	09/15/2024.
571748	AK	8	MARSH & MCLENNAN COMPANIES, INC				1FE	3,170,744	126.608	3,196,852	2,525,000	3,163,075		(7,669)			5.875	3.723	FA	61,810		09/26/2017.	08/01/2033.
58013M	EX	8	MCDONALD'S CORP			1,2	2FE	1,307,577	101.098	1,324,384	1,310,000	1,308,536		472			2.750	2.790	JD	2,202	36,025	12/02/2015.	12/09/2020.
585055	AQ	9	MEDTRONIC INC		C	1	1FE	427,503	138.618	415,854	300,000	422,401		(3,746)			6.500	3.705	MS	5,742	19,500	08/15/2016.	03/15/2039.
585055	AV	8	MEDTRONIC INC		C	1,2	1FE	2,983,710	104.930	3,147,900	3,000,000	2,994,035		1,707			4.125	4.192	MS	36,438	123,750	03/10/2011.	03/15/2021.
59156R	AX	6	METLIFE INC			1	1FE	1,671,975	107.102	1,606,530	1,500,000	1,582,004		(24,909)			4.750	2.895	FA	28,302	71,250	03/25/2014.	02/08/2021.
59284B	AG	3	MEXICHEM SAB DE CV		C	1,2	2FE	381,709	97.625	380,738	390,000	381,703		(6)			5.500	5.648	JJ	5,184		09/27/2017.	01/15/2048.
59284M	AD	6	MEXICO CITY AIRPORT TRUST		C	1,2	2FE	626,207	99.250	625,275	630,000	626,113		(94)			5.500	5.543	JJ	9,721		09/13/2017.	07/31/2047.
59523U	AM	9	MID AMERICA APARTMENTS LP			1,2	2FE	722,627	103.724	757,185	730,000	723,968		637			4.000	4.124	MN	3,731	29,200	11/02/2015.	11/15/2025.
595620	AJ	4	MIDAMERICAN ENERGY CO			1,2	1FE	756,683	100.405	753,038	750,000	751,609		(1,401)			2.400	2.205	MS	5,300	18,000	03/31/2014.	03/15/2019.
602736	AA	8	MINEJESA CAPITAL BV		C	1	2FE	811,448	102.455	819,640	800,000	811,232		(216)			4.625	4.478	FA	14,492		09/13/2017.	08/10/2030.
602736	AB	6	MINEJESA CAPITAL BV		C	1	2FE	616,120	106.809	640,854	600,000	615,977		(143)			5.625	5.402	FA	13,219		09/13/2017.	08/10/2037.
60871R	AH	3	MOLSON COORS BREWING CO			1,2	2FE	2,657,800	102.229	2,734,626	2,675,000	2,658,264		300			4.200	4.238	JJ	51,806	114,847	06/28/2016.	07/15/2046.
617446	7X	1	MORGAN STANLEY				2FE	3,086,683	109.577	3,013,368	2,750,000	3,044,978		(32,016)			5.000	3.437	MN	14,132	137,500	09/06/2016.	11/24/2025.
617482	V9	2	MORGAN STANLEY				1FE	1,919,698	139.420	2,439,850	1,750,000	1,906,353		(2,873)			6.375	5.695	JJ	48,654	111,563	09/14/2012.	07/24/2042.
62854A	AN	4	MYLAN NV		C	1,2	2FE	1,290,003	100.986	1,312,818	1,300,000	1,291,370		896			3.950	4.044	JD	2,282	51,350	05/31/2016.	06/15/2026.
637432	LR	4	NATIONAL RURAL UTILITIES COOP FINANCE CO			1	1FE	2,977,110	106.844	3,205,320	3,000,000	2,997,098		3,190			10.375	10.500	MN	51,875	311,250	10/23/2008.	11/01/2018.
63859W	AE	9	NATIONWIDE BUILDING SOCIETY		C		2FE	3,266,340	101.253	3,341,349	3,300,000	3,267,953		1,613			4.000	4.134	MS	39,233	66,000	07/05/2017.	09/14/2026.
66978C	AB	8	NOSTRUM OIL AND GAS BV		C	1,2	4FE	200,000	103.938	207,876	200,000	200,000					8.000	8.000	JJ	6,933		07/17/2017.	07/25/2022.
67021C	AG	2	NSTAR ELECTRIC CO			1,2	1FE	997,260	98.440	984,400	1,000,000	998,607		272			2.375	2.406	AO	5,014	23,750	10/08/2012.	10/15/2022.
682680	AR	4	ONEOK INC			1,2	2FE	2,653,288	119.257	2,623,654	2,200,000	2,637,744		(15,544)			7.500	3.440	MS	55,000		10/12/2017.	09/01/2023.
693476	BJ	1	PNC FUNDING CORP				1FE	1,959,738	105.567	1,847,423	1,750,000	1,824,362		(33,753)			5.125	3.024	FA	35,626	89,688	10/10/2013.	02/08/2020.
69370R	AA	5	PERTAMINA PERSERO PT		C		2FE	1,544,520	120.056	1,560,728	1,300,000	1,542,876		(1,644)			6.450	5.148	MN	7,220	41,925	10/13/2017.	05/30/2044.
69371E	AA	3	SAKA ENERGI INDONESIA PT		C		3FE	407,788	101.715	406,860	400,000	406,485	(919)	(384)			4.450	4.115	MN	2,769	8,900	09/13/2017.	05/05/2024.
694308	GT	8	PACIFIC GAS AND ELECTRIC CO			1,2	1FE	1,799,384	102.495	1,896,158	1,850,000	1,833,995		5,426			3.500	3.835	AO	16,188	64,750	11/15/2010.	10/01/2020.
694308	HE	0	PACIFIC GAS AND ELECTRIC CO			1,2	1FE	1,996,380	104.348	2,086,960	2,000,000	1,997,715		341			3.850	3.872	MN	9,839	77,000	11/06/2013.	11/15/2023.
694308	HN	0	PACIFIC GAS AND ELECTRIC CO			1,2	1FE	1,450,697	105.118	1,366,534	1,300,000	1,446,752		(3,048)			4.250	3.602	MS	16,268	55,250	09/12/2016.	03/15/2046.
695114	CK	2	PACIFICORP			1	1FE	2,121,392	103.441	1,965,379	1,900,000	1,933,204		(30,803)			5.500	3.767	JJ	48,186	104,500	03/11/2011.	01/15/2019.
709599	AV	6	PENSKE TRUCK LEASING CO LP			1,2	2FE	2,538,347	101.917	2,598,884	2,550,000	2,542,687		2,097			3.300	3.394	AO	21,038	84,150	11/04/2015.	04/01/2021.
714295	AC	6	PERRIGO CO		C	1,2	2FE	2,509,544	101.801	2,621,376	2,575,000	2,523,055		6,302			3.900	4.238	JD	4,463	100,425	10/22/2015.	12/15/2024.
71568P	AC	3	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT		C		2FE	400,000	100.395	401,580	400,000	400,000					4.125	4.125	MN	2,108	8,250	06/05/2017.	05/15/2027.
71568Q	AC	1	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT		C		2FE	566,300	100.395	562,212	560,000	566,216		(84)			4.125	3.982	MN	2,952	11,550	10/31/2017.	05/15/2027.
71568Q	AD	9	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT		C		2FE	416,880	104.394	417,576	400,000	416,833		(47)			5.250	4.976	MN	2,683	10,500	09/12/2017.	05/15/2047.
71647N	AP	4	PETROBRAS GLOBAL FINANCE BV		C	1	3FE	1,413,446	114.237	1,439,386	1,260,000	1,393,575		(19,871)			8.375	4.941	MN	11,139	59,889	06/15/2017.	05/23/2021.
71647N	AQ	2	PETROBRAS GLOBAL FINANCE BV		C	1	3FE	916,840	119.750	910,100	760,000	910,100	(4,904)	(1,836)			8.750	5.662	MN	7,019	12,250	12/05/2017.	05/23/2026.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
71647N AS 8	PETROBRAS GLOBAL FINANCE BV		C	1	3FE	186,591	110.300	187,510	170,000	185,862	(295)	(434)			7.375	5.998	JJ	5,712		09/13/2017.	01/17/2027.
71656L BT 7	PETROLEOS MEXICANOS		C	1	2FE	609,521	104.635	648,737	620,000	609,488		(33)			6.750	6.883	MS	11,625	20,925	07/13/2017.	09/21/2047.
718549 AD 0	PHILLIPS 66 PARTNERS LP			1,2	2FE	978,150	99.269	992,690	1,000,000	979,280		1,130			3.550	3.831	AO	8,875	17,750	06/09/2017.	10/01/2026.
723787 AB 3	PIONEER NATURAL RESOURCES COMPANY			1	2FE	733,859	125.523	734,310	585,000	720,675		(10,588)			7.200	4.327	JJ	19,422	42,120	09/26/2016.	01/15/2028.
723787 AJ 6	PIONEER NATURAL RESOURCES CO			1	2FE	923,085	109.728	822,960	750,000	810,495		(28,213)			7.500	3.371	JJ	25,938	56,250	10/10/2013.	01/15/2020.
723787 AM 9	PIONEER NATURAL RESOURCES CO			1,2	2FE	2,731,401	107.511	2,687,775	2,500,000	2,703,872		(22,631)			4.450	3.257	JJ	51,299	111,250	10/07/2016.	01/15/2026.
74153W CN 7	PRICOA GLOBAL FUNDING I				1FE	6,103,707	99.154	6,058,309	6,110,000	6,104,042		335			2.450	2.472	MS	41,582		09/14/2017.	09/21/2022.
744533 BK 5	PUBLIC SERVICE CO OF OKLAHOMA			1	2FE	997,170	104.752	1,047,520	1,000,000	999,351		314			5.150	5.186	JD	4,292	51,500	11/09/2009.	12/01/2019.
747525 AT 0	QUALCOMM INC			1,2	1FE	2,841,792	97.629	2,782,427	2,850,000	2,842,424		632			2.900	2.946	MN	9,413	39,948	05/19/2017.	05/20/2024.
754730 AE 9	RAYMOND JAMES FINANCIAL INC			1	2FE	1,996,820	100.628	2,012,560	2,000,000	1,997,345		300			3.625	3.643	MS	21,347	85,188	07/07/2016.	09/15/2026.
75886A AQ 1	REGENCY ENERGY PARTNERS LP			1,2	2FE	2,866,185	106.691	2,880,657	2,700,000	2,844,065		(22,120)			5.000	3.702	AO	33,750	135,000	03/23/2017.	10/01/2022.
78012K KU 0	ROYAL BANK OF CANADA				1FE	2,572,116	100.331	2,583,523	2,575,000	2,573,199		561			2.500	2.524	JJ	28,969	64,375	01/11/2016.	01/19/2021.
78386F AD 8	SACI FALABELLA		C	2	2FE	346,402	98.050	343,175	350,000	346,454		52			3.750	3.875	AO	2,224		10/23/2017.	10/30/2027.
785592 AV 8	SABINE PASS LIQUEFACTION LLC			1,2	2FE	3,935,120	112.501	3,937,535	3,500,000	3,925,285		(9,835)			5.875	4.079	JD	103,384		10/05/2017.	06/30/2026.
80283L AA 1	SANTANDER UK PLC		C		2FE	2,978,079	107.100	3,052,350	2,850,000	2,965,170		(12,909)			5.000	4.213	MN	21,375	142,500	03/23/2017.	11/07/2023.
80589M AD 4	SCANA CORP			1,2	2FE	997,390	103.757	1,037,570	1,000,000	998,980		273			4.750	4.783	MN	6,069	47,500	05/05/2011.	05/15/2021.
808513 AG 0	CHARLES SCHWAB CORP			1	1FE	900,638	101.691	915,219	900,000	900,391		(77)			3.225	3.215	MS	9,675	29,025	04/16/2014.	09/01/2022.
816851 AY 5	SEMPRA ENERGY			1,2	2FE	2,518,132	103.418	2,611,305	2,525,000	2,519,381		603			3.750	3.783	MN	12,099	94,688	11/12/2015.	11/15/2025.
82620K AL 7	SIEMENS FINANCIERINGSMAATSCHAPPIJ NV		C	1	1FE	2,742,108	94.539	2,599,823	2,750,000	2,743,054		721			2.350	2.382	AO	13,643	70,010	09/06/2016.	10/15/2026.
82938B AB 6	SINOPEC GROUP OVERSEAS DEVELOPMENT 2015		C	1	1FE	622,163	99.502	621,888	625,000	622,196		33			2.500	2.700	AO	2,734		12/20/2017.	04/28/2020.
82938N AF 1	SINOPEC GROUP OVERSEAS DEVELOPMENT (2017		C	1	1FE	2,871,838	98.709	2,837,884	2,875,000	2,872,149		311			2.250	2.288	MS	19,406		09/06/2017.	09/13/2020.
83367T BR 9	SOCIETE GENERALE SA		C		2FE	2,590,172	105.375	2,739,750	2,600,000	2,591,873		829			4.750	4.798	MN	12,693	123,500	11/17/2015.	11/24/2025.
83368R AJ 1	SOCIETE GENERALE SA		C		2FE	1,695,716	100.999	1,716,983	1,700,000	1,696,493		777			3.250	3.305	JJ	25,937	27,625	01/05/2017.	01/12/2022.
835495 AK 8	SONOCO PRODUCTS CO			1,2	2FE	2,762,396	104.893	2,727,218	2,600,000	2,687,842		(22,684)			4.375	3.367	MN	18,958	113,750	07/17/2014.	11/01/2021.
84265V AG 0	SOUTHERN COPPER CORP		C	1	2FE	1,102,494	112.016	1,209,773	1,080,000	1,102,401		(92)			5.250	5.100	MN	8,348	28,350	09/13/2017.	11/08/2042.
84265V AJ 4	SOUTHERN COPPER CORP		C	1	2FE	918,935	121.131	1,017,500	840,000	918,424		(511)			5.875	5.228	AO	9,322	24,675	09/13/2017.	04/23/2045.
843646 AM 2	SOUTHERN POWER CO			1,2	2FE	2,740,509	105.530	2,664,633	2,525,000	2,712,472		(21,390)			4.150	3.056	JD	8,732	104,788	08/31/2016.	12/01/2025.
86074Q AM 4	STILLWATER MINING CO		C	1,2	4FE	535,324	101.787	539,471	530,000	534,462	(605)	(258)			6.125	5.879	JD	361	16,231	09/13/2017.	06/27/2022.
86562M AQ 3	SUMITOMO MITSUI FINANCIAL GROUP INC		C		1FE	3,500,000	99.478	3,481,730	3,500,000	3,500,000					2.784	2.784	JJ	45,743		07/06/2017.	07/12/2022.
86562M AU 4	SUMITOMO MITSUI FINANCIAL GROUP INC		C		1FE	500,000	99.382	496,910	500,000	500,000					2.778	2.778	AO	2,817		10/11/2017.	10/18/2022.
86765B AS 8	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	1,801,844	111.812	1,733,086	1,550,000	1,771,384		(24,459)			5.950	3.786	JD	7,685	92,225	09/27/2016.	12/01/2025.
86765B AT 6	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	383,830	98.006	377,323	385,000	383,975		99			3.900	3.937	JJ	6,924	15,140	07/07/2016.	07/15/2026.
86765B AV 1	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	823,400	101.256	835,362	825,000	823,415		15			5.400	5.413	AO	12,375		09/19/2017.	10/01/2047.
86787G AJ 1	SUNTRUST BANK			2	2FE	2,516,062	99.192	2,504,598	2,525,000	2,517,317		784			3.300	3.342	MN	10,647	83,325	05/26/2016.	05/15/2026.
87165B AD 5	SYNCHRONY FINANCIAL			1,2	2FE	2,766,094	103.808	2,724,960	2,625,000	2,744,301		(16,457)			4.250	3.450	FA	42,146	111,563	08/29/2016.	08/15/2024.
87165B AM 5	SYNCHRONY FINANCIAL			1,2	2FE	4,113,203	99.752	4,114,770	4,125,000	4,113,285		83			3.950	3.985	JD	13,578		11/28/2017.	12/01/2027.
87233Q AB 4	TC PIPELINES LP			1,2	2FE	1,660,960	104.162	1,666,592	1,600,000	1,656,747		(4,213)			4.375	3.790	MS	21,000	35,000	05/19/2017.	03/13/2025.
87305Q CM 1	TTX CO			1	1FE	2,447,452	102.975	2,522,888	2,450,000	2,447,473		45			4.200	4.206	JJ	51,450	108,045	06/06/2016.	07/01/2046.
87876T AE 4	TECPETROL INTERNATIONAL S.A.		C	1,2	3FE	200,000	100.450	200,900	200,000	200,000					4.875	4.875	JD	515		12/05/2017.	12/12/2022.
88163V AD 1	TEVA PHARMACEUTICAL FINANCE CO LLC		C	1	2FE	499,224	100.389	461,789	460,000	498,894		(331)			6.150	5.411	FA	11,788		09/15/2017.	02/01/2036.
88167A AE 1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS		C	1	2FE	4,835,143	82.694	4,333,166	5,240,000	4,845,636		10,493			3.150	4.186	AO	41,265	19,530	09/28/2017.	10/01/2026.
88167A AF 8	TEVA PHARMACEUTICAL FINANCE NETHERLANDS		C	1	2FE	169,892	76.371	152,742	200,000	170,084		192			4.100	5.097	AO	2,050	4,100	08/07/2017.	10/01/2046.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
887317 AZ 8	TIME WARNER INC			1,2	2FE	2,548,751	101.097	2,577,974	2,550,000	2,549,125		91			3.875	3.880	JJ	45,564	98,813	11/17/2015.	01/15/2026.
893526 8Y 2	TRANSCANADA PIPELINES LTD			1	1FE	1,226,631	104.892	1,048,920	1,000,000	1,033,429		(30,999)			7.125	3.809	JJ	32,854	71,250	01/13/2011.	01/15/2019.
89641U AC 5	TRINITY ACQUISITION PLC		C	1,2	2FE	2,773,062	105.910	2,859,570	2,700,000	2,767,674		(5,388)			4.400	4.029	MS	34,980	59,400	03/23/2017.	03/15/2026.
89837L AA 3	TRUSTEES OF PRINCETON UNIVERSITY			1	1FE	2,191,640	103.234	2,271,148	2,200,000	2,198,798		981			4.950	4.999	MS	36,300	108,900	01/13/2009.	03/01/2019.
90016B AE 8	TURKIYE IS BANKASI AS		C		3FE	275,446	101.075	272,903	270,000	272,903	(2,394)	(149)			6.125	5.750	AO	3,032	8,269	10/04/2017.	04/25/2024.
90131H AX 3	21ST CENTURY FOX AMERICA INC				2FE	2,471,504	129.501	2,486,419	1,920,000	2,369,538		(47,689)			7.700	4.164	AO	25,051	147,840	10/22/2015.	10/30/2025.
90352J AC 7	UBS GROUP FUNDING SWITZERLAND AG		C	2	1FE	2,650,000	105.540	2,796,810	2,650,000	2,650,000					4.253	4.253	MS	30,681	56,352	03/16/2017.	03/23/2028.
90521A PJ 1	MUFG UNION BANK NA		C	2	1FE	999,770	100.348	1,003,480	1,000,000	999,964		48			2.625	2.630	MS	6,927	26,250	09/19/2013.	09/26/2018.
908906 AC 4	MUFG AMERICAS HOLDINGS CORP		C	1	1FE	760,155	102.556	769,170	750,000	755,864		(1,201)			3.500	3.310	JD	948	26,250	03/25/2014.	06/18/2022.
91159H HH 6	U.S. BANCORP			2	1FE	1,748,425	100.293	1,755,128	1,750,000	1,749,570		319			2.200	2.219	AO	7,058	38,500	04/21/2014.	04/25/2019.
91832C AA 4	VM HOLDING SA		C	1,2	3FE	611,580	106.250	637,500	600,000	611,317		(263)			5.375	5.110	MN	5,106	16,125	09/13/2017.	05/04/2027.
91911T AH 6	VALE OVERSEAS LTD		C	1	2FE	1,800,600	123.000	2,004,900	1,630,000	1,787,364		(4,223)			6.875	6.013	MN	12,451	107,594	09/13/2017.	11/21/2036.
91911T AN 3	VALE OVERSEAS LTD		C	1	2FE	140,634	109.150	141,895	130,000	139,422		(1,212)			5.875	3.613	JD	446	3,819	09/13/2017.	06/10/2021.
92189F 49 4	VANECK VCTR J P MORGN LCL BND ETF			2		45,136,764	18.980	46,035,534		45,136,764	1,588,497						N/A	202,770	1,635,965	12/07/2017.	
92241T AM 4	VEDANTA RESOURCES PLC		C	1,2	4FE	210,000	102.286	214,801	210,000	210,000					6.125	6.125	FA	5,074		08/03/2017.	08/09/2024.
92343V DR 2	VERIZON COMMUNICATIONS INC			1	2FE	4,196,906	104.893	4,527,182	4,316,000	4,200,255		3,348			4.812	5.019	MS	61,152	128,073	02/03/2017.	03/15/2039.
927804 FF 6	VIRGINIA ELECTRIC AND POWER CO			1	2FE	848,088	101.139	859,682	850,000	849,922		233			5.400	5.429	AO	7,778	45,900	04/14/2008.	04/30/2018.
931142 DH 3	WAL MART STORES INC			2	1FE	955,319	100.421	1,004,210	1,000,000	972,242		4,770			2.550	3.125	AO	5,667	25,500	04/16/2014.	04/11/2023.
931422 AE 9	WALGREEN CO			1	2FE	248,693	103.047	257,618	250,000	249,830		155			5.250	5.318	JJ	6,052	13,125	01/08/2009.	01/15/2019.
94974B EV 8	WELLS FARGO & CO				1FE	1,630,395	106.308	1,594,620	1,500,000	1,560,645		(17,428)			4.600	3.277	AO	17,250	69,000	10/09/2013.	04/01/2021.
94974B FC 9	WELLS FARGO & CO				1FE	1,781,450	103.303	1,807,803	1,750,000	1,767,482		(3,849)			3.500	3.242	MS	19,226	61,250	03/25/2014.	03/08/2022.
958254 AC 8	WESTERN GAS PARTNERS LP			1,2	2FE	1,000,300	100.183	1,001,830	1,000,000	1,000,039		(75)			2.600	2.593	FA	9,822	26,000	10/02/2013.	08/15/2018.
960386 AL 4	WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP			1,2	2FE	1,950,540	97.953	1,959,060	2,000,000	1,953,985		3,445			3.450	3.757	MN	8,817	71,300	03/23/2017.	11/15/2026.
962166 BV 5	WEYERHAEUSER			1	2FE	916,118	108.403	813,023	750,000	802,043		(28,508)			7.375	3.255	AO	13,828	55,313	10/10/2013.	10/01/2019.
984245 AQ 3	YPF SA		C		4FE	152,696	106.400	159,600	150,000	152,560	(79)	(57)			6.950	6.693	JJ	4,633		09/13/2017.	07/21/2027.
984245 AR 1	YPF SA		C	1,2	4FE	170,000	99.350	168,895	170,000	168,895	(1,105)				7.000	7.000	JD	529		12/07/2017.	12/15/2047.
98458P AC 9	YALE UNIVERSITY			1	1FE	1,500,000	100.366	1,505,490	1,500,000	1,500,000					2.086	2.086	AO	6,606	31,290	04/03/2014.	04/15/2019.
98978V AL 7	ZOETIS INC			1,2	2FE	1,988,880	97.857	1,957,140	2,000,000	1,989,174		294			3.000	3.065	MS	18,167		09/05/2017.	09/12/2027.
A8372T AC 2	SUZANO PAPEL E CELULOSE SA		C		3FE	204,000	115.000	230,000	200,000	204,006		6			7.000	6.841	MS	4,083	7,000	06/15/2017.	03/16/2047.
G0066R AA 2	ABQ FINANCE LTD		D		1FE	646,725	99.016	643,604	650,000	647,192		467			3.625	3.766	AO	5,105	11,781	09/13/2017.	04/13/2021.
G0066R AB 0	ABQ FINANCE LTD		D		1FE	1,888,063	97.758	1,876,954	1,920,000	1,891,128		3,065			3.500	3.896	FA	24,080	25,200	09/13/2017.	02/22/2022.
G0719W AB 0	AVI FUNDING COMPANY LTD		D		1FE	207,594	102.298	204,596	200,000	207,152		(442)			3.800	3.271	MS	2,217	3,800	06/05/2017.	09/16/2025.
G09579 AA 4	BEIJING GAS SINGAPORE CAPITAL CORP		D		1FE	555,869	98.016	548,890	560,000	556,173		305			2.750	2.916	MN	1,326	7,700	08/25/2017.	05/31/2022.
G1064F AD 2	BESTGAIN REAL ESTATE LYRA LTD		D		2FE	1,324,620	101.314	1,306,951	1,290,000	1,318,254		(6,366)			3.950	2.802	JD	1,132	39,105	09/13/2017.	12/23/2019.
G13629 AD 5	BLUESTAR FINANCE HOLDINGS LTD		D	1	2FE	749,042	99.977	739,830	740,000	748,365		(677)			3.500	3.177	MS	6,547	12,950	09/13/2017.	09/30/2021.
G13629 AE 3	BLUESTAR FINANCE HOLDINGS LTD		D	1	2FE	592,912	99.804	588,844	590,000	592,187		(726)			3.125	2.867	MS	4,661	9,219	07/17/2017.	09/30/2019.
G1990L AA 4	CEMENTOS PROGRESO TRUST		D	1,2	3FE	213,310	106.500	213,000	200,000	209,601		(3,709)			7.125	3.360	MN	2,177	7,125	06/20/2017.	11/06/2023.
G20011 AC 9	CENTRAL AMERICA BOTTLING CORP			1,2	3FE	288,260	105.405	284,594	270,000	284,594	(2,677)	(989)			5.750	4.658	JJ	6,512	5,750	09/13/2017.	01/31/2027.
G27581 AA 8	DIANJIAN HAIYU LTD		D	2	2FE	680,100	98.350	668,780	680,000	680,086		(14)			3.500	3.482	JD	1,124	11,900	11/07/2017.	12/29/2049.
G28288 AA 9	DP WORLD LTD		D		2FE	647,250	101.959	642,342	630,000	646,139		(1,111)			3.908	3.386	MN	2,120	12,310	09/13/2017.	05/31/2023.
G3066L AD 3	ENN ENERGY HOLDINGS LTD		D		2FE	919,173	99.165	902,402	910,000	918,644		(529)			3.250	3.025	JJ	12,898		09/13/2017.	07/24/2022.
G31307 AA 2	EMG SUKUK LTD		D		2FE	1,003,187	103.598	994,541	960,000	1,000,740		(2,447)			4.564	3.816	JD	1,582	21,907	09/13/2017.	06/18/2024.
G3641T AA 6	FORTUNE STAR (BVI) LTD			1,2	3FE	709,280	99.335	695,345	700,000	695,345	(12,984)	(951)			5.250	4.933	MS	10,004	18,375	09/13/2017.	03/23/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
G371E2 AA 6	FRESNILLO PLC		D	1	2FE	223,120	109.875	219,750	200,000	221,321		(1,799)			5.500	3.475	MN	1,467	5,500	06/08/2017.	11/13/2023.
G3946K AA 7	GOHL CAPITAL LTD		D	1	2FE	571,633	102.552	564,036	550,000	570,941		(692)			4.250	3.750	JJ	10,194	5,313	09/13/2017.	01/24/2027.
G4487E AA 4	HIKMA PHARMACEUTICALS PLC		D		3FE	405,500	100.716	402,864	400,000	402,864	(2,035)	(601)			4.250	3.686	OCT	3,825	8,500	09/14/2017.	04/10/2020.
G4586A AF 1	HONGKONG ELECTRIC FINANCE LTD		D		1FE	593,993	96.461	588,412	610,000	594,803		810			2.875	3.218	MN	2,825	8,769	09/13/2017.	05/03/2026.
G463PC AG 4	HUARONG FINANCE II CO LTD		D		2FE	1,164,694	99.191	1,160,535	1,170,000	1,165,423		729			2.750	3.034	JD	2,503	16,088	11/28/2017.	06/03/2019.
G4694R AA 4	IBQ FINANCE LTD		D		1FE	1,064,720	99.750	1,057,350	1,060,000	1,064,155		(565)			3.500	3.357	MN	3,710	18,550	09/13/2017.	11/25/2020.
G4R026 AB 6	HKT CAPITAL NO 2 LTD		D		2FE	549,964	100.437	542,360	540,000	549,492		(472)			3.625	3.350	AO	4,839	9,788	09/13/2017.	04/02/2025.
G5257R AA 0	KING POWER CAPITAL LTD		D		2FE	1,551,376	111.781	1,542,578	1,380,000	1,541,626		(9,750)			5.625	3.672	MN	12,506	38,813	09/14/2017.	11/03/2024.
G5278K AA 0	EZDAN SUKUK COMPANY LTD		D		3FE	575,680	91.388	548,328	600,000	548,328	(29,758)	2,406			4.375	5.576	MN	3,135	13,125	09/13/2017.	05/18/2021.
G5332X AE 8	KUWAIT PROJECTS CO (CAYMAN)		D		2FE	1,335,378	115.335	1,291,752	1,120,000	1,303,207		(32,171)			9.375	2.666	JJ	48,417	27,190	09/13/2017.	07/15/2020.
G5332X AG 3	KUWAIT PROJECTS CO CAYMAN		D		2FE	1,587,982	104.398	1,555,530	1,490,000	1,580,899		(7,082)			5.000	3.699	MS	21,936	27,250	09/13/2017.	03/15/2023.
G5635P AE 9	LONGFOR PROPERTIES CO LTD		D	1	2FE	567,017	99.882	559,339	560,000	566,812		(204)			3.875	3.582	JJ	10,127		11/01/2017.	07/13/2022.
G68259 AA 1	OVPH LTD		D	2	2FE	684,450	103.485	672,653	650,000	682,334		(2,116)			5.875	4.178	MS	12,729		10/10/2017.	12/29/2049.
G6S79L AC 3	MINMETALS BOUNTEOUS FINANCE (BVI) LTD				2FE	417,532	102.254	409,016	400,000	417,039		(493)			4.200	3.617	JJ	7,187		09/13/2017.	07/27/2026.
G7302V DY 7	QNB FINANCE LTD		D		1FE	2,865,010	95.308	2,830,648	2,970,000	2,875,981		10,971			2.125	3.041	MS	19,986	23,694	09/13/2017.	09/07/2021.
G7303Z AG 9	OOREDOO INTERNATIONAL FINANCE LTD		D		1FE	368,613	99.617	368,583	370,000	368,677		65			3.875	3.918	JJ	6,014	7,169	06/23/2017.	01/31/2028.
G7304Z AB 9	QIB SUKUK LTD		D		1FE	977,620	97.366	973,660	1,000,000	980,865		3,245			2.754	3.473	AO	4,896	13,770	09/13/2017.	10/27/2020.
G7366T AA 0	RAKFUNDING CAYMAN LTD		D		2FE	1,705,885	100.594	1,689,979	1,680,000	1,699,718		(6,168)			3.250	2.437	JD	1,062	42,900	09/14/2017.	06/24/2019.
G781A6 AD 5	SAUDI ELECTRICITY GLOBAL SUKUK CO 3		D		1FE	433,400	107.917	431,668	400,000	433,102		(298)			5.500	4.934	AO	5,072	11,000	06/15/2017.	04/08/2044.
G8118H AC 1	SIB SUKUK CO III LTD		D		1FE	209,423	98.987	207,873	210,000	209,499		77			3.084	3.153	MS	2,033	3,238	06/09/2017.	09/08/2021.
G8185T AA 7	SINOCHEM OVERSEAS CAPITAL CO LTD		C	1	1FE	211,560	104.340	208,680	200,000	209,726		(1,834)			4.500	2.722	MN	1,225	4,500	06/05/2017.	11/12/2020.
G8449W AC 8	STATE GRID OVERSEAS INVESTMENT 2014 LTD		D	1	1FE	428,548	105.804	423,216	400,000	426,952		(1,596)			4.125	2.953	MN	2,475	8,250	09/12/2017.	05/07/2024.
G8463Y AC 5	STEEL FUNDING LTD		D		2FE	740,936	104.180	750,096	720,000	739,555		(1,381)			4.500	3.941	JD	1,440	23,400	09/13/2017.	06/15/2023.
G87602 AA 9	TENGIZCHEVROIL FINANCE COMPANY INTERNATI				2FE	1,061,820	100.575	1,086,210	1,080,000	1,062,706		886			4.000	4.223	FA	16,320	21,600	07/17/2017.	08/15/2026.
G8850L AA 8	THREE GORGES FINANCE I (CAYMAN ISLANDS)		C	1	1FE	519,617	102.526	512,630	500,000	518,773		(844)			3.700	3.130	JD	1,079	9,250	09/12/2017.	06/10/2025.
G9328D AJ 9	VEDANTA RESOURCES PLC		C	1	4FE	209,250	107.880	215,760	200,000	208,555		(695)			7.125	6.183	JD	1,108	7,125	06/15/2017.	05/31/2023.
L0178W AG 7	ALTICE FINANCING SA		C	1,2	3FE	662,280	106.750	640,500	600,000	640,500	(17,409)	(4,371)			7.500	5.364	JJ	20,750	15,000	09/13/2017.	05/15/2026.
L6388F AM 4	MILLICOM INTERNATIONAL CELLULAR SA		D	1,2	3FE	636,270	106.250	637,500	600,000	632,633	(882)	(2,755)			6.000	4.611	MS	10,600	12,000	09/14/2017.	03/15/2025.
M0152V AB 9	ABU DHABI NATIONAL ENERGY CO		D		2FE	122,990	127.756	127,756	100,000	122,585		(405)			6.500	4.681	AO	1,156	3,250	06/09/2017.	10/27/2036.
M0152V AG 8	ABU DHABI NATIONAL ENERGY CO		D		2FE	797,626	101.410	801,139	790,000	797,119		(507)			3.625	3.428	JJ	13,444	7,069	09/13/2017.	01/12/2023.
M1838H AA 2	BURGAN SENIOR SPC LTD		D		1FE	542,700	99.256	535,982	540,000	542,381		(319)			3.125	2.998	MS	5,016	8,438	06/09/2017.	09/14/2021.
M2851H AA 2	DP WORLD LTD		D		2FE	275,011	123.006	282,914	230,000	274,306		(705)			6.850	5.259	JJ	7,834	7,878	06/08/2017.	07/02/2037.
M4029Z ES 2	EMIRATES NBD BANK PJSC		D	2	1FE	203,410	100.095	200,190	200,000	201,015		(2,395)			4.875	2.727	MS	2,519	4,875	06/08/2017.	03/28/2023.
M5318P AM 8	IDBI BANK (DUBAI BRANCH)		D		3FE	401,206	100.588	402,352	400,000	400,883		(323)			3.750	3.537	JJ	6,500	3,750	09/12/2017.	01/25/2019.
M60170 AV 5	ISRAEL ELECTRIC CORP LTD		D	1	2FE	1,419,814	106.347	1,393,146	1,310,000	1,413,726		(6,088)			5.000	3.683	MN	8,915	32,750	09/13/2017.	11/12/2024.
M63751 AB 3	KOC HOLDING AS		D	1,2	2FE	960,098	105.205	957,366	910,000	956,372		(3,726)			5.250	4.103	MS	14,067	17,850	09/13/2017.	03/15/2023.
M6S73Y AB 6	KT KIRA SERTIFIKALARI VARLIK KIRALAMA AS		D		2FE	207,800	102.027	204,054	200,000	205,734		(2,066)			5.162	3.168	JD	143	10,324	06/09/2017.	06/26/2019.
M7120L AA 7	NATIONAL BANK OF OMAN SAOG		D		2FE	200,480	99.375	198,750	200,000	200,372		(108)			3.125	3.016	AO	1,458	3,125	06/09/2017.	10/07/2019.
M87717 AD 2	TF VARLIK KIRALAMA AS		D		2FE	206,880	101.984	203,968	200,000	204,885		(1,995)			5.375	3.451	AO	2,001	5,376	06/09/2017.	04/24/2019.
M8933F AF 4	TURKIYE IS BANKASI AS		D		3FE	200,000	100.258	200,516	200,000	200,000					6.000	5.999	AO	2,233		11/03/2017.	10/24/2022.
M90345 AA 3	TURKIYE SISE VE CAM FABRIKALARI AS		D		3FE	202,180	101.564	203,128	200,000	201,799		(381)			4.250	3.846	MN	1,228	4,250	06/15/2017.	05/09/2020.
M9037B DX 4	TURKIYE VAKIFLAR BANKASI TAO		D	2	4FE	202,000	100.875	201,750	200,000	201,750	(214)	(36)			6.875	6.361	FA	5,653		12/14/2017.	02/03/2025.
M9396C AG 7	UNION NATIONAL BANK PJSC		D		1FE	1,281,790	98.192	1,276,496	1,300,000	1,283,977		2,187			2.750	3.100	AO	8,540	17,875	09/13/2017.	10/05/2021.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
N3783A AA 7	GTH FINANCE BV		D	1,2	3FE	222,500	112.638	225,276	200,000	220,614		(1,886)			7.250	4.928	AO	2,618	7,250	06/15/2017.	04/26/2023.
N4826L AD 4	KAZAKHSTAN TEMIR ZHOLY FINANCE BV		D		3FE	947,598	117.513	1,010,612	860,000	946,962		(636)			6.950	6.145	JJ	28,391	15,985	09/13/2017.	07/10/2042.
N4960Z AB 3	NK KAZMUNAYGAZ AO		D		3FE	995,010	108.510	976,590	900,000	976,590	(2,442)	(15,978)			7.000	3.084	MN	9,800	31,500	09/12/2017.	05/05/2020.
N4960Z AD 9	NK KAZMUNAYGAZ AO		D		2FE	402,620	106.550	426,200	400,000	402,644		24			5.750	5.703	AO	4,600	11,500	09/12/2017.	04/19/2047.
N4960Z AE 7	NK KAZMUNAYGAZ AO		D		2FE	706,822	105.290	737,030	700,000	706,543		(279)			4.750	4.624	AO	6,650	16,625	07/14/2017.	04/19/2027.
N5S29Q GV 9	MDC GMTN BV		D		1FE	820,774	99.650	817,130	820,000	820,806		32			3.750	3.739	AO	6,150	15,375	09/13/2017.	04/19/2029.
P09646 AE 3	BANCO DE CREDITO DEL PERU (PANAMA BRANCH		C	1,2,5	2FE	876,515	110.250	870,975	790,000	870,083		(6,432)			6.125	3.552	AO	9,005	24,194	09/13/2017.	04/24/2027.
P1265V AD 4	BANCO GNB SUDAMERIS SA		C	2	4FE	206,900	103.750	207,500	200,000	206,234		(666)			6.500	5.662	AO	3,178	6,500	06/15/2017.	04/03/2027.
P3143N AW 4	CORPORACION NACIONAL DEL COBRE DE CHILE		C		1FE	1,292,600	107.616	1,291,392	1,200,000	1,287,530		(5,070)			4.500	3.415	MS	15,750	27,000	09/12/2017.	09/16/2025.
P37110 AG 1	EMPRESA NACIONAL DEL PETROLEO ENAP		C	1	2FE	641,020	106.243	637,458	600,000	636,452		(4,568)			4.750	3.095	JD	1,979	14,250	07/13/2017.	12/06/2021.
P3713L AA 6	ELEMENTIA SA DE CV		D	1,2	3FE	204,830	103.500	207,000	200,000	204,554		(276)			5.500	5.111	JJ	5,072	5,500	06/15/2017.	01/15/2025.
P3713Q AA 5	EMPRESA ELECTRICA ANGAMOS SA			1	2FE	945,314	99.807	918,224	920,000	943,817		(1,497)			4.875	4.353	MN	4,485	22,425	09/13/2017.	05/25/2029.
P3716X AA 7	EMPRESA NACIONAL DE AUTOPISTA SA (ENA)		C		2FE	573,977	104.375	579,837	555,533	572,794		(1,182)			4.950	3.856	JAJO	5,041	12,667	09/13/2017.	04/25/2028.
P3772W AF 9	BANCO DO BRASIL SA (GRAND CAYMAN BRANCH)		C	2	4FE	204,480	107.625	215,250	200,000	204,223		(257)			9.000	8.567	JD	650	9,000	06/15/2017.	12/29/2049.
P47718 AA 2	GLOBAL BANK CORP		D	1	2FE	1,127,620	103.620	1,119,096	1,080,000	1,118,104		(9,516)			5.125	3.122	AO	9,379	27,675	09/13/2017.	10/30/2019.
P47773 AN 9	GLOBO COMUNICACOES E PARTICIPACOES SA		C	2	2FE	203,980	103.000	206,000	200,000	203,740		(240)			4.843	4.536	JD	619	4,843	06/08/2017.	06/08/2025.
P4909L AA 8	GNL QUINTERO SA		D	1	2FE	1,017,560	104.500	1,013,650	970,000	1,015,175		(2,385)			4.634	3.908	JJ	18,854	16,914	09/13/2017.	07/31/2029.
P57908 AE 8	MEXICHEM SAB DE CV		C	1	2FE	217,796	115.500	231,000	200,000	217,649		(147)			6.750	6.057	MS	3,825	6,750	06/08/2017.	09/19/2042.
P57908 AF 5	MEXICHEM SAB DE CV		D	1	2FE	670,138	104.000	686,400	660,000	670,128		(10)			5.875	5.761	MS	11,202	19,388	09/13/2017.	09/17/2044.
P66208 AA 0	MEXICO GENERADORA DE ENERGIA S DE RL		C	1	2FE	754,885	105.750	760,314	718,973	754,200		(685)			5.500	5.029	JD	2,746	20,166	09/14/2017.	12/06/2032.
P7464E AA 4	PAMPA ENERGIA SA		C	1,2	4FE	375,315	110.014	385,049	350,000	374,401		(914)			7.500	6.348	JJ	11,448	7,500	09/13/2017.	01/24/2027.
P7873P AE 6	PETROBRAS ARGENTINA SA		C	1,2	4FE	289,213	109.500	295,650	270,000	287,973		(1,240)			7.375	5.888	JJ	8,850	7,375	09/13/2017.	07/21/2023.
P8674J AB 5	SIGMA ALIMENTOS SA DE CV		C	1	2FE	835,057	108.750	815,625	750,000	818,611		(16,446)			6.875	2.077	JD	2,148	44,688	09/13/2017.	12/16/2019.
P9451Y AC 7	UNION ANDINA DE CEMENTOS SAA		D	1,2	3FE	366,488	103.625	362,688	350,000	362,688	(1,822)	(1,978)			5.875	4.246	AO	3,484	10,281	09/13/2017.	10/30/2021.
P98088 AA 8	VOTORANTIM CIMENTOS BRASIL SA		C	1	3FE	197,920	108.500	217,000	200,000	197,969		49			7.250	7.342	AO	3,464	7,250	06/15/2017.	04/05/2041.
P989MJ BE 0	YPF		C	1	4FE	310,097	116.000	313,200	270,000	308,279		(1,818)			8.500	6.131	JJ	9,754	8,500	09/13/2017.	07/28/2025.
P989MJ BG 5	YPF SA		C	1	4FE	984,875	113.100	983,970	870,000	971,325		(13,550)			8.500	4.572	MS	20,131	36,975	09/13/2017.	03/23/2021.
U75888 AC 8	RELIANCE HOLDING USA INC		C		2FE	1,604,691	108.700	1,587,020	1,460,000	1,589,586		(15,106)			5.400	3.089	FA	30,003	39,420	07/17/2017.	02/14/2022.
V6143X AC 2	MTN (MAURITIUS) INVESTMENTS LTD		D	1	3FE	619,980	103.395	620,370	600,000	619,319		(661)			5.373	4.506	FA	12,358		11/01/2017.	02/13/2022.
V6560A AC 6	OCP SA		D		2FE	542,180	107.362	536,810	500,000	539,738		(2,442)			5.625	4.179	AO	5,156	14,063	09/13/2017.	04/25/2024.
V6560A AD 4	OCP SA		D		2FE	2,165,230	115.034	2,208,653	1,920,000	2,163,730		(1,500)			6.875	5.917	AO	24,200	66,000	10/05/2017.	04/25/2044.
V96177 AA 4	UPL CORPORATION LTD		C	1	2FE	1,588,756	99.841	1,577,488	1,580,000	1,587,899		(857)			3.250	3.109	AO	11,126	25,675	09/13/2017.	10/13/2021.
W7263H AF 1	PKO FINANCE AB		D		1FE	226,239	106.841	224,366	210,000	224,668		(1,571)			4.630	3.034	MS	2,566	4,862	06/12/2017.	09/26/2022.
Y06942 UF 4	BANK OF EAST ASIA LTD		D	2	3FE	200,520	99.903	199,806	200,000	199,806	(661)	(53)			4.000	3.933	MN	1,289	4,000	06/15/2017.	11/03/2026.
Y0776W AB 0	BEIJING STATE-OWNED ASSETS MANAGEMENT HO		D		1FE	996,892	102.665	985,584	960,000	995,138		(1,754)			4.125	3.558	MN	3,850	19,800	09/13/2017.	05/26/2025.
Y0963B AA 1	BPRL INTERNATIONAL SINGAPORE PTE LTD		D		2FE	782,261	103.120	773,400	750,000	781,009		(1,252)			4.375	3.830	JJ	14,857	7,656	09/13/2017.	01/18/2027.
Y1639J AF 5	CITIC PACIFIC LTD		D		2FE	354,882	115.537	346,611	300,000	349,908		(4,974)			6.800	3.202	JJ	9,293	10,200	06/05/2017.	01/17/2023.
Y1R396 FU 2	CHINA CONSTRUCTION BANK CORP		D	2,5	2FE	1,367,394	100.897	1,352,020	1,340,000	1,363,045		(4,349)			3.875	3.114	MN	6,923	25,963	09/13/2017.	05/13/2025.
Y374AK AA 4	IOI INVESTMENT BHD		D		2FE	1,382,676	103.269	1,363,151	1,320,000	1,377,324		(5,352)			4.375	3.325	JD	642	43,969	09/14/2017.	06/27/2022.
Y39428 AB 6	INDIAN RAILWAY FINANCE CORP LTD		D		2FE	205,592	101.250	202,500	200,000	203,809		(1,783)			3.917	2.233	FA	2,720	3,917	06/05/2017.	02/26/2019.
Y3R559 AB 8	ICBCIL FINANCE CO LTD		D		1FE	563,852	100.170	560,952	560,000	563,675		(177)			3.250	2.941	SEP	5,258		11/21/2017.	03/17/2020.
Y44680 GC 7	JSW STEEL LTD		D		3FE	203,750	102.260	204,520	200,000	203,386		(364)			5.250	4.808	AO	2,275	5,279	06/15/2017.	04/13/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used to Obtain Fair Value	9 Fair Value	Par Value	Book/Adjusted Carrying Value	12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Stated Contractual Maturity Date
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD		C	2	1FE	203,680	101.546	203,092	200,000	203,521		(159)			3.950	3.528	JJ	3,445		10/16/2017.	07/24/2077.
Y4596H AA 5	NK KAZMUNAYGAZ AO		D		3FE	775,950	109.335	765,345	700,000	765,296		(10,654)			6.375	3.339	AO	10,165	22,313	06/05/2017.	04/09/2021.
Y48585 DU 7	KEB HANA BANK		D		2FE	665,842	103.033	659,411	640,000	664,467		(1,375)			4.250	3.609	AO	5,818	13,600	09/14/2017.	10/14/2024.
Y6421X BY 3	NTPC LTD		D		2FE	539,401	103.219	536,739	520,000	538,372		(1,029)			4.250	3.743	FA	7,674	11,050	06/09/2017.	02/26/2026.
Y6S63R D4 3	NONGHYUP BANK		D		1FE	646,670	99.687	637,997	640,000	645,642		(1,028)			2.875	2.517	JJ	8,127	7,763	09/14/2017.	07/22/2020.
Y7133M AC 3	PELABUHAN INDONESIA II (PERSERO) PT		D		2FE	921,455	102.500	922,500	900,000	920,398		(1,057)			4.250	3.892	MN	5,950	19,125	09/13/2017.	05/05/2025.
Y7138A AE 0	PERTAMINA (PERSERO) PT		C		2FE	945,584	104.751	942,759	900,000	943,074		(2,510)			4.300	3.322	MN	4,408	19,350	09/13/2017.	05/20/2023.
Y7T47W HN 4	SHINHAN BANK		D	2	2FE	635,313	101.150	630,165	623,000	634,916		(397)			3.875	3.351	JD	1,609	12,071	11/22/2017.	12/07/2026.
Y8564S AC 6	THETA CAPITAL PTE LTD		D	1,2	4FE	210,860	102.640	205,280	200,000	205,280	(3,042)	(2,538)			7.000	4.387	AO	3,111	7,000	06/15/2017.	04/11/2022.
Y8808W AD 1	TIANJIN INFRASTRUCTURE CONSTRUCTION & IN		D		1FE	1,398,018	99.335	1,390,665	1,400,000	1,398,540		510			2.750	2.823	JD	1,711	19,250	09/13/2017.	06/15/2019.
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						522,011,732	XXX	526,666,377	462,053,506	519,234,674	1,610,872	(1,157,715)	0	0	XXX	XXX	XXX	5,422,254	14,054,186	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
06650A AE 7	BANK 17BNK8 A4 - CMBS		..	4	1FM	2,059,926	102.981	2,059,620	2,000,000	2,059,801		(126)			3.488	3.338	MON	5,813	5,813	10/27/2017.	11/18/2050.
12591U AF 0	COMM 14UBS2 A5 - CMBS		..	4	1FM	5,304,297	105.618	5,280,900	5,000,000	5,226,205		(34,301)			3.961	3.143	MON	16,504	198,050	09/01/2015.	03/12/2047.
12592X BD 7	COMM 15CC22 A5 - CMBS		..	4	1FM	3,259,023	101.909	3,154,084	3,095,000	3,232,133		(17,825)			3.309	2.623	MON	8,534	102,414	07/01/2016.	03/12/2048.
12624K AD 8	COMM 12CRE2 A4 - CMBS		..	4	1FM	2,917,364	101.612	2,870,539	2,825,000	2,912,706		(4,659)			3.147	2.391	MON	7,409	14,817	10/03/2017.	08/15/2045.
12626B AC 8	COMM 13CC10 A3 - CMBS		..	4	1FM	3,193,359	105.420	3,162,600	3,000,000	3,126,502		(21,672)			3.923	3.075	MON	9,808	117,690	11/13/2014.	08/10/2046.
12635F AT 1	CSAIL 15C3 A4 - CMBS		..	4	1FM	3,746,230	104.210	3,647,350	3,500,000	3,706,606		(25,321)			3.718	2.834	MON	10,845	130,137	05/31/2016.	08/17/2048.
17320D AG 3	CGCMT 13GJ11 A4 - CMBS		..	4	1FM	2,352,738	101.540	2,335,420	2,300,000	2,347,361		(5,377)			3.093	2.661	MON	5,928	41,498	05/19/2017.	04/12/2046.
17323C AE 7	CGCMT 15GC27 A5 - CMBS		..	4	1FM	3,081,246	100.948	3,053,677	3,025,000	3,080,160		(1,087)			3.137	2.851	MON	7,908	7,908	11/07/2017.	02/12/2048.
36251X AR 8	GSMS 16GS4 A4 - CMBS		..	4	1FM	1,349,298	102.978	1,349,012	1,310,000	1,345,385		(3,618)			3.442	3.098	MON	3,758	45,090	11/16/2016.	11/15/2049.
36252A AG 1	GSMS 15GS1 AS - CMBS		..	4	1FM	2,961,073	103.856	2,985,860	2,875,000	2,944,844		(7,935)			4.037	3.694	MON	9,672	116,064	11/16/2015.	11/13/2048.
36253B AU 7	GSMS 14GC22 A5 - CMBS		..	4	1FM	993,526	105.489	965,224	915,000	979,092		(9,282)			3.862	2.662	MON	2,945	35,337	06/02/2016.	06/12/2047.
36253X AA 3	GSMS 17500K A - CMBS		..	4	1FM	2,580,000	100.210	2,585,418	2,580,000	2,580,000					2.177	2.208	MON	2,652	16,944	07/26/2017.	07/15/2032.
46590K AE 4	JPMCC 15JP1 A5 - CMBS		..	4	1FM	3,735,840	105.987	3,709,545	3,500,000	3,709,780		(23,915)			3.914	3.057	MON	11,416	136,990	11/22/2016.	01/15/2049.
46639Y AQ 0	JPMCC 13LC11 A5 - CMBS		..	4	1FM	4,929,688	101.061	5,053,050	5,000,000	4,517,480		77,254			2.960	5.085	MON	12,333	147,995	07/08/2014.	04/17/2046.
46640U AC 6	JPMBB 13C17 A3 - CMBS		..	4	1FM	1,747,389	104.985	1,732,253	1,650,000	1,738,963		(8,426)			3.928	2.707	MON	5,401	27,003	07/06/2017.	01/17/2047.
46643P BF 6	JPMBB 14C25 ASB - CMBS		..	4	1FM	3,089,994	102.953	3,088,590	3,000,000	3,052,885		(12,301)			3.407	2.956	MON	8,519	102,222	11/04/2014.	11/18/2047.
46643T BJ 0	JPMBB 14C26 A4 - CMBS		..	4	1FM	3,700,703	103.175	3,611,125	3,500,000	3,665,742		(22,327)			3.494	2.733	MON	10,192	122,301	05/31/2016.	01/17/2048.
50180L AC 4	LBUBS 08C1 A2 - CMBS		..	4	1FM	1,929,940	100.171	1,748,453	1,745,468	1,796,160		(9,385)			6.171	(3.013)	MON	5,984	113,602	08/26/2015.	04/15/2041.
61690V AW 8	MSBAM 15C26 ASB - CMBS		..	4	1FM	2,778,182	102.667	2,746,342	2,675,000	2,752,081		(14,701)			3.323	2.703	MON	7,408	88,890	09/02/2016.	10/15/2048.
61761D AD 4	MSBAM 12C6 A4 - CMBS		..	4	1FM	1,938,686	100.539	1,961,566	1,951,050	1,942,688		1,211			2.858	2.951	MON	4,647	55,761	12/01/2014.	11/17/2045.
92936Q AG 3	WFCM 12C6 A4 - CMBS		..	4	1FM	5,193,359	102.850	5,142,500	5,000,000	5,100,559		(28,099)			3.440	2.835	MON	14,333	172,000	07/09/2014.	04/17/2045.
92937E AZ 7	WFRBS 13C11 A5 - CMBS		..	4	1FM	2,661,326	101.557	2,630,326	2,590,000	2,658,540		(2,786)			3.071	2.491	MON	6,628	13,256	10/13/2017.	03/17/2045.
92939F AU 3	WFRBS 14C21 A5 - CMBS		..	4	1FM	5,149,695	104.277	5,213,850	5,000,000	5,101,301		(14,835)			3.678	3.331	MON	15,325	183,900	07/18/2014.	08/16/2047.
94989T AZ 7	WFCM 15LC22 A4 - CMBS		..	4	1FM	3,684,409	105.479	3,681,217	3,490,000	3,662,100		(20,475)			3.839	3.110	MON	11,165	133,981	11/22/2016.	09/17/2058.
95000G AY 0	WFCM 16BNK1 A3 - CMBS		..	4	1FM	3,713,042	97.085	3,499,914	3,605,000	3,698,951		(10,336)			2.652	2.313	MON	7,967	95,605	08/04/2016.	08/17/2049.
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						78,050,333	XXX	77,268,435	75,131,518	76,938,025	0	(220,324)	0	0	XXX	XXX	XXX	213,094	2,225,268	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
00162L CC 9	ALM 16R A1R - CDO		C	4	1FE	1,305,000	100.616	1,313,039	1,305,000	1,305,000					2.409	2.409	JAJO	6,810	7,764	06/20/2017.	07/16/2027.
02006V AF 8	ALLYA 143 C - ABS		..	4	1FE	2,223,220	100.050	2,216,108	2,215,000	2,222,016		(1,204)			2.140	1.957	MON	2,107	11,850	09/13/2017.	07/15/2020.
03764X AJ 6	APID 17R A2R - CDO		C	4	1FE	3,845,000	100.016	3,845,615	3,845,000	3,845,000					3.203	3.224	JAJO	26,002	101,805	11/08/2016.	04/17/2026.
04964K AL 5	ATRM 9R AR - CDO		..	4	1FE	3,532,900	100.850	3,529,750	3,500,000	3,532,327		(573)			2.708	2.537	FMAN	8,950	22,873	08/31/2017.	05/30/2030.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
05363U AS 2	AVERY 4R AR - CDO		C	4	1FE	3,515,750	100.326	3,511,410	3,500,000	3,513,403		(2,347)			2.467	2.226	JAJO	16,312	21,596	09/08/2017.	04/27/2026.
05619E AC 5	BABSN 162 A - CDO			4	1FE	4,270,000	100.319	4,283,621	4,270,000	4,270,000					2.757	2.819	JAJO	23,871	128,855	07/29/2016.	07/20/2028.
09629E AE 1	BLUEM 2 A2 - CDO		C	4	1FE	2,830,000	100.511	2,844,461	2,830,000	2,830,000					2.940	3.248	FMAN	30,045		08/21/2017.	10/21/2030.
12548C AH 0	CIFC 142R A2L - CDO			4	1FE	4,000,000	100.000	4,000,000	4,000,000	4,000,000					3.012	3.021	FMAN	12,719	83,089	02/08/2017.	05/26/2026.
12550T AA 3	CIFC 154 A1A - CDO		C	4	1FE	4,866,225	100.271	4,888,211	4,875,000	4,883,271		14,338			2.803	2.764	JAJO	27,705	125,238	07/25/2016.	10/20/2027.
126650 BQ 2	CVS 07 CTF - ABS			1	5AM	951,224	117.086	1,018,454	869,834	925,449		(4,025)			6.943	5.763	MON	3,523	60,643	02/14/2011.	01/10/2030.
14041N FF 3	COMET 164 A - ABS			4	1FE	2,624,367	98.784	2,593,080	2,625,000	2,624,652		210			1.330	1.342	MON	1,552	34,912	08/18/2016.	06/15/2022.
14312Q AC 0	CARMX 164 A3 - ABS			4	1FE	4,962,500	99.018	4,950,900	5,000,000	4,971,030		8,530			1.400	1.792	MON	3,111	29,167	07/12/2017.	08/16/2021.
14314J AE 0	CARMX 171 B - ABS			4	1FE	504,004	100.163	500,815	500,000	503,764		(240)			2.540	2.346	MON	564	3,175	09/27/2017.	09/15/2022.
14314R AE 2	CARMX 174 B - ABS			4	1FE	874,923	99.316	869,015	875,000	874,926		2			2.460	2.475	MON	957	2,990	10/17/2017.	08/15/2023.
14314W AD 3	CARMX 173 A3 - ABS			4	1FE	1,309,745	99.483	1,303,227	1,310,000	1,309,784		39			1.970	1.985	MON	1,147	9,964	07/18/2017.	04/15/2022.
15137D AL 9	CECLO 22R A1R - CDO		C	4	1FE	3,505,000	100.182	3,511,379	3,505,000	3,505,000					2.802	2.817	FMAN	15,004	89,255	11/01/2016.	11/09/2026.
165183 AT 1	CF 173 B - ABS			4	1FE	1,524,790	99.939	1,524,070	1,525,000	1,524,008		(782)			2.570	2.570	MON	1,742	13,826	08/01/2017.	08/15/2029.
17305E GA 7	CCCIT 17A2 A2 - ABS			4	1FE	2,549,512	99.787	2,544,569	2,550,000	2,549,738		226			1.740	1.750	JJ	20,213	21,076	01/19/2017.	01/19/2021.
17305E GF 6	CCCIT 17A7 A7 - ABS			4	1FE	5,012,109	100.530	5,026,500	5,000,000	5,013,426		1,316			1.777	1.749	MON	5,923	27,196	08/21/2017.	08/08/2024.
17305E GG 4	CCCIT 17A8 A8 - ABS			4	1FE	4,499,479	99.095	4,459,275	4,500,000	4,499,793		314			1.860	1.836	MON	33,248		08/01/2017.	08/08/2022.
254683 BV 6	DCENT 164 A - ABS			4	1FE	2,599,776	98.800	2,568,800	2,600,000	2,599,870		74			1.390	1.397	MON	1,606	36,140	09/14/2016.	03/15/2022.
26244G AA 3	DRSLF 40 A - CDO			4	1FE	4,000,000	100.752	4,030,080	4,000,000	4,000,000					2.816	2.830	FMAN	14,705	101,796	07/02/2015.	08/15/2028.
26244K AC 0	DRSLF 41 B - CDO			4	1FE	3,455,000	100.053	3,456,831	3,455,000	3,455,000					3.454	3.520	JAJO	25,522	113,206	09/17/2015.	01/18/2028.
29372E BV 9	EFF 171 A2 - ABS			4	1FE	2,122,616	100.020	2,113,958	2,113,535	2,120,316		(2,301)			2.130	1.874	MON	1,376	18,840	07/19/2017.	07/20/2022.
34528Q FJ 8	FORDF 171 A1 - ABS			4	1FE	5,024,023	99.524	4,976,200	5,000,000	5,020,972		(3,052)			2.070	1.896	MON	4,600	34,500	08/21/2017.	05/15/2022.
34530M AA 7	FORDO 14REV1 A - ABS			4	1FE	2,667,626	100.228	2,656,042	2,650,000	2,657,942		(5,669)			2.260	2.047	MON	2,662	59,890	03/31/2016.	11/15/2025.
34530U AA 9	FORDO 16REV1 A - ABS			4	1FE	1,738,889	99.727	1,730,263	1,735,000	1,737,665		(822)			2.310	2.269	MON	1,781	40,079	06/17/2016.	08/15/2027.
36159L CS 3	GEDFT 152 A - ABS			4	1FE	4,345,019	100.723	4,341,161	4,310,000	4,342,692		(2,327)			2.151	1.797	MON	3,090	41,363	07/12/2017.	01/20/2022.
361886 AY 0	GFORT 172 B - ABS			4	1FE	2,464,963	99.698	2,457,556	2,465,000	2,464,966		4			2.440	2.453	MON	2,673	18,712	08/15/2017.	07/15/2022.
36250Q AF 0	GMALT 153 B - ABS			4	1FE	1,989,591	100.114	1,982,257	1,980,000	1,986,433		(3,158)			2.320	1.867	MON	1,404	15,312	08/22/2017.	11/20/2019.
36254M AF 5	GMCAR 173 B - ABS			4	1FE	1,324,970	99.179	1,314,122	1,325,000	1,324,898		(72)			2.330	2.345	MON	1,115	5,489	10/03/2017.	03/16/2023.
380881 CP 5	GCCT 152A A - ABS		A	4	1FE	3,336,433	99.486	3,317,858	3,335,000	3,336,199		(234)			2.020	2.012	MON	2,994	28,070	07/12/2017.	04/15/2022.
44891E AE 9	HART 16B B - ABS			4	1FE	2,084,854	98.171	2,066,500	2,105,000	2,087,311		2,456			1.820	2.108	MON	1,703	15,963	07/17/2017.	11/15/2022.
44891G AD 6	HALST 17B A3 - ABS			4	1FE	2,049,873	99.752	2,039,928	2,045,000	2,048,725		(1,148)			1.970	1.845	MON	1,791	16,786	07/19/2017.	07/15/2020.
50189P AC 6	LCM 25 A - CDO		C	4	1FE	3,485,000	100.871	3,515,354	3,485,000	3,485,000					2.537	2.578	JAJO	33,643		07/10/2017.	07/20/2030.
532621 AN 9	LROCK 2R AR - CDO			4	1FE	361,620	100.675	362,430	360,000	361,291		(329)			2.654	2.428	JAJO	1,990	4,633	07/06/2017.	04/18/2026.
55315X AE 1	MMAF 17A A5 - ABS			4	1FE	1,229,195	99.238	1,220,627	1,230,000	1,229,298		103			2.680	2.710	MON	1,374	20,419	04/25/2017.	07/16/2027.
55819Y AC 4	MDPK 26R BR - CDO			4	1FE	3,245,000	100.654	3,266,222	3,245,000	3,245,000					2.923	2.965	JAJO	26,612		09/05/2017.	07/29/2030.
55952Y AJ 6	MAGNE 8R AR - CDO		C	4,5	1FE	1,567,462	100.028	1,565,438	1,565,000	1,568,595		843			2.604	2.535	JAJO	8,602	38,021	10/20/2016.	04/15/2026.
55953B AK 2	MAGNE 9R A2R - CDO		D	4	1FE	1,655,000	100.527	1,663,722	1,655,000	1,655,000					2.867	2.882	JAJO	8,964	16,835	05/26/2017.	07/27/2026.
67575B AE 9	OCT 25 B - CDO		C	4	1FE	4,070,000	100.038	4,071,547	4,070,000	4,070,000					3.507	3.155	JAJO	28,943	135,920	09/30/2015.	10/20/2026.
69335P CL 7	PFSFC 17D A - ABS			4	1FE	2,324,409	99.622	2,316,212	2,325,000	2,324,444		34			2.400	2.421	MON	2,480	7,905	10/17/2017.	10/17/2022.
78447A AA 2	SLMA 123 A - ABS			4	1FE	2,707,481	100.646	2,709,308	2,691,918	2,706,681		(800)			2.202	2.101	MON	988	22,173	07/24/2017.	12/26/2025.
81376N AE 5	SSTRT 172 A4 - ABS		A	4	1FE	2,455,000	99.199	2,435,335	2,455,000	2,455,000					2.289	2.302	MON	624	12,644	09/27/2017.	03/25/2022.
87165L AF 8	SYNCT 151 A - ABS			4	1FE	3,788,965	100.334	3,762,525	3,750,000	3,772,077		(9,674)			2.370	2.106	MON	3,950	88,875	03/22/2016.	03/15/2023.
87165V AA 7	SYMP 16 A - CDO		C	4	1FE	4,000,000	100.223	4,008,920	4,000,000	4,000,000					2.724	2.782	JAJO	23,302	101,552	07/01/2015.	07/17/2028.
92348M AA 7	VZOT 162 A - ABS			4	1FE	3,000,234	99.343	2,980,290	3,000,000	3,000,157		(77)			1.680	1.681	MON	1,540	29,400	05/19/2017.	05/20/2021.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
92348R AC 2	VZOT 173 B - ABS			4	1FE	1,394,987	99.755	1,391,581	1,395,000	1,397,020		2,033			2.380	2.720	MON	1,014	5,810	10/11/2017.	04/20/2022.
96328D AZ 7	WHLS 171 A2 - ABS			4	1FE	929,991	99.715	927,350	930,000	929,991					1.880	1.880	MON	534	7,042	07/17/2017.	04/20/2026.
981464 GH 7	WFNMT 17C A - ABS			4	1FE	3,999,458	99.630	3,985,200	4,000,000	3,999,481		23			2.310	2.326	MON	4,107	7,700	11/08/2017.	08/15/2024.
98161T AD 7	WOART 17B A3 - ABS			4	1FE	1,429,631	99.172	1,418,160	1,430,000	1,429,676		48			1.950	1.966	MON	1,239	10,302	07/25/2017.	02/15/2023.
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						139,552,814	XXX	139,385,276	139,305,287	139,514,287	0	(8,241)	0	0	XXX	XXX	XXX	458,433	1,850,651	XXX	XXX
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						739,614,879	XXX	743,320,088	676,490,311	735,686,986	1,610,872	(1,386,280)	0	0	XXX	XXX	XXX	6,093,781	18,130,105	XXX	XXX
Hybrid Securities - Issuer Obligations																					
05578Q AA 1	BPCE SA		C		2FE	2,754,875	110.952	2,773,800	2,500,000	2,671,209		(25,417)			5.700	4.352	AO	27,313	142,500	07/08/2014.	10/22/2023.
05578Q AC 7	BPCE SA		C		2FE	1,256,088	105.271	1,263,252	1,200,000	1,254,278		(1,810)			4.625	3.835	JJ	26,208		09/27/2017.	07/11/2024.
05962G AJ 8	BANCO MERCANTIL DEL NORTE SA (CAYMAN ISL		C	2	3FE	685,200	109.875	725,175	660,000	684,628		(572)			7.625	7.094	JAJO	11,882	12,581	09/13/2017.	12/29/2049.
05968L AK 8	BANCOLOMBIA SA		C	2	3FE	200,000	99.000	198,000	200,000	198,000	(2,000)				4.875	4.874	AO	1,977		10/11/2017.	10/18/2027.
060505 EH 3	BANK OF AMERICA CORP			2,5	3FE	804,375	110.630	829,725	750,000	800,602		(3,773)			6.250	5.047	MS	15,104	23,438	05/18/2017.	12/29/2049.
060505 EU 4	BANK OF AMERICA CORP			2,5	3FE	3,028,125	113.250	3,114,375	2,750,000	3,017,755		(9,178)			6.300	4.835	MS	53,419	47,250	09/13/2017.	12/29/2049.
12561A AA 1	CK HUTCHISON CAPITAL SECURITIES (17) LTD		C	2	2FE	662,430	101.338	658,697	650,000	661,693		(737)			4.000	3.550	MN	3,539	13,000	10/24/2017.	12/29/2049.
14040H BH 7	CAPITAL ONE FINANCIAL CORP			2,5	3FE	1,565,625	103.750	1,556,250	1,500,000	1,552,883		(12,742)			5.550	4.003	JD	6,938	83,250	05/16/2017.	12/29/2049.
149206 AA 2	CATLIN INSURANCE CO LTD		C	1,2	2FE	581,175	97.000	795,400	820,000	591,442		7,138			4.332	6.462	JAJO	7,302	55,464	07/20/2016.	07/29/2049.
172967 KD 2	CITIGROUP INC			2,5	3FE	1,609,200	106.500	1,704,000	1,600,000	1,605,887		(3,336)			6.125	5.984	MN	12,522	98,000	03/18/2016.	12/29/2049.
20449E BT 2	COMPASS BANK		C		2FE	2,550,912	105.262	2,526,288	2,400,000	2,491,084		(38,187)			5.500	3.723	AO	33,000	132,000	05/25/2016.	04/01/2020.
269246 BR 4	E*TRADE FINANCIAL CORP			2,5	3FE	900,000	100.750	906,750	900,000	900,000					5.300	5.298	MS	3,313		11/27/2017.	12/29/2049.
29250R AK 2	ENBRIDGE ENERGY PARTNERS LP			1,2	3FE	1,942,623	99.625	1,892,875	1,900,000	1,879,601	128,461	(17,455)			5.133	5.197	AO	24,650	152,950	09/29/2015.	10/01/2077.
316773 CR 9	FIFTH THIRD BANCORP			2,5	3FE	4,069,270	101.500	4,084,360	4,024,000	4,063,074		(6,196)			4.900	4.315	MS	49,842	98,588	09/14/2017.	12/29/2049.
369604 BQ 5	GENERAL ELECTRIC CO			2,5	2FE	6,320,745	103.185	6,368,578	6,172,000	6,266,620		(52,151)			5.000	4.459	JD	13,716	308,600	01/20/2016.	12/29/2049.
37045X CA 2	GENERAL MOTORS FINANCIAL COMPANY INC			2,5	3FE	1,800,000	103.233	1,858,194	1,800,000	1,800,000					5.750	5.750	MS	29,038		09/13/2017.	12/31/2049.
373334 44 0	GEORGIA POWER CO			2	2FE	435,000	25.746	447,971	435,000	435,000					5.000	5.000	JAJO	6,042		09/18/2017.	10/01/2077.
38148B AD 0	GOLDMAN SACHS GROUP INC			9	3FE	800,000	98.650	789,200	800,000	789,200	(10,800)				5.000	5.000	MN	6,667		10/18/2017.	12/29/2049.
4042Q1 AA 5	HSBC BANK USA		C		1FE	2,031,260	129.114	2,582,280	2,000,000	2,024,366		(840)			5.875	5.761	MN	19,583	117,500	12/26/2006.	11/01/2034.
46556U AB 0	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS		C	2	1FE	200,000	100.918	201,836	200,000	200,000					6.125	6.125	JD	647		12/05/2017.	12/29/2049.
46625H HA 1	JPMORGAN CHASE & CO			2,5	2FE	5,396,875	101.375	5,068,750	5,000,000	5,041,758		(128,081)			7.900	5.092	AO	66,931	395,000	03/23/2015.	04/29/2049.
46625H JQ 4	JPMORGAN CHASE & CO			2,5	2FE	6,378,425	113.375	6,351,268	5,602,000	6,314,175		(47,078)			6.750	4.344	FA	157,556	74,385	08/02/2017.	08/29/2049.
493267 AK 4	KEYCORP			2,5	3FE	6,430,300	103.250	6,561,538	6,355,000	6,421,881	226,441	(2,365)			5.000	4.836	MJSD	14,122	278,303	09/18/2017.	09/09/2066.
514666 AK 2	LAND O'LAKES INC			2	3FE	2,705,000	112.500	3,009,375	2,675,000	2,703,237	19,943	(1,706)			8.000	7.810	MJSD	9,511	214,000	08/30/2016.	12/29/2049.
53079E AN 4	LIBERTY MUTUAL GROUP INC			1,5	3FE	592,065	127.550	677,291	531,000	590,040		(1,470)			7.800	6.758	MS	12,195	41,418	07/19/2016.	03/07/2087.
55261F AH 7	M&T BANK CORP			2,5	2FE	1,560,000	106.755	1,665,378	1,560,000	1,560,000					5.125	5.125	MN	13,325	80,616	10/25/2016.	12/29/2049.
58551T AA 5	MELLON CAPITAL IV			2	2FE	1,856,250	94.500	2,362,500	2,500,000	1,889,739		19,366			4.000	5.738	MJSD	3,333	101,350	04/07/2016.	06/29/2049.
59156R BP 2	METLIFE INC			2,5	2FE	4,914,688	104.224	5,211,200	5,000,000	4,910,102		(2,438)			5.250	5.295	JD	11,667	262,500	03/18/2016.	12/29/2049.
693475 AK 1	PNC FINANCIAL SERVICES GROUP INC			2,5	2FE	6,128,125	111.130	6,112,150	5,500,000	5,878,191		(94,899)			6.750	4.645	FA	154,660	371,250	04/07/2015.	07/29/2049.
808513 AP 0	CHARLES SCHWAB CORP			2,5	2FE	1,000,000	102.095	1,020,950	1,000,000	1,000,000					4.625	4.626	MS	15,417	38,670	10/24/2016.	12/29/2049.
867914 BJ 1	SUNTRUST BANKS INC			2,5	3FE	297,000	104.250	312,750	300,000	297,000					5.625	5.691	JD	750	16,875	03/30/2016.	12/29/2049.
902973 AY 2	U.S. BANCORP			2,5	2FE	2,000,000	104.125	2,082,500	2,000,000	2,000,000					5.125	2.986	JJ	47,264	102,500	11/16/2015.	12/29/2049.
949746 PM 7	WELLS FARGO & CO			2,5	2FE	5,381,438	101.745	4,934,633	4,850,000	4,886,273		(181,365)			7.980	3.978	MS	113,959	387,030	04/09/2015.	03/29/2049.
98105H AF 7	WOORI BANK		C	2	3FE	243,840	101.749	244,198	240,000	243,750		(90)			5.250	4.848	MN	1,575		11/16/2017.	05/16/2022.
G463PS AB 0	HUARONG FINANCE 2017 CO LTD			2	3FE	1,419,100	100.963	1,403,386	1,390,000	1,417,299		(1,801)			4.500	3.971	JJ	27,279	4,500	11/28/2017.	12/29/2049.
M7301X AA 2	NBK TIER I FINANCING LTD		D	2	2FE	806,256	103.050	793,485	770,000	801,862		(4,394)			5.750	4.376	AO	10,085	22,138	09/13/2017.	12/29/2049.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Desig-nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
P16259 AH 9	BBVA BANCOMER SA DE CV		C	1	2FE	1,165,277	112.875	1,151,325	1,020,000	1,156,743		(8,533)			6.750	3.646	MS	17,404	34,425	09/13/2017.	09/30/2022.
XS1699 84 5	UNITED OVERSEAS BANK LTD		D	2	2FE	1,138,290	99.594	1,135,372	1,140,000	1,138,295		7			3.875	3.883	AO	8,835		11/29/2017.	12/29/2049.
Y12355 AB 2	CCB LIFE INSURANCE CO LTD		D	2	2FE	1,184,260	102.393	1,177,520	1,150,000	1,182,250		(2,010)			4.500	3.787	AO	10,063	25,875	09/28/2017.	04/21/2077.
Y1R019 AA 9	CHINA LIFE INSURANCE CO LTD		D	2	1FE	1,242,300	100.489	1,236,015	1,230,000	1,242,099		(201)			4.000	3.586	JJ	24,327		12/12/2017.	07/03/2135.
Y1R02P AA 2	CHINA LIFE INSURANCE OVERSEAS COMPANY LT		D	2	1FE	568,210	98.852	563,456	570,000	568,263		52			3.350	3.387	JJ	8,168		09/28/2017.	07/27/2027.
Y20246 G6 8	DBS GROUP HOLDINGS LTD		D	2	2FE	1,200,032	99.553	1,194,632	1,200,000	1,199,995		(37)			3.600	3.561	MS	13,680	16,560	10/30/2017.	09/06/2021.
Y3180F AE 5	HEUNGKUK LIFE INSURANCE CO LTD		D	2	2FE	1,431,863	98.279	1,425,046	1,450,000	1,431,886		10			4.475	4.552	MN	9,373		12/21/2017.	11/09/2077.
4299999. Hybrid Securities - Issuer Obligations						89,236,497	XXX	90,971,724	86,294,000	87,762,160	362,045	(622,289)	0	0	XXX	XXX	XXX	1,104,181	3,752,516	XXX	XXX
4899999. Total - Hybrid Securities						89,236,497	XXX	90,971,724	86,294,000	87,762,160	362,045	(622,289)	0	0	XXX	XXX	XXX	1,104,181	3,752,516	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						2,179,617,586	XXX	2,218,683,788	1,989,482,881	2,141,561,299	1,759,255	(11,220,545)	0	0	XXX	XXX	XXX	23,859,211	68,824,057	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						279,015,631	XXX	276,632,069	270,163,690	279,072,862	0	37,072	0	0	XXX	XXX	XXX	754,003	5,377,231	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						112,244,672	XXX	110,791,994	107,839,322	110,767,346	0	(486,010)	0	0	XXX	XXX	XXX	303,868	2,844,242	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						232,423,817	XXX	234,498,856	225,480,287	229,942,552	0	(664,556)	0	0	XXX	XXX	XXX	1,566,357	5,845,228	XXX	XXX
8399999. Grand Total - Bonds						2,803,301,706	XXX	2,840,606,707	2,592,966,180	2,761,344,059	1,759,255	(12,334,039)	0	0	XXX	XXX	XXX	26,483,439	82,890,758	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	For eign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig-nation	Date Acquired
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
00850L 20 3	AGRIBANK FCB			1,000.000	100.00		109,562	109.562	109,562	106,000	1,719	6,875		3,437			3,437		P2UFE	03/30/2015.
020002 87 9	ALLSTATE CORP			59,334.000	25.00		1,557,518	26.250	1,557,518	1,612,163	24,568	98,272		22,547			22,547		P2LFE	05/06/2015.
025816 BL 2	AMERICAN EXPRESS CO			3,000,000.000	1,000.00	102.125	2,648,712	102.125	3,063,750	2,628,750		147,000			10,973		10,973		RP3UFE	03/03/2016.
054937 40 4	BB&T CORP			85,697.000	25.00		2,164,706	25.260	2,164,706	2,137,370		120,512		129,402			129,402		P2LFE	05/11/2015.
054937 87 5	BB&T CORP			14,520.000	25.00		392,040	27.000	392,040	362,440		20,419		39,349			39,349		P2LFE	03/18/2016.
060505 EL 4	BANK OF AMERICA CORP			5,000,000.000	1,000.00	113.750	5,186,578	113.750	5,687,500	5,262,500		325,000			(27,383)		(27,383)		RP3VFE	03/23/2015.
064058 AF 7	BANK OF NEW YORK MELLON CORP			900,000.000	1,000.00		916,875	101.875	916,875	900,000		47,291		91,287			91,287		P2VFE	07/25/2016.
14040H 40 2	CAPITAL ONE FINANCIAL CORP			4,599.000	25.00	25.310	113,963	25.310	116,401	113,963		5,174					0		P3LFE	03/09/2017.
14040H 60 0	CAPITAL ONE FINANCIAL CORP			130,000.000	25.00	26.180	3,329,087	26.180	3,403,400	3,329,087		203,125		64,787			64,787		P3LFE	05/05/2015.
14040H 70 9	CAPITAL ONE FINANCIAL CORP			65,140.000	25.00	26.820	1,737,337	26.820	1,747,055	1,739,850		109,110		46,302			46,302		P3LFE	05/15/2015.
14040H 84 0	CAPITAL ONE FINANCIAL CORP			54,390.000	25.00	26.920	1,453,317	26.920	1,464,179	1,453,317		20,396					0		P3LFE	09/19/2017.
14040H 86 5	CAPITAL ONE FINANCIAL CORP			15,487.000	25.00	25.030	379,717	25.030	387,640	380,741		11,172		(1,023)			(1,023)		P3LFE	08/07/2017.
14040H 88 1	CAPITAL ONE FINANCIAL CORP			52,103.000	25.00	27.030	1,377,840	27.030	1,408,344	1,377,840		50,889		11,934			11,934		P3LFE	08/11/2017.
172967 34 1	CITIGROUP INC			173,206.000	25.00	28.530	4,727,407	28.530	4,941,567	4,736,353		262,628		(8,946)			(8,946)		P3LFE	09/08/2017.
172967 JM 4	CITIGROUP INC			3,000,000.000	1,000.00	106.625	3,194,060	106.625	3,198,750	3,246,310		89,250		(52,250)			(52,250)		P3UFE	09/13/2017.
174610 AH 8	CITIZENS FINANCIAL GROUP INC			2,000,000.000	1,000.00	104.250	1,964,917	104.250	2,085,000	1,962,938		110,000			1,096		1,096		RP3VFE	07/18/2016.
19075Q 86 2	COBANK ACB			33,000.000	100.00		3,543,375	107.375	3,543,375	3,368,500	51,150	204,600		276,375			276,375		P2UFE	05/07/2015.
19075Q 87 0	COBANK ACB			9,785.000	100.00		999,293	102.125	999,293	912,024	14,983	64,527		53,084			53,084		P2UFE	03/31/2015.
229899 20 8	CULLEN/FROST BANKERS INC			166,460.000	25.00		4,181,475	25.120	4,181,475	4,168,864		111,840		12,611			12,611		P2LFE	08/11/2017.
316773 60 5	FIFTH THIRD BANCORP			39,779.000	25.00	28.500	1,118,907	28.500	1,133,702	1,118,907	16,471	65,884		31,747			31,747		P3LFE	03/15/2016.
33616C 60 5	FIRST REPUBLIC BANK			111,114.000	25.00		2,777,850	25.000	2,777,850	2,770,281	1,111	156,254		194,450			194,450		P2LFE	05/07/2015.
38148B 10 8	GOLDMAN SACHS GROUP INC			190,000.000	25.00	28.560	5,114,000	28.560	5,426,400	5,114,000		302,814					0		P3LFE	05/05/2015.
38148B AB 4	GOLDMAN SACHS GROUP INC			450,000.000	1,000.00	102.610	450,000	102.610	461,745	450,000		24,188					0		P3VFE	04/16/2015.
446150 70 8	HUNTINGTON BANCSHARES INC			75,117.000	25.00	28.140	1,903,454	28.140	2,113,792	1,903,454	29,343	117,370		16,054			16,054		P3LFE	12/05/2016.
493267 70 2	KEYCORP			30,600.000	25.00	28.920	765,960	28.920	884,952	765,960		47,247					0		P3LFE	12/20/2016.
55261F 60 9	M&T BANK CORP			3,400.000	1,000.00		3,706,000	1,090.000	3,706,000	3,468,000		216,750		(236,164)			(236,164)		P2LFE	03/27/2015.
61761J 40 6	MORGAN STANLEY			112,000.000	25.00	27.850	2,926,000	27.850	3,119,200	2,926,000	44,625	178,501		44,240			44,240		P3LFE	04/06/2015.
61762V 60 6	MORGAN STANLEY			65,000.000	25.00	27.100	1,745,800	27.100	1,761,500	1,755,150	23,766	30,469		(9,350)			(9,350)		P3LFE	09/12/2017.
61763E 20 7	MORGAN STANLEY			113,000.000	25.00	28.440	3,083,090	28.440	3,213,720	3,083,090	48,555	194,220		29,250			29,250		P3LFE	03/18/2016.
649445 20 2	NEW YORK COMMUNITY BANCORP INC			98,900.000	25.00	28.600	2,472,500	28.600	2,828,540	2,472,500		118,205					0		P3LFE	03/10/2017.
693475 85 7	PNC FINANCIAL SERVICES GROUP INC			10,000.000	25.00		283,000	28.300	283,000	265,300		15,313		10,100			10,100		P2LFE	12/16/2016.
712704 20 4	PEOPLE'S UNITED FINANCIAL INC			70,331.000	25.00	28.320	1,837,601	28.320	1,991,774	1,837,601		51,093					0		P3LFE	09/18/2017.
7591EP 50 6	REGIONS FINANCIAL CORP			69,551.000	25.00	28.430	1,847,138	28.430	1,977,335	1,847,138		110,847		8,500			8,500		P3LFE	04/07/2016.
78410V 20 0	SCE TRUST VI			133,933.000	25.00		3,217,071	24.020	3,217,071	3,349,097		78,593		(132,026)			(132,026)		P2LFE	06/21/2017.
808513 60 0	CHARLES SCHWAB CORP			47,577.000	25.00		1,284,579	27.000	1,284,579	1,201,430		70,795		95,630			95,630		P2LFE	05/09/2016.
808513 AR 6	CHARLES SCHWAB CORP			4,511,000.000	1,000.00		4,533,781	100.505	4,533,781	4,511,000				22,781			22,781		P2VFE	10/25/2017.
857477 85 5	STATE STREET CORP			166,395.000	25.00		4,512,632	27.120	4,512,632	4,514,550		104,529		16,796			16,796		P2LFE	10/12/2017.
857477 88 9	STATE STREET CORP			167,439.000	25.00		4,430,436	26.460	4,430,436	4,292,259		256,784		194,229			194,229		P2LFE	05/05/2015.
85917A 20 9	ASTORIA FINANCIAL CORP			13,658.000	25.00		359,615	26.330	359,615	344,862	5,549			14,753			14,753		P1L	04/30/2015.
867914 88 9	SUNTRUST BANKS INC			35,977.000	25.00	25.230	902,665	25.230	907,700	902,665		52,841		8,636			8,636		P3LFE	05/26/2015.
867914 BN 2	SUNTRUST BANKS INC			4,500,000.000	1,000.00	101.500	4,553,978	101.500	4,567,500	4,585,858		140,769		(31,881)			(31,881)		RP3VFE	09/15/2017.
882228 30 7	TEXAS CAPITAL BANCSHARES INC			98,418.000	25.00	25.273	2,476,313	25.273	2,487,318	2,476,313		87,984					0		RP3LFE	10/17/2017.

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	For eign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig-nation	Date Acquired
882228 40 6	TEXAS CAPITAL BANCSHARES INC			30,506.000	25.00	25.550	768,429	25.550	779,428	768,429		49,572		3,382			3,382		P4LFE	01/07/2016.
902973 AZ 9	U.S. BANCORP			750,000.000	1,000.00		813,788	108.505	813,788	750,000		26,721		63,788			63,788		P2VFE	01/02/2017.
919794 20 6	VALLEY NATIONAL BANCORP			30,000.000	25.00	27.750	750,000	27.750	832,500	750,000	11,719	35,156		(27,000)			(27,000)		P3LFE	06/16/2015.
919794 30 5	VALLEY NATIONAL BANCORP			62,000.000	25.00	26.450	1,550,000	26.450	1,639,900	1,550,000	21,312	13,733					0		P3LFE	07/27/2017.
947890 50 5	WEBSTER FINANCIAL CORP			54,000.000	25.00	25.410	1,350,000	25.410	1,372,140	1,350,000							0		P3LFE	12/05/2017.
949746 RN 3	WELLS FARGO & CO			2,000,000.000	1,000.00		2,205,425	110.880	2,217,600	2,217,500		58,750			(12,075)		(12,075)		RP2UFE	07/20/2017.
94988U 65 6	WELLS FARGO & CO			60,393.000	25.00		1,566,594	25.940	1,566,592	1,515,197		54,495		51,398			51,398		P2LFE	05/19/2017.
94988U 67 2	WELLS FARGO & CO			20,000.000	25.00		510,801	25.540	510,800	509,000		27,500		52,600			52,600		P2LFE	06/22/2016.
8499999. Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							105,795,186	XXX	109,081,320	105,164,551	294,871	4,695,457	0	1,110,809	(27,389)	0	1,083,420	0	XXX	XXX
8999999. Total - Preferred Stocks							105,795,186	XXX	109,081,320	105,164,551	294,871	4,695,457	0	1,110,809	(27,389)	0	1,083,420	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
000000 00 0	CONSORTIUM HEALTH PLANS INC			750.000	184,370	245.827	184,370	100,000				(68,041)		(68,041)		V	01/12/2000.
001055 10 2	AFLAC ORD			10,000.000	877,800	87.780	877,800	699,075		17,400		178,725		178,725		L	02/09/2017.
00123Q 10 4	AGNC INVESTMENT REIT ORD			10,000.000	201,900	20.190	201,900	212,113	1,800	7,200		(10,213)		(10,213)		L	09/06/2017.
00130H 10 5	AES ORD			20,000.000	216,600	10.830	216,600	213,550				3,050		3,050		L	12/27/2017.
00165C 10 4	AMC ENTERTAINMENT HOLDINGS CL A ORD		C	8,000.000	120,800	15.100	120,800	107,240		3,200		13,560		13,560		L	08/31/2017.
00206R 10 2	AT&T ORD			175,700.000	6,831,216	38.880	6,831,216	6,894,468		138,376		(63,252)		(63,252)		L	12/27/2017.
002824 10 0	ABBOTT LABORATORIES ORD			13,000.000	741,910	57.070	741,910	566,208		10,600		175,703		175,703		L	03/31/2017.
00287Y 10 9	ABBVIE ORD			4,500.000	435,195	96.710	435,195	309,788		9,600		125,408		125,408		L	09/25/2017.
00724F 10 1	ADOBE SYSTEM ORD			700.000	122,668	175.240	122,668	81,513				41,155		41,155		L	02/09/2017.
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD			7,000.000	1,148,560	164.080	1,148,560	1,090,623	6,650	4,085		57,937		57,937		L	12/12/2017.
018802 10 8	ALLIANT ENERGY ORD			8,000.000	340,880	42.610	340,880	331,080		2,520		9,800		9,800		L	10/03/2017.
020002 10 1	ALLSTATE ORD			5,000.000	523,550	104.710	523,550	419,575	1,850	3,700		103,975		103,975		L	05/11/2017.
02079K 10 7	ALPHABET CL C ORD			3,700.000	3,871,680	1,046.400	3,871,680	2,938,520				787,712		787,712		L	05/11/2017.
02079K 30 5	ALPHABET CL A ORD			6,500.000	6,847,100	1,053.400	6,847,100	5,559,754				1,167,709		1,167,709		L	09/06/2017.
023608 10 2	AMEREN ORD			8,000.000	471,920	58.990	471,920	512,460		3,660		(40,540)		(40,540)		L	11/15/2017.
025537 10 1	AMERICAN ELECTRIC POWER ORD			5,000.000	367,850	73.570	367,850	368,825		3,100		(975)		(975)		L	10/26/2017.
02553E 10 6	AMERICAN EAGLE OUTFITTERS ORD			10,000.000	188,000	18.800	188,000	122,350		2,500		65,650		65,650		L	09/08/2017.
025932 10 4	AMERICAN FINANCIAL GROUP ORD			4,500.000	488,430	108.540	488,430	334,321		21,544		91,890		91,890		L	11/04/2016.
03027X 10 0	AMERICAN TOWER REIT			5,000.000	713,350	142.670	713,350	717,588	3,500			(4,238)		(4,238)		L	12/12/2017.
031162 10 0	AMGEN ORD			2,000.000	347,800	173.900	347,800	320,170		8,050		27,630		27,630		L	05/11/2017.
032095 10 1	AMPHENOL CL A ORD			3,000.000	263,400	87.800	263,400	183,885	570	2,010		61,800		61,800		L	09/09/2016.
032359 30 9	AMTRUST FINANCIAL SERVICES ORD			16,000.000	161,120	10.070	161,120	214,800	2,720	5,440		(53,680)		(53,680)		L	05/11/2017.
032654 10 5	ANALOG DEVICES ORD			1,100.000	97,933	89.030	97,933	86,290		1,485		11,644		11,644		L	05/11/2017.
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD			20,000.000	237,800	11.890	237,800	206,300	6,000	24,000		31,500		31,500		L	02/03/2017.
037833 10 0	APPLE ORD			35,000.000	5,923,050	169.230	5,923,050	4,626,186		58,950		1,104,595		1,104,595		L	09/06/2017.
03784Y 20 0	APPLE HOSPITALITY REIT ORD			12,000.000	235,320	19.610	235,320	226,740		2,400		8,580		8,580		L	10/26/2017.
04316A 10 8	ARTISAN PARTNERS ASSET MGMT CL A ORD			5,000.000	197,500	39.500	197,500	146,275		9,000		51,225		51,225		L	05/02/2017.
053015 10 3	AUTOMATIC DATA PROCESSING ORD			14,000.000	1,640,660	117.190	1,640,660	1,423,663	8,820	18,183		216,997		216,997		L	09/06/2017.
053484 10 1	AVALONBAY COMMUNITIES REIT ORD			3,500.000	624,435	178.410	624,435	633,938	4,970			(9,503)		(9,503)		L	12/04/2017.
054937 10 7	BB AND T ORD			20,500.000	1,019,260	49.720	1,019,260	971,130		12,030		30,678		30,678		L	11/06/2017.
05508R 10 6	B AND G FOODS ORD			6,000.000	210,900	35.150	210,900	203,745	2,790	1,395		7,155		7,155		L	11/20/2017.
05536J 10 0	BCS FINANCIAL CORPORATION			27,375.000	2,952,382	107.850	2,952,382	250,028				(183,295)		(183,295)		A	01/28/2007.
06652V 20 8	BANNER ORD			3,000.000	165,360	55.120	165,360	169,697		4,500		(4,337)		(4,337)		L	06/30/2017.
071813 10 9	BAXTER INTERNATIONAL ORD			9,000.000	581,760	64.640	581,760	492,360	1,440	3,140		89,400		89,400		L	05/11/2017.
075887 10 9	BECTON DICKINSON ORD			2,500.000	535,150	214.060	535,150	427,411		7,715		104,740		104,740		L	02/09/2017.
084670 70 2	BERKSHIRE HATHWAY CL B ORD			30,000.000	5,946,600	198.220	5,946,600	4,715,553				1,067,498		1,067,498		L	05/11/2017.
09247X 10 1	BLACKROCK ORD			1,100.000	565,081	513.710	565,081	469,169		5,500		95,912		95,912		L	08/04/2017.
093671 10 5	H&R BLOCK ORD			10,000.000	262,200	26.220	262,200	253,370	2,400	7,160		8,830		8,830		L	05/11/2017.
09610# 10 9	BLUECROSS BLUESHIELD VENTURES II, INC			50.000	62,166	1,243.320	62,166	50,000				2,755		2,755		V	06/22/2011.
097023 10 5	BOEING ORD			3,000.000	884,730	294.910	884,730	499,400		12,780		338,745		338,745		L	09/06/2017.
099502 10 6	BOOZ ALLEN HAMILTON HOLDING CL A ORD			5,000.000	190,650	38.130	190,650	173,725		850		16,925		16,925		L	09/06/2017.
109641 10 0	BRINKER INTERNATIONAL ORD			4,000.000	155,360	38.840	155,360	136,470		1,520		18,890		18,890		L	11/20/2017.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
110122 10 8	BRISTOL MYERS SQUIBB ORD			10,000.000	612,800	61.280	612,800	616,875				(4,075)		(4,075)		L	12/27/2017.
11120U 10 5	BRIXMOR PROPERTY GROUP REIT ORD			10,000.000	186,600	18.660	186,600	184,575				2,025		2,025		L	12/27/2017.
118440 10 6	BUCKLE ORD			5,000.000	118,750	23.750	118,750	122,538				(3,788)		(3,788)		L	12/27/2017.
125269 10 0	CF INDUSTRIES HOLDINGS ORD			5,000.000	212,700	42.540	212,700	161,088		3,000		51,613		51,613		L	08/04/2017.
125509 10 9	CIGNA ORD			400.000	81,236	203.090	81,236	50,718		16		27,880		27,880		L	08/01/2016.
12572Q 10 5	CME GROUP CL A ORD			13,000.000	1,898,650	146.050	1,898,650	1,687,045	45,500	18,480		211,605		211,605		L	12/04/2017.
125896 10 0	CMS ENERGY ORD			1,000.000	47,300	47.300	47,300	46,245		665		1,055		1,055		L	07/31/2017.
126117 10 0	CNA FINANCIAL ORD			3,000.000	159,150	53.050	159,150	127,005		9,300		32,145		32,145		L	02/08/2017.
126408 10 3	CSX ORD			4,500.000	247,545	55.010	247,545	122,738		3,870		85,860		85,860		L	04/29/2016.
126650 10 0	CVS HEALTH ORD			9,000.000	652,500	72.500	652,500	724,925		4,500		(72,425)		(72,425)		L	09/25/2017.
12673P 10 5	CA ORD			5,400.000	179,712	33.280	179,712	178,605		1,428		1,107		1,107		L	09/06/2017.
14057J 10 1	CAPITOL FEDERAL FINANCIAL ORD			10,000.000	134,100	13.410	134,100	133,275		2,900		825		825		L	11/15/2017.
149123 10 1	CATERPILLAR ORD			3,000.000	472,740	157.580	472,740	222,713		14,305		194,520		194,520		L	06/29/2016.
15189T 10 7	CENTERPOINT ENERGY ORD			18,600.000	527,496	28.360	527,496	399,063		19,902		69,192		69,192		L	04/29/2016.
166764 10 0	CHEVRON ORD			46,000.000	5,758,740	125.190	5,758,740	5,112,290		91,800		646,450		646,450		L	10/26/2017.
16934Q 20 8	CHIMERA INVESTMENT REIT			5,000.000	92,400	18.480	92,400	93,175	2,500			(775)		(775)		L	12/19/2017.
172062 10 1	CINCINNATI FINANCIAL ORD			6,000.000	449,820	74.970	449,820	431,738	3,000	4,500		18,083		18,083		L	12/12/2017.
17243V 10 2	CINEMARK HOLDINGS ORD			5,000.000	174,100	34.820	174,100	170,175		1,450		3,925		3,925		L	09/06/2017.
17275R 10 2	CISCO SYSTEMS ORD			162,000.000	6,204,600	38.300	6,204,600	5,422,123		79,714		768,853		768,853		L	12/27/2017.
172908 10 5	CINTAS ORD			1,700.000	264,911	155.830	264,911	197,396		2,754		67,516		67,516		L	02/03/2017.
189054 10 9	CLOROX ORD			3,000.000	446,220	148.740	446,220	397,895		4,328		48,325		48,325		L	09/06/2017.
191216 10 0	COCA-COLA ORD			69,500.000	3,188,660	45.880	3,188,660	3,175,963		62,715		12,698		12,698		L	09/08/2017.
192446 10 2	COGNIZANT TECHNOLOGY SOLUTN CL A ORD			4,500.000	319,590	71.020	319,590	279,776		2,025		39,814		39,814		L	05/11/2017.
19247A 10 0	COHEN & STEERS ORD			3,000.000	141,870	47.290	141,870	132,244		3,840		9,626		9,626		L	11/15/2017.
194162 10 3	COLGATE PALMOLIVE ORD			10,000.000	754,500	75.450	754,500	714,950		5,200		39,550		39,550		L	09/06/2017.
19625W 10 4	COLONY NORTHSTAR CL A ORD			10,000.000	114,100	11.410	114,100	125,750	2,700			(11,650)		(11,650)		L	11/10/2017.
20030N 10 1	COMCAST CL A ORD			54,000.000	2,162,700	40.050	2,162,700	2,073,705		20,790		88,995		88,995		L	05/11/2017.
205887 10 2	CONAGRA BRANDS ORD			10,000.000	376,700	37.670	376,700	334,750		2,125		41,950		41,950		L	09/25/2017.
209115 10 4	CONSOLIDATED EDISON ORD			4,500.000	382,275	84.950	382,275	384,773		3,105		(2,498)		(2,498)		L	10/26/2017.
21871N 10 1	CORECIVIC REIT ORD			6,000.000	135,000	22.500	135,000	134,205	2,520			795		795		L	12/27/2017.
219350 10 5	CORNING ORD			20,000.000	639,800	31.990	639,800	571,700		3,100		68,100		68,100		L	09/06/2017.
22160K 10 5	COSTCO WHOLESALE ORD			3,000.000	558,360	186.120	558,360	535,118		25,500		23,243		23,243		L	05/05/2017.
22282E 10 2	COVANTA HOLDING ORD			8,000.000	135,200	16.900	135,200	116,440	2,000	2,000		18,760		18,760		L	09/25/2017.
231021 10 6	CUMMINS ORD			4,500.000	794,880	176.640	794,880	692,963		8,616		78,356		78,356		L	11/06/2017.
23317H 10 2	DDR REIT ORD					7.880			2,850					0		L	11/20/2017.
233331 10 7	DTE ENERGY ORD			6,000.000	656,760	109.460	656,760	672,320	5,295	1,650		(15,560)		(15,560)		L	11/20/2017.
235851 10 2	DANAHER ORD			2,000.000	185,640	92.820	185,640	167,463	280	840		18,178		18,178		L	02/09/2017.
237194 10 5	DARDEN RESTAURANTS ORD			4,000.000	384,080	96.020	384,080	245,940		12,040		93,200		93,200		L	09/20/2016.
25264R 20 7	DIAMOND HILL INVESTMENT GRP CL A ORD			500.000	103,330	206.660	103,330	104,593		3,500		(1,263)		(1,263)		L	11/20/2017.
254423 10 6	DINEEQUITY ORD			8,000.000	405,840	50.730	405,840	330,473	7,760	7,760		75,368		75,368		L	09/13/2017.
254687 10 6	WALT DISNEY ORD			21,000.000	2,257,710	107.510	2,257,710	2,276,697	17,640	16,380		(18,987)		(18,987)		L	06/30/2017.
254709 10 8	DISCOVER FINANCIAL SERVICES ORD			3,000.000	230,760	76.920	230,760	176,595		1,050		54,165		54,165		L	09/06/2017.
25746U 10 9	DOMINION ENERGY ORD			17,000.000	1,378,020	81.060	1,378,020	1,319,255		32,720		58,765		58,765		L	11/15/2017.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
257559 20 3	DOMTAR ORD			3,000.000	148,560	49.520	148,560	110,625	1,245	2,490		37,935		37,935		L	06/20/2017.
26078J 10 0	DOWDUPONT ORD			3,000.000	213,660	71.220	213,660	192,045		1,140		21,615		21,615		L	06/12/2017.
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD			6,500.000	630,890	97.060	630,890	602,633	3,770	1,450		28,258		28,258		L	12/04/2017.
26441C 20 4	DUKE ENERGY ORD			14,300.000	1,202,773	84.110	1,202,773	1,195,676		30,812		7,098		7,098		L	11/06/2017.
265504 10 0	DUNKIN' BRANDS GROUP ORD			5,000.000	322,350	64.470	322,350	261,325		1,613		61,025		61,025		L	09/06/2017.
26884U 10 9	EPR PROPERTIES REIT ORD			4,000.000	261,840	65.460	261,840	283,060	1,360	4,080		(21,220)		(21,220)		L	09/25/2017.
278265 10 3	EATON VANCE COM NON VTG ORD			5,000.000	281,950	56.390	281,950	216,475		4,350		65,475		65,475		L	04/10/2017.
278865 10 0	ECOLAB ORD			1,000.000	134,180	134.180	134,180	119,355	410	1,110		14,825		14,825		L	01/23/2017.
281020 10 7	EDISON INTERNATIONAL ORD			7,000.000	442,680	63.240	442,680	560,435	4,235	4,340		(117,755)		(117,755)		L	12/04/2017.
291011 10 4	EMERSON ELECTRIC ORD			14,900.000	1,038,381	69.690	1,038,381	900,311		15,243		138,070		138,070		L	08/04/2017.
29530P 10 2	ERIE INDEMNITY CL A ORD			2,500.000	304,600	121.840	304,600	282,093		5,869		22,507		22,507		L	02/09/2017.
30040W 10 8	EVERSOURCE ENERGY ORD			10,000.000	631,800	63.180	631,800	642,175		4,750		(10,375)		(10,375)		L	12/12/2017.
30231G 10 2	EXXON MOBIL ORD			90,000.000	7,527,600	83.640	7,527,600	7,475,720		79,310		51,880		51,880		L	11/06/2017.
30303M 10 2	FACEBOOK CL A ORD			10,000.000	1,764,600	176.460	1,764,600	1,413,983				366,503		366,503		L	09/06/2017.
311900 10 4	FASTENAL ORD			10,000.000	546,900	54.690	546,900	423,750		3,200		123,150		123,150		L	09/06/2017.
314211 10 3	FEDERATED INVESTORS CL B ORD			5,000.000	180,400	36.080	180,400	158,975		1,250		21,425		21,425		L	11/06/2017.
31847R 10 2	FIRST AMERICAN FINANCIAL ORD			10,000.000	560,400	56.040	560,400	378,550		14,400		194,100		194,100		L	11/16/2016.
344849 10 4	FOOT LOCKER ORD			6,000.000	281,280	46.880	281,280	206,310		1,860		74,970		74,970		L	10/03/2017.
34959J 10 8	FORTIVE ORD			1,000.000	72,350	72.350	72,350	46,846		280		18,720		18,720		L	04/29/2016.
35906A 30 6	FRONTIER COMMUNICATIONS ORD			20,000.000	135,200	6.760	135,200	238,150		18,000		(102,950)		(102,950)		L	12/12/2017.
36174X 10 1	GGP ORD					23.370			2,200					0		L	11/15/2017.
363576 10 9	ARTHUR J GALLAGHER ORD			11,000.000	696,080	63.280	696,080	602,728		16,380		93,353		93,353		L	05/11/2017.
364760 10 8	GAP ORD			11,000.000	374,660	34.060	374,660	276,438		5,290		98,223		98,223		L	09/06/2017.
369550 10 8	GENERAL DYNAMICS ORD			2,500.000	508,625	203.450	508,625	350,294		8,200		76,975		76,975		L	06/15/2016.
369604 10 3	GENERAL ELECTRIC ORD			43,000.000	750,350	17.450	750,350	1,055,190	6,000	10,320		(304,840)		(304,840)		L	09/13/2017.
370334 10 4	GENERAL MILLS ORD			20,000.000	1,185,800	59.290	1,185,800	1,203,750				(17,950)		(17,950)		L	12/27/2017.
37045V 10 0	GENERAL MOTORS ORD			5,000.000	204,950	40.990	204,950	192,120		4,180		12,830		12,830		L	11/20/2017.
372460 10 5	GENUINE PARTS ORD			4,500.000	427,545	95.010	427,545	422,843	3,038			4,703		4,703		L	12/04/2017.
375558 10 3	GILEAD SCIENCES ORD			4,400.000	315,216	71.640	315,216	293,546		6,864		21,670		21,670		L	05/11/2017.
384802 10 4	WW GRAINGER ORD			2,500.000	590,625	236.250	590,625	416,863		6,400		173,763		173,763		L	07/31/2017.
397624 10 7	GREIF CL A ORD			5,000.000	302,900	60.580	302,900	197,748	2,100	8,400		46,350		46,350		L	06/14/2016.
401617 10 5	GUESS ORD			5,000.000	84,400	16.880	84,400	88,938	1,125			(4,538)		(4,538)		L	11/20/2017.
404303 10 9	HSN, INC			9,000.000	363,150	40.350	363,150	325,845		9,450		37,305		37,305		L	05/11/2017.
40434L 10 5	HP ORD			25,000.000	525,250	21.010	525,250	371,875	3,483	13,934		154,250		154,250		L	11/23/2016.
410867 10 5	HANOVER INSURANCE GROUP ORD			1,000.000	108,080	108.080	108,080	82,125		1,540		25,955		25,955		L	05/11/2017.
412822 10 8	HARLEY DAVIDSON ORD			5,000.000	254,400	50.880	254,400	233,275		3,650		21,125		21,125		L	09/06/2017.
423452 10 1	HELMERICH AND PAYNE ORD			5,000.000	323,200	64.640	323,200	246,738		7,000		76,463		76,463		L	08/04/2017.
42809H 10 7	HESS ORD			5,000.000	237,350	47.470	237,350	227,088		1,250		10,263		10,263		L	12/12/2017.
437076 10 2	HOME DEPOT ORD			31,000.000	5,875,430	189.530	5,875,430	4,385,032		91,670		1,437,907		1,437,907		L	08/22/2017.
438516 10 6	HONEYWELL INTERNATIONAL ORD			20,000.000	3,067,200	153.360	3,067,200	2,580,671		40,170		480,521		480,521		L	10/26/2017.
443510 60 7	HUBBELL ORD			2,000.000	270,680	135.340	270,680	251,110		1,540		19,570		19,570		L	11/06/2017.
444859 10 2	HUMANA ORD			500.000	124,035	248.070	124,035	85,593	200	745		22,020		22,020		L	08/01/2016.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
446150 10 4	HUNTINGTON BANCSHARES ORD			7,500.000	109,200	14.560	109,200	89,513	825	2,400		10,050		10,050		L	11/16/2016.
452308 10 9	ILLINOIS TOOL ORD			8,000.000	1,334,800	166.850	1,334,800	996,828	6,240	13,455		293,007		293,007		L	09/06/2017.
45774W 10 8	INSTEEL INDUSTRIES ORD			4,000.000	113,280	28.320	113,280	104,825	4,120			8,455		8,455		L	12/12/2017.
458140 10 0	INTEL ORD			153,300.000	7,076,328	46.160	7,076,328	5,772,643		72,867		1,303,686		1,303,686		L	10/17/2017.
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD			2,500.000	176,400	70.560	176,400	141,128		2,000		35,350		35,350		L	09/09/2016.
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD			18,000.000	2,761,560	153.420	2,761,560	2,632,480		68,600		70,180		70,180		L	08/04/2017.
459506 10 1	INTERNATIONAL FLAVORS & FRAGRANS ORD			1,000.000	152,610	152.610	152,610	117,748	690	1,970		34,863		34,863		L	02/09/2017.
461202 10 3	INTUIT ORD			1,500.000	236,670	157.780	236,670	175,658		1,605		61,013		61,013		L	01/23/2017.
46120E 60 2	INTUITIVE SURGICAL ORD			600.000	218,964	364.940	218,964	141,078				77,887		77,887		L	02/09/2017.
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD			6,000.000	106,980	17.830	106,980	100,305	2,520	2,460		6,675		6,675		L	09/13/2017.
46284V 10 1	IRON MOUNTAIN ORD			5,000.000	188,650	37.730	188,650	189,038	2,938			(388)		(388)		L	12/12/2017.
46625H 10 0	JPMORGAN CHASE ORD			3,000.000	320,820	106.940	320,820	282,375		1,680		38,445		38,445		L	09/25/2017.
478160 10 4	JOHNSON & JOHNSON ORD			82,000.000	11,457,040	139.720	11,457,040	9,918,842		206,600		1,537,086		1,537,086		L	10/26/2017.
487836 10 8	KELLOGG ORD			8,000.000	543,840	67.980	543,840	509,980		4,320		33,860		33,860		L	11/15/2017.
494368 10 3	KIMBERLY CLARK ORD			11,500.000	1,387,590	120.660	1,387,590	1,349,259	11,155	3,104		38,331		38,331		L	11/20/2017.
500255 10 4	KOHL'S ORD			5,000.000	271,150	54.230	271,150	190,825		5,500		80,325		80,325		L	08/22/2017.
500754 10 6	KRAFT HEINZ ORD			10,000.000	777,600	77.760	777,600	787,875		6,250		(10,275)		(10,275)		L	11/15/2017.
501797 10 4	L BRANDS ORD			5,000.000	301,100	60.220	301,100	221,175		3,000		79,925		79,925		L	10/26/2017.
502413 10 7	L3 TECHNOLOGIES ORD			900.000	178,065	197.850	178,065	118,382		2,700		41,166		41,166		L	04/29/2016.
515098 10 1	LANDSTAR SYSTEM ORD			2,000.000	208,200	104.100	208,200	212,115				(3,915)		(3,915)		L	12/27/2017.
517834 10 7	LAS VEGAS SANDS ORD			3,000.000	208,470	69.490	208,470	140,715		8,760		48,240		48,240		L	06/14/2016.
524660 10 7	LEGGETT & PLATT ORD			5,000.000	238,650	47.730	238,650	226,938	1,800			11,713		11,713		L	11/15/2017.
525327 10 2	LEIDOS HOLDINGS ORD			5,000.000	322,850	64.570	322,850	289,825		3,200		33,025		33,025		L	09/06/2017.
532457 10 8	ELI LILLY ORD			18,000.000	1,520,280	84.460	1,520,280	1,492,615		16,710		27,665		27,665		L	10/26/2017.
534187 10 9	LINCOLN NATIONAL ORD			2,500.000	192,175	76.870	192,175	170,138		1,450		22,038		22,038		L	06/20/2017.
539830 10 9	LOCKHEED MARTIN ORD			6,000.000	1,926,300	321.050	1,926,300	1,485,592		48,705		400,349		400,349		L	02/09/2017.
548661 10 7	LOWE'S COMPANIES ORD			2,500.000	232,350	92.940	232,350	191,603		1,785		40,748		40,748		L	09/25/2017.
552690 10 9	MDU RESOURCES GROUP ORD					26.230			1,185					0		L	09/06/2017.
553530 10 6	MSC INDUSTRIAL CL A ORD			5,000.000	483,300	96.660	483,300	346,975		2,400		136,325		136,325		L	09/06/2017.
554382 10 1	MACERICH REIT ORD			3,000.000	197,040	65.680	197,040	171,165		2,220		25,875		25,875		L	10/26/2017.
55616P 10 4	MACYS ORD			15,000.000	377,850	25.190	377,850	321,038	5,663	5,663		56,813		56,813		L	09/13/2017.
571748 10 2	MARSH & MCLENNAN ORD			9,600.000	781,344	81.390	781,344	648,255		12,164		121,877		121,877		L	02/09/2017.
57636Q 10 4	MASTERCARD CL A ORD			14,500.000	2,194,720	151.360	2,194,720	1,520,368		10,340		627,113		627,113		L	05/11/2017.
57772K 10 1	MAXIM INTEGRATED PRODUCTS ORD			5,000.000	261,400	52.280	261,400	228,625		5,250		32,775		32,775		L	05/11/2017.
580135 10 1	MCDONALD'S ORD			22,000.000	3,786,640	172.120	3,786,640	3,034,374		64,326		747,541		747,541		L	10/17/2017.
58463J 30 4	MEDICAL PROPERTIES REIT ORD					13.650			2,400					0		L	11/20/2017.
58933Y 10 5	MERCK & CO ORD			53,000.000	2,982,310	56.270	2,982,310	3,133,361	25,440	9,353		(151,051)		(151,051)		L	12/04/2017.
59156R 10 8	METLIFE ORD			10,000.000	505,600	50.560	505,600	392,238		4,000		113,362		113,362		L	09/20/2016.
594918 10 4	MICROSOFT ORD			175,000.000	14,969,500	85.540	14,969,500	12,587,519		135,900		2,321,265		2,321,265		L	10/26/2017.
59522J 10 3	MID AMERICA APT COMMUNITI REIT ORD			2,000.000	201,120	100.560	201,120	184,075		6,960		5,280		5,280		L	10/03/2016.
61166W 10 1	MONSANTO ORD			6,000.000	700,680	116.780	700,680	710,190		6,480		(9,510)		(9,510)		L	06/30/2017.
61945C 10 3	MOSAIC ORD			8,000.000	205,280	25.660	205,280	159,880		1,400		45,400		45,400		L	08/31/2017.
620076 30 7	MOTOROLA SOLUTIONS ORD			3,000.000	271,020	90.340	271,020	256,095	1,560	3,008		14,925		14,925		L	05/11/2017.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
631103 10 8	NASDAQ ORD			2,000.000	153,660	76.830	153,660	151,875		760		1,785		1,785		L	11/15/2017.
632347 10 0	NATHANS FAMOUS ORD					77.700			2,500					0		L	11/10/2017.
636180 10 1	NATL FUEL GAS ORD			3,500.000	192,185	54.910	192,185	199,938	1,453	2,905		(7,753)		(7,753)		L	06/20/2017.
63633D 10 4	NATIONAL HEALTH INVESTORS REIT ORD			1,500.000	113,070	75.380	113,070	117,503	1,425	2,850		(4,433)		(4,433)		L	06/20/2017.
636518 10 2	NATIONAL INSTRUMENTS ORD			5,000.000	208,150	41.630	208,150	138,838		4,200		54,050		54,050		L	06/15/2016.
63938C 10 8	NAVIENT ORD			15,000.000	199,800	13.320	199,800	179,325		2,400		20,475		20,475		L	10/26/2017.
64828T 20 1	NEW RESIDENTIAL INVESTMENT REIT ORD			7,000.000	125,160	17.880	125,160	128,013	3,500			(2,853)		(2,853)		L	12/27/2017.
649445 10 3	NEW YORK COMMUNITY BANCORP ORD			12,000.000	156,240	13.020	156,240	152,700		2,040		3,540		3,540		L	10/26/2017.
65339F 10 1	NEXTERA ENERGY ORD			12,700.000	1,983,613	156.190	1,983,613	1,833,941		24,366		149,673		149,673		L	10/26/2017.
654106 10 3	NIKE CL B ORD			14,000.000	875,700	62.550	875,700	759,430	2,800	5,040		116,270		116,270		L	05/11/2017.
65473P 10 5	NISOURCE ORD			10,000.000	256,700	25.670	256,700	237,975		5,250		18,725		18,725		L	03/31/2017.
655844 10 8	NORFOLK SOUTHERN ORD			3,300.000	478,170	144.900	478,170	297,380		8,052		121,539		121,539		L	04/29/2016.
666807 10 2	NORTHROP GRUMMAN ORD			3,000.000	920,730	306.910	920,730	702,966		11,700		217,764		217,764		L	02/09/2017.
670346 10 5	NUCOR ORD			5,000.000	317,900	63.580	317,900	312,175	1,900			5,725		5,725		L	12/19/2017.
670837 10 3	OGE ENERGY ORD			10,000.000	329,100	32.910	329,100	327,575				1,525		1,525		L	12/27/2017.
674599 10 5	OCCIDENTAL PETROLEUM ORD			3,000.000	220,980	73.660	220,980	210,195	2,310			10,785		10,785		L	12/04/2017.
680223 10 4	OLD REPUBLIC INTERNATIONAL ORD			33,300.000	711,954	21.380	711,954	615,884		25,308		79,254		79,254		L	04/29/2016.
681919 10 6	OMNICOM GROUP ORD			8,000.000	582,640	72.830	582,640	590,490	4,800	2,200		(7,850)		(7,850)		L	12/12/2017.
68389X 10 5	ORACLE ORD			47,200.000	2,231,616	47.280	2,231,616	2,041,612		27,324		194,442		194,442		L	04/07/2017.
690732 10 2	OWENS & MINOR ORD			10,000.000	188,800	18.880	188,800	193,475		2,575		(4,675)		(4,675)		L	12/12/2017.
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD			6,000.000	865,740	144.290	865,740	770,175		10,850		95,565		95,565		L	09/25/2017.
69351T 10 6	PPL ORD			18,000.000	557,100	30.950	557,100	687,730	7,110	8,938		(131,575)		(131,575)		L	12/04/2017.
693718 10 8	PACCAR ORD			5,000.000	355,400	71.080	355,400	359,588	6,000			(4,188)		(4,188)		L	12/12/2017.
695263 10 3	PACW PACWEST BANCORP ORD			12,000.000	604,800	50.400	604,800	492,228		24,000		(48,480)		(48,480)		L	10/19/2016.
704326 10 7	PAYCHEX ORD			12,000.000	816,960	68.080	816,960	692,120		6,000		124,840		124,840		L	09/25/2017.
70931T 10 3	PENNYMAC MORTGAGE INVEST REIT ORD			12,000.000	192,840	16.070	192,840	190,620	5,640			2,220		2,220		L	12/04/2017.
713448 10 8	PEPSICO ORD			24,000.000	2,878,080	119.920	2,878,080	2,675,433	19,320	39,454		202,648		202,648		L	08/11/2017.
717081 10 3	PFIZER ORD			116,100.000	4,205,142	36.220	4,205,142	3,888,654		98,688		316,488		316,488		L	10/17/2017.
718546 10 4	PHILLIPS 66 ORD			10,000.000	1,011,500	101.150	1,011,500	850,825		12,250		160,675		160,675		L	11/06/2017.
723484 10 1	PINNACLE WEST ORD			5,000.000	425,900	85.180	425,900	421,825		6,750		4,075		4,075		L	07/06/2017.
72724* 10 4	PLANS' LIABILITY INSURANCE COMPANY			8,350.000	521,673	62.476	521,673	561,000				(277)		(277)		A	02/28/1994.
74005P 10 4	PRAXAIR ORD			7,500.000	1,160,100	154.680	1,160,100	1,024,393		11,419		135,708		135,708		L	11/15/2017.
74144T 10 8	T ROWE PRICE GROUP ORD			8,000.000	839,440	104.930	839,440	572,280		13,680		267,160		267,160		L	06/02/2017.
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD			10,000.000	705,600	70.560	705,600	505,500		18,700		127,000		127,000		L	11/23/2016.
74267C 10 6	PROASSURANCE ORD			4,000.000	228,600	57.150	228,600	251,486	20,000			(22,886)		(22,886)		L	12/04/2017.
742718 10 9	PROCTER & GAMBLE ORD			53,000.000	4,869,640	91.880	4,869,640	4,845,118		53,789		24,523		24,523		L	12/27/2017.
743315 10 3	PROGRESSIVE ORD			3,000.000	168,960	56.320	168,960	111,983				56,978		56,978		L	02/09/2017.
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD			10,000.000	515,000	51.500	515,000	462,520		9,030		52,480		52,480		L	09/06/2017.
74460D 10 9	PUBLIC STORAGE REIT ORD			4,000.000	836,000	209.000	836,000	806,380		16,000		29,620		29,620		L	08/22/2017.
747301 10 9	QUAD GRAPHICS CL A ORD			6,000.000	135,600	22.600	135,600	115,665		3,600		19,935		19,935		L	08/04/2017.
747525 10 3	QUALCOMM ORD			15,900.000	1,017,918	64.020	1,017,918	839,388		30,316		91,948		91,948		L	05/11/2017.
74834L 10 0	QUEST DIAGNOSTICS ORD			2,000.000	196,980	98.490	196,980	187,555		3,150		9,425		9,425		L	02/09/2017.

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Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
749607 10 7	RLI ORD			2,000.000	121,320	60.660	121,320	118,895		3,920		2,425		2,425		L	11/15/2017.
74967R 10 6	RMR GROUP CL A ORD			1,700.000	100,810	59.300	100,810	81,665		1,275		19,145		19,145		L	02/03/2017.
755111 50 7	RAYTHEON ORD			6,000.000	1,127,100	187.850	1,127,100	915,513		12,477		199,845		199,845		L	06/12/2017.
756109 10 4	REALTY INCOME REIT ORD			3,500.000	199,570	57.020	199,570	187,058	744	1,484		12,513		12,513		L	10/26/2017.
758766 10 9	REGAL ENTERTAINMENT CL A ORD			10,000.000	230,100	23.010	230,100	157,750		2,200		72,350		72,350		L	09/06/2017.
761152 10 7	RESMED ORD			7,500.000	635,175	84.690	635,175	430,706		10,200		169,800		169,800		L	11/04/2016.
773903 10 9	ROCKWELL AUTOMAT ORD			3,000.000	589,050	196.350	589,050	451,073		9,345		137,978		137,978		L	02/09/2017.
775711 10 4	ROLLINS ORD			700.000	32,571	46.530	32,571	23,342		392		9,230		9,230		L	01/23/2017.
78648T 10 0	SAFETY INSURANCE GROUP ORD			3,000.000	241,200	80.400	241,200	199,642		8,580		23,997		23,997		L	05/11/2017.
80589M 10 2	SCANA ORD			8,000.000	318,240	39.780	318,240	341,420	4,900			(23,180)		(23,180)		L	11/20/2017.
806857 10 8	SCHLUMBERGER ORD		C	30,000.000	2,021,700	67.390	2,021,700	1,875,485	15,000	8,000		146,215		146,215		L	11/15/2017.
816851 10 9	SEMPRA ENERGY ORD			8,000.000	855,360	106.920	855,360	919,270	6,580	7,403		(63,910)		(63,910)		L	12/12/2017.
824348 10 6	SHERWIN WILLIAMS ORD			300.000	123,012	410.040	123,012	91,949		1,020		31,063		31,063		L	02/09/2017.
828806 10 9	SIMON PROP GRP REIT ORD			4,500.000	772,830	171.740	772,830	697,478		8,325		75,353		75,353		L	11/06/2017.
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD			4,000.000	266,280	66.570	266,280	212,900		5,360		53,380		53,380		L	08/22/2017.
832696 40 5	JM SMUCKER ORD			3,500.000	434,840	124.240	434,840	349,983		2,730		84,858		84,858		L	11/06/2017.
835495 10 2	SONOCO PRODUCTS ORD			2,700.000	143,478	53.140	143,478	140,330		4,158		826		826		L	02/09/2017.
842587 10 7	SOUTHERN ORD			7,000.000	336,630	48.090	336,630	358,015		6,225		(21,385)		(21,385)		L	10/17/2017.
85254J 10 2	STAG INDUSTRIAL REIT ORD			10,000.000	273,300	27.330	273,300	256,750	1,175	8,208		16,550		16,550		L	05/11/2017.
855244 10 9	STARBUCKS ORD			23,000.000	1,320,890	57.430	1,320,890	1,319,725		8,331		1,165		1,165		L	11/06/2017.
85571B 10 5	STARWOOD PROPERTY REIT			10,000.000	213,500	21.350	213,500	215,975	4,800			(2,475)		(2,475)		L	11/20/2017.
858155 20 3	STEELCASE CL A ORD			5,000.000	76,000	15.200	76,000	70,288	638	638		5,713		5,713		L	09/13/2017.
863667 10 1	STRYKER ORD			5,000.000	774,200	154.840	774,200	581,745	2,350	8,075		171,595		171,595		L	02/03/2017.
867892 10 1	SUNSTONE HOTEL INVESTORS REIT ORD			8,000.000	132,240	16.530	132,240	133,340				(1,100)		(1,100)		L	12/12/2017.
867914 10 3	SUNTRUST BANKS ORD			3,000.000	193,770	64.590	193,770	169,575		2,400		24,195		24,195		L	08/22/2017.
871503 10 8	SYMANTEC ORD			5,000.000	140,300	28.060	140,300	83,250		1,875		20,850		20,850		L	04/29/2016.
871829 10 7	SYSCO ORD			16,000.000	971,680	60.730	971,680	844,270		6,864		127,410		127,410		L	09/06/2017.
872540 10 9	TJX ORD			5,400.000	412,884	76.460	412,884	409,455		6,467		7,182		7,182		L	04/29/2016.
876030 10 7	TAPESTRY ORD			10,000.000	442,300	44.230	442,300	362,850	3,375	16,875		92,100		92,100		L	12/01/2016.
87612E 10 6	TARGET ORD			5,000.000	326,250	65.250	326,250	283,375		6,200		42,875		42,875		L	07/31/2017.
87901J 10 5	TEGNA ORD			15,000.000	211,200	14.080	211,200	189,975	1,050	1,050		21,225		21,225		L	09/06/2017.
882508 10 4	TEXAS INSTRUMENTS ORD			28,000.000	2,924,320	104.440	2,924,320	2,215,086		33,060		668,884		668,884		L	10/03/2017.
883556 10 2	THERMO FISHER SCIENTIFIC ORD			2,700.000	512,676	189.880	512,676	389,489	405	1,620		131,706		131,706		L	04/29/2016.
884903 10 5	THOMSON REUTERS ORD			12,000.000	523,080	43.590	523,080	484,283		14,648		(2,280)		(2,280)		L	10/21/2016.
88579Y 10 1	3M ORD			14,000.000	3,295,180	235.370	3,295,180	2,500,119		62,275		761,834		761,834		L	05/11/2017.
89417E 10 9	TRAVELERS COMPANIES ORD			8,000.000	1,085,120	135.640	1,085,120	956,720		12,960		128,400		128,400		L	09/06/2017.
896047 50 3	TRIBUNE MEDIA CL A ORD			5,000.000	212,350	42.470	212,350	179,838		33,850		32,513		32,513		L	01/10/2017.
899896 10 4	TUPPERWARE BRANDS ORD			5,000.000	313,500	62.700	313,500	315,488	3,400			(1,988)		(1,988)		L	12/12/2017.
90187B 40 8	TWO HARBORS INVESTMENT REIT ORD			8,000.000	130,080	16.260	130,080	131,560		3,760		(1,480)		(1,480)		L	12/19/2017.
902973 30 4	US BANCORP ORD			25,000.000	1,339,500	53.580	1,339,500	1,320,335	7,500	13,100		19,165		19,165		L	09/25/2017.
907818 10 8	UNION PACIFIC ORD			14,600.000	1,957,860	134.100	1,957,860	1,583,115		27,012		368,167		368,167		L	09/06/2017.
911312 10 6	UNITED PARCEL SERVICE CL B ORD			22,000.000	2,621,300	119.150	2,621,300	2,409,269		53,120		159,773		159,773		L	11/06/2017.
913017 10 9	UNITED TECHNOLOGIES ORD			19,000.000	2,423,830	127.570	2,423,830	2,230,865		21,380		192,965		192,965		L	10/17/2017.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
91324P 10 2	UNITEDHEALTH GRP ORD			15,600.000	3,439,176	220.460	3,439,176	2,210,711		44,850		936,130		936,130		L	02/03/2017.
91325V 10 8	UNITI GROUP ORD			8,000.000	142,320	17.790	142,320	142,700	4,800			(380)		(380)		L	12/12/2017.
918204 10 8	VF ORD			10,000.000	740,000	74.000	740,000	570,891		12,790		169,109		169,109		L	12/04/2017.
91879Q 10 9	VAIL RESORTS ORD			1,000.000	212,470	212.470	212,470	209,715	1,053	2,106		2,755		2,755		L	06/20/2017.
919794 10 7	VALLEY NATIONAL ORD			15,000.000	168,300	11.220	168,300	173,175	1,650			(4,875)		(4,875)		L	12/19/2017.
92240G 10 1	VECTREN ORD			4,000.000	260,080	65.020	260,080	264,820		1,800		(4,740)		(4,740)		L	09/06/2017.
92276F 10 0	VENTAS REIT ORD			2,000.000	120,020	60.010	120,020	128,515				(8,495)		(8,495)		L	11/20/2017.
92343V 10 4	VERIZON COMMUNICATIONS ORD			115,000.000	6,086,950	52.930	6,086,950	5,818,563		31,152		268,388		268,388		L	12/27/2017.
92826C 83 9	VISA CL A ORD			31,600.000	3,603,032	114.020	3,603,032	2,724,912		19,395		894,122		894,122		L	05/11/2017.
92936U 10 9	W P CAREY REIT ORD			3,000.000	206,700	68.900	206,700	209,543	3,030			(2,843)		(2,843)		L	12/12/2017.
92939U 10 6	WEC ENERGY GROUP ORD			5,000.000	332,150	66.430	332,150	338,275		2,600		(6,125)		(6,125)		L	11/06/2017.
930059 10 0	WADDELL REED FINANCIAL CL A ORD			8,000.000	178,720	22.340	178,720	154,920		7,360		23,800		23,800		L	07/06/2017.
931142 10 3	WAL MART STORES ORD			47,100.000	4,651,125	98.750	4,651,125	3,644,769	24,021	40,873		1,004,692		1,004,692		L	11/15/2017.
931427 10 8	WALGREEN BOOTS ALLIANCE ORD			13,000.000	944,060	72.620	944,060	872,495		5,200		71,565		71,565		L	10/26/2017.
93627C 10 1	WARRIOR MET COAL ORD			7,000.000	176,050	25.150	176,050	190,295		78,470		(14,245)		(14,245)		L	11/10/2017.
94106L 10 9	WASTE MANAGEMENT ORD			4,300.000	371,090	86.300	371,090	287,097		7,310		69,315		69,315		L	02/03/2017.
949746 10 1	WELLS FARGO ORD			20,000.000	1,213,400	60.670	1,213,400	1,088,900		23,200		124,500		124,500		L	04/27/2017.
95709T 10 0	WESTAR ENERGY ORD			5,000.000	264,000	52.800	264,000	277,038	2,000			(13,038)		(13,038)		L	11/20/2017.
958102 10 5	WESTERN DIGITAL ORD			5,000.000	397,650	79.530	397,650	430,475	2,500	2,500		(32,825)		(32,825)		L	09/25/2017.
959802 10 9	WESTERN UNION ORD			14,000.000	266,140	19.010	266,140	266,910		6,650		(770)		(770)		L	09/06/2017.
969457 10 0	WILLIAMS ORD			6,000.000	182,940	30.490	182,940	174,330		1,800		8,610		8,610		L	12/04/2017.
969904 10 1	WILLIAMS SONOMA ORD			6,000.000	310,200	51.700	310,200	284,130		3,900		26,070		26,070		L	09/06/2017.
98389B 10 0	XCEL ENERGY ORD			15,000.000	721,650	48.110	721,650	740,025	5,400			(18,375)		(18,375)		L	12/19/2017.
983919 10 1	XILINX ORD			4,400.000	296,648	67.420	296,648	189,574		6,072		31,020		31,020		L	04/29/2016.
984121 60 8	XEROX ORD			8,000.000	233,200	29.150	233,200	226,680	2,000	4,000		6,520		6,520		L	06/20/2017.
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA			36,992.000	3,699,200	100.000	3,699,200	3,699,200		166,854		0		0		V	11/30/2016.
G02602 10 3	AMDOCS ORD			1,000.000	65,480	65.480	65,480	59,108	220	660		6,373		6,373		L	02/09/2017.
G0408V 10 2	AON CL A ORD		C	1,500.000	201,000	134.000	201,000	172,766		1,620		28,234		28,234		L	02/09/2017.
G1151C 10 1	ACCENTURE CL A ORD		C	16,500.000	2,525,985	153.090	2,525,985	2,031,108		35,860		494,878		494,878		L	10/03/2017.
G29183 10 3	EATON ORD		C	2,000.000	158,020	79.010	158,020	142,670		1,200		15,350		15,350		L	09/06/2017.
G3223R 10 8	EVEREST RE GROUP ORD		C	500.000	110,630	221.260	110,630	110,808		2,785		(178)		(178)		L	02/03/2017.
G51502 10 5	JOHNSON CONTROLS INTERNATIONAL ORD		D			37.460			2,080					0		L	09/06/2017.
G5960L 10 3	MEDTRONIC ORD		C	45,000.000	3,633,750	80.750	3,633,750	3,663,718	20,700	14,720		(29,968)		(29,968)		L	12/12/2017.
G7S00T 10 4	PENTAIR ORD		C	3,000.000	211,860	70.620	211,860	189,375		3,105		22,485		22,485		L	04/10/2017.
G9078F 10 7	TRITON INTERNATIONAL ORD		D	5,000.000	187,250	37.450	187,250	176,425		4,500		10,825		10,825		L	08/22/2017.
H1467J 10 4	CHUBB ORD		D	9,600.000	1,402,848	146.130	1,402,848	1,261,311	6,816	20,256		141,513		141,513		L	02/03/2017.
H2906T 10 9	GARMIN ORD		C	4,000.000	238,280	59.570	238,280	246,110		2,040		(7,830)		(7,830)		L	11/20/2017.
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD		C	5,000.000	551,600	110.320	551,600	452,937		9,000		98,625		98,625		L	08/31/2017.
9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					279,169,978	XXX	279,169,978	242,487,151	438,202	3,567,650	0	31,097,397	0	31,097,397	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
000000 00 0	BCBSNC SENIOR HEALTH			1.000	1,500,000	1,500,000.000	1,500,000	1,500,000						0			03/31/2016.
65511# 10 1	NOBLE HEALTH			372.000	211,178,829	567,685.000	211,178,829	199,203,964				2,181,614		2,181,614			08/21/2007.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1			2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
				3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification			Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates							212,678,829	XXX	212,678,829	200,703,964	0	0	0	2,181,614	0	2,181,614	0	XXX	XXX
Common Stocks - Mutual Funds																			
003021	71	4	ABERDEEN EMERGING MKTS CL INSTI MF		C	2,450.563	39,027	16.140	39,027	34,689		516		7,886		7,886		U	12/21/2017.
02368A	20	8	AMRCN BEACON LRG CAP VAL CL INST MF			193.504	5,641	29.150	5,641	4,288		547		276		276		U	12/21/2017.
197199	81	3	COLUMBIA ACORN INTERNATIONAL CL I MF			1,811,115.149	84,343,632	46.570	84,343,632	69,497,924		1,314,560		12,731,240		12,731,240		U	12/18/2017.
256206	10	3	DODGE & COX INTL STOCK MF			1,577.459	73,005	46.280	73,005	60,965		1,341		12,266		12,266		U	12/20/2017.
315792	23	4	FIDELITY ABERDEEN STREET TRUST			26,663.720	448,734	16.550	448,734	365,313		26,756		76,247		76,247		L	12/28/2017.
315792	24	2	FIDELITY ABERDEEN STREET TRUST			19,898.574	271,202	13.360	271,202	263,824		19,806		8,810		8,810		L	12/28/2017.
315910	28	1	FIDELITY DVSD INTL;K			520.226	20,773	39.930	20,773	16,462		1,069		3,321		3,321		U	12/08/2017.
315911	87	5	FIDELITY INTL MKT IDX CL PRM MF			97.628	4,216	43.180	4,216	3,059		103		750		750		U	12/15/2017.
316200	85	6	FIDELITY GRO COMPANY;K			89.911	16,060	178.620	16,060	8,714		727		3,602		3,602		U	12/26/2017.
316345	80	0	FIDELITY LOW-PRCD STK;K			360.697	19,647	54.470	19,647	14,895		1,744		1,797		1,797		U	12/08/2017.
38141W	61	2	GOLDMAN SACHS SMALL CAP VAL CL A MF			266.455	14,993	56.270	14,993	14,623		1,526		66		66		U	12/20/2017.
413838	40	0	OAKMARK EQUITY AND INCOME CL INV MF		C	12,403.257	428,409	34.540	428,409	372,640		28,930		55,296		55,296		U	12/20/2017.
55273W	47	5	MFS MID CAP VALUE;R6			205.342	4,889	23.810	4,889	4,176		173		421		421		U	12/19/2017.
57630A	59	2	MASSMUTUAL SEL:MC GR;I			195.092	4,189	21.470	4,189	3,790		259		569		569		U	12/15/2017.
592905	76	4	METROPOLITAN WEST TOTAL RETURN BO MF			4,407.803	44,210	10.030	44,210	45,012	91	999		726		726		U	12/29/2017.
893509	22	4	TRANSAM:INTERNTL EQ;I			2,013,240.777	39,298,460	19.520	39,298,460	36,175,537		1,175,537		3,122,923		3,122,923		U	12/21/2017.
921937	60	3	VANGUARD TTL MRKT INDEX CL ADM MF			6,339.562	68,028	10.750	68,028	65,092	173	1,718		3,660		3,660		U	12/29/2017.
922040	20	9	VANGUARD INST INX CL INST PLS MF			1,092,352.498	265,965,986	243.480	265,965,986	97,665,643		4,833,758		42,798,727		42,798,727		U	12/22/2017.
922908	39	7	VANGRD SML CAP INDEX CL INST PLS MF			600,972.985	122,778,781	204.300	122,778,781	28,441,012		1,664,785		15,512,891		15,512,891		U	12/20/2017.
922908	64	5	VANGUARD MID CAP INDEX CL ADM MF			241.178	45,987	191.550	45,987	37,282		550		7,031		7,031		U	12/20/2017.
922908	68	6	VANGUARD SMALL CAP INDEX CL ADM MF			314.024	22,250	70.780	22,250	17,676		308		3,155		3,155		U	12/20/2017.
922908	71	0	VANGUARD 500 INDEX FD CL ADM MF			790.786	194,008	246.820	194,008	154,175		3,047		31,807		31,807		U	12/22/2017.
9299999. Total - Common Stocks - Mutual Funds							514,112,127	XXX	514,112,127	233,266,791	264	9,078,759	0	74,383,467	0	74,383,467	0	XXX	XXX
9799999. Total - Common Stock							1,005,960,934	XXX	1,005,960,934	676,457,906	438,466	12,646,409	0	107,662,478	0	107,662,478	0	XXX	XXX
9899999. Total Common and Preferred Stock							1,111,756,120	XXX	1,115,042,254	781,622,457	733,337	17,341,866	0	108,773,287	0	108,745,898	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....20, the total $ value (included in Column 8) of all such issues $.....513,392,191.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
36176W 7E 5	GN 778793 - RMBS		11/20/2017	BMO Capital Markets		3,942,716	3,790,789	7,740
36179R 7K 9	G2 MA3598 - RMBS		06/23/2017	Citigroup (SSB)		3,308,744	3,136,483	9,409
38379R G5 6	GNR 17109 A - CMBS		08/18/2017	MORGAN STANLEY CO		3,615,993	3,608,100	5,138
912810 QA 9	UNITED STATES TREASURY		11/10/2017	NOMURA SECURITIES/FIXED INCOME		6,286,877	5,500,000	40,116
912810 RB 6	UNITED STATES TREASURY		11/10/2017	VARIOUS		26,476,304	26,200,000	176,993
912828 J7 6	UNITED STATES TREASURY		12/01/2017	VARIOUS		57,801,582	58,200,000	278,487
912828 M5 6	UNITED STATES TREASURY		03/08/2017	BARCLAYS CAPITAL INC FIXED INC		9,780,118	10,000,000	73,343
912828 U2 4	UNITED STATES TREASURY		12/22/2017	VARIOUS		10,476,912	10,775,000	70,697
912828 W8 9	UNITED STATES TREASURY		12/29/2017	VARIOUS		59,203,702	58,975,000	350,655
912828 WJ 5	UNITED STATES TREASURY		11/10/2017	VARIOUS		28,682,674	28,175,000	286,009
0599999.	Total - Bonds - U.S. Government					209,575,622	208,360,372	1,298,587
Bonds - All Other Government								
040114 HM 5	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	06/19/2017	CITIGROUP GLOBAL MARKETS INC		486,000	540,000	
07737J AA 1	BELARUS, REPUBLIC OF (GOVERNMENT)		06/22/2017	CITIGROUP GLOBAL MARKETS INC		330,000	330,000	
07737J AB 9	BELARUS, REPUBLIC OF (GOVERNMENT)	C	07/14/2017	VARIOUS		484,239	480,000	726
195325 BK 0	COLOMBIA (REPUBLIC OF)	C	07/13/2017	VARIOUS		1,562,220	1,200,000	22,125
195325 BN 4	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	BARCLAYS BANK PLC, LONDON BRANCH		427,960	400,000	3,014
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	11/02/2017	VARIOUS		2,181,500	2,100,000	30,208
195325 DL 6	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	07/13/2017	VARIOUS		1,421,739	1,400,000	21,334
279158 AJ 8	ECOPETROL SA	C	09/13/2017	VARIOUS		316,430	322,000	5,464
29245J AK 8	EMPRESA NACIONAL DEL PETROLEO	C	09/11/2017	MERRILL LYNCH PIERCE FENNER		369,094	380,000	
445545 AD 8	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		1,100,135	1,000,000	18,021
445545 AF 3	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		1,062,750	700,000	15,144
445545 AJ 5	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		4,741,790	4,100,000	29,006
470160 AV 4	JAMAICA (GOVERNMENT)	C	09/12/2017	JEFFERIES & CO. - BONDS DIRECT		253,100	200,000	7,956
48669D AA 0	NK KAZAKHSTAN TEMIR ZHOLY AO	C	11/13/2017	MITSUBISHI UFJ SECURITIES		582,279	580,000	
50066K AB 7	KOREA RESOURCES CORP	C	09/13/2017	VARIOUS		1,067,131	1,060,000	6,942
60937L AB 1	MONGOLIA (GOVERNMENT)	C	10/25/2017	BNYM/DBAG LONDON GLOBAL MARKET		200,000	200,000	
65412J AB 9	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	11/20/2017	CITIGROUP GLOBAL MARKETS INC		520,000	520,000	
65412J AC 7	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	11/20/2017	CITIGROUP GLOBAL MARKETS INC		290,000	290,000	
698299 AD 6	PANAMA (REPUBLIC OF)	C	06/05/2017	SANTANDER INVESTMENT SECURITIES, INC		863,040	600,000	10,058
698299 AK 0	PANAMA (REPUBLIC OF)	C	09/12/2017	VARIOUS		2,100,810	1,400,000	39,010
698299 AW 4	PANAMA (REPUBLIC OF)	C	07/13/2017	VARIOUS		1,175,990	900,000	23,599
698299 BE 3	PANAMA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	NOMURA SECURITIES INTERNATIONAL		529,000	500,000	9,271
698299 BG 8	PANAMA, REPUBLIC OF (GOVERNMENT)	C	12/14/2017	VARIOUS		1,155,930	1,100,000	7,075
715638 AP 7	PERU (THE REPUBLIC OF)	C	09/12/2017	VARIOUS		2,662,590	1,700,000	20,635
715638 AS 1	PERU (THE REPUBLIC OF)	C	06/05/2017	Goldman Sachs		396,600	300,000	8,391
715638 BM 3	PERU, REPUBLIC OF (GOVERNMENT)	C	06/05/2017	NOMURA SECURITIES/FIXED INCOME		746,400	600,000	1,875
71654Q CA 8	PETROLEOS MEXICANOS	C	07/13/2017	VARIOUS		1,316,460	1,200,000	27,767
71654Q CC 4	PETROLEOS MEXICANOS	C	07/17/2017	VARIOUS		1,580,536	1,520,000	22,868
716564 AA 7	PETROLEOS DEL PERU PETROPERU SA	C	07/17/2017	CREDIT SUISSE SECURITIES (USA)		199,100	200,000	792
716564 AB 5	PETROLEOS DEL PERU PETROPERU SA	C	06/12/2017	JP MORGAN CHASE BANK/HSBCSI		200,000	200,000	
71656M BN 8	PETROLEOS MEXICANOS	C	06/05/2017	BARCLAYS BANK PLC, LONDON BRANCH		326,625	300,000	3,458
71656M BP 3	PETROLEOS MEXICANOS	C	10/16/2017	VARIOUS		2,342,225	2,200,000	13,751
71656M BQ 1	PETROLEOS MEXICANOS	C	07/17/2017	VARIOUS		2,174,126	1,980,000	32,287
71656M BT 5	PETROLEOS MEXICANOS	C	09/12/2017	Jefferies		531,625	500,000	16,219

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)	C	06/05/2017	ING FINANCIAL MARKETS LLC		2,899,800	1,800,000	59,850
731011 AT 9	POLAND, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		1,130,455	1,100,000	10,625
731011 AU 6	POLAND, REPUBLIC OF (GOVERNMENT)	C	07/14/2017	VARIOUS		922,230	900,000	5,760
74408D AE 4	CORDOBA, MUNICIPALIDAD DE	C	06/29/2017	HSBC SECURITIES		279,975	280,000	
748149 AG 6	QUEBEC, PROVINCE OF		09/01/2017	Unknown				73
760942 BB 7	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	09/12/2017	VARIOUS		1,287,000	1,200,000	10,451
77586T AA 4	ROMANIA, REPUBLIC OF (GOVERNMENT)	C	06/05/2017	MERRILL LYNCH PIERCE FENNER		350,370	300,000	7,088
77586T AD 8	ROMANIA, REPUBLIC OF (GOVERNMENT)	C	07/14/2017	VARIOUS		989,650	900,000	18,038
77586T AE 6	ROMANIA, REPUBLIC OF (GOVERNMENT)	C	11/27/2017	VARIOUS		1,470,411	1,150,000	22,229
903724 BM 3	UKRAINE, REPUBLIC OF (GOVERNMENT)	C	09/18/2017	GOLDMAN SACHS & CO, NY		1,200,000	1,200,000	
91086Q AZ 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	06/05/2017	Goldman Sachs		309,420	300,000	2,683
91086Q BC 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	09/12/2017	UBS SECURITIES LLC		530,950	500,000	9,000
91086Q BE 7	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	07/13/2017	VARIOUS		2,018,880	1,800,000	39,868
91087B AC 4	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	09/12/2017	VARIOUS		1,357,840	1,300,000	15,839
917288 BA 9	URUGUAY (THE REPUBLIC OF)	C	09/12/2017	VARIOUS		2,782,960	2,000,000	43,575
G10367 AA 1	BERMUDA (GOVERNMENT)	C	07/13/2017	VARIOUS		632,280	600,000	7,471
G10367 AD 5	BERMUDA, GOVERNMENT OF (GOVERNMENT)	C	09/12/2017	JEFFERIES & CO. - BONDS DIRECT		609,220	600,000	10,470
M0208J AF 1	AFRICAN EXPORT IMPORT BANK	D	07/17/2017	VARIOUS		1,016,961	980,000	18,662
M1487W BR 5	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	D	06/05/2017	BARCLAYS BANK PLC		213,400	200,000	5,542
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)	D	12/18/2017	BARCLAYS BANK PLC		218,625	212,000	5,209
M75242 AW 3	OMAN, SULTANATE OF (GOVERNMENT)	D	07/14/2017	VARIOUS		2,099,055	2,100,000	41,391
M75242 BA 0	OMAN, SULTANATE OF (GOVERNMENT)	D	12/15/2017	VARIOUS		2,711,500	2,600,000	33,439
M75242 BB 8	OMAN, SULTANATE OF (GOVERNMENT)	C	09/12/2017	Jefferies		208,374	200,000	179
M8489S AB 3	QATAR, STATE OF (GOVERNMENT)	D	07/28/2017	Jefferies		397,200	400,000	1,557
M87883 CE 8	LEBANON (REPUBLIC OF)	C	09/12/2017	MERRILL LYNCH INTERNATIONAL		487,125	450,000	15,675
M87883 DJ 6	LEBANESE REPUBLIC	D	06/05/2017	BARCLAYS BANK PLC		408,000	400,000	1,100
M87883 DL 1	LEBANESE REPUBLIC	C	10/13/2017	VARIOUS		788,205	780,000	7,542
N6497T AA 6	NORTHERN LIGHTS III BV	D	06/05/2017	Jefferies		145,828	140,625	684
P04808 AN 4	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	10/31/2017	VARIOUS		241,372	232,000	5,466
P19110 AG 3	BUENOS AIRES, PROVINCE OF	C	09/12/2017	VARIOUS		1,096,605	950,000	6,537
P29595 AB 4	COMISION FEDERAL DE ELECTRICIDAD CFE	C	09/12/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK		422,960	400,000	1,108
P3579E AH 0	DOMINICAN REPUBLIC (GOVERNMENT)	C	07/13/2017	VARIOUS		444,840	400,000	3,500
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)	C	07/13/2017	VARIOUS		459,000	400,000	3,973
P3579E BK 2	DOMINICAN REPUBLIC (GOVERNMENT)	C	07/13/2017	VARIOUS		451,440	400,000	10,618
P3699P GJ 0	COSTA RICA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		534,775	500,000	9,206
P37110 AK 2	EMPRESA NACIONAL DEL PETROLEO	C	09/13/2017	VARIOUS		1,241,320	1,240,000	15,196
P37466 AP 7	EMPRESA DE TRANSPORTE DE PASAJEROS METRO	C	07/13/2017	VARIOUS		1,298,400	1,200,000	23,972
P3772N HK 1	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	06/05/2017	MORGAN STANLEY CO		786,712	800,000	4,842
P3R94G AK 5	CORPORACION FINANCIERA DE DESARROLLO SA	C	11/01/2017	VARIOUS		645,460	600,000	9,368
P5178R AB 4	HONDURAS, REPUBLIC OF	D	06/05/2017	Jefferies		458,360	400,000	17,111
P56226 AC 0	INSTITUTO COSTARRICENSE DE ELECTRICIDAD	C	09/12/2017	VARIOUS		438,000	400,000	5,869
P6480J AG 2	PROVINCIA DE MENDOZA	C	09/12/2017	VARIOUS		326,250	300,000	4,851
P75744 AE 5	PARAGUAY, REPUBLIC OF (GOVERNMENT)	D	07/13/2017	VARIOUS		931,200	900,000	9,753
P7808B AA 5	PETROLEOS DEL PERU PETROPERU SA	C	09/12/2017	PERSHING DIV OF DLJ SEC LNDING		316,455	300,000	3,365
P7808B AB 3	PETROLEOS DEL PERU PETROPERU SA	C	09/12/2017	VARIOUS		637,008	600,000	7,031
P78954 AC 1	PETROLEUM COMPANY OF TRINIDAD AND TOBAGO	C	06/05/2017	MERRILL LYNCH PIERCE FENNER		107,350	100,000	3,088

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
P79171 AD 9	PROVINCIA DE CORDOBA	C	06/05/2017	Jefferies		159,915	150,000	59
P8054Q AQ 6	ECUADOR, REPUBLIC OF (GOVERNMENT)	C	10/17/2017	CITIGROUP GLOBAL MARKETS INC		325,800	300,000	10,133
P8055Q DQ 2	ECUADOR, REPUBLIC OF (GOVERNMENT)	D	06/05/2017	Jefferies		210,760	200,000	4,550
V06423 AM 5	BANQUE CENTRALE DE TUNISIE	C	10/20/2017	VARIOUS		394,875	400,000	5,207
V21735 AA 9	ANGOLA, REPUBLIC OF (GOVERNMENT)	C	09/27/2017	CITIGROUP GLOBAL MARKETS INC		214,500	200,000	7,231
V7179T AE 2	NAMIBIA, REPUBLIC OF (GOVERNMENT)	C	10/20/2017	CITIGROUP GLOBAL MARKETS INC		771,645	750,000	17,974
V7179U AF 6	ZAMBIA, REPUBLIC OF (GOVERNMENT)	C	10/17/2017	BARCLAYS BANK PLC		432,250	400,000	10,565
X3446N AZ 2	SLOVENIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		3,472,006	3,000,000	39,754
X51770 AA 7	MFB MAGYAR FEJLESZTESI BANK ZRT	D	06/08/2017	CITIGROUP GLOBAL MARKETS INC		446,500	400,000	3,542
X5S005 UE 9	UKRAINE, REPUBLIC OF (GOVERMENT)	C	10/16/2017	VARIOUS		426,728	400,000	3,959
X5S005 UF 6	UKRAINE, REPUBLIC OF (GOVERMENT)	C	09/12/2017	CITIGROUP GLOBAL MARKETS INC		320,145	300,000	840
X5S005 UH 2	UKRAINE, REPUBLIC OF (GOVERMENT)	D	06/29/2017	GOLDMAN SACHS & CO, NY		199,000	200,000	5,253
X5S73N AC 8	MAGYAR EXPORT IMPORT BANK ZRT	D	07/14/2017	VARIOUS		623,900	600,000	9,578
X7330Z BB 7	CROATIA, REPUBLIC OF (GOVERNMENT)	D	07/14/2017	VARIOUS		442,860	400,000	8,281
X7344W AK 9	BELARUS, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	Credit Suisse Securities (Europe) LT		224,400	200,000	3,177
X77765 BK 4	SERBIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		1,160,330	1,000,000	20,582
Y2029S AF 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	07/14/2017	VARIOUS		961,900	900,000	11,389
Y20721 AJ 8	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		2,137,460	1,700,000	33,843
Y20721 AU 3	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		864,120	800,000	8,775
Y20721 BJ 7	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	06/05/2017	BNY MELLON/NOMURA INT'L PLC REPO		915,600	800,000	19,322
Y20721 BK 4	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	10/13/2017	VARIOUS		1,607,850	1,200,000	27,000
Y20721 BN 8	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK		545,710	500,000	2,876
Y20721 BQ 1	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	10/13/2017	BARCLAYS BANK PLC		1,172,360	1,100,000	10,114
Y23874 GR 8	EXPORT-IMPORT BANK OF INDIA	D	06/05/2017	MORGAN STANLEY & CO INC, NY		418,920	400,000	6,622
Y3972R AN 1	LEMBAGA PEMBIAYAAN EKSPOR INDONESIA	C	09/13/2017	VARIOUS		1,182,890	1,160,000	11,664
Y5S01W AB 6	ARMENIA, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		450,000	400,000	9,772
Y7083V AD 1	POWER SECTOR ASSETS AND LIABILITIES MANA	C	06/05/2017	BARCLAYS BANK PLC, LONDON BRANCH		516,500	400,000	903
Y7136Y AA 8	PERUSAHAAN GAS NEGARA PERSERO TBK PT	C	10/17/2017	CITIGROUP GLOBAL MARKETS LIMITED		1,122,700	1,030,000	22,435
Y7276L DC 9	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)	C	09/12/2017	VARIOUS		1,538,570	1,500,000	13,455
Y7276L DD 7	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)	D	11/13/2017	GOLDMAN SACHS & CO, NY		944,853	900,000	3,667
Y7276L DF 2	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)	D	06/05/2017	ING FINANCIAL MARKETS LLC		1,212,400	1,000,000	25,639
Y8793Y AV 4	PAKISTAN, ISLAMIC REPUBLIC OF (GOVERNMEN	D	07/31/2017	JEFFERIES INTERNATIONAL LTD		225,250	200,000	4,904
1099999.	Total - Bonds - All Other Government					99,643,342	88,406,625	1,298,915
Bonds - U.S. States, Territories and Possessions								
13063C 4Q 0	CALIFORNIA ST		01/31/2017	CANTOR FITZGERALD + CO		2,429,353	2,050,000	569
13063C 4R 8	CALIFORNIA ST		01/31/2017	CANTOR FITZGERALD + CO		2,002,158	1,700,000	472
13063C 6S 4	CALIFORNIA ST		03/08/2017	CITIGROUP GLOBAL MARKETS INC		625,790	555,000	
13063C 6W 5	CALIFORNIA ST		09/13/2017	BB&T SECURITIES, LLC		5,366,850	5,000,000	24,444
13063C X2 1	CALIFORNIA ST		02/23/2017	Goldman Sachs		2,372,400	2,000,000	45,833
13063D CL 0	CALIFORNIA ST		09/13/2017	BB&T SECURITIES, LLC		2,164,400	2,000,000	667
64966M HG 7	NEW YORK N Y		04/01/2017	Jefferies		(1,240,525)	(1,100,000)	
70914P RD 6	PENNSYLVANIA ST		12/12/2017	BB&T SECURITIES, LLC		3,219,180	3,000,000	9,667
93974D SW 9	WASHINGTON ST		06/01/2017	BB&T SECURITIES, LLC		1,726,298	1,485,000	25,781
93974D YQ 5	WASHINGTON ST		02/15/2017	BB&T SECURITIES, LLC		1,698,930	1,500,000	4,167
1799999.	Total - Bonds - U.S. States, Territories & Possessions					20,364,834	18,190,000	111,600
Bonds - U.S. Political Subdivisions of States								

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005518 WV 3	ADAMS & WELD CNTYS COLO SCH DIST NO 027J		09/07/2017	RBC CAPITAL MARKETS		1,205,060	1,000,000	
005518 WW 1	ADAMS & WELD CNTYS COLO SCH DIST NO 027J		09/07/2017	RBC CAPITAL MARKETS		1,322,299	1,100,000	
005518 WX 9	ADAMS & WELD CNTYS COLO SCH DIST NO 027J		09/07/2017	RBC CAPITAL MARKETS		1,798,695	1,500,000	
018106 PT 5	ALLEN TEX INDPT SCH DIST		06/20/2017	BB&T SECURITIES, LLC		5,838,000	5,000,000	
038663 GW 4	ARAPAHOE CNTY COLO SCH DIST NO 001 ENGLE		05/05/2017	RBC CAPITAL MARKETS		1,990,229	1,740,000	
074851 RE 8	BEAVER CNTY PA		10/04/2017	M&T SECURITIES INC		1,785,771	1,550,000	
088281 UE 8	BEXAR CNTY TEX		09/29/2017	BB&T SECURITIES, LLC		2,812,551	2,450,000	36,750
167560 TK 7	CHICAGO ILL MET WTR RECLAMATION DIST GTR		11/09/2017	Piper Jaffray Co		2,062,672	1,735,000	39,038
179093 JD 2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH		02/01/2017	US Bancorp Piper Jaffray		1,196,390	1,000,000	
179093 JM 2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH		02/01/2017	US Bancorp Piper Jaffray		1,726,455	1,500,000	
181059 TC 0	CLARK CNTY NEV SCH DIST		02/16/2017	CITIGROUP GLOBAL MARKETS INC		4,442,080	3,775,000	35,128
181059 YM 2	CLARK CNTY NEV SCH DIST		12/01/2017	JP MORGAN SECURITIES INC		1,168,230	1,000,000	
181288 RA 1	CLARK CNTY WASH SCH DIST NO 117 CAMAS		11/15/2017	Piper Jaffray Co		3,359,813	2,750,000	
25476F NT 1	DISTRICT COLUMBIA		03/16/2017	WELLS FARGO SECURITIES LLC		1,679,370	1,500,000	22,917
25476F UH 9	DISTRICT COLUMBIA		05/18/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,177,360	1,000,000	
25476F UJ 5	DISTRICT COLUMBIA		05/18/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,174,510	1,000,000	
25476F UL 0	DISTRICT COLUMBIA		05/18/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,170,740	1,000,000	
25476F VK 1	DISTRICT COLUMBIA		12/14/2017	RBC CAPITAL MARKETS		1,173,290	1,000,000	
287299 LQ 2	ELK GROVE VILLAGE ILL		08/16/2017	RBC CAPITAL MARKETS		1,155,630	1,000,000	
287299 LS 8	ELK GROVE VILLAGE ILL		08/16/2017	RBC CAPITAL MARKETS		1,148,620	1,000,000	
368347 CW 8	GEARY CNTY KANS UNI SCH DIST NO 475		11/21/2017	Piper Jaffray Co		5,708,150	5,000,000	
373046 VW 8	GEORGETOWN TEX INDPT SCH DIST		11/10/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		2,462,032	2,015,000	8,116
373046 VY 4	GEORGETOWN TEX INDPT SCH DIST		11/10/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,692,319	1,395,000	5,619
447025 F5 1	HUNTSVILLE ALA		09/14/2017	CORPORATE ACTION		2,465,932	2,375,000	43,872
447025 F7 7	HUNTSVILLE ALA		09/14/2017	CORPORATE ACTION		597,015	575,000	10,622
447819 ET 6	HURST EULESS BEDFORD TEX INDPT SCH DIST		10/01/2017	RAYMOND JAMES & ASSOCIATES		4,335,484	3,460,000	
447819 EU 3	HURST EULESS BEDFORD TEX INDPT SCH DIST		10/01/2017	RAYMOND JAMES & ASSOCIATES		1,517,676	1,200,000	
447819 EV 1	HURST EULESS BEDFORD TEX INDPT SCH DIST		10/01/2017	RAYMOND JAMES & ASSOCIATES		1,352,765	1,080,000	
517840 6B 5	LAS VEGAS VALLEY NEV WTR DIST		02/23/2017	BB&T SECURITIES, LLC		4,496,840	4,000,000	48,333
581664 HJ 1	MC KINNEY TEX INDPT SCH DIST		09/01/2017	FUNB-FUNDS II		4,765,840	4,000,000	
607114 2W 4	MOBILE ALA		03/03/2017	CORPORATE ACTION		1,208,785	1,205,000	3,013
607114 2Z 7	MOBILE ALA		11/01/2017	CORPORATE ACTION		797,497	795,000	1,988
642713 7T 2	NEW BRITAIN CONN		02/10/2017	BLAIR WILLIAM AND COMPANY		1,144,220	1,000,000	
64966M HG 7	NEW YORK N Y		04/01/2017	Jefferies		1,240,525	1,100,000	
64966M JL 4	NEW YORK N Y		04/01/2017	VARIOUS		2,731,107	2,300,000	
64966M RA 9	NEW YORK N Y		09/15/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,783,065	1,500,000	
755638 ZH 9	READING PA SCH DIST		07/31/2017	RBC CAPITAL MARKETS		1,704,375	1,500,000	
914460 QE 3	UNIVERSITY MINN		09/14/2017	RBC CAPITAL MARKETS		1,205,820	1,000,000	
914460 QF 0	UNIVERSITY MINN		09/14/2017	RBC CAPITAL MARKETS		1,502,438	1,250,000	
914460 QG 8	UNIVERSITY MINN		09/14/2017	RBC CAPITAL MARKETS		1,199,050	1,000,000	
914460 QH 6	UNIVERSITY MINN		09/14/2017	RBC CAPITAL MARKETS		1,196,160	1,000,000	
938395 RV 4	WASHINGTON & CLACKAMAS CNTYS ORE SCH DIS		03/09/2017	Piper Jaffray Co		1,708,050	1,500,000	
938429 U8 8	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV		07/13/2017	US Bancorp Piper Jaffray		4,544,627	4,050,000	
938429 U9 6	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV		08/03/2017	US Bancorp Piper Jaffray		1,136,100	1,000,000	
941247 3U 0	WATERBURY CONN		11/17/2017	Piper Jaffray Co		1,204,084	1,015,000	
941247 3X 4	WATERBURY CONN		11/17/2017	Piper Jaffray Co		1,475,636	1,260,000	

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941247 4C 9	WATERBURY CONN		11/17/2017	Piper Jaffray Co		2,336,017	2,035,000	
962506 RZ 6	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN		08/17/2017	PERSHING DIV OF DLJ SEC LNDING		1,210,430	1,000,000	
962506 SA 0	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN		08/17/2017	Piper Jaffray Co		1,204,460	1,000,000	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					99,314,264	85,210,000	255,396
Bonds - U.S. Special Revenue and Special Assessment								
010268 BA 7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R		05/04/2017	WELLS FARGO SECURITIES LLC		3,476,220	3,000,000	28,333
010268 BX 7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R		06/21/2017	CITIGROUP GLOBAL MARKETS INC		2,522,016	2,120,000	
02765U GJ 7	AMERICAN MUN PWR OHIO INC REV		01/24/2017	BB&T SECURITIES, LLC		5,491,050	5,000,000	112,500
04184R AY 6	ARLINGTON TEX SPL TAX REV		09/14/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,572,419	1,310,000	
051556 JA 7	AURORA COLO CTFS PARTN		05/04/2017	BB&T SECURITIES, LLC		2,817,575	2,500,000	2,431
069643 BH 6	BARTOW CNTY GA DEV AUTH POLLUTN CTL REV		10/12/2017	SUNTRUST ROBINSON HUMPHREY INC		570,000	570,000	
114894 XQ 6	BROWARD CNTY FLA ARPT SYS REV		11/08/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,771,245	1,500,000	
114894 XR 4	BROWARD CNTY FLA ARPT SYS REV		11/08/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,230,038	1,045,000	
114894 XS 2	BROWARD CNTY FLA ARPT SYS REV		11/08/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,176,130	1,000,000	
121342 PB 9	BURKE CNTY GA DEV AUTH POLLUTN CTL REV		07/12/2017	FUNB-FUNDS II		1,953,000	2,000,000	6,967
121342 PH 6	BURKE CNTY GA DEV AUTH POLLUTN CTL REV		10/11/2017	JP MORGAN SECURITIES INC		445,000	445,000	
13034P ZW 0	CALIFORNIA HSG FIN AGY REV		06/21/2017	MERRILL LYNCH PIERCE FENNER		3,125,000	3,125,000	
167510 AL 0	CHICAGO ILL BRD ED DEDICATED CAP IMPT		11/16/2017	JP MORGAN SECURITIES INC		1,497,755	1,380,000	
167725 AB 6	CHICAGO ILL TRAN AUTH SALES & TRANSFER T		07/13/2017	PERSHING DIV OF DLJ SEC LNDING		899,489	835,000	6,535
167725 AE 0	CHICAGO ILL TRAN AUTH SALES & TRANSFER T		07/11/2017	PERSHING DIV OF DLJ SEC LNDING		301,767	280,000	2,107
196479 B9 9	COLORADO HSG & FIN AUTH		06/28/2017	RBC CAPITAL MARKETS		3,000,000	3,000,000	
196479 E6 2	COLORADO HSG & FIN AUTH		10/06/2017	BARCLAYS CAPITAL INC		3,572,249	3,290,000	
196632 A2 9	COLORADO SPRINGS COLO UTILS REV		09/14/2017	BARCLAYS CAPITAL INC FIXED INC		2,370,260	2,000,000	
19668Q HP 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT		11/22/2017	RBC CAPITAL MARKETS		5,799,550	5,000,000	
20281P JW 3	COMMONWEALTH FING AUTH PA REV		02/13/2017	MORGAN STANLEY CO		3,697,792	3,200,000	33,333
20774Y Z9 1	CONNECTICUT ST HEALTH & EDL FACS AUTH RE		11/08/2017	MERRILL LYNCH PIERCE FENNER		1,167,660	1,000,000	
20775C XL 3	CONNECTICUT ST HSG FIN AUTH HSG MTG FIN		11/02/2017	RBC CAPITAL MARKETS		2,086,661	1,915,000	
246343 LA 3	DELAWARE RIV JT TOLL BRDG COMMN PA BRDG		02/15/2017	MERRILL LYNCH PIERCE FENNER		810,754	700,000	
25484J DB 3	DISTRICT COLUMBIA UNIV REV		01/06/2017	FUNB-FUNDS II		2,273,820	2,000,000	
29508R KS 4	ERIE CNTY N Y FISCAL STABILITY AUTH		08/25/2017	Unknown		1,437,372	1,200,000	
29508R KU 9	ERIE CNTY N Y FISCAL STABILITY AUTH		08/25/2017	Unknown		1,553,396	1,300,000	
29508R KV 7	ERIE CNTY N Y FISCAL STABILITY AUTH		08/25/2017	Unknown		2,384,060	2,000,000	
3128ME 6K 2	FH G16074 - RMBS		08/01/2017	MORGAN STANLEY CO		5,245,332	5,085,817	6,841
3128MJ 2L 3	FH G08778 - RMBS		09/07/2017	NOMURA SECURITIES INTL INC		11,668,627	11,503,710	10,545
3128MJ 2R 0	FH G08783 - RMBS		09/06/2017	MORGAN STANLEY CO		11,667,262	11,525,000	9,604
3128MJ YC 8	FH G08706 - RMBS		08/08/2017	RBC CAPITAL MARKETS		6,973,155	6,749,575	8,531
3128MJ YR 5	FH G08719 - RMBS		09/06/2017	Citigroup (SSB)		2,163,736	2,205,256	1,531
3128P8 EX 5	FH C91950 - RMBS		09/07/2017	MORGAN STANLEY CO		3,873,318	3,698,230	4,315
3132J7 TM 4	FH Q16455 - RMBS		03/09/2017	MERRILL LYNCH PIERCE FENNER		2,067,932	2,103,093	2,103
3132L7 F9 5	FH V81992 - RMBS		10/01/2017	Citigroup (SSB)		3,728,544	3,534,950	4,320
31335A CA 4	FH G60065 - RMBS		04/01/2017	VARIOUS		2,358,606	2,239,626	2,737
31335A WL 8	FH G60651 - RMBS		11/09/2017	Citigroup (SSB)		4,293,757	4,081,397	5,442
31335B CZ 7	FH G60988 - RMBS		09/15/2017	Amherst Pierpoint Securities		4,553,791	4,505,219	7,133
3136AK 5X 7	FNR 1467A PL - CMO/RMBS		08/17/2017	WELLS FARGO SECURITIES LLC		5,057,945	4,934,580	8,636
3136AX BX 2	FNR 1756A PA - CMO/RMBS		08/24/2017	Citigroup (SSB)		6,845,494	6,677,874	13,864
3136AX QN 8	FNR 1758A P - CMO/RMBS		08/09/2017	CANTOR FITZGERALD + CO		10,198,912	9,974,487	10,806
3137B2 HN 3	FHMS K028 A2 - CMBS		09/08/2017	JP MORGAN SECURITIES INC		3,807,808	3,625,000	3,759

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3137B3 6J 2	FHMS K029 A2 - CMBS		08/16/2017	JP MORGAN SECURITIES INC		1,474,320	1,400,000	2,582
3137BL AC 2	FHMS K048 A2 - CMBS		06/29/2017	MORGAN STANLEY CO		3,659,688	3,500,000	1,277
3137BL W9 5	FHMS K050 A2 - CMBS		04/05/2017	MORGAN STANLEY CO		2,953,891	2,825,000	2,355
3137BX GR 7	FHR 4678D MA - CMO/RMBS		08/23/2017	Citigroup (SSB)		9,766,742	9,526,597	20,526
3137BY PQ 7	FHMS K726 A2 - CMBS		06/21/2017	Goldman Sachs		2,343,234	2,275,000	5,140
3137F1 XN 3	FHR 4698A HP - CMO		07/26/2017	JP MORGAN SECURITIES INC		4,861,417	4,765,000	11,913
3137F2 ZF 6	FHR 4712 PA - CMO/RMBS		08/24/2017	FIRST TENNESSEE CAPITAL MARKET		10,000,733	9,765,000	24,413
3137FB BX 3	FHMS K068 A2 - CMBS		10/18/2017	WELLS FARGO SECURITIES LLC		2,909,657	2,825,000	6,619
3137FB U7 9	FHMS K069 A2 - CMBS		11/08/2017	BARCLAYS CAPITAL INC FIXED INC		3,218,563	3,125,000	5,256
3138AM UJ 2	FN AI7784 - RMBS		04/01/2017	VARIOUS		1,521,835	1,412,376	1,942
3138EQ 5E 8	FN AL8044 - RMBS		04/01/2017	VARIOUS		2,996,694	2,780,348	3,823
3138EQ TZ 5	FN AL7767 - RMBS		01/06/2017	CANTOR FITZGERALD DEBT CAP MKTS		3,071,105	2,844,439	6,044
3138ES B6 4	FN AL9960 - RMBS		06/01/2017	Goldman Sachs		4,935,362	4,896,344	4,896
3138L1 WL 9	FN AM1550 - RMBS		06/12/2017	MERRILL LYNCH PIERCE FENNER		2,987,797	2,972,355	2,820
3138LD 5G 4	FN AN1746 - RMBS		06/12/2017	MERRILL LYNCH PIERCE FENNER		2,971,406	3,000,000	2,508
3138LG X9 2	FN AN4303 - RMBS		09/06/2017	MORGAN STANLEY CO		3,686,895	3,500,000	3,228
3138LH Q5 6	FN AN4975 - RMBS		03/01/2017	Goldman Sachs		6,210,009	6,170,000	16,505
3138W7 GD 0	FN AR9195 - RMBS		07/01/2017	VARIOUS		3,259,447	3,223,186	3,223
3138WQ AW 2	FN AT2720 - RMBS		07/01/2017	VARIOUS		2,809,060	2,777,810	2,778
3138WQ AX 0	FN AT2721 - RMBS		12/01/2017	VARIOUS		1,402,446	1,398,294	1,398
31402R RN 1	FN 735893 - RMBS		08/08/2017	BNP Paribas		3,120,274	2,832,589	5,114
3140E2 TX 9	FN AZ9565 - RMBS		06/01/2017	VARIOUS		3,109,343	3,009,193	3,511
3140EV TB 3	FN BC1445 - RMBS		05/01/2017	VARIOUS		2,841,336	2,838,231	2,365
3140FQ TZ 0	FN BE5067 - RMBS		05/01/2017	JP MORGAN SECURITIES INC		4,247,082	4,134,042	4,019
3140J5 EV 7	FN BM1047 - RMBS		06/01/2017	JP MORGAN SECURITIES INC		5,058,257	4,771,589	6,362
3140J5 SS 9	FN BM1428 - RMBS		11/01/2017	JP MORGAN SECURITIES INC		5,958,639	5,767,588	6,729
3140J7 N2 7	FN BM3108 - RMBS		12/13/2017	JP MORGAN SECURITIES INC		2,580,376	2,412,270	3,618
31417F SA 7	FN AB8612 - RMBS		10/01/2017	VARIOUS		3,269,976	3,229,606	2,960
31418A BT 4	FN MA0949 - RMBS		12/12/2017	MERRILL LYNCH PIERCE FENNER		4,273,877	4,123,436	5,612
31418C EP 5	FN MA2841 - RMBS		08/04/2017	Unknown		2,376,027	2,394,359	2,162
31418C M2 7	FN MA3076 - RMBS		07/12/2017	NOMURA SECURITIES INTL INC		10,062,831	9,999,941	11,111
368497 JM 6	GEISINGER AUTH PA HEALTH SYS REV		04/19/2017	MERRILL LYNCH PIERCE FENNER		1,985,620	1,750,000	
392274 R4 0	GREATER ORLANDO AVIATION AUTH ORLANDO FL		01/24/2017	US Bancorp Piper Jaffray		1,134,265	1,025,000	14,806
45204E YE 2	ILLINOIS FIN AUTH REV		08/30/2017	MERRILL LYNCH PIERCE FENNER		1,178,140	1,000,000	
45204E YF 9	ILLINOIS FIN AUTH REV		08/30/2017	MERRILL LYNCH PIERCE FENNER		2,350,900	2,000,000	
45204E YG 7	ILLINOIS FIN AUTH REV		09/05/2017	MERRILL LYNCH PIERCE FENNER		2,933,735	2,500,000	
452252 LQ 0	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R		09/08/2017	RBC CAPITAL MARKETS		2,430,387	2,055,000	20,265
452252 LS 6	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R		09/08/2017	RBC CAPITAL MARKETS		2,930,975	2,500,000	24,653
45470R DT 0	INDIANA FIN AUTH HWY REV		08/24/2017	Goldman Sachs		5,409,180	4,500,000	
454898 TX 5	INDIANA MUN PWR AGY PWR SUPPLY SYS REV		06/22/2017	BB&T SECURITIES, LLC		3,409,239	2,960,000	72,356
45506D F6 7	INDIANA ST FIN AUTH REV		06/07/2017	WELLS FARGO SECURITIES LLC		1,144,530	1,000,000	
45528U XS 5	INDIANAPOLIS IND LOC PUB IMPT BD BK		12/20/2017	MORGAN STANLEY CO		4,638,440	4,000,000	
469487 MN 9	JACKSONVILLE FLA SPL REV		08/23/2017	MERRILL LYNCH PIERCE FENNER		2,643,660	2,250,000	
544445 CA 5	LOS ANGELES CALIF DEPT ARPTS ARPT REV		01/06/2017	RBC CAPITAL MARKETS		1,455,174	1,310,000	
56042R NU 2	MAINE HEALTH & HIGHER EDL FACS AUTH REV		10/13/2017	CORPORATE ACTION		3,055,187	3,025,000	42,854
56042R PE 6	MAINE HEALTH & HIGHER EDL FACS AUTH REV		10/13/2017	CORPORATE ACTION		7,044,605	6,975,000	98,813

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56052F JS 5	MAINE ST HSG AUTH MTG PUR		09/20/2017	BARCLAYS CAPITAL INC		1,094,786	1,020,000	
56682H CM 9	MARICOPA CNTY ARIZ INDL DEV AUTH REV		09/29/2017	MORGAN STANLEY CO		2,891,250	2,500,000	
576000 UA 9	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED		04/21/2017	BB&T SECURITIES, LLC		2,866,550	2,500,000	55,903
59259N 8D 8	METROPOLITAN TRANSN AUTH N Y DEDICATED T		05/11/2017	PERSHING DIV OF DLJ SEC LNDING		4,113,825	3,510,000	
59261A PG 6	METROPOLITAN TRANSN AUTH N Y REV		11/22/2017	MERRILL LYNCH PIERCE FENNER		1,252,399	1,805,000	
594654 BE 4	MICHIGAN ST HSG DEV AUTH SINGLE FAMILY M		10/13/2017	BARCLAYS CAPITAL INC FIXED INC		3,199,080	3,000,000	
60416H 4Y 7	MINNESOTA ST HIGHER ED FACS AUTH REV		10/17/2017	RBC CAPITAL MARKETS		2,308,360	2,000,000	11,667
610530 FN 2	MONROE CNTY GA DEV AUTH POLLUTION CTL RE		10/11/2017	PNC SECURITIES CORP		450,000	450,000	
645790 LL 8	NEW JERSEY HEALTH CARE FACS FING AUTH RE		08/04/2017	JP MORGAN SECURITIES INC		1,909,936	1,655,000	
646139 6T 7	NEW JERSEY ST TPK AUTH TPK REV		03/30/2017	Goldman Sachs		1,134,120	1,000,000	
646139 7M 1	NEW JERSEY ST TPK AUTH TPK REV		07/19/2017	Unknown		1,165,990	1,000,000	
646140 CA 9	NEW JERSEY ST TPK AUTH TPK REV		12/01/2017	Loop Capital Markets		2,005,472	1,690,000	
646140 CB 7	NEW JERSEY ST TPK AUTH TPK REV		12/01/2017	Loop Capital Markets		1,181,880	1,000,000	
647200 6Y 5	NEW MEXICO MTG FIN AUTH		10/04/2017	RBC CAPITAL MARKETS		2,599,739	2,410,000	
647429 Y6 0	NEW MEXICO ST UNIV REVS		08/07/2017	BB&T SECURITIES, LLC		3,194,038	2,760,000	10,350
64971W 2M 1	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		03/30/2017	CORPORATE ACTION		1,307,436	1,165,000	26,520
64971W 3B 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		03/30/2017	CORPORATE ACTION		1,750,730	1,560,000	35,512
64971W V2 3	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		03/09/2017	JP MORGAN SECURITIES INC		1,150,640	1,000,000	
64971X AS 7	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		08/09/2017	RBC CAPITAL MARKETS		1,925,950	1,625,000	
64972H VS 8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		10/12/2017	BB&T SECURITIES, LLC		9,237,600	8,000,000	101,111
649883 2J 3	NEW YORK ST MTG AGY HOMEOWNER MTG REV		10/11/2017	MORGAN STANLEY CO		3,805,200	3,500,000	
64990A GD 1	NEW YORK ST DORM AUTH SALES TAX REV ST S		09/06/2017	Jefferies		8,232,156	6,700,000	38,153
65821D SN 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR		06/08/2017	BB&T SECURITIES, LLC		3,939,880	3,500,000	5,833
679111 WR 1	OKLAHOMA ST TPK AUTH TPK REV		02/01/2017	FUNB-FUNDS II		146,595	130,000	
679111 XB 5	OKLAHOMA ST TPK AUTH TPK REV		02/01/2017	FUNB-FUNDS II		292,760	260,000	
679111 XU 3	OKLAHOMA ST TPK AUTH TPK REV		12/07/2017	RBC CAPITAL MARKETS		1,798,680	1,500,000	
684517 RW 7	ORANGE CNTY FLA SCH BRD CTFS PARTN		02/15/2017	BB&T SECURITIES, LLC		3,387,480	3,000,000	8,333
70870J AW 8	PENNSYLVANIA ECONOMIC DEV FING AUTH UPMC		09/28/2017	RBC CAPITAL MARKETS		1,042,180	1,000,000	
70917S R7 0	PENNSYLVANIA ST HIGHER EDL FACS AUTH REV		11/29/2017	MERRILL LYNCH PIERCE FENNER		1,665,944	1,420,000	
709224 D4 8	PENNSYLVANIA ST TPK COMMN TPK REV		12/05/2017	NATL FINANCIAL SERVICES CORP (NFS)		2,972,325	2,500,000	
709224 D5 5	PENNSYLVANIA ST TPK COMMN TPK REV		12/05/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,184,160	1,000,000	
709224 D6 3	PENNSYLVANIA ST TPK COMMN TPK REV		12/05/2017	NATL FINANCIAL SERVICES CORP (NFS)		1,769,115	1,500,000	
709224 KY 4	PENNSYLVANIA ST TPK COMMN TPK REV		01/06/2017	PNC SECURITIES CORP		1,115,320	1,000,000	5,556
717817 UH 1	PHILADELPHIA PA ARPT REV		12/15/2017	MERRILL LYNCH PIERCE FENNER		1,153,950	1,000,000	
74444Y AW 4	PUBLIC FIN AUTH WIS LEASE DEV REV		05/11/2017	BB&T SECURITIES, LLC		4,450,563	4,000,000	41,281
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	07/13/2017	VARIOUS		1,643,520	1,600,000	34,567
76221U ER 3	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU		07/13/2017	CORPORATE ACTION		1,880,306	1,800,000	25,500
76221U FB 7	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU		07/13/2017	CORPORATE ACTION		104,461	100,000	1,417
79165T UA 7	ST LOUIS MO MUN FIN CORP LEASEHOLD REV		10/11/2017	BB&T SECURITIES, LLC		2,874,475	2,500,000	10,417
796253 7G 1	SAN ANTONIO TEX ELEC & GAS REV		08/10/2017	NATL FINANCIAL SERVICES CORP (NFS)		2,830,357	2,355,000	
796253 7H 9	SAN ANTONIO TEX ELEC & GAS REV		08/10/2017	NATL FINANCIAL SERVICES CORP (NFS)		2,300,141	1,920,000	
79739G GK 6	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT		07/19/2017	Unknown		577,745	500,000	
79739G GL 4	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT		07/19/2017	Unknown		864,548	750,000	
79739G GM 2	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT		07/19/2017	Unknown		863,175	750,000	
837151 KQ 1	SOUTH CAROLINA ST PUB SVC AUTH REV		03/06/2017	PNC SECURITIES CORP		2,146,820	2,000,000	27,222
837151 PT 0	SOUTH CAROLINA ST PUB SVC AUTH REV		04/06/2017	BB&T SECURITIES, LLC		3,203,910	3,000,000	54,167

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837545 LX 8	SOUTH DAKOTA CONSERVANCY DIST REV		08/04/2017	FUNB-FUNDS II		2,536,757	2,105,000	
837545 LY 6	SOUTH DAKOTA CONSERVANCY DIST REV		08/04/2017	FUNB-FUNDS II		1,562,860	1,300,000	
83756C TC 9	SOUTH DAKOTA HSG DEV AUTH		11/07/2017	MERRILL LYNCH PIERCE FENNER		3,156,766	2,895,000	
880558 JR 3	TENNESSEE ST SCH BD AUTH		09/14/2017	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		3,618,690	3,000,000	
924190 PA 3	VERMONT HSG FIN AGY		10/20/2017	RAYMOND JAMES & ASSOCIATES		1,408,784	1,300,000	
92818M CM 0	VIRGINIA ST RES AUTH CLEAN WTR REV		11/02/2017	CORPORATE ACTION		308,249	295,000	41
975706 GT 3	WINSTON SALEM ST UNIV N C REV		03/31/2017	RBC CAPITAL MARKETS		1,120,470	1,000,000	
97689Q FK 7	WISCONSIN HSG & ECONOMIC DEV AUTH HOME O		10/06/2017	RBC CAPITAL MARKETS		2,863,714	2,640,000	
977100 FG 6	WISCONSIN ST GEN FD ANNUAL APPROPRIATION		02/02/2017	CORPORATE ACTION		729,736	700,000	10,617
977100 FM 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION		02/01/2017	CORPORATE ACTION		935,645	925,000	13,297
977100 FQ 4	WISCONSIN ST GEN FD ANNUAL APPROPRIATION		02/01/2017	CORPORATE ACTION		7,610,468	7,300,000	109,500
977100 FV 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION		02/01/2017	CORPORATE ACTION		9,179,432	9,075,000	130,453
97712D QR 0	WISCONSIN ST HEALTH & EDL FACS AUTH REV		11/30/2017	BB&T SECURITIES, LLC		2,072,540	2,000,000	4,222
P14517 AA 7	BANCO NACIONAL DE COMERCIO EXTERIOR SNC	C	06/05/2017	MERRILL LYNCH PIERCE FENNER		310,125	300,000	2,151
P42009 AA 1	FONDO MIVIVIENDA SA	C	09/12/2017	VARIOUS		612,060	600,000	5,833
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					452,200,696	420,873,407	1,518,552
Bonds - Industrial and Miscellaneous								
000000 00 0	PETROAMAZONAS EP	C	12/04/2017	CITIGROUP GLOBAL MARKETS INC		445,015	470,000	302
00080Q AF 2	ABN AMRO BANK NV	C	06/23/2017	CREDIT SUISSE SECURITIES (USA)		2,800,257	2,637,000	52,191
00162L CC 9	ALM XVI LTD - CDO	C	06/20/2017	Goldman Sachs		1,305,000	1,305,000	
00185A AH 7	AON PLC	C	06/28/2017	JP MORGAN SECURITIES INC		3,289,530	3,000,000	19,000
00206R EM 0	AT&T INC		08/01/2017	JP MORGAN SECURITIES INC		3,444,032	3,450,000	
00206R ES 7	AT&T INC		12/01/2017	CORPORATE ACTION		2,740,296	2,818,585	24,292
00401M AB 2	ABU DHABI CRUDE OIL PIPELINE LLC	C	10/26/2017	J.P. MORGAN CHASE BANK/GG1		442,000	442,000	
00774M AA 3	AERCAP IRELAND CAPITAL DESIGNATED ACTIVI	C	01/23/2017	JP MORGAN SECURITIES INC		2,691,252	2,700,000	
02006V AF 8	ALLYA 143 C - ABS		09/13/2017	JP MORGAN SECURITIES INC		2,223,220	2,215,000	
036752 AC 7	ANTHEM INC		11/14/2017	MERRILL LYNCH PIERCE FENNER		3,998,720	4,000,000	
03965P AC 5	ARCOR SAIC	C	09/13/2017	VARIOUS		289,568	270,000	6,238
04964K AL 5	ATRM 9R AR - CDO		08/31/2017	JP MORGAN SECURITIES INC		3,532,900	3,500,000	2,238
05330R AA 8	AUTOPISTAS DEL SOL SA	C	06/19/2017	MERRILL LYNCH INTERNATIONAL LONDON		208,500	200,000	860
05363U AS 2	AVERY 4R AR - CDO	C	09/08/2017	GOLDMAN		3,515,750	3,500,000	11,502
05463E AC 2	AXIS BANK LTD (DUBAI BRANCH)	C	09/13/2017	VARIOUS		608,716	600,000	3,322
05502J AA 8	AZURE POWER ENERGY LTD	C	09/15/2017	VARIOUS		462,430	458,000	1,406
05583J AC 6	BPCE SA	C	11/01/2017	WELLS FARGO SECURITIES LLC		3,487,120	3,500,000	
05890M AA 1	BANCO DE CREDITO E INVERSIONES	C	10/05/2017	CITIGROUP GLOBAL MARKETS INC		1,323,505	1,340,000	
05968A AA 4	BANCO DEL ESTADO DE CHILE	C	07/17/2017	VARIOUS		618,835	590,000	8,459
06034L AA 8	BANISTMO SA	C	09/12/2017	MORGAN STANLEY CO		339,245	340,000	
06051G FX 2	BANK OF AMERICA CORP		10/19/2017	MERRILL LYNCH PIERCE FENNER		2,864,596	2,800,000	1,089
06051G GW 3	BANK OF AMERICA CORP		12/20/2017	CORPORATE ACTION		483,836	486,457	4,029
06650A AE 7	BANK 17BNK8 A4 - CMBS		10/27/2017	MORGAN STANLEY CO		2,059,926	2,000,000	2,713
06675F AK 3	BANQUE FEDERATIVE DU CREDIT MUTUEL SA	C	07/11/2017	Citigroup (SSB)		3,844,572	3,850,000	
06738E AS 4	BARCLAYS PLC	C	09/28/2017	VARIOUS		3,886,907	3,850,000	31,140
075887 BV 0	BECTON DICKINSON AND CO		05/22/2017	Citigroup (SSB)		3,000,000	3,000,000	
09629E AE 1	BLUEMOUNTAIN FUJI US CLO II LTD. - ABS	C	09/01/2017	Citigroup (SSB)		2,830,000	2,830,000	
096630 AE 8	BOARDWALK PIPELINES LP		09/21/2017	JP MORGAN SECURITIES INC		1,122,660	1,000,000	18,842
120568 AZ 3	BUNGE LIMITED FINANCE CORP		09/18/2017	Citigroup (SSB)		3,789,968	3,800,000	

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12517M AA 0	CEMIG GERACAO E TRANSMISSAO SA	C	11/30/2017	BNYM/DBAG LONDON GLOBAL MARKET		197,486	200,000	
12548C AH 0	CIFC 142R A2L - CDO		02/08/2017	Citigroup (SSB)		4,000,000	4,000,000	
126117 AE 0	CNA FINANCIAL CORPORATION		09/19/2017	KEYBANK CAPITAL MARKETS INC		298,422	245,000	6,217
12624K AD 8	COMM 12CRE2 A4 - CMBS		10/03/2017	WELLS FARGO SECURITIES LLC		2,917,364	2,825,000	988
136385 AT 8	CANADIAN NATURAL RESOURCES LTD		05/23/2017	UBS SECURITIES LLC		1,785,730	1,755,000	7,595
142339 AH 3	CARLISLE COMPANIES INC		11/13/2017	MERRILL LYNCH PIERCE FENNER		3,984,040	4,000,000	
14312Q AC 0	CARMX 164 A3 - ABS		07/12/2017	Goldman Sachs		4,962,500	5,000,000	389
14314J AE 0	CARMX 171 B - ABS		09/27/2017	GOLDMAN		504,004	500,000	494
14314R AE 2	CARMX 174 B - ABS		10/17/2017	CREDIT SUISSE SECURITIES (USA)		874,923	875,000	
14314W AD 3	CARMX 173 A3 - ABS		07/18/2017	MERRILL LYNCH PIERCE FENNER		1,309,745	1,310,000	
151191 BC 6	CELULOSA ARAUCO Y CONSTITUCION SA	C	10/26/2017	MERRILL LYNCH PIERCE FENNER		249,270	250,000	
165183 AT 1	CF 173 B - ABS		08/01/2017	RBC CAPITAL MARKETS		1,524,790	1,525,000	
16892D AC 2	CHINA SOUTHERN POWER GRID INTERNATIONAL	C	11/01/2017	VARIOUS		710,741	700,000	5,299
172967 LM 1	CITIGROUP INC		07/17/2017	Citigroup (SSB)		3,000,000	3,000,000	
17305E GA 7	CCCIT-17A2-A2 - ABS		01/19/2017	Citigroup (SSB)		2,549,512	2,550,000	
17305E GF 6	CCCIT 17A7 A7 - ABS		08/21/2017	BARCLAYS CAPITAL INC FIXED INC		5,012,109	5,000,000	3,559
17305E GG 4	CCCIT 17A8 A8 - ABS		08/01/2017	Citigroup (SSB)		4,499,479	4,500,000	
17320D AG 3	CGCMT 13GJ11 A4 - CMBS		05/19/2017	CREDIT SUISSE SECURITIES (USA)		2,352,738	2,300,000	4,545
17323C AE 7	CGCMT 15GC27 A5 - CMBS		11/07/2017	CREDIT SUISSE SECURITIES (USA)		3,081,246	3,025,000	2,109
191229 AB 9	COCA-COLA ICECEK AS	C	09/12/2017	Citigroup (SSB)		700,000	700,000	
192714 AC 7	COLBUN SA	C	10/04/2017	MERRILL LYNCH PIERCE FENNER		817,720	820,000	
20453K AB 1	COMPASS BANK	C	09/27/2017	VARIOUS		1,845,274	1,850,000	8,625
21684A AA 4	COOPERATIEVE RABOBANK UA	C	03/28/2017	BARCLAYS CAPITAL INC FIXED INC		2,635,100	2,500,000	38,542
224044 CE 5	COX COMMUNICATIONS INC		06/28/2017	BARCLAYS CAPITAL INC FIXED INC		3,250,336	3,200,000	52,018
225401 AB 4	CREDIT SUISSE GROUP AG	C	09/14/2017	CREDIT SUISSE SECURITIES (USA)		3,711,800	3,700,000	28,026
23355L AD 8	DXC TECHNOLOGY CO		09/08/2017	DEUTSCHE BANK SECURITIES, INC		1,831,121	1,700,000	37,010
24664U AB 6	DELEK & AVNER (TAMAR BOND) LTD	C	09/13/2017	VARIOUS		479,325	470,000	5,581
251525 AT 8	DEUTSCHE BANK AG (NEW YORK BRANCH)	C	07/10/2017	DEUTSCHE BANK SECURITIES, INC		2,496,575	2,500,000	
251541 AQ 1	DEUTSCHE BANK AG	C	09/08/2017	DEUTSCHE BANK SECURITIES, INC		1,584,930	1,500,000	26,208
279158 AC 3	ECOPETROL SA	C	07/13/2017	VARIOUS		878,750	800,000	11,750
279158 AE 9	ECOPETROL SA	C	09/13/2017	VARIOUS		1,439,480	1,300,000	32,557
279158 AK 5	ECOPETROL SA	C	09/13/2017	VARIOUS		954,225	960,000	10,063
279158 AL 3	ECOPETROL SA	C	09/13/2017	VARIOUS		1,638,485	1,560,000	29,580
28368E AD 8	EL PASO ENERGY CORPORATION		09/21/2017	JP MORGAN SECURITIES INC		3,006,919	2,350,000	27,495
29266M AF 6	ENERGY EAST CORP	C	07/31/2017	RBC CAPITAL MARKETS		1,006,159	775,000	2,616
29278G AC 2	ENEL FINANCE INTERNATIONAL NV	C	05/22/2017	JP MORGAN SECURITIES INC		3,120,031	3,125,000	
29372E BV 9	EFF 171 A2 - ABS		07/19/2017	Goldman Sachs		2,169,281	2,160,000	511
294628 50 8	COMMONWEALTH REIT		10/31/2017	VARIOUS		1,267,500	1,250,000	
299897 AB 4	EVERETT SPINCO INC		06/13/2017	MERRILL LYNCH PIERCE FENNER		1,870,452	1,800,000	16,788
31446Y AB 8	FENIX POWER PERU SA	C	09/13/2017	SCOTIA CAPITAL USA INC		540,000	540,000	
31572U AF 3	FIBRIA OVERSEAS FINANCE LTD	C	09/01/2017	CANTOR FITZGERALD + CO		44,989	43,000	328
316044 AB 2	FIDELITY BANK PLC	C	10/11/2017	Citi Bank		200,085	202,000	
31620M AU 0	FIDELITY NATIONAL INFORMATION SERVICES I		11/10/2017	MERRILL LYNCH PIERCE FENNER		3,070,140	3,000,000	33,375
34528Q FJ 8	FORDF 171 A1 - ABS		08/21/2017	HSBC SECURITIES		5,024,023	5,000,000	2,588
345397 YQ 0	FORD MOTOR CREDIT COMPANY LLC		09/07/2017	BNP PARIBAS NY BRANCH LONDON BONDS		1,003,070	1,000,000	3,145
36159L CS 3	GEDFT 152 A - ABS		07/12/2017	Goldman Sachs		4,345,019	4,310,000	6,020
361886 AY 0	GFORT 172 B - ABS		08/15/2017	BARCLAYS CAPITAL INC FIXED INC		2,464,963	2,465,000	

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36250Q AF 0	GMALT 153 B - ABS		08/22/2017	RBC CAPITAL MARKETS		1,989,591	1,980,000	638
36253X AA 3	GSMS 17500K A - CMBS		07/26/2017	Goldman Sachs		2,580,000	2,580,000	
36254M AF 5	GMCAR 173 B - ABS		10/03/2017	RBC CAPITAL MARKETS		1,324,970	1,325,000	
37045X BS 4	GENERAL MOTORS FINANCIAL COMPANY INC		03/23/2017	MERRILL LYNCH PIERCE FENNER		2,530,050	2,500,000	17,010
380881 CP 5	GCCT 152A A - ABS	A	07/12/2017	MERRILL LYNCH PIERCE FENNER		3,336,433	3,335,000	374
38141G WQ 3	GOLDMAN SACHS GROUP INC		09/26/2017	GOLDMAN		2,000,000	2,000,000	
39530L AB 6	GREENKO DUTCH BV	C	07/17/2017	Deutsche Bank AG New York Branch		284,000	284,000	
40052C AC 0	GRUPO KUO SAB DE CV	C	06/29/2017	MERRILL LYNCH PIERCE FENNER		450,000	450,000	
40429C GD 8	HSBC FINANCE CORP	C	11/01/2017	HSBC SECURITIES		1,404,674	1,248,000	24,995
44891E AE 9	HART 16B B - ABS		07/17/2017	JP MORGAN SECURITIES INC		2,084,854	2,105,000	532
44891G AD 6	HALST 17B A3 - ABS		07/19/2017	Goldman Sachs		2,049,873	2,045,000	1,007
46507N AA 8	ISRAEL ELECTRIC CORP LTD	C	09/13/2017	VARIOUS		1,074,210	1,000,000	19,122
46556L AL 8	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS	C	12/05/2017	MERRILL LYNCH PIERCE FENNER		200,000	200,000	
46590P AB 9	JSL EUROPE SA	C	09/13/2017	VARIOUS		560,380	550,000	2,110
46640U AC 6	JPMBB 13C17 A3 - CMBS		07/06/2017	BARCLAYS CAPITAL INC FIXED INC		1,747,389	1,650,000	1,800
47215P AB 2	JD.COM INC	C	09/13/2017	VARIOUS		1,305,491	1,300,000	8,663
47233J AG 3	JEFFERIES GROUP LLC		06/02/2017	Jefferies		3,165,840	3,000,000	56,583
49306S AA 4	KEYBANK NATIONAL ASSOCIATION		10/18/2017	KEYBANK CAPITAL MARKETS INC		1,634,448	1,600,000	20,917
49456B AM 3	KINDER MORGAN INC		11/20/2017	VARIOUS		1,794,477	1,800,000	6,694
501555 AA 4	KYOBO LIFE INSURANCE CO LTD	C	09/13/2017	VARIOUS		646,650	640,000	3,125
50189P AC 6	LCM XXV LTD. - CDO	C	07/10/2017	BNP Paribas		3,485,000	3,485,000	
514666 AM 8	LAND O LAKES INC		03/28/2017	WELLS FARGO SECURITIES LLC		250,000	250,000	
532621 AN 9	LROCK 2R AR - CDO		07/06/2017	MORGAN STANLEY CO		361,620	360,000	2,065
536333 AA 5	LIQUID TELECOMMUNICATIONS FINANCING PLC	C	07/06/2017	STANDARD CHARTERED BANK LONDON		204,000	204,000	
539439 AQ 2	LLOYDS BANKING GROUP PLC	C	11/01/2017	MORGAN STANLEY CO		2,750,000	2,750,000	
55315X AE 1	MMAF 17A A5 - ABS		04/25/2017	JP MORGAN SECURITIES INC		1,229,195	1,230,000	
55608J AC 2	MACQUARIE GROUP LTD	C	09/14/2017	GOLDMAN		3,255,240	3,000,000	32,000
55608J AH 1	MACQUARIE GROUP LTD	C	11/20/2017	HSBC SECURITIES		1,000,000	1,000,000	
55819Y AC 4	MDPK 26R BR - CDO		09/05/2017	JP MORGAN SECURITIES INC		3,245,000	3,245,000	
55953B AK 2	MAGNETITE IX, LIMITED - CDO	C	05/26/2017	Citigroup (SSB)		1,655,000	1,655,000	
571748 AK 8	MARSH & MCLENNAN COMPANIES, INC		09/26/2017	Amherst Pierpoint Securities		3,170,744	2,525,000	23,488
59284B AG 3	MEXICHEM SAB DE CV	C	10/01/2017	MORGAN STANLEY & CO INC, NY		381,709	390,000	
59284M AD 6	MEXICO CITY AIRPORT TRUST	C	09/13/2017	JP MORGAN CHASE BANK/HSBCSI		626,207	630,000	
602736 AA 8	MINEJESA CAPITAL BV	C	09/13/2017	VARIOUS		811,448	800,000	1,079
602736 AB 6	MINEJESA CAPITAL BV	C	09/13/2017	VARIOUS		616,120	600,000	1,094
63859W AE 9	NATIONWIDE BUILDING SOCIETY	C	07/05/2017	MERRILL LYNCH PIERCE FENNER		3,266,340	3,300,000	42,533
66978C AB 8	NOSTRUM OIL AND GAS BV	C	07/17/2017	CITIGROUP GLOBAL MARKETS LIMITED		200,000	200,000	
682680 AR 4	ONEOK INC		10/12/2017	Jefferies		2,653,288	2,200,000	20,625
69335P CL 7	PFSFC 17D A - ABS		10/17/2017	Citigroup (SSB)		2,324,409	2,325,000	
69370R AA 5	PERTAMINA PERSERO PT	C	10/13/2017	VARIOUS		1,544,520	1,300,000	15,032
69371E AA 3	SAKA ENERGI INDONESIA PT	C	11/01/2017	VARIOUS		407,788	400,000	4,302
71568P AC 3	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT	C	11/01/2017	MERRILL LYNCH PIERCE FENNER		400,000	400,000	1,054
71568Q AC 1	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT	C	10/31/2017	HSBC Bank PLC		566,300	560,000	10,716
71568Q AD 9	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT	C	09/12/2017	BNP PARIBAS LONDON BRANCH		416,880	400,000	6,942
71647N AP 4	PETROBRAS GLOBAL FINANCE BV	C	06/15/2017	VARIOUS		1,570,820	1,400,000	5,909
71647N AQ 2	PETROBRAS GLOBAL FINANCE BV	C	12/05/2017	VARIOUS		916,840	760,000	10,957

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71647N AS 8	PETROBRAS GLOBAL FINANCE BV	C	09/13/2017	VARIOUS		186,591	170,000	1,500
71656L BT 7	PETROLEOS MEXICANOS	C	07/13/2017	VARIOUS		850,301	860,000	18,923
718549 AD 0	PHILLIPS 66 PARTNERS LP		06/09/2017	MIZUHO SECURITIES USA/FIXED INCOME		978,150	1,000,000	7,199
74153W CN 7	PRICOA GLOBAL FUNDING I		09/14/2017	BARCLAYS CAPITAL INC FIXED INC		6,103,707	6,110,000	
747525 AT 0	QUALCOMM INC		05/19/2017	Goldman Sachs		2,841,792	2,850,000	
75886A AQ 1	REGENCY ENERGY PARTNERS LP		03/23/2017	MORGAN STANLEY CO		2,866,185	2,700,000	66,375
78386F AD 8	SACI FALABELLA	C	10/23/2017	JP MORGAN CHASE BANK/HSBCSI		346,402	350,000	
78447A AA 2	SLMA 123 A - ABS		07/24/2017	JP MORGAN SECURITIES INC		2,872,531	2,856,020	299
785592 AV 8	SABINE PASS LIQUEFACTION LLC		10/05/2017	CREDIT SUISSE SECURITIES (USA)		3,935,120	3,500,000	57,118
80283L AA 1	SANTANDER UK PLC	C	03/23/2017	JP MORGAN SECURITIES INC		2,978,079	2,850,000	55,813
81376N AE 5	SSTRT 172 A4 - ABS		09/27/2017	BARCLAYS CAPITAL INC FIXED INC		2,455,000	2,455,000	
82938B AB 6	SINOPEC GROUP OVERSEAS DEVELOPMENT 2015	C	12/20/2017	HSBC SECURITIES		622,163	625,000	2,344
82938N AF 1	SINOPEC GROUP OVERSEAS DEVELOPMENT (2017	C	09/06/2017	Citigroup (SSB)		3,496,150	3,500,000	
83368R AJ 1	SOCIETE GENERALE SA	C	01/05/2017	SG AMERICAS SECURITIES, LLC		1,695,716	1,700,000	
84265V AG 0	SOUTHERN COPPER CORP	C	09/13/2017	VARIOUS		1,102,494	1,080,000	10,096
84265V AJ 4	SOUTHERN COPPER CORP	C	09/13/2017	VARIOUS		918,935	840,000	10,727
86074Q AM 4	STILLWATER MINING CO	C	09/13/2017	VARIOUS		535,324	530,000	5,293
86562M AQ 3	SUMITOMO MITSUI FINANCIAL GROUP INC	C	07/06/2017	Goldman Sachs		3,500,000	3,500,000	
86562M AU 4	SUMITOMO MITSUI FINANCIAL GROUP INC	C	10/11/2017	GOLDMAN		500,000	500,000	
86765B AV 1	SUNOCO LOGISTICS PARTNERS OPERATIONS LP		09/19/2017	DEUTSCHE BANK SECURITIES, INC		823,400	825,000	
87165B AM 5	SYNCHRONY FINANCIAL		12/01/2017	MORGAN STANLEY CO		4,113,203	4,125,000	
87233Q AB 4	TC PIPELINES LP		05/19/2017	SUNTRUST ROBINSON HUMPHREY INC		1,660,960	1,600,000	13,806
87876T AE 4	TECPETROL INTERNATIONAL S.A	C	12/05/2017	Citigroup (SSB)		200,000	200,000	
88163V AD 1	TEVA PHARMACEUTICAL FINANCE CO LLC	C	09/15/2017	BARCLAYS CAPITAL INC FIXED INC		499,224	460,000	3,772
88167A AE 1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	09/28/2017	VARIOUS		4,835,143	5,240,000	15,238
88167A AF 8	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	08/07/2017	VARIOUS		169,892	200,000	2,938
89641U AC 5	TRINITY ACQUISITION PLC	C	03/23/2017	MORGAN STANLEY CO		2,773,062	2,700,000	4,290
90016B AE 8	TURKIYE IS BANKASI AS	C	11/01/2017	J.P. MORGAN CHASE BANK/GG1		275,446	270,000	7,626
90352J AC 7	UBS GROUP FUNDING SWITZERLAND AG	C	11/01/2017	UBS SECURITIES LLC		2,650,000	2,650,000	
91832C AA 4	VM HOLDING SA	C	11/01/2017	HSBC Bank PLC		611,580	600,000	6,599
91911T AH 6	VALE OVERSEAS LTD	C	09/13/2017	VARIOUS		140,910	130,000	1,054
91911T AN 3	VALE OVERSEAS LTD	C	09/13/2017	Bank of New York Mellon		140,634	130,000	498
92189F 49 4	VANECK VCTR J P MORGN LCL BND ETF		12/07/2017	PERSHING DIV OF DLJ SEC LNDING		18,255,285		
92241T AM 4	VEDANTA RESOURCES PLC	C	08/03/2017	Standard Chartered Bank		210,000	210,000	
92343V DN 1	VERIZON COMMUNICATIONS INC		02/03/2017	CORPORATE ACTION		4,819,480	4,956,240	98,133
92348M AA 7	VZOT 162 A - ABS		05/19/2017	TORONTO DOMINION SECS USA INC		3,000,234	3,000,000	560
92348R AC 2	VZOT 173 B - ABS		10/11/2017	MERRILL LYNCH PIERCE FENNER		1,394,987	1,395,000	
92937E AZ 7	WFRBS 13C11 A5 - CMBS		10/13/2017	WELLS FARGO SECURITIES LLC		2,661,326	2,590,000	3,535
960386 AJ 9	WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP		03/23/2017	JP MORGAN SECURITIES INC		1,950,540	2,000,000	27,792
96328D AZ 7	WHLS 171 A2 - ABS		07/17/2017	MIZUHO SECURITIES USA/FIXED INCOME		929,991	930,000	
981464 GH 7	WFNMT 17C A - ABS		11/08/2017	PERSHING DIV OF DLJ SEC LNDING		3,999,458	4,000,000	
98161T AD 7	WOART 17B A3 - ABS		07/25/2017	BARCLAYS CAPITAL INC FIXED INC		1,429,631	1,430,000	
984245 AQ 3	YPF SA	C	09/13/2017	VARIOUS		152,696	150,000	417
984245 AR 1	YPF SA	C	12/07/2017	MERRILL LYNCH PIERCE FENNER		170,000	170,000	
98978V AL 7	ZOETIS INC		09/05/2017	BARCLAYS CAPITAL INC FIXED INC		1,988,880	2,000,000	
A8372T AC 2	SUZANO PAPEL E CELULOSE SA		06/15/2017	HSBC Bank PLC		204,000	200,000	3,617

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G0066R AA 2	ABQ FINANCE LTD	C	09/13/2017	VARIOUS		646,725	650,000	6,480
G0066R AB 0	ABQ FINANCE LTD	C	09/13/2017	VARIOUS		1,888,063	1,920,000	18,912
G0719W AB 0	AVI FUNDING COMPANY LTD	D	06/05/2017	NOMURA INTERNATIONAL PLC		207,594	200,000	1,837
G09579 AA 4	BEIJING GAS SINGAPORE CAPITAL CORP	D	08/25/2017	VARIOUS		828,197	834,000	5,387
G1064F AD 2	BESTGAIN REAL ESTATE LYRA LTD	C	09/13/2017	VARIOUS		1,324,620	1,290,000	16,425
G13629 AD 5	BLUESTAR FINANCE HOLDINGS LTD	C	09/13/2017	VARIOUS		749,042	740,000	11,111
G13629 AE 3	BLUESTAR FINANCE HOLDINGS LTD	D	07/17/2017	VARIOUS		592,912	590,000	4,364
G1990L AA 4	CEMENTOS PROGRESO TRUST	D	06/20/2017	CITIGROUP GLOBAL MARKETS LIMITED		213,310	200,000	1,821
G20011 AC 9	CENTRAL AMERICA BOTTLING CORP		09/13/2017	VARIOUS		288,260	270,000	4,943
G27581 AA 8	DIANJIAN HAIYU LTD	D	11/07/2017	VARIOUS		680,100	680,000	8,124
G28288 AA 9	DP WORLD LTD	C	09/13/2017	VARIOUS		647,250	630,000	3,643
G3066L AD 3	ENN ENERGY HOLDINGS LTD	C	09/13/2017	VARIOUS		919,173	910,000	3,749
G31307 AA 2	EMG SUKUK LTD	C	09/13/2017	VARIOUS		1,003,187	960,000	3,575
G3641T AA 6	FORTUNE STAR (BVI) LTD		09/13/2017	VARIOUS		709,280	700,000	12,542
G371E2 AA 6	FRESNILLO PLC	D	06/08/2017	PERSHING SECURITIES LIMITED		223,120	200,000	886
G3946K AA 7	GOHL CAPITAL LTD	C	09/13/2017	VARIOUS		832,633	800,000	11,357
G4487E AA 4	HIKMA PHARMACEUTICALS PLC	C	09/14/2017	VARIOUS		405,500	400,000	7,178
G4586A AF 1	HONGKONG ELECTRIC FINANCE LTD	C	09/13/2017	SOCIETE GENERALE - LONDON		593,993	610,000	3,418
G463PC AG 4	HUARONG FINANCE II CO LTD	D	11/28/2017	VARIOUS		1,363,988	1,370,000	9,277
G4694R AA 4	IBQ FINANCE LTD	C	09/13/2017	VARIOUS		1,064,720	1,060,000	5,059
G4R026 AB 6	HKT CAPITAL NO 2 LTD	C	09/13/2017	VARIOUS		549,964	540,000	5,713
G5257R AA 0	KING POWER CAPITAL LTD	C	09/14/2017	VARIOUS		1,551,376	1,380,000	14,203
G5278K AA 0	EZDAN SUKUK COMPANY LTD	C	09/13/2017	VARIOUS		575,680	600,000	5,591
G5332X AE 8	KUWAIT PROJECTS CO (CAYMAN)	C	09/13/2017	VARIOUS		1,335,378	1,120,000	27,000
G5332X AG 3	KUWAIT PROJECTS CO CAYMAN	C	09/13/2017	VARIOUS		1,587,982	1,490,000	14,972
G5635P AE 9	LONGFOR PROPERTIES CO LTD	D	11/01/2017	CITIGROUP GLOBAL MARKETS LIMITED		567,017	560,000	6,631
G68259 AA 1	OVPH LTD	C	10/10/2017	BARCLAYS CAPITAL SECURITIES		684,450	650,000	4,349
G6S79L AC 3	MINMETALS BOUNTEOUS FINANCE (BVI) LTD		09/13/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK		417,532	400,000	2,193
G7302V DY 7	QNB FINANCE LTD	C	09/13/2017	VARIOUS		2,865,010	2,970,000	14,980
G7303Z AG 9	OOREDOO INTERNATIONAL FINANCE LTD	D	06/23/2017	BARCLAYS CAPITAL SECURITIES		368,613	370,000	5,854
G7304Z AB 9	QIB SUKUK LTD	C	09/13/2017	VARIOUS		977,620	1,000,000	5,294
G7366T AA 0	RAKFUNDING CAYMAN LTD	C	09/14/2017	VARIOUS		1,705,885	1,680,000	17,870
G781A6 AD 5	SAUDI ELECTRICITY GLOBAL SUKUK CO 3	D	08/01/2017	Deutsche Bank AG New York Branch		433,400	400,000	4,339
G8118H AC 1	SIB SUKUK CO III LTD	D	06/09/2017	CREDIT AGRICOLE CIB		209,423	210,000	1,709
G8185T AA 7	SINOCHEM OVERSEAS CAPITAL CO LTD	C	06/05/2017	MERRILL LYNCH PIERCE FENNER		211,560	200,000	650
G8449W AC 8	STATE GRID OVERSEAS INVESTMENT 2014 LTD	C	09/12/2017	VARIOUS		428,548	400,000	3,735
G8463Y AC 5	STEEL FUNDING LTD	C	09/13/2017	VARIOUS		740,936	720,000	10,220
G87602 AA 9	TENGIZCHEVROIL FINANCE COMPANY INTERNATI		07/17/2017	GOLDMAN SACHS INTL		1,061,820	1,080,000	15,563
G8850L AA 8	THREE GORGES FINANCE I (CAYMAN ISLANDS)	C	09/12/2017	VARIOUS		519,617	500,000	2,960
G9328D AJ 9	VEDANTA RESOURCES PLC	C	06/15/2017	CITIGROUP GLOBAL MARKETS LIMITED		209,250	200,000	633
L0178W AG 7	ALTICE FINANCING SA	C	09/13/2017	VARIOUS		662,280	600,000	15,333
L6388F AM 4	MILLICOM INTERNATIONAL CELLULAR SA	C	09/14/2017	VARIOUS		636,270	600,000	6,367
M0152V AB 9	ABU DHABI NATIONAL ENERGY CO	D	06/09/2017	HSBC Bank PLC		122,990	100,000	831
M0152V AG 8	ABU DHABI NATIONAL ENERGY CO	C	09/13/2017	VARIOUS		797,626	790,000	7,340
M1838H AA 2	BURGAN SENIOR SPC LTD	D	06/09/2017	CITIGROUP GLOBAL MARKETS LIMITED		542,700	540,000	4,172
M2851H AA 2	DP WORLD LTD	D	06/08/2017	BARCLAYS CAPITAL SECURITIES		275,011	230,000	7,002

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
M4029Z ES 2	EMIRATES NBD BANK PJSC	D	06/08/2017	CREDIT AGRICOLE CIB		203,410	200,000	2,004
M5318P AM 8	IDBI BANK (DUBAI BRANCH)	C	09/12/2017	VARIOUS		401,206	400,000	3,938
M60170 AV 5	ISRAEL ELECTRIC CORP LTD	C	09/13/2017	VARIOUS		1,419,814	1,310,000	10,965
M63751 AB 3	KOC HOLDING AS	C	09/13/2017	VARIOUS		960,098	910,000	9,829
M6S73Y AB 6	KT KIRA SERTIFIKALARI VARLIK KIRALAMA AS	D	06/09/2017	ING BANK N.V. - AMSTERDAM		207,800	200,000	4,789
M7120L AA 7	NATIONAL BANK OF OMAN SAOG	D	06/09/2017	HSBC Bank PLC		200,480	200,000	1,146
M87717 AD 2	TF VARLIK KIRALAMA AS	D	06/09/2017	SOCIETE GENERALE - LONDON		206,880	200,000	1,463
M8933F AF 4	TURKIYE IS BANKASI AS	D	11/03/2017	CITIGROUP GLOBAL MARKETS LIMITED		200,000	200,000	433
M90345 AA 3	TURKIYE SISE VE CAM FABRIKALARI AS	D	06/15/2017	CITIGROUP GLOBAL MARKETS LIMITED		202,180	200,000	944
M9037B DX 4	TURKIYE VAKIFLAR BANKASI TAO	D	12/14/2017	MERRILL LYNCH INTERNATIONAL		202,000	200,000	5,156
M9396C AG 7	UNION NATIONAL BANK PJSC	C	09/13/2017	VARIOUS		1,281,790	1,300,000	8,861
N3783A AA 7	GTH FINANCE BV	D	06/15/2017	BNY/VTB CAPITAL PLC		222,500	200,000	2,135
N4826L AD 4	KAZAKHSTAN TEMIR ZHOLY FINANCE BV	C	09/13/2017	VARIOUS		947,598	860,000	16,213
N4960Z AB 3	NK KAZMUNAYGAZ AO	C	09/12/2017	VARIOUS		995,010	900,000	10,189
N4960Z AD 9	NK KAZMUNAYGAZ AO	C	09/12/2017	VARIOUS		600,820	600,000	7,699
N4960Z AE 7	NK KAZMUNAYGAZ AO	D	07/14/2017	VARIOUS		706,822	700,000	6,347
N5S29Q GV 9	MDC GMTN BV	C	09/13/2017	VARIOUS		820,774	820,000	7,104
P09646 AE 3	BANCO DE CREDITO DEL PERU (PANAMA BRANCH	C	09/13/2017	VARIOUS		876,515	790,000	16,543
P1265V AD 4	BANCO GNB SUDAMERIS SA	C	08/01/2017	NOMURA INTERNATIONAL PLC		206,900	200,000	2,744
P3143N AW 4	CORPORACION NACIONAL DEL COBRE DE CHILE	C	09/12/2017	VARIOUS		1,292,600	1,200,000	14,700
P37110 AG 1	EMPRESA NACIONAL DEL PETROLEO ENAP	C	07/13/2017	VARIOUS		641,020	600,000	1,214
P3713L AA 6	ELEMENTIA SA DE CV	D	06/15/2017	PERSHING SECURITIES LIMITED		204,830	200,000	4,706
P3713Q AA 5	EMPRESA ELECTRICA ANGAMOS SA		10/01/2017	VARIOUS		945,314	920,000	5,780
P3716X AA 7	EMPRESA NACIONAL DE AUTOPISTA SA (ENA)	C	09/13/2017	HSBC Bank PLC		598,612	579,422	3,791
P3772W AF 9	BANCO DO BRASIL SA (GRAND CAYMAN BRANCH)	C	08/01/2017	NOMURA INTERNATIONAL PLC		204,480	200,000	50
P47718 AA 2	GLOBAL BANK CORP	C	09/13/2017	VARIOUS		1,127,620	1,080,000	10,528
P47773 AN 9	GLOBO COMUNICACOES E PARTICIPACOES SA	C	06/08/2017	PERSHING SECURITIES LIMITED		203,980	200,000	108
P4909L AA 8	GNL QUINTERO SA	C	09/13/2017	VARIOUS		1,017,560	970,000	14,746
P57908 AE 8	MEXICHEM SAB DE CV	C	06/08/2017	JEFFERIES INTERNATIONAL LTD		217,796	200,000	3,113
P57908 AF 5	MEXICHEM SAB DE CV	C	09/13/2017	VARIOUS		670,138	660,000	13,398
P66208 AA 0	MEXICO GENERADORA DE ENERGIA S DE RL	C	09/14/2017	VARIOUS		769,924	733,297	4,033
P7464E AA 4	PAMPA ENERGIA SA	C	09/13/2017	VARIOUS		375,315	350,000	7,635
P7873P AE 6	PETROBRAS ARGENTINA SA	C	09/13/2017	VARIOUS		289,213	270,000	6,838
P8674J AB 5	SIGMA ALIMENTOS SA DE CV	C	09/13/2017	VARIOUS		835,057	750,000	21,885
P9451Y AC 7	UNION ANDINA DE CEMENTOS SAA	C	10/01/2017	VARIOUS		366,488	350,000	4,904
P98088 AA 8	VOTORANTIM CIMENTOS BRASIL SA	C	06/15/2017	HSBC Bank PLC		197,920	200,000	2,981
P989MJ BE 0	YPF	C	09/13/2017	VARIOUS		310,097	270,000	7,435
P989MJ BG 5	YPF SA	C	09/13/2017	VARIOUS		984,875	870,000	22,440
U75888 AC 8	RELIANCE HOLDING USA INC	C	07/17/2017	VARIOUS		1,615,690	1,470,000	28,823
V6143X AC 2	MTN (MAURITIUS) INVESTMENTS LTD	D	11/01/2017	BARCLAYS CAPITAL SECURITIES		619,980	600,000	7,164
V6560A AC 6	OCP SA	C	09/13/2017	VARIOUS		542,180	500,000	6,594
V6560A AD 4	OCP SA	C	10/05/2017	VARIOUS		2,278,600	2,020,000	36,907
V96177 AA 4	UPL CORPORATION LTD	C	09/13/2017	VARIOUS		1,588,756	1,580,000	13,125
W7263H AF 1	PKO FINANCE AB	D	06/12/2017	GOLDMAN SACHS INTL		226,239	210,000	2,107
Y06942 UF 4	BANK OF EAST ASIA LTD	D	06/15/2017	HSBC Bank PLC		200,520	200,000	1,022
Y0776W AB 0	BEIJING STATE-OWNED ASSETS MANAGEMENT HO	C	09/13/2017	VARIOUS		996,892	960,000	5,857
Y0963B AA 1	BPRL INTERNATIONAL SINGAPORE PTE LTD	C	09/13/2017	VARIOUS		782,261	750,000	7,577

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Y1639J AF 5	CITIC PACIFIC LTD	D	06/05/2017	NOMURA INTERNATIONAL PLC		354,882	300,000	8,273
Y1R396 FU 2	CHINA CONSTRUCTION BANK CORP	C	09/13/2017	VARIOUS		1,367,394	1,340,000	9,309
Y374AK AA 4	IOI INVESTMENT BHD	C	09/14/2017	VARIOUS		1,382,676	1,320,000	17,970
Y39428 AB 6	INDIAN RAILWAY FINANCE CORP LTD	D	06/05/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK		205,592	200,000	2,328
Y3R559 AB 8	ICBCIL FINANCE CO LTD	D	11/21/2017	VARIOUS		563,852	560,000	3,243
Y44680 GC 7	JSW STEEL LTD	D	06/15/2017	BNP PARIBAS LONDON BRANCH		203,750	200,000	1,954
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD	C	10/16/2017	UBS AG London		203,680	200,000	1,843
Y4596H AA 5	NK KAZMUNAYGAZ AO	D	06/05/2017	Credit Suisse Securities (Europe) LT		775,950	700,000	7,190
Y48585 DU 7	KEB HANA BANK	C	09/14/2017	VARIOUS		665,842	640,000	7,551
Y6421X BY 3	NTPC LTD	D	06/09/2017	WELLS FARGO SECURITIES INTERNATIONAL LTD		539,401	520,000	6,569
Y6S63R D4 3	NONGHYUP BANK	C	09/14/2017	VARIOUS		747,670	740,000	7,363
Y7133M AC 3	PELABUHAN INDONESIA II (PERSERO) PT	C	09/13/2017	VARIOUS		921,455	900,000	7,095
Y7138A AE 0	PERTAMINA (PERSERO) PT	C	09/13/2017	VARIOUS		945,584	900,000	10,202
Y7T47W HN 4	SHINHAN BANK	D	11/22/2017	VARIOUS		635,313	623,000	10,299
Y8564S AC 6	THETA CAPITAL PTE LTD	D	06/15/2017	CITIGROUP GLOBAL MARKETS LIMITED		210,860	200,000	2,644
Y8808W AD 1	TIANJIN INFRASTRUCTURE CONSTRUCTION & IN	C	09/13/2017	VARIOUS		1,398,036	1,400,000	3,390
3899999.	Total - Bonds - Industrial and Miscellaneous					404,482,703	377,560,021	2,189,350
Bonds - Hybrid Securities								
05578Q AC 7	BPCE SA	C	09/27/2017	BARCLAYS CAPITAL INC FIXED INC		1,256,088	1,200,000	12,025
05962G AJ 8	BANCO MERCANTIL DEL NORTE SA (CAYMAN ISL	C	09/13/2017	VARIOUS		685,200	660,000	3,092
05968L AK 8	BANCOLOMBIA SA	C	10/11/2017	Citigroup (SSB)		200,000	200,000	
060505 EH 3	BANK OF AMERICA CORP		05/18/2017	BARCLAYS CAPITAL INC		804,375	750,000	10,156
060505 EU 4	BANK OF AMERICA CORP		09/13/2017	WELLS FARGO SECURITIES LLC		2,257,500	2,000,000	1,750
12561A AA 1	CK HUTCHISON CAPITAL SECURITIES (17) LTD	C	10/24/2017	VARIOUS		662,430	650,000	8,178
14040H BH 7	CAPITAL ONE FINANCIAL CORP		05/16/2017	JP MORGAN SECURITIES INC		1,565,625	1,500,000	38,850
269246 BR 4	E*TRADE FINANCIAL CORP		11/27/2017	JP MORGAN SECURITIES INC		900,000	900,000	
316773 CR 9	FIFTH THIRD BANCORP		09/14/2017	GOLDMAN		4,069,270	4,024,000	92,015
37045X CA 2	GENERAL MOTORS FINANCIAL COMPANY INC		09/13/2017	MORGAN STANLEY CO		1,800,000	1,800,000	
373334 44 0	GEORGIA POWER CO		11/01/2017	MERRILL LYNCH PIERCE FENNER		435,000	435,000	
38148B AD 0	GOLDMAN SACHS GROUP INC		10/18/2017	GOLDMAN		800,000	800,000	
46625H JQ 4	JPMORGAN CHASE & CO		08/02/2017	WELLS FARGO SECURITIES LLC		5,169,375	4,500,000	5,063
493267 AK 4	KEYCORP		09/18/2017	VARIOUS		3,430,300	3,355,000	23,100
98105H AF 7	WOORI BANK	C	11/16/2017	CITIGROUP GLOBAL MARKETS LIMITED		243,840	240,000	140
G463PS AB 0	HUARONG FINANCE 2017 CO LTD		11/28/2017	VARIOUS		1,419,100	1,390,000	15,805
M7301X AA 2	NBK TIER I FINANCING LTD	C	09/13/2017	VARIOUS		806,256	770,000	11,960
P16259 AH 9	BBVA BANCOMER SA DE CV	C	09/13/2017	VARIOUS		1,165,277	1,020,000	29,713
XS1699 84 5	UNITED OVERSEAS BANK LTD	D	11/29/2017	BARCLAYS CAPITAL SECURITIES		1,138,290	1,140,000	5,154
Y12355 AB 2	CCB LIFE INSURANCE CO LTD	C	09/28/2017	VARIOUS		1,184,260	1,150,000	19,894
Y1R019 AA 9	CHINA LIFE INSURANCE CO LTD	D	12/12/2017	NOMURA INTERNATIONAL PLC		1,242,300	1,230,000	22,003
Y1R02P AA 2	CHINA LIFE INSURANCE OVERSEAS COMPANY LT	C	09/28/2017	NOMURA INTERNATIONAL PLC		568,210	570,000	3,448
Y20246 G6 8	DBS GROUP HOLDINGS LTD	C	10/30/2017	VARIOUS		1,200,032	1,200,000	11,352
Y3180F AE 5	HEUNGKUK LIFE INSURANCE CO LTD	D	12/21/2017	STANDARD CHARTERED BANK LONDON		1,431,862	1,450,000	8,471
4899999.	Total - Bonds - Hybrid Securities					34,434,590	32,934,000	322,169
8399997.	Total - Bonds - Part 3					1,320,016,051	1,231,534,425	6,994,569
8399998.	Total - Bonds - Summary Item from Part 5					181,645,737	178,681,421	1,014,229
8399999.	Total - Bonds					1,501,661,788	1,410,215,846	8,008,798

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Preferred Stocks - Industrial and Miscellaneous								
025816 BL 2	AMERICAN EXPRESS CO		10/01/2017	WELLS FARGO ADVISORS LLC (CHARLOTTE, NC)		70,642		(70,642)
14040H 40 2	CAPITAL ONE FINANCIAL CORP		03/09/2017	MERRILL LYNCH PIERCE FENNER	4,599.000	113,963		
14040H 84 0	CAPITAL ONE FINANCIAL CORP		09/19/2017	MERRILL LYNCH PIERCE FENNER	54,390.000	1,453,317		
14040H 86 5	CAPITAL ONE FINANCIAL CORP		08/07/2017	MERRILL LYNCH PIERCE FENNER	15,487.000	380,741		
14040H 88 1	CAPITAL ONE FINANCIAL CORP		08/11/2017	MERRILL LYNCH PIERCE FENNER	38,543.000	1,026,092		
172967 34 1	CITIGROUP INC		09/08/2017	MERRILL LYNCH PIERCE FENNER	27,206.000	785,133		
172967 JM 4	CITIGROUP INC		09/13/2017	VARIOUS	3,000,000.000	3,246,310		
229899 20 8	CULLEN/FROST BANKERS INC		08/11/2017	MERRILL LYNCH PIERCE FENNER	166,460.000	4,168,864		
61762V 60 6	MORGAN STANLEY		09/12/2017	VARIOUS	65,000.000	1,755,150		
649445 20 2	NEW YORK COMMUNITY BANCORP INC		03/10/2017	Goldman Sachs	98,900.000	2,472,500		
712704 20 4	PEOPLE'S UNITED FINANCIAL INC		09/18/2017	MERRILL LYNCH PIERCE FENNER	45,331.000	1,212,601		
78410V 20 0	SCE TRUST VI		06/21/2017	VARIOUS	143,275.000	3,583,021		
808513 AR 6	CHARLES SCHWAB CORP		10/25/2017	CREDIT SUISSE SECURITIES (USA)	4,511,000.000	4,511,000		
857477 85 5	STATE STREET CORP		10/12/2017	MORGAN STANLEY CO	147,300.000	4,018,080		
85917A 20 9	ASTORIA FINANCIAL CORP		10/02/2017	CORPORATE ACTION	15,584.000	393,523		
867914 BN 2	SUNTRUST BANKS INC		09/15/2017	VARIOUS	4,500,000.000	4,585,858		
882228 30 7	TEXAS CAPITAL BANCSHARES INC		10/31/2017	VARIOUS	66,405.000	1,676,504		
902973 AZ 9	U.S. BANCORP		02/01/2017	Adjustment	750,000.000	750,000		
919794 30 5	VALLEY NATIONAL BANCORP		07/27/2017	Stifel Nicolaus & Co	62,000.000	1,550,000		
947890 50 5	WEBSTER FINANCIAL CORP		12/05/2017	MERRILL LYNCH PIERCE FENNER	54,000.000	1,350,000		
949746 RN 3	WELLS FARGO & CO		07/20/2017	WELLS FARGO SECURITIES LLC	2,000,000.000	2,230,556		
94988U 65 6	WELLS FARGO & CO		05/19/2017	VARIOUS	60,393.000	1,515,196		
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					42,849,051	XXX	(70,642)
8999997.	Total - Preferred Stocks - Part 3					42,849,051	XXX	(70,642)
8999998.	Total - Preferred Stocks - Summary Item from Part 5					220,896	XXX	
8999999.	Total - Preferred Stocks					43,069,947	XXX	(70,642)
Common Stocks - Industrial and Miscellaneous								
001055 10 2	AFLAC ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	10,000.000	699,075	XXX	
00123Q 10 4	AGNC INVESTMENT REIT ORD		09/06/2017	VARIOUS	10,000.000	212,113	XXX	
00130H 10 5	AES ORD		12/27/2017	Jefferies	20,000.000	213,550	XXX	
00165C 10 4	AMC ENTERTAINMENT HOLDINGS CL A ORD	C	08/31/2017	Goldman Sachs	8,000.000	107,240	XXX	
00206R 10 2	AT&T ORD		12/27/2017	VARIOUS	179,000.000	7,035,229	XXX	
002824 10 0	ABBOTT LABORATORIES ORD		03/31/2017	VARIOUS	14,000.000	608,755	XXX	
00287Y 10 9	ABBVIE ORD		09/25/2017	VARIOUS	8,000.000	533,000	XXX	
00724F 10 1	ADOBE SYSTEM ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	700.000	81,513	XXX	
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD		12/12/2017	VARIOUS	8,600.000	1,321,831	XXX	
018802 10 8	ALLIANT ENERGY ORD		10/03/2017	GOLDMAN	8,000.000	331,080	XXX	
020002 10 1	ALLSTATE ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	419,575	XXX	
02079K 10 7	ALPHABET CL C ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	1,600.000	1,463,146	XXX	
02079K 30 5	ALPHABET CL A ORD		09/06/2017	VARIOUS	4,700.000	4,252,981	XXX	
023608 10 2	AMEREN ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	8,000.000	512,460	XXX	
025537 10 1	AMERICAN ELECTRIC POWER ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	590,120	XXX	
02553E 10 6	AMERICAN EAGLE OUTFITTERS ORD		09/08/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	122,350	XXX	
03027X 10 0	AMERICAN TOWER REIT		12/12/2017	BARCLAYS CAPITAL INC./LE	5,000.000	717,588	XXX	
031162 10 0	AMGEN ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	480,255	XXX	

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032359 30 9	AMTRUST FINANCIAL SERVICES ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	16,000.000	214,800	XXX	
032654 10 5	ANALOG DEVICES ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	4,600.000	360,847	XXX	
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	40,000.000	412,600	XXX	
037833 10 0	APPLE ORD		09/06/2017	VARIOUS	25,000.000	3,660,255	XXX	
03784Y 20 0	APPLE HOSPITALITY REIT ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	12,000.000	226,740	XXX	
04316A 10 8	ARTISAN PARTNERS ASSET MGMT CL A ORD		05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	146,275	XXX	
053015 10 3	AUTOMATIC DATA PROCESSING ORD		09/06/2017	VARIOUS	16,200.000	1,648,514	XXX	
053484 10 1	AVALONBAY COMMUNITIES REIT ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	3,500.000	633,938	XXX	
054937 10 7	BB AND T ORD		11/06/2017	VARIOUS	19,000.000	918,053	XXX	
05508R 10 6	B AND G FOODS ORD		11/20/2017	VARIOUS	6,000.000	203,745	XXX	
06652V 20 8	BANNER ORD		06/30/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	169,697	XXX	
071813 10 9	BAXTER INTERNATIONAL ORD		05/11/2017	VARIOUS	9,000.000	492,360	XXX	
075887 10 9	BECTON DICKINSON ORD		02/09/2017	VARIOUS	1,800.000	314,526	XXX	
084670 70 2	BERKSHIRE HATHWAY CL B ORD		05/11/2017	VARIOUS	20,000.000	3,249,303	XXX	
09247X 10 1	BLACKROCK ORD		08/04/2017	Jefferies	1,200.000	511,821	XXX	
093671 10 5	H&R BLOCK ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	18,000.000	421,250	XXX	
097023 10 5	BOEING ORD		09/06/2017	GOLDMAN	1,000.000	234,625	XXX	
099502 10 6	BOOZ ALLEN HAMILTON HOLDING CL A ORD		09/06/2017	GOLDMAN	5,000.000	173,725	XXX	
109641 10 0	BRINKER INTERNATIONAL ORD		11/20/2017	Jefferies	4,000.000	136,470	XXX	
110122 10 8	BRISTOL MYERS SQUIBB ORD		12/27/2017	Jefferies	10,000.000	616,875	XXX	
11120U 10 5	BRIXMOR PROPERTY GROUP REIT ORD		12/27/2017	Jefferies	10,000.000	184,575	XXX	
118440 10 6	BUCKLE ORD		12/27/2017	Jefferies	5,000.000	122,538	XXX	
125269 10 0	CF INDUSTRIES HOLDINGS ORD		08/04/2017	Jefferies	5,000.000	161,088	XXX	
12572Q 10 5	CME GROUP CL A ORD		12/04/2017	VARIOUS	13,000.000	1,687,045	XXX	
125896 10 0	CMS ENERGY ORD		07/31/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	369,960	XXX	
126117 10 0	CNA FINANCIAL ORD		02/08/2017	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	127,005	XXX	
126650 10 0	CVS HEALTH ORD		09/25/2017	VARIOUS	15,000.000	1,204,235	XXX	
12673P 10 5	CA ORD		09/06/2017	GOLDMAN	5,600.000	185,220	XXX	
14057J 10 1	CAPITOL FEDERAL FINANCIAL ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	10,000.000	133,275	XXX	
166764 10 0	CHEVRON ORD		10/26/2017	VARIOUS	48,000.000	5,323,020	XXX	
16934Q 20 8	CHIMERA INVESTMENT REIT		12/19/2017	GOLDMAN	5,000.000	93,175	XXX	
172062 10 1	CINCINNATI FINANCIAL ORD		12/12/2017	VARIOUS	12,000.000	848,048	XXX	
17243V 10 2	CINEMARK HOLDINGS ORD		09/06/2017	GOLDMAN	5,000.000	170,175	XXX	
17275R 10 2	CISCO SYSTEMS ORD		12/27/2017	VARIOUS	157,000.000	5,284,648	XXX	
172908 10 5	CINTAS ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	1,700.000	197,396	XXX	
189054 10 9	CLOROX ORD		09/06/2017	VARIOUS	3,200.000	422,924	XXX	
191216 10 0	COCA-COLA ORD		09/08/2017	VARIOUS	86,000.000	3,896,600	XXX	
192446 10 2	COGNIZANT TECHNOLOGY SOLUTN CL A ORD		05/11/2017	VARIOUS	4,500.000	279,776	XXX	
19247A 10 0	COHEN & STEERS ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	3,000.000	132,244	XXX	
194162 10 3	COLGATE PALMOLIVE ORD		09/06/2017	GOLDMAN	13,000.000	929,435	XXX	
19625W 10 4	COLONY NORTHSTAR CL A ORD		11/10/2017	GOLDMAN	10,000.000	125,750	XXX	
20030N 10 1	COMCAST CL A ORD		05/11/2017	VARIOUS	54,500.000	2,256,868	XXX	
205887 10 2	CONAGRA BRANDS ORD		09/25/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	334,750	XXX	
209115 10 4	CONSOLIDATED EDISON ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	427,525	XXX	
21871N 10 1	CORECIVIC REIT ORD		12/27/2017	Jefferies	6,000.000	134,205	XXX	
219350 10 5	CORNING ORD		09/06/2017	GOLDMAN	20,000.000	571,700	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
22160K 10 5	COSTCO WHOLESALE ORD		05/05/2017	VARIOUS	3,000.000	535,118	XXX	
22282E 10 2	COVANTA HOLDING ORD		09/25/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	116,440	XXX	
231021 10 6	CUMMINS ORD		11/06/2017	VARIOUS	3,300.000	552,521	XXX	
23317H 10 2	DDR REIT ORD		11/20/2017	Jefferies	15,000.000	121,313	XXX	
233331 10 7	DTE ENERGY ORD		11/20/2017	VARIOUS	6,000.000	672,320	XXX	
235851 10 2	DANAHER ORD		02/09/2017	VARIOUS	2,500.000	209,310	XXX	
25264R 20 7	DIAMOND HILL INVESTMENT GRP CL A ORD		11/20/2017	Jefferies	500.000	104,593	XXX	
254423 10 6	DINEEQUITY ORD		09/13/2017	VARIOUS	8,000.000	330,473	XXX	
254687 10 6	WALT DISNEY ORD		06/30/2017	VARIOUS	25,000.000	2,717,917	XXX	
254709 10 8	DISCOVER FINANCIAL SERVICES ORD		09/06/2017	GOLDMAN	3,000.000	176,595	XXX	
25746U 10 9	DOMINION ENERGY ORD		11/15/2017	VARIOUS	22,000.000	1,697,180	XXX	
257559 20 3	DOMTAR ORD		06/20/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	110,625	XXX	
26078J 10 0	DOWDUPONT ORD		08/31/2017	CORPORATE ACTION	3,000.000	192,045	XXX	
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD		12/04/2017	VARIOUS	6,500.000	602,633	XXX	
26441C 20 4	DUKE ENERGY ORD		11/06/2017	VARIOUS	16,000.000	1,327,689	XXX	
265504 10 0	DUNKIN' BRANDS GROUP ORD		09/06/2017	GOLDMAN	5,000.000	261,325	XXX	
26884U 10 9	EPR PROPERTIES REIT ORD		09/25/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	283,060	XXX	
278265 10 3	EATON VANCE COM NON VTG ORD		04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	216,475	XXX	
278865 10 0	ECOLAB ORD		01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	119,355	XXX	
281020 10 7	EDISON INTERNATIONAL ORD		12/04/2017	VARIOUS	13,000.000	1,037,765	XXX	
291011 10 4	EMERSON ELECTRIC ORD		08/04/2017	VARIOUS	17,000.000	1,032,018	XXX	
29530P 10 2	ERIE INDEMNITY CL A ORD		02/09/2017	VARIOUS	2,500.000	282,093	XXX	
30040W 10 8	EVERSOURCE ENERGY ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	10,000.000	642,175	XXX	
30231G 10 2	EXXON MOBIL ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	137,000.000	11,237,835	XXX	
30303M 10 2	FACEBOOK CL A ORD		09/06/2017	VARIOUS	5,500.000	880,373	XXX	
311900 10 4	FASTENAL ORD		09/06/2017	GOLDMAN	10,000.000	423,750	XXX	
314211 10 3	FEDERATED INVESTORS CL B ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	158,975	XXX	
31424D 10 4	FEDERATED P&T FIN TENDER		03/01/2017	Unknown			XXX	
344849 10 4	FOOT LOCKER ORD		10/03/2017	GOLDMAN	6,000.000	206,310	XXX	
35906A 30 6	FRONTIER COMMUNICATIONS ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	20,000.000	238,150	XXX	
36174X 10 1	GGP ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	10,000.000	238,575	XXX	
363576 10 9	ARTHUR J GALLAGHER ORD		05/11/2017	VARIOUS	11,000.000	602,728	XXX	
364760 10 8	GAP ORD		09/06/2017	VARIOUS	13,000.000	325,033	XXX	
369604 10 3	GENERAL ELECTRIC ORD		09/13/2017	VARIOUS	100,000.000	2,454,825	XXX	
370334 10 4	GENERAL MILLS ORD		12/27/2017	Jefferies	20,000.000	1,203,750	XXX	
37045V 10 0	GENERAL MOTORS ORD		11/20/2017	VARIOUS	15,000.000	533,270	XXX	
372460 10 5	GENUINE PARTS ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	4,500.000	422,843	XXX	
375558 10 3	GILEAD SCIENCES ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	6,400.000	426,976	XXX	
384802 10 4	WW GRAINGER ORD		07/31/2017	DEUTSCHE BANK SECURITIES, INC	2,500.000	416,863	XXX	
401617 10 5	GUESS ORD		11/20/2017	Jefferies	5,000.000	88,938	XXX	
404303 10 9	HSN ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	9,000.000	325,845	XXX	
410867 10 5	HANOVER INSURANCE GROUP ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	328,500	XXX	
412822 10 8	HARLEY DAVIDSON ORD		09/06/2017	GOLDMAN	5,000.000	233,275	XXX	
423452 10 1	HELMERICH AND PAYNE ORD		08/04/2017	Jefferies	5,000.000	246,738	XXX	
42809H 10 7	HESS ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	5,000.000	227,088	XXX	
437076 10 2	HOME DEPOT ORD		08/22/2017	VARIOUS	23,000.000	3,364,883	XXX	

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
438516 10 6	HONEYWELL INTERNATIONAL ORD		10/26/2017	VARIOUS	17,300.000	2,273,885	XXX	
443510 60 7	HUBBELL ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	2,000.000	251,110	XXX	
452308 10 9	ILLINOIS TOOL ORD		09/06/2017	GOLDMAN	4,300.000	588,692	XXX	
45774W 10 8	INSTEEL INDUSTRIES ORD		12/12/2017	VARIOUS	4,000.000	104,825	XXX	
458140 10 0	INTEL ORD		10/17/2017	VARIOUS	160,800.000	6,046,580	XXX	
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD		08/04/2017	VARIOUS	14,000.000	2,027,420	XXX	
459506 10 1	INTERNATIONAL FLAVORS & FRAGRANS ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	1,000.000	117,748	XXX	
461202 10 3	INTUIT ORD		01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	1,500.000	175,658	XXX	
46120E 60 2	INTUITIVE SURGICAL ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	200.000	141,078	XXX	
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD		09/13/2017	BARCLAYS CAPITAL INC./LE	6,000.000	100,305	XXX	
46284V 10 1	IRON MOUNTAIN ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	5,000.000	189,038	XXX	
46625H 10 0	JPMORGAN CHASE ORD		09/25/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	282,375	XXX	
478160 10 4	JOHNSON & JOHNSON ORD		10/26/2017	VARIOUS	65,900.000	8,065,074	XXX	
487836 10 8	KELLOGG ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	8,000.000	509,980	XXX	
494368 10 3	KIMBERLY CLARK ORD		11/20/2017	VARIOUS	15,100.000	1,790,025	XXX	
500255 10 4	KOHL'S ORD		08/22/2017	Goldman Sachs	5,000.000	190,825	XXX	
500754 10 6	KRAFT HEINZ ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	10,000.000	787,875	XXX	
501797 10 4	L BRANDS ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	221,175	XXX	
515098 10 1	LANDSTAR SYSTEM ORD		12/27/2017	Jefferies	2,000.000	212,115	XXX	
524660 10 7	LEGGETT & PLATT ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	5,000.000	226,938	XXX	
525327 10 2	LEIDOS HOLDINGS ORD		09/06/2017	GOLDMAN	5,000.000	289,825	XXX	
532457 10 8	ELI LILLY ORD		10/26/2017	VARIOUS	26,100.000	2,122,046	XXX	
534187 10 9	LINCOLN NATIONAL ORD		06/20/2017	DEUTSCHE BANK SECURITIES, INC	2,500.000	170,138	XXX	
539830 10 9	LOCKHEED MARTIN ORD		02/09/2017	VARIOUS	3,701.000	951,339	XXX	
548661 10 7	LOWE'S COMPANIES ORD		09/25/2017	VARIOUS	2,500.000	191,603	XXX	
552690 10 9	MDU RESOURCES GROUP ORD		09/06/2017	GOLDMAN	6,000.000	163,110	XXX	
553530 10 6	MSC INDUSTRIAL CL A ORD		09/06/2017	GOLDMAN	5,000.000	346,975	XXX	
554382 10 1	MACERICH REIT ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	171,165	XXX	
55616P 10 4	MACYS ORD		09/13/2017	VARIOUS	15,000.000	321,038	XXX	
571748 10 2	MARSH & MCLENNAN ORD		02/09/2017	VARIOUS	4,600.000	321,518	XXX	
57636Q 10 4	MASTERCARD CL A ORD		05/11/2017	VARIOUS	6,000.000	689,983	XXX	
57772K 10 1	MAXIM INTEGRATED PRODUCTS ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	228,625	XXX	
580135 10 1	MCDONALD'S ORD		10/17/2017	VARIOUS	19,000.000	2,673,939	XXX	
58463J 30 4	MEDICAL PROPERTIES REIT ORD		11/20/2017	Jefferies	10,000.000	137,975	XXX	
58933Y 10 5	MERCK & CO ORD		12/04/2017	VARIOUS	68,200.000	4,104,109	XXX	
59156R 10 8	METLIFE ORD		08/07/2017	CORPORATE ACTION	10,000.000	392,238	XXX	
594918 10 4	MICROSOFT ORD		10/26/2017	VARIOUS	165,700.000	12,070,333	XXX	
61166W 10 1	MONSANTO ORD		06/30/2017	DEUTSCHE BANK SECURITIES, INC	12,000.000	1,420,380	XXX	
61945C 10 3	MOSAIC ORD		08/31/2017	Goldman Sachs	8,000.000	159,880	XXX	
620076 30 7	MOTOROLA SOLUTIONS ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	3,400.000	290,241	XXX	
631103 10 8	NASDAQ ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	2,000.000	151,875	XXX	
632347 10 0	NATHANS FAMOUS ORD		11/10/2017	GOLDMAN	500.000	47,489	XXX	
636180 10 1	NATL FUEL GAS ORD		06/20/2017	DEUTSCHE BANK SECURITIES, INC	3,500.000	199,938	XXX	
63633D 10 4	NATIONAL HEALTH INVESTORS REIT ORD		06/20/2017	DEUTSCHE BANK SECURITIES, INC	1,500.000	117,503	XXX	
63938C 10 8	NAVIENT ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	15,000.000	179,325	XXX	
64828T 20 1	NEW RESIDENTIAL INVESTMENT REIT ORD		12/27/2017	Jefferies	7,000.000	128,013	XXX	
649445 10 3	NEW YORK COMMUNITY BANCORP ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	12,000.000	152,700	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
65339F 10 1	NEXTERA ENERGY ORD		10/26/2017	VARIOUS	14,700.000	2,082,371	XXX	
654106 10 3	NIKE CL B ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	14,000.000	759,430	XXX	
65473P 10 5	NISOURCE ORD		03/31/2017	Jefferies	10,000.000	237,975	XXX	
666807 10 2	NORTHROP GRUMMAN ORD		02/09/2017	VARIOUS	3,000.000	702,966	XXX	
670346 10 5	NUCOR ORD		12/19/2017	GOLDMAN	5,000.000	312,175	XXX	
670837 10 3	OGE ENERGY ORD		12/27/2017	Jefferies	10,000.000	327,575	XXX	
674599 10 5	OCCIDENTAL PETROLEUM ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	210,195	XXX	
681919 10 6	OMNICOM GROUP ORD		12/12/2017	VARIOUS	13,000.000	956,015	XXX	
68389X 10 5	ORACLE ORD		04/07/2017	VARIOUS	44,400.000	1,929,514	XXX	
690732 10 2	OWENS & MINOR ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	10,000.000	193,475	XXX	
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD		09/25/2017	VARIOUS	11,000.000	1,360,363	XXX	
69351T 10 6	PPL ORD		12/04/2017	VARIOUS	17,000.000	654,625	XXX	
693718 10 8	PACCAR ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	5,000.000	359,588	XXX	
704326 10 7	PAYCHEX ORD		09/25/2017	VARIOUS	12,000.000	692,120	XXX	
70931T 10 3	PENNYMAC MORTGAGE INVEST REIT ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	12,000.000	190,620	XXX	
713448 10 8	PEPSICO ORD		08/11/2017	VARIOUS	24,500.000	2,727,990	XXX	
717081 10 3	PFIZER ORD		10/17/2017	VARIOUS	121,000.000	4,045,773	XXX	
718546 10 4	PHILLIPS 66 ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	850,825	XXX	
723484 10 1	PINNACLE WEST ORD		07/06/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	421,825	XXX	
74005P 10 4	PRAXAIR ORD		11/15/2017	VARIOUS	11,500.000	1,570,893	XXX	
74144T 10 8	T ROWE PRICE GROUP ORD		06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	8,000.000	572,280	XXX	
74267C 10 6	PROASSURANCE ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	251,486	XXX	
742718 10 9	PROCTER & GAMBLE ORD		12/27/2017	VARIOUS	72,000.000	6,492,513	XXX	
743315 10 3	PROGRESSIVE ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	3,000.000	111,983	XXX	
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD		09/06/2017	VARIOUS	24,000.000	1,061,370	XXX	
74460D 10 9	PUBLIC STORAGE REIT ORD		08/22/2017	Goldman Sachs	4,000.000	806,380	XXX	
747301 10 9	QUAD GRAPHICS CL A ORD		08/04/2017	Jefferies	6,000.000	115,665	XXX	
747525 10 3	QUALCOMM ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	541,290	XXX	
74834L 10 0	QUEST DIAGNOSTICS ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	3,000.000	281,333	XXX	
749607 10 7	RLI ORD		11/15/2017	BARCLAYS CAPITAL INC./LE	2,000.000	118,895	XXX	
74967R 10 6	RMR GROUP CL A ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	1,700.000	81,665	XXX	
755111 50 7	RAYTHEON ORD		06/12/2017	DEUTSCHE BANK SECURITIES, INC	4,100.000	657,456	XXX	
756109 10 4	REALTY INCOME REIT ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	3,500.000	187,058	XXX	
758766 10 9	REGAL ENTERTAINMENT CL A ORD		09/06/2017	GOLDMAN	10,000.000	157,750	XXX	
773903 10 9	ROCKWELL AUTOMAT ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	3,000.000	451,073	XXX	
775711 10 4	ROLLINS ORD		01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	700.000	23,342	XXX	
78648T 10 0	SAFETY INSURANCE GROUP ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	600.000	40,323	XXX	
80589M 10 2	SCANA ORD		11/20/2017	Jefferies	8,000.000	341,420	XXX	
806857 10 8	SCHLUMBERGER ORD	C	11/15/2017	VARIOUS	39,000.000	2,445,680	XXX	
816851 10 9	SEMPRA ENERGY ORD		12/12/2017	VARIOUS	9,000.000	1,033,985	XXX	
824348 10 6	SHERWIN WILLIAMS ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	300.000	91,949	XXX	
828806 10 9	SIMON PROP GRP REIT ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	4,500.000	697,478	XXX	
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD		08/22/2017	Goldman Sachs	4,000.000	212,900	XXX	
832696 40 5	JM SMUCKER ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	3,500.000	349,983	XXX	
835495 10 2	SONOCO PRODUCTS ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	2,300.000	121,572	XXX	
842587 10 7	SOUTHERN ORD		10/17/2017	GOLDMAN	23,000.000	1,176,335	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
85254J 10 2	STAG INDUSTRIAL REIT ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	256,750	XXX	
855244 10 9	STARBUCKS ORD		11/06/2017	VARIOUS	40,900.000	2,398,648	XXX	
85571B 10 5	STARWOOD PROPERTY REIT		11/20/2017	Jefferies	10,000.000	215,975	XXX	
858155 20 3	STEELCASE CL A ORD		09/13/2017	BARCLAYS CAPITAL INC./LE	5,000.000	70,288	XXX	
863667 10 1	STRYKER ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	123,365	XXX	
867892 10 1	SUNSTONE HOTEL INVESTORS REIT ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	8,000.000	133,340	XXX	
867914 10 3	SUNTRUST BANKS ORD		08/22/2017	Goldman Sachs	3,000.000	169,575	XXX	
871829 10 7	SYSCO ORD		09/06/2017	VARIOUS	24,600.000	1,290,847	XXX	
87612E 10 6	TARGET ORD		07/31/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	566,750	XXX	
87901J 10 5	TEGNA ORD		09/06/2017	GOLDMAN	15,000.000	189,975	XXX	
882508 10 4	TEXAS INSTRUMENTS ORD		10/03/2017	VARIOUS	21,500.000	1,781,132	XXX	
88579Y 10 1	3M ORD		05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	9,700.000	1,765,496	XXX	
89417E 10 9	TRAVELERS COMPANIES ORD		09/06/2017	VARIOUS	11,500.000	1,394,763	XXX	
896047 50 3	TRIBUNE MEDIA CL A ORD		01/10/2017	BARCLAYS CAPITAL INC./LE	5,000.000	179,838	XXX	
899896 10 4	TUPPERWARE BRANDS ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	5,000.000	315,488	XXX	
90187B 40 8	TWO HARBORS INVESTMENT REIT ORD		12/19/2017	GOLDMAN	8,000.000	131,560	XXX	
902973 30 4	US BANCORP ORD		09/25/2017	VARIOUS	30,000.000	1,578,560	XXX	
907818 10 8	UNION PACIFIC ORD		09/06/2017	VARIOUS	14,200.000	1,548,221	XXX	
911312 10 6	UNITED PARCEL SERVICE CL B ORD		11/06/2017	VARIOUS	15,000.000	1,659,048	XXX	
913017 10 9	UNITED TECHNOLOGIES ORD		10/17/2017	VARIOUS	22,800.000	2,649,236	XXX	
91324P 10 2	UNITEDHEALTH GRP ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	3,500.000	566,563	XXX	
91325V 10 8	UNITI GROUP ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	8,000.000	142,700	XXX	
918204 10 8	VF ORD		12/04/2017	VARIOUS	10,000.000	570,891	XXX	
91879Q 10 9	VAIL RESORTS ORD		06/20/2017	DEUTSCHE BANK SECURITIES, INC	1,000.000	209,715	XXX	
919794 10 7	VALLEY NATIONAL ORD		12/19/2017	GOLDMAN	15,000.000	173,175	XXX	
92240G 10 1	VECTREN ORD		09/06/2017	GOLDMAN	4,000.000	264,820	XXX	
92276F 10 0	VENTAS REIT ORD		11/20/2017	Jefferies	2,000.000	128,515	XXX	
92343V 10 4	VERIZON COMMUNICATIONS ORD		12/27/2017	VARIOUS	141,800.000	7,075,885	XXX	
92826C 83 9	VISA CL A ORD		05/11/2017	VARIOUS	19,600.000	1,772,671	XXX	
92936U 10 9	W P CAREY REIT ORD		12/12/2017	BARCLAYS CAPITAL INC./LE	3,000.000	209,543	XXX	
92939U 10 6	WEC ENERGY GROUP ORD		11/06/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	338,275	XXX	
930059 10 0	WADDELL REED FINANCIAL CL A ORD		07/06/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	154,920	XXX	
931142 10 3	WAL MART STORES ORD		11/15/2017	VARIOUS	39,100.000	3,093,473	XXX	
931427 10 8	WALGREEN BOOTS ALLIANCE ORD		10/26/2017	DEUTSCHE BANK SECURITIES, INC	13,000.000	872,495	XXX	
93627C 10 1	WARRIOR MET COAL ORD		11/10/2017	GOLDMAN	7,000.000	190,295	XXX	
94106L 10 9	WASTE MANAGEMENT ORD		02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	174,138	XXX	
949746 10 1	WELLS FARGO ORD		04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	20,000.000	1,088,900	XXX	
95709T 10 0	WESTAR ENERGY ORD		11/20/2017	Jefferies	5,000.000	277,038	XXX	
958102 10 5	WESTERN DIGITAL ORD		09/25/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	430,475	XXX	
959802 10 9	WESTERN UNION ORD		09/06/2017	VARIOUS	14,000.000	266,910	XXX	
969457 10 0	WILLIAMS ORD		12/04/2017	DEUTSCHE BANK SECURITIES, INC	6,000.000	174,330	XXX	
969904 10 1	WILLIAMS SONOMA ORD		09/06/2017	VARIOUS	6,000.000	284,130	XXX	
98389B 10 0	XCEL ENERGY ORD		12/19/2017	GOLDMAN	15,000.000	740,025	XXX	
984121 60 8	XEROX CORPORATION		06/20/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	226,680	XXX	
G02602 10 3	AMDOCS ORD		02/09/2017	BARCLAYS CAPITAL INC./LE	1,000.000	59,108	XXX	
G0408V 10 2	AON CL A ORD	C	02/09/2017	BARCLAYS CAPITAL INC./LE	1,500.000	172,766	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
G1151C 10 1	ACCENTURE CL A ORD	C	10/03/2017	VARIOUS	16,500.000	2,031,108	XXX	
G29183 10 3	EATON ORD	C	09/06/2017	GOLDMAN	2,000.000	142,670	XXX	
G3223R 10 8	EVEREST RE GROUP ORD	C	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	700.000	155,131	XXX	
G51502 10 5	JOHNSON CONTROLS INTERNATIONAL ORD	C	09/06/2017	GOLDMAN	8,000.000	317,000	XXX	
G5960L 10 3	MEDTRONIC ORD	C	12/12/2017	VARIOUS	55,000.000	4,493,868	XXX	
G7S00T 10 4	PENTAIR ORD	C	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	189,375	XXX	
G9078F 10 7	TRITON INTERNATIONAL ORD	D	08/22/2017	Goldman Sachs	5,000.000	176,425	XXX	
H1467J 10 4	CHUBB ORD	D	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	9,600.000	1,261,311	XXX	
H2906T 10 9	GARMIN ORD	C	11/20/2017	Jefferies	4,000.000	246,110	XXX	
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD	C	08/31/2017	Goldman Sachs	5,000.000	452,940	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					237,026,751	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
65511# 10 1	NOBLE HEALTH		09/15/2017	Unknown		15,000,000	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					15,000,000	XXX	0
Common Stocks - Mutual Funds								
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	C	12/21/2017	Unknown	392.377	5,290	XXX	
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF		12/21/2017	Unknown	18.689	547	XXX	
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL I MF		12/18/2017	VARIOUS	458,371.124	20,559,833	XXX	
256206 10 3	DODGE & COX INTL STOCK MF		12/20/2017	Unknown	578.741	22,688	XXX	
315792 23 4	FIDELITY ABERDEEN STREET TRUST		12/28/2017	Unknown	5,989.873	86,298	XXX	
315792 24 2	FIDELITY ABERDEEN STREET TRUST		12/28/2017	Unknown	16,847.697	223,959	XXX	
315910 28 1	FIDELITY DVSD INTL;K		12/08/2017	Unknown	27.212	1,069	XXX	
315911 87 5	FIDELITY INTL MKT IDX CL PRM MF		12/15/2017	Unknown	2.434	103	XXX	
316200 85 6	FIDELITY GRO COMPANY;K		12/26/2017	Unknown	4.051	727	XXX	
316345 80 0	FIDELITY LOW-PRCD STK;K		12/08/2017	Unknown	5.223	279	XXX	
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF		12/20/2017	Unknown	27.586	1,526	XXX	
413838 40 0	OAKMARK EQUITY AND INCOME CL INV MF	C	12/20/2017	Unknown	4,886.603	144,456	XXX	
55273W 47 5	MFS MID CAP VALUE;R6		12/19/2017	Unknown	7.336	173	XXX	
57630A 59 2	MASSMUTUAL SEL:MC GR;I		12/15/2017	Unknown	12.086	259	XXX	
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF		12/29/2017	Unknown	128.026	1,072	XXX	
893509 22 4	TRANSAM:INTERNTL EQ;I		12/21/2017	VARIOUS	2,013,240.777	36,175,537	XXX	
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF		12/29/2017	Unknown	37,536.437	396,956	XXX	
922040 20 9	VANGUARD INST INX CL INST PLS MF		12/22/2017	Unknown	21,250.159	4,833,758	XXX	
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF		12/20/2017	Unknown	8,640.111	1,664,785	XXX	
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF		12/20/2017	Unknown	78.271	12,412	XXX	
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF		12/20/2017	Unknown	85.763	4,996	XXX	
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF		12/22/2017	Unknown	278.843	56,449	XXX	
9299999.	Total - Common Stocks - Mutual Funds					64,193,172	XXX	0
9799997.	Total - Common Stocks - Part 3					316,219,923	XXX	0
9799998.	Total - Common Stocks - Summary Item from Part 5					117,029,816	XXX	
9799999.	Total - Common Stocks					433,249,739	XXX	0
9899999.	Total - Preferred and Common Stocks					476,319,686	XXX	(70,642)
9999999.	Total - Bonds, Preferred and Common Stocks					1,977,981,474	XXX	7,938,156

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
36176W 7E 5	GN 778793 - RMBS	..	12/01/2017.	Paydown		48,205	48,205	50,137			17		17		50,155		(1,949)	(1,949)		01/15/2042.
36179M NH 9	G2 MA0392 - RMBS	..	12/01/2017.	Paydown		585,882	585,882	606,938	605,719		142		142		605,861		(19,979)	(19,979)	9,519	09/20/2042.
36179M X4 7	G2 MA0699 - RMBS	..	12/01/2017.	Paydown		665,660	665,660	706,327	707,830		269		269		708,100		(42,440)	(42,440)	10,713	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS	..	12/01/2017.	Paydown		883,280	883,280	938,140	941,338		1,663		1,663		943,003		(59,723)	(59,723)	14,498	03/20/2045.
36179R 7K 9	G2 MA3598 - RMBS	..	12/01/2017.	Paydown		379,369	379,369	400,205			405		405		400,610		(21,241)	(21,241)	3,115	04/20/2046.
36179R F9 5	G2 MA2892 - RMBS	..	12/01/2017.	Paydown		631,085	631,085	656,920	655,659		462		462		656,122		(25,037)	(25,037)	10,372	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS	..	12/01/2017.	Paydown		683,615	683,615	729,118	731,310		1,773		1,773		733,088		(49,473)	(49,473)	12,053	08/20/2045.
38379R G5 6	GNR 17109 A - CMBS	..	12/01/2017.	Paydown		25,296	25,296	25,352			(3)		(3)		25,349		(53)	(53)	74	09/16/2045.
912810 RB 6	UNITED STATES TREASURY	..	10/01/2017.	VARIOUS		5,455,861	5,450,000	6,145,875	6,138,575		(9,300)		(9,300)		6,129,275		(673,414)	(673,414)	99,824	05/15/2043.
912810 RQ 3	UNITED STATES TREASURY	..	12/08/2017.	MERRILL LYNCH PIERCE FENNER		1,416,621	1,500,000	1,319,707	1,319,967		3,662		3,662		1,323,629		92,992	92,992	49,524	02/15/2046.
912828 J7 6	UNITED STATES TREASURY	..	12/12/2017.	VARIOUS		25,921,804	26,125,000	26,364,066	20,153,660		(14,714)		(14,714)		26,324,436		(402,631)	(402,631)	304,329	03/31/2022.
912828 L3 2	UNITED STATES TREASURY	..	06/01/2017.	VARIOUS		11,117,047	11,225,000	11,312,318	11,308,447		(3,409)		(3,409)		11,305,038		(187,991)	(187,991)	77,296	08/31/2020.
912828 M5 6	UNITED STATES TREASURY	..	11/16/2017.	VARIOUS		6,313,956	6,325,000	6,224,032	4,414,710		8,205		8,205		6,232,237		81,719	81,719	141,414	11/15/2025.
912828 U2 4	UNITED STATES TREASURY	..	11/13/2017.	TORONTO DOMINION SECS USA INC.		2,590,037	2,675,000	2,627,467			642		642		2,628,109		(38,072)	(38,072)		11/15/2026.
912828 W8 9	UNITED STATES TREASURY	..	11/20/2017.	VARIOUS		14,954,686	15,000,000	15,158,628			(4,882)		(4,882)		15,153,746		(199,060)	(199,060)	156,116	03/31/2022.
912828 WJ 5	UNITED STATES TREASURY	..	11/14/2017.	VARIOUS		18,368,876	17,950,000	18,615,431	14,954,609		(24,089)		(24,089)		18,503,268		(134,391)	(134,391)	184,980	05/15/2024.
0599999.	Total - Bonds - U.S. Government					90,041,280	90,152,392	91,880,661	61,931,824	0	(39,157)	0	(39,157)	0	91,722,026	0	(1,680,743)	(1,680,743)	1,073,827	XXX
Bonds - All Other Government																				
040114 HM 5	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	08/02/2017.	MERRILL LYNCH INTERNATIONAL		265,205	290,000	261,000					0		261,000		4,205	4,205	2,066	06/28/2117.
195325 BK 0	COLOMBIA (REPUBLIC OF)	C	12/20/2017.	Citigroup (SSB)		536,680	400,000	522,920			(1,862)		(1,862)		521,058		15,622	15,622	22,453	09/18/2037.
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	12/21/2017.	NOMURA SECURITIES INTERNATIONAL		105,600	100,000	104,300			(6)		(6)		104,294		1,306	1,306	2,653	06/15/2045.
50066K AB 7	KOREA RESOURCES CORP	C	09/04/2017.	HSBC Bank PLC		432,395	430,000	433,324			(133)		(133)		433,191		(795)	(795)	4,730	04/24/2022.
715638 BM 3	PERU, REPUBLIC OF (GOVERNMENT)	C	12/14/2017.	Citigroup (SSB)		128,250	100,000	124,400			(175)		(175)		124,225		4,025	4,025	3,281	11/18/2050.
71654Q CC 4	PETROLEOS MEXICANOS	C	11/02/2017.	VARIOUS		189,750	183,000	190,684			(4)		(4)		190,680		(930)	(930)	5,623	09/21/2047.
71656M BQ 1	PETROLEOS MEXICANOS	C	10/06/2017.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		527,760	480,000	529,387			(1,258)		(1,258)		528,129		(369)	(369)	18,027	03/13/2027.
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)	C	10/13/2017.	BARCLAYS BANK PLC, LONDON BRANCH		480,750	300,000	483,300			(4,132)		(4,132)		479,169		1,582	1,582	20,188	02/02/2030.
77586T AE 6	ROMANIA, REPUBLIC OF (GOVERNMENT)	C	12/12/2017.	CITIGROUP GLOBAL MARKETS INC.		258,750	200,000	256,175			(44)		(44)		256,131		2,619	2,619	4,832	01/22/2044.
903724 BM 3	UKRAINE, REPUBLIC OF (GOVERNMENT)	C	10/17/2017.	VARIOUS		592,050	600,000	600,000					0		600,000		(7,950)	(7,950)	2,786	09/25/2032.
91086Q BE 7	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	10/26/2017.	SANTANDER INVESTMENT SECURITIES, INC.		334,875	300,000	337,050			(244)		(244)		336,806		(1,931)	(1,931)	12,904	01/21/2045.
M75242 BA 0	OMAN, SULTANATE OF (GOVERNMENT)	D	11/15/2017.	VARIOUS		394,750	400,000	429,920			(120)		(120)		429,800		(35,050)	(35,050)	17,947	03/08/2047.
M87883 DJ 6	LEBANESE REPUBLIC	C	10/18/2017.	VARIOUS		247,453	252,000	257,040			(133)		(133)		256,908		(9,455)	(9,455)	6,560	11/27/2026.
N6497T AA 6	NORTHERN LIGHTS III BV	D	11/16/2017.	Paydown		31,250	31,250	32,406			(109)		(109)		32,297		(1,047)	(1,047)	308	08/16/2019.
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)	C	07/27/2017.	Jefferies		233,000	200,000	230,000			(58)		(58)		229,942		3,058	3,058	3,766	04/30/2044.
Y2029S AF 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	11/20/2017.	VARIOUS		427,280	400,000	428,400			(2,970)		(2,970)		425,430		1,850	1,850	13,681	10/04/2020.
Y7276L DF 2	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)	D	06/30/2017.	VARIOUS		721,000	600,000	727,440			(53)		(53)		727,387		(6,387)	(6,387)	16,611	07/21/2045.
1099999.	Total - Bonds - All Other Government					5,906,798	5,266,250	5,947,746	0	0	(11,301)	0	(11,301)	0	5,936,447	0	(29,647)	(29,647)	158,416	XXX
Bonds - U.S. States, Territories and Possessions																				

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
041042 KN 1	ARKANSAS ST	..	06/01/2017.	Call @ 100.0		5,000,000	5,000,000	5,056,300	5,006,476		(6,476)		(6,476)		5,000,000			0	112,500	06/01/2024.
574192 TT 7	MARYLAND ST	..	06/01/2017.	JP MORGAN SECURITIES INC		7,503,446	7,360,000	8,391,720	7,435,368		(21,416)		(21,416)		7,413,952		89,494	89,494	238,382	08/01/2017.
641461 ED 6	NEVADA ST	..	12/01/2017.	Call @ 100.0		5,000,000	5,000,000	5,283,300	5,060,185		(60,185)		(60,185)		5,000,000			0	250,000	12/01/2023.
956553 XJ 5	WEST VIRGINIA ST	..	02/13/2017.	Call @ 100.0		3,145,000	3,145,000	3,391,505	3,145,000				0		3,145,000			0	44,554	11/01/2024.
1799999.	Total - Bonds - U.S. States, Territories & Possessions					20,648,446	20,505,000	22,122,825	20,647,029	0	(88,077)	0	(88,077)	0	20,558,952	0	89,494	89,494	645,436	XXX
Bonds - U.S. Political Subdivisions of States																				
033161 VZ 0	ANCHORAGE ALASKA	..	08/01/2017.	Call @ 100.0		2,500,000	2,500,000	2,595,225	2,507,832		(7,832)		(7,832)		2,500,000			0	125,000	08/01/2023.
033161 WA 4	ANCHORAGE ALASKA	..	08/01/2017.	Call @ 100.0		4,205,000	4,205,000	4,307,266	4,212,392		(7,392)		(7,392)		4,205,000			0	210,250	08/01/2024.
033161 WB 2	ANCHORAGE ALASKA	..	08/01/2017.	Call @ 100.0		1,000,000	1,000,000	1,017,680	1,001,644		(1,644)		(1,644)		1,000,000			0	50,000	08/01/2025.
147051 SW 7	CARY N C	..	05/01/2017.	Adjustment							(558)		(558)					0		06/01/2025.
213185 JQ 5	COOK CNTY ILL	..	01/01/2017.	Adjustment									0					0	(58,557)	11/15/2025.
447025 XZ 5	HUNTSVILLE ALA	..	10/01/2017.	CORPORATE ACTION		3,062,947	2,950,000	3,213,907	3,083,010		(20,063)		(20,063)		3,062,947			0	128,243	05/01/2033.
607114 T3 9	MOBILE ALA	..	03/03/2017.	CORPORATE ACTION		2,006,281	2,000,000	2,044,267	2,007,344		(1,063)		(1,063)		2,006,281			0	55,000	02/15/2020.
676006 QD 4	ODESSA TEX	..	06/01/2017.	WELLS FARGO SECURITIES LLC		2,101,323	1,850,000	1,880,488	1,871,981		(1,623)		(1,623)		1,870,358		230,964	230,964	70,660	03/01/2033.
2499999.	Total - Bonds - U.S. Political Subdivisions of States					14,875,551	14,505,000	15,058,833	14,684,203	0	(40,175)	0	(40,175)	0	14,644,586	0	230,964	230,964	580,596	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
010047 CZ 9	AKRON OHIO CTFS PARTN	..	11/01/2017.	Call @ 100.0		45,000	45,000	50,231	48,646		(817)		(817)		47,830		(2,830)	(2,830)	1,125	12/01/2030.
010608 D6 1	ALABAMA ST PUB SCH & COLLEGE AUTH	..	12/01/2017.	Call @ 100.0		3,205,000	3,205,000	3,358,776	3,224,185		(19,185)		(19,185)		3,205,000			0	160,250	12/01/2023.
167725 AB 6	CHICAGO ILL TRAN AUTH SALES & TRANSFER T	..	10/25/2017.	Call @ 100.0		150,000	150,000	161,661			(920)		(920)		160,741		(10,741)	(10,741)		12/01/2021.
167725 AE 0	CHICAGO ILL TRAN AUTH SALES & TRANSFER T	..	10/25/2017.	Call @ 100.0		50,000	50,000	53,887			(307)		(307)		53,580		(3,580)	(3,580)		12/01/2021.
196479 B9 9	COLORADO HSG & FIN AUTH	..	10/03/2017.	Call @ 100.0		70,000	70,000	70,000					0		70,000			0		11/01/2044.
3128MA BS 7	FH G07849 - RMBS	..	12/01/2017.	Paydown		394,911	394,911	416,817	416,766		(131)		(131)		416,636		(21,724)	(21,724)	6,562	05/01/2044.
3128MA GC 7	FH G07995 - RMBS	..	12/01/2017.	Paydown		382,630	382,630	432,850	433,847		817		817		434,668		(52,038)	(52,038)	9,156	01/01/2039.
3128ME 6K 2	FH G16074 - RMBS	..	12/01/2017.	Paydown		262,291	262,291	270,549			(127)		(127)		270,422		(8,131)	(8,131)	1,363	02/01/2032.
3128MJ 2L 3	FH G08778 - RMBS	..	12/01/2017.	VARIOUS		4,096,744	4,093,786	4,152,474			(828)		(828)		4,151,646		(54,902)	(54,902)	27,258	09/01/2047.
3128MJ 2R 0	FH G08783 - RMBS	..	12/01/2017.	Paydown		101,239	101,239	102,489			(13)		(13)		102,476		(1,237)	(1,237)	262	10/01/2047.
3128MJ S6 8	FH G08540 - RMBS	..	12/01/2017.	Paydown		249,433	249,433	246,393	246,582		(5)		(5)		246,577		2,856	2,856	3,495	08/01/2043.
3128MJ TA 8	FH G08544 - RMBS	..	12/01/2017.	Paydown		253,493	253,493	248,661	249,005				0		249,004		4,489	4,489	3,497	09/01/2043.
3128MJ UV 0	FH G08595 - RMBS	..	12/01/2017.	Paydown		1,093,588	1,093,588	1,155,187	1,155,168		818		818		1,155,988		(62,400)	(62,400)	19,064	07/01/2044.
3128MJ YC 8	FH G08706 - RMBS	..	12/01/2017.	Paydown		370,275	370,275	382,541			47		47		382,588		(12,312)	(12,312)	1,549	05/01/2046.
3128MJ YR 5	FH G08719 - RMBS	..	12/01/2017.	Paydown		30,946	30,946	30,364			2		2		30,366		581	581	58	08/01/2046.
3128MJ YU 8	FH G08722 - RMBS	..	12/01/2017.	Paydown		561,219	561,218	593,795	593,212		(432)		(432)		592,780		(31,561)	(31,561)	10,308	09/01/2046.
3128P7 TC 7	FH C91447 - RMBS	..	12/01/2017.	Paydown		327,529	327,529	349,637	349,820		(626)		(626)		349,195		(21,666)	(21,666)	5,259	05/01/2032.
3128P8 EX 5	FH C91950 - RMBS	..	12/01/2017.	Paydown		59,612	59,612	62,434			(36)		(36)		62,398		(2,786)	(2,786)	160	09/01/2037.
312936 6F 9	FH A89870 - RMBS	..	12/01/2017.	Paydown		845,134	845,134	914,330	921,540		2,019		2,019		923,562		(78,428)	(78,428)	15,715	11/01/2039.
312943 UJ 0	FH A95085 - RMBS	..	12/01/2017.	Paydown		909,054	909,054	959,762	959,358		30		30		959,390		(50,336)	(50,336)	15,867	11/01/2040.
3132HR MY 3	FH Q14875 - RMBS	..	12/01/2017.	Paydown		353,217	353,217	366,959	367,254		171		171		367,426		(14,209)	(14,209)	4,910	01/01/2043.
3132J7 TM 4	FH Q16455 - RMBS	..	12/01/2017.	Paydown		200,335	200,335	196,986			(28)		(28)		196,958		3,377	3,377	2,033	03/01/2043.
3132L7 F9 5	FH V81992 - RMBS	..	12/01/2017.	Paydown		137,281	137,281	144,800			31		31		144,831		(7,550)	(7,550)	263	10/01/2045.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
31335A CA 4	FH G60065 - RMBS	..	12/01/2017.	Paydown		237,329	237,329	249,938			55		55		249,992		(12,663)	(12,663)	2,529	09/01/2043.
31335A NJ 3	FH G60393 - RMBS	..	12/01/2017.	Paydown		413,665	413,665	434,736	433,123		(314)		(314)		432,811		(19,146)	(19,146)	7,217	01/01/2046.
31335A WL 8	FH G60651 - RMBS	..	12/01/2017.	Paydown		25,057	25,057	26,361			5		5		26,366		(1,308)	(1,308)		06/01/2046.
31335B CZ 7	FH G60988 - RMBS	..	12/01/2017.	Paydown		93,261	93,261	94,267			(2)		(2)		94,265		(1,003)	(1,003)	234	05/01/2047.
3136AK 5X 7	FNR 1467A PL - CMO/RMBS	..	12/01/2017.	Paydown		238,716	238,716	244,684			30		30		244,714		(5,998)	(5,998)	645	04/25/2043.
3136AX BX 2	FNR 1756A PA - CMO/RMBS	..	12/01/2017.	Paydown		277,476	277,476	284,441			(44)		(44)		284,396		(6,921)	(6,921)	1,072	12/25/2045.
3136AX QN 8	FNR 1758A P - CMO/RMBS	..	12/01/2017.	Paydown		263,091	263,091	269,011			(140)		(140)		268,871		(5,780)	(5,780)	1,220	06/25/2046.
3137BX GR 7	FHR 4678D MA - CMO/RMBS	..	12/01/2017.	Paydown		224,690	224,690	230,354			(131)		(131)		230,223		(5,533)	(5,533)	887	08/15/2044.
3137F1 XN 3	FHR 4698A HP - CMO/RMBS	..	12/01/2017.	Paydown		143,903	143,903	146,814			(55)		(55)		146,759		(2,857)	(2,857)	802	05/15/2046.
3137F2 ZF 6	FHR 4712 PA - CMO/RMBS	..	12/01/2017.	Paydown		245,024	245,024	250,939			(33)		(33)		250,906		(5,882)	(5,882)	950	12/15/2045.
3138AM UJ 2	FN AI7784 - RMBS	..	12/01/2017.	Paydown		197,265	197,265	212,553			155		155		212,707		(15,443)	(15,443)	2,714	07/01/2041.
3138E0 RA 9	FN AJ7680 - RMBS	..	12/01/2017.	Paydown		712,734	712,734	732,056	730,327		(72)		(72)		730,256		(17,521)	(17,521)	10,635	12/01/2041.
3138EH B8 4	FN AL0962 - RMBS	..	12/01/2017.	Paydown		74,372	74,372	81,752	82,105		(112)		(112)		81,993		(7,621)	(7,621)	1,525	10/01/2041.
3138EP EP 5	FN AL6441 - RMBS	..	12/01/2017.	Paydown		312,865	312,865	333,544	331,256		151		151		331,408		(18,542)	(18,542)	5,497	02/01/2045.
3138EQ 5E 8	FN AL8044 - RMBS	..	12/01/2017.	Paydown		405,765	405,765	437,338			470		470		437,808		(32,043)	(32,043)	5,345	11/01/2042.
3138EQ RG 9	FN AL7686 - RMBS	..	12/01/2017.	Paydown		465,840	465,840	487,895	485,849		(902)		(902)		484,951		(19,111)	(19,111)	6,351	12/01/2030.
3138EQ TZ 5	FN AL7767 - RMBS	..	12/01/2017.	Paydown		512,911	512,911	553,784			678		678		554,461		(41,550)	(41,550)	9,073	06/01/2044.
3138EQ VQ 2	FN AL7822 - RMBS	..	12/01/2017.	Paydown		367,374	367,374	396,420	396,707		(12)		(12)		396,695		(29,320)	(29,320)	6,627	07/01/2043.
3138ES B6 4	FN AL9960 - RMBS	..	12/01/2017.	Paydown		293,752	293,752	296,093			(15)		(15)		296,078		(2,326)	(2,326)	1,937	02/01/2044.
3138L1 WL 9	FN AM1550 - RMBS	..	12/01/2017.	Paydown		27,851	27,851	27,996			(8)		(8)		27,988		(137)	(137)	145	12/01/2023.
3138W7 GD 0	FN AR9195 - RMBS	..	12/01/2017.	Paydown		189,139	189,139	191,267			3		3		191,270		(2,131)	(2,131)	975	03/01/2043.
3138WF AD 8	FN AS5403 - RMBS	..	12/01/2017.	Paydown		315,248	315,248	318,351	317,725		(72)		(72)		317,654		(2,406)	(2,406)	3,679	07/01/2030.
3138WF HA 7	FN AS5624 - RMBS	..	12/01/2017.	Paydown		278,882	278,882	290,494	288,511		(239)		(239)		288,274		(9,392)	(9,392)	3,650	08/01/2030.
3138WQ AW 2	FN AT2720 - RMBS	..	12/01/2017.	Paydown		477,704	477,704	488,398	342,912		19		19		488,479		(10,775)	(10,775)	5,131	05/01/2043.
3138WT RW 8	FN AT5900 - RMBS	..	12/01/2017.	Paydown		838,338	838,338	827,728	827,912		(126)		(126)		827,786		10,552	10,552	11,109	06/01/2043.
3138X0 Y3 6	FN AU1629 - RMBS	..	12/01/2017.	Paydown		245,966	245,966	242,776	242,878		(24)		(24)		242,854		3,112	3,112	3,376	07/01/2043.
3138Y6 4A 9	FN AX5316 - RMBS	..	12/01/2017.	Paydown		264,463	264,463	288,100	289,317		384		384		289,702		(25,239)	(25,239)	5,019	01/01/2042.
31392B 5Y 8	FNR 0210C FB - CMO/RMBS	..	03/25/2017.	VARIOUS		160	160	160	160				0		160			0		03/25/2017.
31402R RN 1	FN 735893 - RMBS	..	12/01/2017.	Paydown		206,641	206,641	227,628			147		147		227,776		(21,134)	(21,134)	1,334	10/01/2035.
3140E2 TX 9	FN AZ9565 - RMBS	..	12/01/2017.	Paydown		178,849	178,849	184,801			(51)		(51)		184,749		(5,901)	(5,901)	1,445	12/01/2045.
3140EV TB 3	FN BC1445 - RMBS	..	12/01/2017.	Paydown		132,730	132,730	132,876			(11)		(11)		132,864		(134)	(134)	1,003	07/01/2046.
3140FQ TZ 0	FN BE5067 - RMBS	..	12/01/2017.	Paydown		255,566	255,566	262,554			(67)		(67)		262,487		(6,921)	(6,921)	2,207	11/01/2046.
3140J5 EV 7	FN BM1047 - RMBS	..	12/01/2017.	Paydown		396,827	396,827	420,668			94		94		420,762		(23,935)	(23,935)	3,298	02/01/2045.
3140J5 SS 9	FN BM1428 - RMBS	..	12/01/2017.	Paydown		79,015	79,015	81,633			10		10		81,642		(2,627)	(2,627)		09/01/2043.
31410K HA 5	FN 889525 - RMBS	..	12/01/2017.	Paydown		139,926	139,926	156,629	158,205		405		405		158,611		(18,686)	(18,686)	3,132	05/01/2036.
31417F SA 7	FN AB8612 - RMBS	..	12/01/2017.	Paydown		367,624	367,624	367,850	290,565		(38)		(38)		367,812		(188)	(188)	4,312	03/01/2043.
31418A AV 0	FN MA0919 - RMBS	..	12/01/2017.	Paydown		388,790	388,790	412,907	413,408		(470)		(470)		412,940		(24,150)	(24,150)	5,938	12/01/2031.
31418A CM 8	FN MA0975 - RMBS	..	12/01/2017.	Paydown		507,592	507,592	530,513	531,385		160		160		531,546		(23,954)	(23,954)	7,390	02/01/2042.
31418A M3 9	FN MA1277 - RMBS	..	12/01/2017.	Paydown		899,154	899,154	912,220	909,604		(454)		(454)		909,152		(9,998)	(9,998)	10,270	12/01/2027.
31418C EP 5	FN MA2841 - RMBS	..	12/01/2017.	Paydown		56,092	56,092	55,662			2		2		55,665		427	427	169	12/01/2036.
31418C M2 7	FN MA3076 - RMBS	..	12/01/2017.	Paydown		419,666	419,666	422,305			(51)		(51)		422,254		(2,588)	(2,588)	1,647	07/01/2032.
31418M GG 1	FN AD0198 - RMBS	..	12/01/2017.	Paydown		893,271	893,271	998,230	999,246		1,541		1,541		1,000,793		(107,522)	(107,522)	21,047	09/01/2038.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
31418U EL 4	FN AD6438 - RMBS		12/01/2017.	Paydown		561,691	561,691	622,950	628,261		1,401		1,401		629,664		(67,974)	(67,974)	12,340	06/01/2040.
31419B CT 0	FN AE0981 - RMBS		12/01/2017.	Paydown		263,950	263,950	277,065	277,586		30		30		277,617		(13,667)	(13,667)	3,983	03/01/2041.
395468 FL 0	GREENSBORO N C ENTERPRISE SYS REV		06/01/2017.	Call @ 100.0		2,035,000	2,035,000	2,115,627	2,043,348		(8,348)		(8,348)		2,035,000			0	50,875	06/01/2022.
413328 EJ 0	HARNETT CNTY N C CTFS PARTN		12/01/2017.	Call @ 100.0		500,000	500,000	538,720	505,794		(5,794)		(5,794)		500,000			0	25,000	12/01/2018.
452024 DF 6	ILLINOIS MUN ELEC AGY PWR SUPPLY SYS REV		02/01/2017.	Call @ 100.0		5,000,000	5,000,000	5,171,900	5,001,974		(1,974)		(1,974)		5,000,000			0	131,250	02/01/2022.
46257T BB 4	IOWA ST SPL OBLIG		06/20/2017.	BB&T SECURITIES, LLC		5,381,250	5,000,000	5,528,550	5,163,853		(31,128)		(31,128)		5,132,726		248,524	248,524	140,278	06/01/2024.
48542K RF 8	KANSAS ST DEV FIN AUTH REV		11/01/2017.	Call @ 100.0		3,705,000	3,705,000	3,870,836	3,737,494		(32,494)		(32,494)		3,705,000			0	194,513	11/01/2023.
491501 AN 2	KENTUCKY ST MUN PWR AGY PWR SYS REV		09/01/2017.	Call @ 100.0		4,000,000	4,000,000	4,224,880	4,041,114		(41,114)		(41,114)		4,000,000			0	210,000	09/01/2025.
560427 GK 6	MAINE HEALTH & HIGHER EDL FACS AUTH REV		11/01/2017.	CORPORATE ACTION		10,099,792	10,000,000	10,469,022	10,142,963		(43,171)		(43,171)		10,099,792			0	641,667	07/01/2026.
593464 AA 8	MIAMI FLA RENT REV		07/01/2017.	VARIOUS		80,000	80,000	86,497	81,463		(274)		(274)		81,189		(1,189)	(1,189)	3,460	07/01/2019.
616108 BN 5	MOORESVILLE N C CTFS PARTN		09/01/2017.	Call @ 100.0		3,130,000	3,130,000	3,224,370	3,142,657		(12,657)		(12,657)		3,130,000			0	156,500	09/01/2020.
616108 BP 0	MOORESVILLE N C CTFS PARTN		09/01/2017.	Call @ 100.0		3,290,000	3,290,000	3,371,099	3,301,872		(11,872)		(11,872)		3,290,000			0	164,500	09/01/2021.
616108 BQ 8	MOORESVILLE N C CTFS PARTN		09/01/2017.	Call @ 100.0		3,460,000	3,460,000	3,529,062	3,470,838		(10,838)		(10,838)		3,460,000			0	173,000	09/01/2022.
64711M 5W 3	NEW MEXICO FIN AUTH REV		07/01/2017.	VARIOUS		6,740,000	6,740,000	7,171,960	6,767,211		(27,211)		(27,211)		6,740,000			0	176,925	06/15/2020.
64711M 6B 8	NEW MEXICO FIN AUTH REV		07/01/2017.	VARIOUS		4,155,000	4,155,000	4,318,167	4,176,713		(21,713)		(21,713)		4,155,000			0	109,069	06/15/2025.
64971M 7J 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		05/01/2017.	CORPORATE ACTION		3,058,166	2,725,000	3,258,555	3,079,891		(21,725)		(21,725)		3,058,166			0	62,032	11/01/2035.
64972H SY 9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		10/12/2017.	JP MORGAN SECURITIES INC		9,060,000	8,000,000	8,409,040	8,257,311		(41,271)		(41,271)		8,216,040		843,960	843,960	526,167	07/15/2037.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV		12/01/2017.	VARIOUS		345,000	345,000	365,245	361,533		(926)		(926)		360,608		(15,608)	(15,608)	5,092	10/01/2034.
658196 QS 2	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS		01/03/2017.	Maturity @ 100.0		220,000	220,000	230,764	220,000				0		220,000			0	5,500	01/01/2017.
65820Q DU 4	NORTH CAROLINA INFRASTRUCTURE FIN CORP C		02/01/2017.	Call @ 100.0		10,000,000	10,000,000	10,526,900	10,014,705		(14,705)		(14,705)		10,000,000			0	250,000	02/01/2025.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR		05/01/2017.	Adjustment							(1,757)		(1,757)					0		06/01/2030.
65821D FW 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR		07/01/2017.	BB&T SECURITIES, LLC		3,868,725	3,500,000	3,625,335	3,554,778		(5,932)		(5,932)		3,548,847		319,878	319,878	107,917	11/01/2030.
658268 AX 5	NORTH CAROLINA ST GRANT ANTIC REV		09/01/2017.	Call @ 100.0		3,405,000	3,405,000	3,552,329	3,409,549		(4,549)		(4,549)		3,405,000			0	163,629	03/01/2019.
724500 KA 0	PITT CNTY N C CTFS PARTN		04/01/2017.	Call @ 100.0		765,000	765,000	797,150	767,292		(2,292)		(2,292)		765,000			0	19,125	04/01/2021.
724500 KL 6	PITT CNTY N C CTFS PARTN		04/01/2017.	Call @ 100.0		1,195,000	1,195,000	1,245,221	1,198,580		(3,580)		(3,580)		1,195,000			0	29,875	04/01/2021.
752586 ET 0	RANDOLPH CNTY N C CTFS PARTN		02/01/2017.	Call @ 100.0		500,000	500,000	495,715	499,897		100		100		500,000			0	12,500	02/01/2021.
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	09/21/2017.	MERRILL LYNCH PIERCE FENNER		210,500	200,000	205,660			(19)		(19)		205,641		4,859	4,859	7,848	06/18/2050.
76218T NK 6	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU		07/13/2017.	CORPORATE ACTION		1,984,767	1,900,000	2,140,483	1,997,807		(13,040)		(13,040)		1,984,767			0	74,417	10/01/2023.
829594 EV 8	SIOUX FALLS S D SALES TAX REV		12/18/2017.	Call @ 100.0		2,600,000	2,600,000	2,770,500	2,638,157		(38,157)		(38,157)		2,600,000			0	141,917	11/15/2023.
829594 EW 6	SIOUX FALLS S D SALES TAX REV		12/18/2017.	Call @ 100.0		2,715,000	2,715,000	2,911,865	2,755,324		(40,324)		(40,324)		2,715,000			0	148,194	11/15/2024.
829594 EX 4	SIOUX FALLS S D SALES TAX REV		12/18/2017.	Call @ 100.0		2,835,000	2,835,000	3,035,605	2,877,784		(42,784)		(42,784)		2,835,000			0	154,744	11/15/2025.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG		12/01/2017.	VARIOUS		465,000	465,000	506,352	498,539		(2,781)		(2,781)		495,759		(30,759)	(30,759)	16,201	07/01/2041.
837151 CC 1	SOUTH CAROLINA ST PUB SVC AUTH REV		06/01/2017.	RBC CAPITAL MARKETS		11,195,900	10,000,000	10,822,700	10,483,651		(10,658)		(10,658)		10,472,994		722,906	722,906	100,000	12/01/2036.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
847184 SM 1	SPARTANBURG S C WTRWKS REV	..	06/01/2017.	Call @ 100.0		2,000,000	2,000,000	2,041,020	2,003,835		(3,835)		(3,835)		2,000,000			0	45,000	06/01/2021.
847184 SN 9	SPARTANBURG S C WTRWKS REV	..	06/01/2017.	Call @ 100.0		2,000,000	2,000,000	2,031,725	2,003,802		(3,802)		(3,802)		2,000,000			0	45,000	06/01/2022.
847184 SQ 2	SPARTANBURG S C WTRWKS REV	..	06/01/2017.	Call @ 100.0		2,800,000	2,800,000	2,864,344	2,807,266		(7,266)		(7,266)		2,800,000			0	63,000	06/01/2024.
882854 PX 4	TEXAS WTR DEV BRD REV	..	07/17/2017.	Call @ 100.0		7,650,000	7,650,000	7,468,349	7,527,018		4,845		4,845		7,531,863		118,139	118,139	382,500	07/15/2027.
882854 RC 8	TEXAS WTR DEV BRD REV	..	07/17/2017.	Call @ 100.0		5,000,000	5,000,000	5,238,055	5,018,909		(18,909)		(18,909)		5,000,000			0	262,500	07/15/2022.
882854 RF 1	TEXAS WTR DEV BRD REV	..	07/17/2017.	Call @ 100.0		5,000,000	5,000,000	5,218,550	5,015,747		(15,747)		(15,747)		5,000,000			0	262,500	07/15/2025.
91417K SF 9	UNIVERSITY COLO ENTERPRISE SYS REV	..	12/12/2017.	BB&T SECURITIES, LLC		3,343,410	3,000,000	3,236,640	3,120,301		(24,150)		(24,150)		3,096,151		247,259	247,259	155,417	06/01/2032.
914692 J4 1	UNIVERSITY N MEX UNIV REVS	..	06/01/2017.	Call @ 100.0		3,000,000	3,000,000	3,117,270	3,006,512		(6,512)		(6,512)		3,000,000			0	75,000	06/01/2023.
924190 KZ 3	VERMONT HSG FIN AGY	..	10/02/2017.	VARIOUS		75,000	75,000	82,075	81,834		(476)		(476)		81,358		(6,358)	(6,358)	1,535	11/01/2046.
92818M DA 5	VIRGINIA ST RES AUTH CLEAN WTR REV	..	11/02/2017.	CORPORATE ACTION		308,249	295,000	316,579	310,207		(1,958)		(1,958)		308,249			0	14,791	11/01/2042.
977100 BU 9	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	02/02/2017.	CORPORATE ACTION		8,340,206	8,000,000	9,213,397	8,352,649		(12,445)		(12,445)		8,340,204			0	120,117	05/01/2026.
977100 BZ 8	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	05/01/2017.	CORPORATE ACTION		10,115,079	10,000,000	10,363,500	10,119,219		(4,142)		(4,142)		10,115,077			0	143,750	05/01/2033.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					183,670,200	179,321,197	188,937,937	171,501,816	0	(604,608)	0	(604,608)	0	182,259,654	0	1,410,547	1,410,547	6,039,318	XXX
Bonds - Industrial and Miscellaneous																				
00184A AC 9	TIME WARNER INC	..	12/22/2017.	CORPORATE ACTION		2,682,120	2,000,000	2,718,960	2,644,073		(31,981)		(31,981)		2,612,092		70,028	70,028	180,882	04/15/2031.
00206R BD 3	AT&T INC	..	12/01/2017.	CORPORATE ACTION		2,740,296	2,750,000	2,733,015	2,738,348		1,948		1,948		2,740,296			0	131,083	02/15/2022.
00206R ES 7	AT&T INC	..	12/05/2017.	Not Available		584	585	569					0		570		14	14		02/15/2030.
025816 AY 5	AMERICAN EXPRESS CO	..	06/01/2017.	MERRILL LYNCH PROF CLRING CORP		1,577,250	1,500,000	1,494,255	1,499,075		159		159		1,499,235		78,015	78,015	53,083	03/19/2018.
032654 AM 7	ANALOG DEVICES INC	..	07/18/2017.	MORGAN STANLEY CO		2,598,068	2,550,000	2,540,795	2,540,882		656		656		2,541,538		56,530	56,530	50,026	12/05/2023.
05330R AA 8	AUTOPISTAS DEL SOL SA	C	12/30/2017.	Paydown		2,000	2,000	2,085			(2)		(2)		2,083		(83)	(83)	12	12/30/2030.
059513 AE 1	BACM 074 A4 - CMBS	..	10/01/2017.	Paydown		321,511	321,511	353,966	327,729		(1,329)		(1,329)		326,400		(4,889)	(4,889)	3,832	02/10/2051.
05968A AA 4	BANCO DEL ESTADO DE CHILE	C	09/19/2017.	JEFFERIES INTERNATIONAL LTD		201,913	190,000	199,500			(545)		(545)		198,955		2,958	2,958	4,561	02/08/2022.
06051G DZ 9	BANK OF AMERICA CORP	..	10/13/2017.	BARCLAYS CAPITAL INC FIXED INC		1,632,825	1,500,000	1,852,215	1,679,671		(57,763)		(57,763)		1,621,907		10,918	10,918	100,396	06/01/2019.
06051G FF 1	BANK OF AMERICA CORP	..	12/20/2017.	CORPORATE ACTION		483,836	459,000	457,279	457,686		154		154		457,840		25,996	25,996	22,389	04/01/2024.
06051G FP 9	BANK OF AMERICA CORP	..	10/19/2017.	MERRILL LYNCH PIERCE FENNER		2,738,987	2,650,000	2,633,358	2,634,439		1,296		1,296		2,635,735		103,252	103,252	105,257	04/21/2025.
06051G GW 3	BANK OF AMERICA CORP	..	12/21/2017.	Not Available		457	457	455					0		455		2	2		12/20/2028.
064255 AY 8	BANK OF TOKYO-MITSUBISHI UFJ LTD	C	09/08/2017.	Maturity @ 100.0		950,000	950,000	948,946	949,754		246		246		950,000			0	10,145	09/08/2017.
101137 AM 9	BOSTON SCIENTIFIC CORP	..	06/01/2017.	WELLS FARGO SECURITIES LLC		1,010,410	1,000,000	998,790	999,575		57		57		999,632		10,778	10,778	13,103	10/01/2018.
12514A AE 1	CD 07CD5 A4 - CMBS	..	08/01/2017.	Paydown		4,223,576	4,223,576	4,645,831	4,301,254		(34,130)		(34,130)		4,267,124		(43,548)	(43,548)	77,646	11/15/2044.
12548C AB 3	CIFC 142 A2L - CDO	..	05/01/2017.	Paydown		4,000,000	4,000,000	3,988,000	4,007,412		(202)		(202)		4,007,210		(7,210)	(7,210)	31,143	05/26/2026.
126650 BQ 2	CVS 07 CTF - ABS	..	12/10/2017.	Paydown		44,529	44,529	48,695	47,582		(100)		(100)		47,481		(2,953)	(2,953)	1,442	01/10/2030.
139738 AC 2	AFIN 152 A2 - ABS	..	06/01/2017.	VARIOUS		2,101,055	2,100,000	2,087,859	2,097,334		457		457		2,097,792		3,264	3,264	3,705	09/20/2018.
172967 HB 0	CITIGROUP INC	..	10/23/2017.	JP MORGAN SECURITIES INC		2,685,056	2,375,000	2,621,478	2,606,674		(18,300)		(18,300)		2,588,374		96,682	96,682	145,865	09/13/2025.
172967 KD 2	CITIGROUP INC	..	05/01/2017.	Adjustment									0					0		12/29/2049.
17313K AF 8	CGCMT 08C7 A4 - CMBS	..	12/01/2017.	Paydown		1,452,503	1,452,503	1,613,358	1,497,411		(28,493)		(28,493)		1,468,918		(16,415)	(16,415)	54,425	12/10/2049.
20825C AR 5	CONOCOPHILLIPS	..	08/01/2017.	Call @ 100.0		3,000,000	3,000,000	2,979,780	2,994,773		1,197		1,197		2,995,970		4,030	4,030	343,869	02/01/2019.
233851 BG 8	DAIMLER FINANCE NORTH AMERICA LLC	C	08/01/2017.	Maturity @ 100.0		1,000,000	1,000,000	1,001,510	1,000,292		(292)		(292)		1,000,000			0	10,388	08/01/2017.
24664U AB 6	DELEK & AVNER (TAMAR BOND) LTD	C	10/01/2017.	VARIOUS		74,000	74,000	75,480			(22)		(22)		75,458		(1,458)	(1,458)		12/30/2018.
25152R WZ 2	DEUTSCHE BANK AG (LONDON BRANCH)	C	05/30/2017.	Maturity @ 100.0		3,000,000	3,000,000	3,006,150	3,000,891		(891)		(891)		3,000,000			0	22,095	05/30/2017.
25746U BL 2	DOMINION RESOURCES INC	..	11/28/2017.	MERRILL LYNCH PIERCE FENNER		2,125,880	2,000,000	1,995,020	1,997,652		473		473		1,998,125		127,755	127,755	107,542	03/15/2021.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
26441C AD 7	DUKE ENERGY CORP	..	06/01/2017.	Goldman Sachs		1,068,720	1,000,000	996,230	998,803		99		99		998,903		69,817	69,817	27,214	09/15/2019.
26882P BB 7	ERAC USA FINANCE CO	..	10/15/2017.	Maturity @ 100.0		750,000	750,000	873,263	774,878		(24,878)		(24,878)		750,000			0	47,813	10/15/2017.
29250N AK 1	ENBRIDGE INC	..	06/01/2017.	JP MORGAN SECURITIES INC		780,293	780,000	781,833	780,269		(141)		(141)		780,127		165	165	3,355	06/02/2017.
29273R AY 5	ENERGY TRANSFER PARTNERS LP	..	06/01/2017.	MORGAN STANLEY CO		1,839,131	1,775,000	1,859,543	1,857,005		(2,243)		(2,243)		1,854,761		(15,631)	(15,631)	55,567	02/01/2024.
29372E BV 9	EFF 171 A2 - ABS	..	12/20/2017.	Paydown		46,465	46,465	46,665			(48)		(48)		46,617		(152)	(152)	330	07/20/2022.
31572U AF 3	FIBRIA OVERSEAS FINANCE LTD	C	09/13/2017.	Citi Bank		35,129	33,000	34,526			(3)		(3)		34,524		605	605	292	01/17/2027.
31620M AR 7	FIDELITY NATIONAL INFORMATION SERVICES I	..	08/01/2017.	Not Available		1,971,782	1,805,000	1,962,974	1,961,403		(8,789)		(8,789)		1,952,614		19,168	19,168	45,125	10/15/2025.
36251L AD 5	GMALT 162 A3 - ABS	..	12/18/2017.	WELLS FARGO SECURITIES LLC		2,321,276	2,325,000	2,324,771	2,324,840		109		109		2,324,948		(3,672)	(3,672)	37,665	09/20/2019.
36962G 2T 0	GENERAL ELECTRIC CO	..	05/01/2017.	Adjustment									0					0	(33,757)	05/04/2020.
37331N AB 7	GEORGIA-PACIFIC LLC	..	06/01/2017.	MORGAN STANLEY CO		1,729,854	1,575,000	1,772,694	1,749,028		(10,453)		(10,453)		1,738,575		(8,721)	(8,721)	34,965	11/01/2020.
4042Q1 AC 1	HSBC BANK USA NA	C	08/09/2017.	Maturity @ 100.0		600,000	600,000	595,824	599,670		330		330		600,000			0	36,000	08/09/2017.
406216 AX 9	HALLIBURTON CO	..	03/16/2017.	Call @ 100.0		1,000,000	1,000,000	996,560	998,898		76		76		998,973		1,027	1,027	130,944	09/15/2019.
44920U AD 0	HYUNDAI CAPITAL SERVICES INC	C	09/13/2017.	Maturity @ 100.0		2,000,000	2,000,000	2,093,220	2,022,765		(22,765)		(22,765)		2,000,000			0	70,000	09/13/2017.
494550 BL 9	KINDER MORGAN ENERGY PARTNERS LP	..	11/20/2017.	Stifel Nicolaus & Co		777,075	750,000	745,868	747,212		397		397		747,610		29,465	29,465	36,291	09/01/2022.
50180L AC 4	LBUBS 08C1 A2 - CMBS	..	12/11/2017.	Paydown		1,303,128	1,303,128	1,440,851	1,358,944		(47,538)		(47,538)		1,326,089		(22,961)	(22,961)	53,569	04/15/2041.
50188F AD 7	LG&E AND KU ENERGY LLC	..	11/28/2017.	DEUTSCHE BANK SECURITIES, INC		2,072,620	2,000,000	1,985,105	1,993,232		1,505		1,505		1,994,737		77,883	77,883	78,125	11/15/2020.
52109R BM 2	LBUBS 07C7 A3 - CMBS	..	10/01/2017.	Paydown		3,011,817	3,011,817	3,347,596	3,093,431		(58,842)		(58,842)		3,034,590		(22,773)	(22,773)	103,988	09/15/2045.
52177F AC 8	LRF 161 A3 - ABS	..	08/15/2017.	Paydown		2,000,000	2,000,000	1,999,815	1,999,867		57		57		1,999,925		75	75	27,333	06/17/2019.
55953B AC 0	MAGNE 9 A2 - CDO	C	07/01/2017.	Paydown		1,680,000	1,680,000	1,679,160	1,685,899		5,164		5,164		1,691,063		(11,063)	(11,063)	32,245	07/27/2026.
575767 AG 3	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	..	07/31/2017.	VARIOUS		2,376,142	1,500,000	2,404,905	2,355,505		(7,309)		(7,309)		2,348,196		27,946	27,946	108,561	06/01/2039.
60688C AE 6	MLCFC 079 A4 - CMBS	..	10/01/2017.	Paydown		3,230,786	3,230,786	3,538,972	3,301,761		(53,595)		(53,595)		3,248,166		(17,381)	(17,381)	102,772	09/12/2049.
60688X AK 6	MIZUHO BANK LTD	C	09/25/2017.	Maturity @ 100.0		2,700,000	2,700,000	2,700,000	2,700,000				0		2,700,000			0	32,619	09/25/2017.
61744Y AD 0	MORGAN STANLEY	..	12/28/2017.	Maturity @ 100.0		800,000	800,000	754,743	793,385		6,615		6,615		800,000			0	47,600	12/28/2017.
61754J AF 5	MSCI 07TP27 A4 - CMBS	..	06/01/2017.	Paydown		4,938,938	4,938,938	5,433,411	5,003,059		(29,543)		(29,543)		4,973,516		(34,578)	(34,578)	75,205	06/11/2042.
61759L AA 6	MSRR 10GG10 A4A - CMBS	..	04/14/2017.	Paydown		3,807,021	3,807,021	4,123,034	3,833,419		(7,155)		(7,155)		3,826,263		(19,242)	(19,242)	35,451	08/15/2045.
65473Q AV 5	NISOURCE FINANCE CORP	..	06/01/2017.	Not Available		500,000	500,000	497,845	498,865		75		75		498,940		1,060	1,060	107,168	03/01/2022.
670346 AG 0	NUCOR CORP	..	06/01/2017.	MARKETAXESS CORPORATION		2,053,800	2,000,000	1,991,160	1,998,965		266		266		1,999,231		54,569	54,569	37,694	12/01/2017.
68268N AJ 2	ONEOK PARTNERS LP	..	10/12/2017.	Jefferies		2,266,700	2,236,000	2,194,743	2,207,777		3,494		3,494		2,211,271		55,429	55,429	78,609	10/01/2022.
71647N AP 4	PETROBRAS GLOBAL FINANCE BV	C	09/27/2017.	CORPORATE ACTION		156,158	140,000	157,374			(1,216)		(1,216)		156,158			0	4,039	05/23/2021.
71656L BT 7	PETROLEOS MEXICANOS	C	11/02/2017.	MERRILL LYNCH INTERNATIONAL		247,680	240,000	240,780			(33)		(33)		240,747		6,933	6,933	10,125	09/21/2047.
78447A AA 2	SLMA 123 A - ABS	..	12/26/2017.	Paydown		164,102	164,102	165,051			(28)		(28)		165,023		(921)	(921)	527	12/26/2025.
78469Q AF 9	SPART 15T3 A - ABS	..	05/01/2017.	Call @ 100.0		2,230,000	2,230,000	2,229,790	2,229,928		38		38		2,229,966		34	34	21,705	07/15/2047.
82938N AF 1	SINOPEC GROUP OVERSEAS DEVELOPMENT (2017	C	12/20/2017.	HSBC SECURITIES		617,650	625,000	624,313			62		62		624,374		(6,724)	(6,724)	3,867	09/13/2020.
88167A AD 3	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	12/19/2017.	MERRILL LYNCH PIERCE FENNER		1,176,674	1,350,000	1,345,491	1,345,752		580		580		1,346,333		(169,659)	(169,659)	53,550	07/21/2023.
92189F 49 4	VANECK VCTR J P MORGN LCL BND ETF	..	08/21/2017.	PERSHING DIV OF DLJ SEC LNDING		78,523,659		92,964,595	73,005,157	19,959,443			19,959,443		92,964,595		(14,440,936)	(14,440,936)	2,615,188	
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF	..	10/01/2017.	PERSHING DIV OF DLJ SEC LNDING		52,219,652		51,082,429	50,401,259	681,170			681,170		51,082,429		1,137,224	1,137,224	1,279,555	
92343V BS 2	VERIZON COMMUNICATIONS INC	..	04/01/2017.	CORPORATE ACTION		4,819,480	4,000,000	4,882,200	4,807,279		(2,923)		(2,923)		4,804,356		15,124	15,124	196,267	09/15/2033.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
92343V DN 1	VERIZON COMMUNICATIONS INC		02/03/2017.	CORPORATE ACTION		640,240	640,240	622,574					0		622,574		17,666	17,666		03/15/2039.
931427 AP 3	WALGREENS BOOTS ALLIANCE INC		06/05/2017.	Call @ 100.0		2,150,000	2,150,000	2,144,088	2,144,534		330		330		2,144,864		5,136	5,136	55,566	06/01/2023.
G09579 AA 4	BEIJING GAS SINGAPORE CAPITAL CORP	D	11/07/2017.	BARCLAYS CAPITAL SECURITIES		271,989	274,000	272,329			69		69		272,398		(409)	(409)	3,328	05/31/2022.
G3946K AA 7	GOHL CAPITAL LTD	C	10/31/2017.	HSBC Bank PLC		259,563	250,000	261,000			(332)		(332)		260,668		(1,105)	(1,105)	8,205	01/24/2027.
G463PC AG 4	HUARONG FINANCE II CO LTD	D	11/01/2017.	BARCLAYS CAPITAL SECURITIES		199,236	200,000	199,294			132		132		199,426		(190)	(190)	2,292	06/03/2019.
N4960Z AD 9	NK KAZMUNAYGAZ AO	D	06/16/2017.	HSBC SECURITIES (USA), INC		195,500	200,000	198,200			1		1		198,202		(2,702)	(2,702)	1,949	04/19/2047.
P3716X AA 7	EMPRESA NACIONAL DE AUTOPISTA SA (ENA)	C	10/25/2017.	Paydown		23,890	23,890	24,635			(17)		(17)		24,618		(728)	(728)	139	04/25/2028.
P66208 AA 0	MEXICO GENERADORA DE ENERGIA S DE RL	C	12/06/2017.	Paydown		14,320	14,324	15,033			(11)		(11)		15,028		(708)	(708)		12/06/2032.
U75888 AC 8	RELIANCE HOLDING USA INC	C	10/30/2017.	UBS AG London		10,988	10,000	10,999			(58)		(58)		10,941		50	50	386	02/14/2022.
V6560A AD 4	OCP SA	D	12/20/2017.	Jefferies		114,400	100,000	113,370			(39)		(39)		113,331		1,069	1,069	4,526	04/25/2044.
Y6S63R D4 3	NONGHYUP BANK	C	10/24/2017.	BNP PARIBAS, S.A.		100,458	100,000	101,000			(35)		(35)		100,965		(507)	(507)	751	07/22/2020.
3899999.	Total - Bonds - Industrial and Miscellaneous					232,443,172	98,001,872	247,827,205	221,595,296	20,640,613	(426,002)	0	20,214,611	0	245,189,825	0	(12,746,652)	(12,746,652)	7,147,597	XXX
Bonds - Hybrid Securities																				
493267 AK 4	KEYCORP		02/01/2017.	Adjustment									0					0	(40,000)	09/09/2066.
4899999.	Total - Bonds - Hybrid Securities					0	0	0	0	0	0	0	0	0	0	0	0	0	(40,000)	XXX
8399997.	Total - Bonds - Part 4					547,585,447	407,751,711	571,775,207	490,360,168	20,640,613	(1,209,320)	0	19,431,293	0	560,311,490	0	(12,726,037)	(12,726,037)	15,605,190	XXX
8399998.	Total - Bonds - Summary Item from Part 5					181,665,109	178,681,421	181,645,737			(25,381)		(25,381)		181,620,355		44,754	44,754	2,113,104	XXX
8399999.	Total - Bonds					729,250,556	586,433,132	753,420,944	490,360,168	20,640,613	(1,234,701)	0	19,405,912	0	741,931,845	0	(12,681,283)	(12,681,283)	17,718,294	XXX
Preferred Stocks - Industrial and Miscellaneous																				
010392 47 0	ALABAMA POWER CAPITAL TRUST VI		11/01/2017.	VARIOUS	204,925.000	5,123,503		5,430,513	5,278,868	151,645			151,645		5,430,513		(307,010)	(307,010)	342,111	XXX
025816 BL 2	AMERICAN EXPRESS CO		10/01/2017.	Adjustment									0		70,642		(70,642)	(70,642)		XXX
046265 40 1	ASTORIA FINANCIAL CORP		11/01/2017.	CORPORATE ACTION	24,308.000	614,419		614,419	610,617	3,802			3,802		614,419			0	39,501	XXX
054937 40 4	BB&T CORP		12/07/2017.	MERRILL LYNCH PIERCE FENNER	26,610.000	678,539		672,435	631,988	40,447			40,447		672,435		6,105	6,105	37,420	XXX
14040H 70 9	CAPITAL ONE FINANCIAL CORP		03/23/2017.	MERRILL LYNCH PIERCE FENNER	4,000.000	109,558		107,600	103,840	3,760			3,760		107,600		1,958	1,958	1,675	XXX
19075Q 87 0	COBANK ACB		05/01/2017.	Adjustment									0					0	(4,594)	XXX
316773 60 5	FIFTH THIRD BANCORP		02/24/2017.	MERRILL LYNCH PIERCE FENNER	110.000	3,190		3,122	3,006	116			116		3,122		68	68	46	XXX
33616C 60 5	FIRST REPUBLIC BANK		10/01/2017.	MERRILL LYNCH PIERCE FENNER	39,200.000	1,070,786		983,284	911,400	71,884			71,884		983,284		87,501	87,501	13,781	XXX
446150 70 8	HUNTINGTON BANCSHARES INC		02/22/2017.	MERRILL LYNCH PIERCE FENNER	1,101.000	29,825		28,901	27,855	1,046			1,046		28,901		924	924	430	XXX
758849 70 7	REGENCY CENTERS CORP		04/01/2017.	VARIOUS	10,238.000	255,950		261,581	256,974	4,607			4,607		261,581		(5,631)	(5,631)	2,167	XXX
78406T 20 1	SCE TRUST I		07/19/2017.	Call @ 25.0	139,775.000	3,494,375		3,501,185	3,259,553	241,632			241,632		3,501,185		(6,810)	(6,810)	116,450	XXX
78410V 20 0	SCE TRUST VI		11/21/2017.	MERRILL LYNCH PIERCE FENNER	9,342.000	235,057		233,924					0		233,924		1,133	1,133	2,563	XXX
857477 88 9	STATE STREET CORP		05/01/2017.	Adjustment									0					0	(5,625)	XXX
85917A 20 9	ASTORIA FINANCIAL CORP		12/21/2017.	MERRILL LYNCH PIERCE FENNER	1,926.000	50,657		48,660					0		48,660		1,997	1,997		XXX
947890 40 6	WEBSTER FINANCIAL CORP		12/21/2017.	Call @ 25.0	59,348.000	1,483,700		1,503,703	1,498,537	5,166			5,166		1,503,703		(20,003)	(20,003)	94,957	XXX
949746 RN 3	WELLS FARGO & CO		07/20/2017.	VARIOUS									0		13,056		(13,056)	(13,056)		XXX
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					13,149,559	XXX	13,389,327	12,582,638	524,105	0	0	524,105	0	13,473,025	0	(323,466)	(323,466)	640,882	XXX
8999997.	Total - Preferred Stocks - Part 4					13,149,559	XXX	13,389,327	12,582,638	524,105	0	0	524,105	0	13,473,025	0	(323,466)	(323,466)	640,882	XXX
8999998.	Total - Preferred Stocks - Summary Item from Part 5					228,564	XXX	220,896					0		220,896		7,668	7,668		XXX
8999999.	Total - Preferred Stocks					13,378,123	XXX	13,610,223	12,582,638	524,105	0	0	524,105	0	13,693,921	0	(315,798)	(315,798)	640,882	XXX
Common Stocks - Industrial and Miscellaneous																				
00206R 10 2	AT&T ORD		11/20/2017.	VARIOUS	64,300.000	2,275,361	XXX	2,594,119	2,594,330	(140,973)			(140,973)		2,594,119		(318,758)	(318,758)	113,288	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
002824 10 0	ABBOTT LABORATORIES ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	8,000.000	399,691	XXX	329,653	268,870	18,235			18,235		329,653		70,038	70,038	6,095	XXX
00287Y 10 9	ABBVIE ORD	..	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	3,500.000	243,332	XXX	223,213					0		223,213		20,120	20,120	4,480	XXX
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD	..	11/13/2017.	DEUTSCHE BANK SECURITIES, INC	4,300.000	682,803	XXX	595,385	388,314	(24,137)			(24,137)		595,385		87,417	87,417	10,017	XXX
024835 10 0	AMERICAN CAMPUS COMM REIT ORD	..	04/01/2017.	BARCLAYS CAPITAL INC./LE	5,400.000	264,176	XXX	241,677	268,758	(27,081)			(27,081)		241,677		22,499	22,499	2,268	XXX
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE	3,000.000	228,032	XXX	221,295					0		221,295		6,737	6,737	1,860	XXX
025932 10 4	AMERICAN FINANCIAL GROUP ORD	..	03/03/2017.	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	285,489	XXX	222,881	264,360	(41,480)			(41,480)		222,881		62,608	62,608	938	XXX
02916P 10 3	AMERICAN RAILCAR INDUSTRIES ORD	..	08/04/2017.	VARIOUS	15,000.000	547,476	XXX	555,458	679,350	(123,892)			(123,892)		555,458		(7,982)	(7,982)	12,000	XXX
031162 10 0	AMGEN ORD	..	08/22/2017.	Goldman Sachs	1,000.000	170,061	XXX	160,085					0		160,085		9,976	9,976	1,150	XXX
032654 10 5	ANALOG DEVICES ORD	..	08/04/2017.	Jefferies	3,500.000	272,197	XXX	274,558					0		274,558		(2,360)	(2,360)	1,575	XXX
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD	..	04/07/2017.	BARCLAYS CAPITAL INC./LE	20,000.000	226,045	XXX	206,300					0		206,300		19,745	19,745		XXX
039483 10 2	ARCHER DANIELS MIDLAND ORD	..	09/08/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	211,820	XXX	199,725	228,250	(28,525)			(28,525)		199,725		12,095	12,095	4,800	XXX
053015 10 3	AUTOMATIC DATA PROCESSING ORD	..	04/10/2017.	FOX RIVER EXECUTION TECHNOLOGY	5,100.000	520,877	XXX	481,802	298,062	(41,112)			(41,112)		481,802		39,076	39,076	4,560	XXX
053332 10 2	AUTOZONE ORD	..	04/10/2017.	FOX RIVER EXECUTION TECHNOLOGY	400.000	281,448	XXX	299,079	315,916	(16,837)			(16,837)		299,079		(17,631)	(17,631)		XXX
054937 10 7	BB AND T ORD	..	09/25/2017.	VARIOUS	9,000.000	398,406	XXX	318,465	423,180	(104,715)			(104,715)		318,465		79,941	79,941	7,380	XXX
05508R 10 6	B AND G FOODS ORD	..	05/01/2017.	Jefferies	6,300.000	253,522	XXX	271,625	275,940	(4,316)			(4,316)		271,625		(18,102)	(18,102)	5,859	XXX
067383 10 9	C R BARD ORD	..	02/08/2017.	FOX RIVER EXECUTION TECHNOLOGY	500.000	118,810	XXX	116,179	112,330	3,849			3,849		116,179		2,631	2,631	130	XXX
075887 10 9	BECTON DICKINSON ORD	..	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	500.000	95,495	XXX	80,633	82,775	(2,143)			(2,143)		80,633		14,863	14,863	365	XXX
090572 20 7	BIO RAD LABORATORIES CL A ORD	..	01/23/2017.	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	185,721	XXX	174,575	182,280	(7,705)			(7,705)		174,575		11,146	11,146		XXX
09247X 10 1	BLACKROCK ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC	100.000	43,761	XXX	42,652					0		42,652		1,110	1,110	250	XXX
093671 10 5	H&R BLOCK ORD	..	09/13/2017.	BARCLAYS CAPITAL INC./LE	8,000.000	207,695	XXX	167,880					0		167,880		39,815	39,815	3,680	XXX
125269 10 0	CF INDUSTRIES HOLDINGS ORD	..	06/05/2017.	VARIOUS	40,000.000	1,097,676	XXX	1,037,000	1,259,200	(222,200)			(222,200)		1,037,000		60,676	60,676	21,000	XXX
12572Q 10 5	CME GROUP CL A ORD	..	02/08/2017.	FOX RIVER EXECUTION TECHNOLOGY	11,500.000	1,340,468	XXX	1,419,503	1,326,525	92,978			92,978		1,419,503		(79,034)	(79,034)	37,375	XXX
125896 10 0	CMS ENERGY ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC	7,000.000	329,657	XXX	323,715					0		323,715		5,942	5,942	2,328	XXX
126408 10 3	CSX ORD	..	06/20/2017.	VARIOUS	6,000.000	319,973	XXX	163,650	215,580	(51,930)			(51,930)		163,650		156,323	156,323	1,920	XXX
126650 10 0	CVS HEALTH ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE	6,000.000	433,995	XXX	479,310					0		479,310		(45,315)	(45,315)	3,000	XXX
12673P 10 5	CA ORD	..	12/04/2017.	VARIOUS	10,600.000	338,685	XXX	327,631	330,408	(9,392)			(9,392)		327,631		11,054	11,054	4,029	XXX
149123 10 1	CATERPILLAR ORD	..	09/01/2017.	Goldman Sachs	4,000.000	469,929	XXX	296,950	370,960	(74,010)			(74,010)		296,950		172,979	172,979	4,275	XXX
166764 10 0	CHEVRON ORD	..	12/27/2017.	VARIOUS	22,000.000	2,647,224	XXX	2,255,330	2,354,000	(309,400)			(309,400)		2,255,330		391,894	391,894	84,240	XXX
16934Q 20 8	CHIMERA INVESTMENT REIT	..	04/28/2017.	Jefferies	12,100.000	244,082	XXX	194,024	205,942	(11,919)			(11,919)		194,024		50,058	50,058	12,100	XXX
172062 10 1	CINCINNATI FINANCIAL ORD	..	10/17/2017.	VARIOUS	11,800.000	894,909	XXX	803,041	439,350	(52,619)			(52,619)		803,041		91,868	91,868	8,784	XXX
17275R 10 2	CISCO SYSTEMS ORD	..	12/01/2017.	VARIOUS	30,000.000	1,073,313	XXX	824,850	906,600	(81,750)			(81,750)		824,850		248,463	248,463	27,986	XXX
189054 10 9	CLOROX ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	200.000	25,570	XXX	25,029					0		25,029		541	541	328	XXX
189754 10 4	TAPESTRY INC	..	10/31/2017.	Jefferies	10,000.000	413,216	XXX	362,850	350,200	12,650			12,650		362,850		50,366	50,366	3,375	XXX
191216 10 0	COCA-COLA ORD	..	12/12/2017.	VARIOUS	65,500.000	2,891,470	XXX	2,856,628	2,031,540	104,450			104,450		2,856,628		34,842	34,842	31,635	XXX
194162 10 3	COLGATE PALMOLIVE ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	8,000.000	574,577	XXX	539,910	327,200	(1,775)			(1,775)		539,910		34,667	34,667	5,950	XXX
20030N 10 1	COMCAST CL A ORD	..	10/26/2017.	VARIOUS	40,000.000	1,511,465	XXX	1,297,968	1,208,375	(93,570)			(93,570)		1,297,968		213,497	213,497	23,713	XXX

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										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
203607 10 6	COMMUNITY BANK SYSTEM ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC	4,800.000	263,529	XXX	190,017	296,592	(106,575)			(106,575)		190,017		73,513	73,513	4,608	XXX
209115 10 4	CONSOLIDATED EDISON ORD	..	12/27/2017.	Jefferies	500.000	42,325	XXX	42,753					0		42,753		(427)	(427)	345	XXX
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT ORD	..	11/06/2017.	VARIOUS	7,500.000	743,037	XXX	611,513	650,775	(39,263)			(39,263)		611,513		131,525	131,525	11,875	XXX
23317H 10 2	DDR REIT ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE	15,000.000	118,085	XXX	121,313					0		121,313		(3,228)	(3,228)		XXX
233331 10 7	DTE ENERGY ORD	..	01/31/2017.	DEUTSCHE BANK SECURITIES, INC	3,500.000	345,215	XXX	318,518	344,785	(26,268)			(26,268)		318,518		26,697	26,697	2,888	XXX
235851 10 2	DANAHER ORD	..	05/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	207,483	XXX	188,512	155,680	(9,016)			(9,016)		188,512		18,971	18,971	600	XXX
237194 10 5	DARDEN RESTAURANTS ORD	..	10/17/2017.	VARIOUS	6,000.000	510,078	XXX	368,910	436,320	(67,410)			(67,410)		368,910		141,168	141,168	9,240	XXX
254423 10 6	DINEEQUITY ORD	..	02/09/2017.	BARCLAYS CAPITAL INC./LE	2,000.000	133,162	XXX	157,290	154,000	3,290			3,290		157,290		(24,128)	(24,128)	1,940	XXX
254687 10 6	WALT DISNEY ORD	..	09/08/2017.	VARIOUS	9,000.000	900,144	XXX	932,608	521,100	(29,713)			(29,713)		932,608		(32,463)	(32,463)	10,920	XXX
256677 10 5	DOLLAR GENERAL ORD	..	05/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	184,408	XXX	176,463	185,175	(8,713)			(8,713)		176,463		7,946	7,946	1,275	XXX
25746U 10 9	DOMINION ENERGY ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	390,066	XXX	377,925					0		377,925		12,141	12,141	11,325	XXX
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD	..	10/26/2017.	VARIOUS	2,500.000	221,034	XXX	224,613	226,675	(2,063)			(2,063)		224,613		(3,579)	(3,579)	4,167	XXX
26441C 20 4	DUKE ENERGY ORD	..	12/27/2017.	VARIOUS	8,700.000	743,406	XXX	685,696	543,340	10,343			10,343		685,696		57,710	57,710	25,913	XXX
26613Q 10 6	DUPONT FABROS TECHNOLOGY, INC	..	09/14/2017.	CORPORATE ACTION	5,000.000	202,288	XXX	202,288	219,650	(17,363)			(17,363)		202,288			0	7,500	XXX
26884U 10 9	EPR PROPERTIES REIT ORD	..	05/15/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	181,584	XXX	204,888	179,425	25,463			25,463		204,888		(23,304)	(23,304)	4,200	XXX
281020 10 7	EDISON INTERNATIONAL ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	6,000.000	472,339	XXX	477,330					0		477,330		(4,991)	(4,991)		XXX
291011 10 4	EMERSON ELECTRIC ORD	..	09/25/2017.	VARIOUS	17,100.000	1,040,225	XXX	918,664	836,250	(49,293)			(49,293)		918,664		121,562	121,562	19,296	XXX
29364G 10 3	ENTERGY ORD	..	03/10/2017.	FOX RIVER EXECUTION TECHNOLOGY	15,000.000	1,099,476	XXX	1,103,400	1,102,050	1,350			1,350		1,103,400		(3,924)	(3,924)	6,525	XXX
30040W 10 8	EVERSOURCE ENERGY ORD	..	04/01/2017.	FOX RIVER EXECUTION TECHNOLOGY	6,000.000	346,222	XXX	319,530	331,380	(11,850)			(11,850)		319,530		26,692	26,692	2,850	XXX
30161N 10 1	EXELON ORD	..	06/09/2017.	FOX RIVER EXECUTION TECHNOLOGY	25,000.000	904,775	XXX	860,722	887,250	(26,528)			(26,528)		860,722		44,053	44,053	11,135	XXX
30231G 10 2	EXXON MOBIL ORD	..	12/27/2017.	VARIOUS	82,500.000	6,838,138	XXX	6,888,169	3,204,230	(78,177)			(78,177)		6,888,169		(50,031)	(50,031)	110,940	XXX
313747 20 6	FEDERAL REIT ORD	..	04/01/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	290,564	XXX	318,415	284,220	34,195			34,195		318,415		(27,851)	(27,851)	1,960	XXX
31620R 30 3	FIDELITY NATIONAL FINANCIAL ORD	..	01/17/2017.	DEUTSCHE BANK SECURITIES, INC	3,000.000	101,563	XXX	113,115	101,880	11,235			11,235		113,115		(11,552)	(11,552)		XXX
343498 10 1	FLOWERS FOODS ORD	..	09/15/2017.	DEUTSCHE BANK SECURITIES, INC	10,000.000	177,346	XXX	154,550	199,700	(45,150)			(45,150)		154,550		22,796	22,796	5,000	XXX
345370 86 0	FORD MOTOR ORD	..	06/01/2017.	FOX RIVER EXECUTION TECHNOLOGY	65,000.000	738,659	XXX	780,975	788,450	(7,475)			(7,475)		780,975		(42,316)	(42,316)	19,750	XXX
36174X 10 1	GGP ORD	..	12/19/2017.	GOLDMAN	10,000.000	233,645	XXX	238,575					0		238,575		(4,930)	(4,930)		XXX
364760 10 8	GAP ORD	..	07/26/2017.	DEUTSCHE BANK SECURITIES, INC	17,000.000	387,166	XXX	338,658	336,600	(46,538)			(46,538)		338,658		48,509	48,509	10,810	XXX
369604 10 3	GENERAL ELECTRIC ORD	..	12/27/2017.	VARIOUS	62,900.000	1,340,719	XXX	1,581,090	186,440	(4,986)			(4,986)		1,581,090		(240,371)	(240,371)	16,512	XXX
370334 10 4	GENERAL MILLS ORD	..	05/01/2017.	BARCLAYS CAPITAL INC./LE	6,000.000	345,847	XXX	375,490	370,620	4,870			4,870		375,490		(29,643)	(29,643)	5,760	XXX
37045V 10 0	GENERAL MOTORS ORD	..	10/17/2017.	VARIOUS	50,000.000	1,942,307	XXX	1,742,010	1,393,600	7,260			7,260		1,742,010		200,297	200,297	7,600	XXX
375558 10 3	GILEAD SCIENCES ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC	2,000.000	152,166	XXX	133,430					0		133,430		18,736	18,736	1,040	XXX
391164 10 0	GREAT PLAINS ENERGY ORD	..	04/01/2017.	VARIOUS	30,000.000	844,777	XXX	827,925	820,500	7,425			7,425		827,925		16,852	16,852	4,125	XXX
40434L 10 5	HP ORD	..	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	88,773	XXX	74,375	74,200	175			175		74,375		14,398	14,398	1,327	XXX
410867 10 5	HANOVER INSURANCE GROUP ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC	3,000.000	284,558	XXX	246,375					0		246,375		38,183	38,183	1,500	XXX
423452 10 1	HELMERICH AND PAYNE ORD	..	07/01/2017.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	265,519	XXX	303,775	387,000	(83,225)			(83,225)		303,775		(38,256)	(38,256)	7,000	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
437076 10 2	HOME DEPOT ORD	..	07/13/2017.	DEUTSCHE BANK SECURITIES, INC.	5,000.000	766,407	XXX	659,910	670,400	(10,490)			(10,490)		659,910		106,497	106,497	8,900	XXX
45774W 10 8	INSTEEL INDUSTRIES ORD	..	01/17/2017.	DEUTSCHE BANK SECURITIES, INC.	7,500.000	261,598	XXX	298,313	267,300	31,013			31,013		298,313		(36,714)	(36,714)	9,600	XXX
458140 10 0	INTEL ORD	..	09/01/2017.	VARIOUS	51,900.000	1,821,032	XXX	1,738,695	1,610,388	(145,630)			(145,630)		1,738,695		82,337	82,337	33,698	XXX
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD	..	06/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	150,784	XXX	141,128	141,050	78			78		141,128		9,657	9,657	500	XXX
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD	..	12/11/2017.	BARCLAYS CAPITAL INC./LE	12,000.000	1,765,069	XXX	1,761,980	1,991,880	(229,900)			(229,900)		1,761,980		3,089	3,089	67,800	XXX
460146 10 3	INTERNATIONAL PAPER ORD	..	06/15/2017.	FOX RIVER EXECUTION TECHNOLOGY	20,000.000	1,084,946	XXX	871,960	1,061,200	(189,240)			(189,240)		871,960		212,986	212,986	15,263	XXX
478160 10 4	JOHNSON & JOHNSON ORD	..	12/12/2017.	VARIOUS	12,000.000	1,382,520	XXX	1,345,020	1,382,520	(37,500)			(37,500)		1,345,020		219,015	219,015	16,320	XXX
49427F 10 8	KILROY REALTY REIT	..	02/09/2017.	BARCLAYS CAPITAL INC./LE	2,000.000	147,782	XXX	147,890	146,440	1,450			1,450		147,890		(108)	(108)	4,550	XXX
494368 10 3	KIMBERLY CLARK ORD	..	10/17/2017.	VARIOUS	9,800.000	1,179,391	XXX	1,192,075	707,544	43,765			43,765		1,192,075		(12,684)	(12,684)	12,300	XXX
500255 10 4	KOHL'S ORD	..	05/05/2017.	VARIOUS	16,000.000	648,326	XXX	644,180	790,080	(145,900)			(145,900)		644,180		4,146	4,146	5,500	XXX
500754 10 6	KRAFT HEINZ ORD	..	01/05/2017.	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	259,569	XXX	264,255	261,960	2,295			2,295		264,255		(4,686)	(4,686)		XXX
517834 10 7	LAS VEGAS SANDS ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC.	3,500.000	219,007	XXX	164,168	186,935	(22,768)			(22,768)		164,168		54,840	54,840	7,665	XXX
532457 10 8	ELI LILLY ORD	..	12/27/2017.	VARIOUS	13,100.000	1,105,829	XXX	1,020,656	367,750	23,475			23,475		1,020,656		85,173	85,173	18,754	XXX
539830 10 9	LOCKHEED MARTIN ORD	..	05/01/2017.	Adjustment			XXX						0					0	(3,945)	XXX
552690 10 9	MDU RESOURCES GROUP ORD	..	12/19/2017.	GOLDMAN	6,000.000	157,346	XXX	163,110					0		163,110		(5,764)	(5,764)	1,155	XXX
553530 10 6	MSC INDUSTRIAL CL A ORD	..	08/01/2017.	DEUTSCHE BANK SECURITIES, INC.	5,000.000	356,017	XXX	358,875	461,950	(103,075)			(103,075)		358,875		(2,858)	(2,858)	6,750	XXX
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD	..	04/01/2017.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	383,467	XXX	399,025	408,500	(9,475)			(9,475)		399,025		(15,558)	(15,558)	6,550	XXX
579780 20 6	MCCORMICK ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC.	1,000.000	95,293	XXX	88,785	93,330	(4,545)			(4,545)		88,785		6,508	6,508	1,410	XXX
580135 10 1	MCDONALD'S ORD	..	12/15/2017.	DEUTSCHE BANK SECURITIES, INC.	4,000.000	682,564	XXX	472,796	486,880	(14,084)			(14,084)		472,796		209,768	209,768	12,694	XXX
58463J 30 4	MEDICAL PROPERTIES REIT ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE	10,000.000	136,422	XXX	137,975					0		137,975		(1,553)	(1,553)		XXX
58933Y 10 5	MERCK & CO ORD	..	10/26/2017.	VARIOUS	55,200.000	3,471,371	XXX	3,369,993	2,354,800	44,445			44,445		3,369,993		101,378	101,378	56,682	XXX
589400 10 0	MERCURY GENERAL ORD	..	12/28/2017.	VARIOUS	5,000.000	266,746	XXX	264,695	301,050	(36,355)			(36,355)		264,695		2,051	2,051	10,593	XXX
59156R 10 8	METLIFE ORD	..	09/13/2017.	CORPORATE ACTION	10,000.000	440,150	XXX	440,150	538,900	(98,750)			(98,750)		440,150			0	12,000	XXX
594918 10 4	MICROSOFT ORD	..	12/27/2017.	Jefferies	7,000.000	599,904	XXX	349,125	434,980	(85,855)			(85,855)		349,125		250,779	250,779	11,130	XXX
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD	..	01/17/2017.	DEUTSCHE BANK SECURITIES, INC.	1,500.000	146,854	XXX	163,643	145,965	17,678			17,678		163,643		(16,788)	(16,788)		XXX
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD	..	07/13/2017.	DEUTSCHE BANK SECURITIES, INC.	5,000.000	216,420	XXX	210,684	221,650	(10,967)			(10,967)		210,684		5,737	5,737	2,850	XXX
61166W 10 1	MONSANTO ORD	..	08/22/2017.	Goldman Sachs	6,000.000	702,854	XXX	710,190					0		710,190		(7,336)	(7,336)	3,240	XXX
61945C 10 3	MOSAIC ORD	..	05/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	27,000.000	697,440	XXX	693,570	791,910	(98,340)			(98,340)		693,570		3,870	3,870	7,425	XXX
620076 30 7	MOTOROLA SOLUTIONS ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC.	400.000	33,397	XXX	34,146					0		34,146		(749)	(749)	188	XXX
632347 10 0	NATHANS FAMOUS ORD	..	12/27/2017.	Jefferies	500.000	38,861	XXX	47,489					0		47,489		(8,629)	(8,629)		XXX
63633D 10 4	NATIONAL HEALTH INVESTORS REIT ORD	..	05/10/2017.	BARCLAYS CAPITAL INC./LE	1,900.000	139,842	XXX	147,089	140,923	6,166			6,166		147,089		(7,247)	(7,247)	3,515	XXX
649445 10 3	NEW YORK COMMUNITY BANCORP ORD	..	03/10/2017.	FOX RIVER EXECUTION TECHNOLOGY	30,300.000	436,159	XXX	455,561	482,073	(26,513)			(26,513)		455,561		(19,402)	(19,402)	5,151	XXX
65339F 10 1	NEXTERA ENERGY ORD	..	12/27/2017.	Jefferies	2,000.000	310,558	XXX	248,430					0		248,430		62,128	62,128	7,860	XXX
654106 10 3	NIKE CL B ORD	..	10/02/2017.	BARCLAYS CAPITAL INC./LE	4,000.000	214,045	XXX	217,270	203,320	13,950			13,950		217,270		(3,225)	(3,225)	2,880	XXX

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
681919 10 6	OMNICOM GROUP ORD	..	11/06/2017.	DEUTSCHE BANK SECURITIES, INC	7,500.000	533,615	XXX	574,913	212,775	(3,388)			(3,388)		574,913		(41,297)	(41,297)	6,875	XXX
682680 10 3	ONEOK ORD	..	06/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	247,720	XXX	180,775	287,050	(106,275)			(106,275)		180,775		66,945	66,945	6,150	XXX
69318G 10 6	PBF ENERGY CL A ORD	..	04/01/2017.	VARIOUS	40,000.000	884,731	XXX	926,600	1,115,200	(188,600)			(188,600)		926,600		(41,869)	(41,869)	12,000	XXX
69331C 10 8	PG&E ORD	..	02/09/2017.	BARCLAYS CAPITAL INC./LE	5,000.000	314,406	XXX	290,225	303,850	(13,625)			(13,625)		290,225		24,181	24,181	2,450	XXX
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	643,960	XXX	590,188					0		590,188		53,773	53,773	2,750	XXX
69351T 10 6	PPL ORD	..	10/26/2017.	VARIOUS	39,000.000	1,434,383	XXX	1,291,095	1,327,950	(36,855)			(36,855)		1,291,095		143,288	143,288	38,652	XXX
713448 10 8	PEPSICO ORD	..	10/03/2017.	GOLDMAN	15,000.000	1,636,837	XXX	1,552,526	1,517,135	(17,167)			(17,167)		1,552,526		84,311	84,311	46,349	XXX
717081 10 3	PFIZER ORD	..	12/04/2017.	DEUTSCHE BANK SECURITIES, INC	58,000.000	1,994,814	XXX	1,924,445	1,724,688	42,638			42,638		1,924,445		70,369	70,369	49,280	XXX
74005P 10 4	PRAXAIR ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC	5,500.000	734,686	XXX	722,698	175,785	413			413		722,698		11,988	11,988	7,481	XXX
74267C 10 6	PROASSURANCE ORD	..	01/31/2017.	DEUTSCHE BANK SECURITIES, INC	7,500.000	407,406	XXX	428,040	421,500	6,540			6,540		428,040		(20,634)	(20,634)	37,500	XXX
742718 10 9	PROCTER & GAMBLE ORD	..	11/15/2017.	VARIOUS	46,000.000	4,073,616	XXX	3,865,223	2,270,160	(52,332)			(52,332)		3,865,223		208,392	208,392	54,625	XXX
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD	..	10/26/2017.	VARIOUS	38,000.000	1,692,252	XXX	1,576,730	1,053,120	(75,240)			(75,240)		1,576,730		115,522	115,522	18,920	XXX
747525 10 3	QUALCOMM ORD	..	09/25/2017.	DEUTSCHE BANK SECURITIES, INC	10,000.000	537,738	XXX	505,250	652,000	(146,750)			(146,750)		505,250		32,488	32,488	13,280	XXX
74834L 10 0	QUEST DIAGNOSTICS ORD	..	10/18/2017.	GOLDMAN	3,000.000	276,519	XXX	244,128	183,800	(33,450)			(33,450)		244,128		32,391	32,391	4,500	XXX
749607 10 7	RLI ORD	..	01/23/2017.	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	234,535	XXX	250,100	252,520	(2,420)			(2,420)		250,100		(15,565)	(15,565)		XXX
755111 50 7	RAYTHEON ORD	..	11/09/2017.	GOLDMAN	2,000.000	377,281	XXX	252,710	284,000	(31,290)			(31,290)		252,710		124,571	124,571	6,250	XXX
758766 10 9	REGAL ENTERTAINMENT CL A ORD	..	06/15/2017.	VARIOUS	20,000.000	416,191	XXX	429,571	412,000	17,571			17,571		429,571		(13,380)	(13,380)	6,600	XXX
806857 10 8	SCHLUMBERGER ORD	C	10/26/2017.	VARIOUS	9,000.000	585,921	XXX	570,195					0		570,195		15,726	15,726	4,500	XXX
816851 10 9	SEMPRA ENERGY ORD	..	10/16/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	584,362	XXX	528,815	402,560	11,540			11,540		528,815		55,547	55,547	13,713	XXX
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD	..	07/31/2017.	VARIOUS	15,000.000	872,675	XXX	831,375	899,400	(68,025)			(68,025)		831,375		41,300	41,300	16,640	XXX
835495 10 2	SONOCO PRODUCTS ORD	..	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	2,300.000	117,125	XXX	107,859	121,210	(13,352)			(13,352)		107,859		9,266	9,266	1,748	XXX
842587 10 7	SOUTHERN ORD	..	12/19/2017.	VARIOUS	16,000.000	801,022	XXX	818,320					0		818,320		(17,299)	(17,299)	7,115	XXX
855244 10 9	STARBUCKS ORD	..	09/06/2017.	VARIOUS	23,900.000	1,307,150	XXX	1,424,133	333,120	12,090			12,090		1,424,133		(116,983)	(116,983)	6,844	XXX
85571B 10 5	STARWOOD PROPERTY REIT	..	04/14/2017.	Jefferies	8,000.000	180,576	XXX	178,680	175,600	3,080			3,080		178,680		1,896	1,896	7,680	XXX
871503 10 8	SYMANTEC ORD	..	06/20/2017.	VARIOUS	13,300.000	404,009	XXX	221,445	317,737	(96,292)			(96,292)		221,445		182,564	182,564	998	XXX
871829 10 7	SYSCO ORD	..	07/31/2017.	VARIOUS	11,000.000	597,412	XXX	557,157	132,888	(22,308)			(22,308)		557,157		40,255	40,255	6,072	XXX
87612E 10 6	TARGET ORD	..	09/25/2017.	VARIOUS	9,000.000	522,093	XXX	601,395	288,920	29,100			29,100		601,395		(79,302)	(79,302)	5,500	XXX
882508 10 4	TEXAS INSTRUMENTS ORD	..	11/20/2017.	VARIOUS	7,300.000	673,611	XXX	487,364	532,681	(45,317)			(45,317)		487,364		186,247	186,247	12,250	XXX
884903 10 5	THOMSON REUTERS ORD	..	08/15/2017.				XXX						0						621	XXX
88579Y 10 1	3M ORD	..	04/10/2017.	FOX RIVER EXECUTION TECHNOLOGY	2,500.000	474,252	XXX	418,463	446,425	(27,963)			(27,963)		418,463		55,790	55,790	2,938	XXX
89417E 10 9	TRAVELERS COMPANIES ORD	..	07/31/2017.	DEUTSCHE BANK SECURITIES, INC	3,500.000	448,287	XXX	438,043					0		438,043		10,245	10,245	2,520	XXX
902973 30 4	US BANCORP ORD	..	12/01/2017.	VARIOUS	15,000.000	775,110	XXX	685,175	513,700	(86,750)			(86,750)		685,175		89,935	89,935	11,980	XXX
907818 10 8	UNION PACIFIC ORD	..	06/30/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	544,512	XXX	436,175	518,400	(82,225)			(82,225)		436,175		108,337	108,337	3,025	XXX
911312 10 6	UNITED PARCEL SERVICE CL B ORD	..	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	3,000.000	326,798	XXX	315,225	343,920	(28,695)			(28,695)		315,225		11,573	11,573	4,980	XXX
913017 10 9	UNITED TECHNOLOGIES ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE	3,800.000	469,185	XXX	418,371					0		418,371		50,814	50,814	10,336	XXX
918204 10 8	VF ORD	..	05/02/2017.	FOX RIVER EXECUTION TECHNOLOGY	3,500.000	187,123	XXX	196,473	186,725	9,748			9,748		196,473		(9,349)	(9,349)	1,470	XXX
92343V 10 4	VERIZON COMMUNICATIONS ORD	..	11/06/2017.	VARIOUS	66,800.000	3,030,169	XXX	3,331,417	2,135,200	(61,105)			(61,105)		3,331,417		(301,248)	(301,248)	73,040	XXX
92826C 83 9	VISA CL A ORD	..	06/30/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	468,864	XXX	386,225	390,100	(3,875)			(3,875)		386,225		82,639	82,639	1,650	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
931142 10 3	WAL MART STORES ORD	..	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	8,000.000	682,744	XXX	535,000	552,960	(17,960)			(17,960)		535,000		147,744	147,744	15,220	XXX
931427 10 8	WALGREEN BOOTS ALLIANCE ORD	..	12/12/2017.	DEUTSCHE BANK SECURITIES, INC	5,000.000	357,817	XXX	385,925	413,800	(27,875)			(27,875)		385,925		(28,108)	(28,108)	7,750	XXX
948741 10 3	WEINGARTEN RLTY REIT	..	02/09/2017.	BARCLAYS CAPITAL INC./LE	13,000.000	467,401	XXX	460,650	465,270	(4,620)			(4,620)		460,650		6,751	6,751		XXX
949746 10 1	WELLS FARGO ORD	..	09/01/2017.	VARIOUS	55,000.000	3,010,001	XXX	2,564,750	3,031,050	(466,300)			(466,300)		2,564,750		445,251	445,251	45,700	XXX
95709T 10 0	WESTAR ENERGY ORD	..	04/03/2017.	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	272,719	XXX	283,775	281,750	2,025			2,025		283,775		(11,056)	(11,056)	3,900	XXX
962166 10 4	WEYERHAEUSER REIT	..	05/05/2017.	Jefferies	10,000.000	335,418	XXX	315,450	300,900	14,550			14,550		315,450		19,968	19,968	3,100	XXX
98389B 10 0	XCEL ENERGY ORD	..	02/09/2017.	BARCLAYS CAPITAL INC./LE	8,600.000	359,064	XXX	350,751	350,020	731			731		350,751		8,313	8,313	2,924	XXX
983919 10 1	XILINX ORD	..	06/20/2017.	DEUTSCHE BANK SECURITIES, INC	1,000.000	65,254	XXX	43,085	60,370	(17,285)			(17,285)		43,085		22,169	22,169	680	XXX
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA	..	08/01/2017.	Adjustment	362.000	36,200	XXX	36,200	2,672,900				0		36,200			0	(29,009)	XXX
G1151C 10 1	ACCENTURE CL A ORD	C	06/12/2017.	DEUTSCHE BANK SECURITIES, INC	2,000.000	252,584	XXX	235,330	234,260	1,070			1,070		235,330		17,254	17,254	2,420	XXX
G16962 10 5	BUNGE ORD	..	09/05/2017.	VARIOUS	5,000.000	373,116	XXX	300,325	361,200	(60,875)			(60,875)		300,325		72,791	72,791	6,500	XXX
G3223R 10 8	EVEREST RE GROUP ORD	C	12/04/2017.	DEUTSCHE BANK SECURITIES, INC	200.000	42,710	XXX	44,323					0		44,323		(1,613)	(1,613)	750	XXX
G51502 10 5	JOHNSON CONTROLS INTERNATIONAL ORD	D	12/19/2017.	GOLDMAN	8,000.000	299,633	XXX	317,000					0		317,000		(17,367)	(17,367)	2,000	XXX
G5960L 10 3	MEDTRONIC ORD	C	10/17/2017.	VARIOUS	20,000.000	1,585,439	XXX	1,677,625	712,300	135,175			135,175		1,677,625		(92,186)	(92,186)	13,200	XXX
H2906T 10 9	GARMIN ORD	C	10/26/2017.	DEUTSCHE BANK SECURITIES, INC	10,000.000	564,637	XXX	425,350	484,900	(59,550)			(59,550)		425,350		139,287	139,287	15,300	XXX
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD	C	06/20/2017.	DEUTSCHE BANK SECURITIES, INC	10,000.000	800,933	XXX	782,129	857,800	(75,650)			(75,650)		782,150		18,783	18,783	17,500	XXX
9099999. Total - Common Stocks - Industrial and Miscellaneous						105,415,156	XXX	100,122,529	80,289,759	(4,565,534)	0	0	(4,565,534)	0	100,122,550	0	5,292,626	5,292,626	1,748,854	XXX
Common Stocks - Mutual Funds																				
003021 71 4	ABERDEEN EMERGING MKTS CL INSTI MF	C	05/01/2017.	Unknown	402.502	5,084	XXX	6,125	5,055	1,070			1,070		6,125		(1,041)	(1,041)		XXX
02368A 20 8	AMRCN BEACON LRG CAP VAL CL INST MF	..	01/03/2017.	Unknown	50.171	1,398	XXX	1,115	1,383	(267)			(267)		1,115		282	282		XXX
197199 81 3	COLUMBIA ACORN INTERNATIONAL CL I MF	..	12/18/2017.	Unknown		4,245,273	XXX						0				4,245,273	4,245,273		XXX
315792 23 4	FIDELITY FREEDOM K 2020 MF	..	10/19/2017.	Unknown	2,873.091	43,076	XXX	42,756	10,859	230			230		42,756		320	320	319	XXX
315792 24 2	FIDELITY FREEDOM K 2015 MF	..	10/01/2017.	Unknown	15,092.982	208,946	XXX	200,764	7,036	243			243		200,764		8,182	8,182	300	XXX
315792 25 9	FIDELITY FREEDOM K 2010 MF	..	01/10/2017.	Unknown	1,239.271	15,813	XXX	15,793	15,640	153			153		15,793		20	20		XXX
315910 28 1	FIDELITY DVSD INTL;K	..	01/03/2017.	Unknown	119.154	3,971	XXX	3,738	3,959	(221)			(221)		3,738		233	233		XXX
315911 87 5	FIDELITY INTL MKT IDX CL PRM MF	..	05/01/2017.	Unknown	22.366	793	XXX	709	790	(81)			(81)		709		84	84		XXX
316191 60 0	FIDELITYÂ® MMT RETIREMENT GOVT MNY MKT II	..	12/01/2017.	Direct		71,416	XXX	71,416	71,416				0		71,416			0		XXX
316200 85 6	FIDELITY GRO COMPANY;K	..	01/03/2017.	Unknown	17.101	2,348	XXX	1,861	2,337	(475)			(475)		1,861		487	487		XXX
316345 80 0	FIDELITY LOW-PRCD STK;K	..	09/29/2017.	Unknown	33.545	1,736	XXX	1,445	1,658	(213)			(213)		1,445		291	291	106	XXX
38141W 61 2	GOLDMAN SACHS SMALL CAP VAL CL A MF	..	05/01/2017.	Unknown	65.715	3,706	XXX	3,663	3,687	(23)			(23)		3,663		43	43		XXX
413838 40 0	OAKMARK EQUITY AND INCOME CL INV MF	C	10/01/2017.	Unknown	648.773	20,028	XXX	21,100	19,736	1,364			1,364		21,100		(1,072)	(1,072)		XXX
55273W 47 5	MFS MID CAP VALUE;R6	..	01/03/2017.	Unknown	56.829	1,242	XXX	1,161	1,233	(72)			(72)		1,161		81	81		XXX
57630A 59 2	MASSMUTUAL SEL:MCGII;I	..	01/03/2017.	Unknown	52.519	971	XXX	1,025	964	67			67		1,025		(54)	(54)		XXX
592905 76 4	METROPOLITAN WEST TOTAL RETURN BO MF	..	10/01/2017.	Unknown	3,848.135	38,425	XXX	39,674	38,135	1,539			1,539		39,674		(1,249)	(1,249)	283	XXX
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	..	11/15/2017.	Unknown	35,146.878	378,576	XXX	374,684	3,193	28			28		374,684		3,892	3,892	7,041	XXX
922040 20 9	VANGUARD INST INX CL INST PLS MF	..	05/01/2017.	Unknown	9,085.258	1,900,000	XXX	1,872,018	1,851,939	20,079			20,079		1,872,018		27,982	27,982		XXX
922908 39 7	VANGRD SML CAP INDEX CL INST PLS MF	..	10/01/2017.	Unknown	60,525.064	10,999,999	XXX	3,816,398	10,790,408	(6,974,010)			(6,974,010)		3,816,398		7,183,600	7,183,600		XXX
922908 64 5	VANGUARD MID CAP INDEX CL ADM MF	..	10/01/2017.	Unknown	409.972	68,766	XXX	63,812	66,801	(2,990)			(2,990)		63,811		4,955	4,955		XXX
922908 68 6	VANGUARD SMALL CAP INDEX CL ADM MF	..	05/01/2017.	Unknown	22.630	1,407	XXX	1,267	1,396	(131)			(131)		1,267		140	140		XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
922908 71 0	VANGUARD 500 INDEX FD CL ADM MF	..	10/01/2017.	Unknown	1,457.906	306,846	XXX	258,030	301,160	(43,130)			(43,130)		258,030		48,816	48,816		XXX
9299999.	Total - Common Stocks - Mutual Funds					18,319,820	XXX	6,798,554	13,198,785	(6,996,840)	0	0	(6,996,840)	0	6,798,553	0	11,521,265	11,521,265	8,049	XXX
9799997.	Total - Common Stocks - Part 4					123,734,976	XXX	106,921,083	93,488,544	(11,562,374)	0	0	(11,562,374)	0	106,921,103	0	16,813,891	16,813,891	1,756,903	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					116,541,663	XXX	117,029,816					0		117,029,816		(488,153)	(488,153)	1,963,801	XXX
9799999.	Total - Common Stocks					240,276,639	XXX	223,950,899	93,488,544	(11,562,374)	0	0	(11,562,374)	0	223,950,919	0	16,325,738	16,325,738	3,720,704	XXX
9899999.	Total - Preferred and Common Stocks					253,654,762	XXX	237,561,122	106,071,182	(11,038,269)	0	0	(11,038,269)	0	237,644,840	0	16,009,940	16,009,940	4,361,586	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					982,905,318	XXX	990,982,066	596,431,350	9,602,344	(1,234,701)	0	8,367,643	0	979,576,685	0	3,328,657	3,328,657	22,079,880	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
912810 RY 6	UNITED STATES TREASURY	..	08/31/2017	Goldman Sachs	11/14/2017	DEUTSCHE BANK SECURITIES, INC	5,500,000	5,509,023	5,402,461	5,509,003		(21)		(21)			(106,542)	(106,542)	37,813	6,987
912828 J7 6	UNITED STATES TREASURY	..	08/31/2017	VARIOUS	11/09/2017	VARIOUS	35,725,000	35,704,624	35,610,512	35,706,671		2,047		2,047			(96,159)	(96,159)	283,060	170,410
912828 L3 2	UNITED STATES TREASURY	..	06/28/2017	VARIOUS	12/12/2017	VARIOUS	29,000,000	28,787,871	28,842,998	28,810,137		22,267		22,267			32,860	32,860	193,001	80,968
912828 M5 6	UNITED STATES TREASURY	..	07/11/2017	VARIOUS	10/27/2017	VARIOUS	24,800,000	24,748,670	24,856,677	24,753,708		5,039		5,039			102,969	102,969	232,126	78,440
912828 U2 4	UNITED STATES TREASURY	..	09/07/2017	NOMURA SECURITIES/FIXED INCOME.	11/13/2017	VARIOUS	4,500,000	4,485,604	4,373,478	4,485,836		232		232			(112,358)	(112,358)	44,729	29,103
912828 WJ 5	UNITED STATES TREASURY	..	09/07/2017	VARIOUS	11/14/2017	VARIOUS	9,500,000	9,872,089	9,760,074	9,868,118		(3,971)		(3,971)			(108,044)	(108,044)	87,346	69,667
0599999. Total - Bonds - U.S. Government							109,025,000	109,107,881	108,846,200	109,133,473	0	25,593	0	25,593	0	0	(287,274)	(287,274)	878,075	435,575
Bonds - All Other Government																				
000000 00 0	ECUADOR, REPUBLIC OF (GOVERNMENT)	C	10/18/2017	BNYM/DBAG LONDON GLOBAL MARKET	12/18/2017	VARIOUS	950,000	950,000	1,047,904	950,000				0			97,904	97,904	13,349	
040114 HM 5	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	07/13/2017	VARIOUS	08/02/2017	MERRILL LYNCH INTERNATIONAL	910,000	835,996	832,195	835,998		2		2			(3,803)	(3,803)	6,484	1,227
05674R AK 0	BAHRAIN, KINGDOM OF (GOVERNMENT)	C	09/13/2017	CITIGROUP GLOBAL MARKETS INC	09/15/2017	NOMURA INTERNATIONAL PLC	380,000	380,000	381,330	380,000				0			1,330	1,330		
168863 CE 6	CHILE, REPUBLIC OF (GOVERNMENT)	C	06/13/2017	HSBC SECURITIES	09/20/2017	BARCLAYS BANK PLC, LONDON BRANCH	350,000	349,444	355,250	349,446		3		3			5,804	5,804	3,415	
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	09/05/2017	HSBC SECURITIES (USA), INC	12/21/2017	NOMURA SECURITIES INTERNATIONAL	300,000	313,650	316,800	313,596		(54)		(54)			3,204	3,204	7,958	3,417
418097 AJ 0	JORDAN, HASHEMITE KINGDOM OF (GOVERNMENT	C	10/03/2017	VARIOUS	12/18/2017	CITIGROUP GLOBAL MARKETS INC	600,000	597,177	630,750	597,181		4		4			33,569	33,569	8,604	
470160 CB 6	JAMAICA (GOVERNMENT)	C	08/15/2017	CITIGROUP GLOBAL MARKETS INC	11/20/2017	BARCLAYS BANK PLC	200,000	236,678	247,620	236,559		(119)		(119)			11,061	11,061	4,988	875
715638 BM 3	PERU, REPUBLIC OF (GOVERNMENT).	C	09/12/2017	GOLDMAN	12/14/2017	Citigroup (SSB)	300,000	385,467	384,750	385,163		(304)		(304)			(413)	(413)	9,844	5,438
715638 BU 5	PERU, REPUBLIC OF (GOVERNMENT).	C	07/13/2017	SANTANDER INVESTMENT SECURITIES, INC.	12/14/2017	Citigroup (SSB)	100,000	108,740	109,750	108,434		(306)		(306)			1,316	1,316	3,357	1,639
71654Q BX 9	PETROLEOS MEXICANOS	C	06/08/2017	PERSHING DIV OF DLJ SEC LNDING	07/24/2017	MERRILL LYNCH PIERCE FENNER	120,000	110,634	109,680	110,658		24		24			(978)	(978)	3,450	2,606
71654Q CC 4	PETROLEOS MEXICANOS	C	09/13/2017	VARIOUS	11/02/2017	VARIOUS	360,000	377,886	373,548	377,878		(8)		(8)			(4,330)	(4,330)	9,990	6,863
716564 AA 7	PETROLEOS DEL PERU PETROPERU SA	C	06/15/2017	VARIOUS	08/02/2017	PERSHING DIV OF DLJ SEC LNDING	480,000	480,490	491,280	480,487		(3)		(3)			10,793	10,793	3,040	37
716564 AB 5	PETROLEOS DEL PERU PETROPERU SA	C	06/15/2017	CREDIT SUISSE SECURITIES (USA)	08/07/2017	Citi Bank	200,000	204,380	209,376	204,372		(8)		(8)			5,004	5,004	1,531	31
71656M BQ 1	PETROLEOS MEXICANOS	C	09/13/2017	VARIOUS	10/06/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK	440,000	490,940	483,780	490,626		(314)		(314)			(6,846)	(6,846)	2,224	105
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)	C	09/12/2017	HSBC SECURITIES	10/13/2017	BARCLAYS BANK PLC, LONDON BRANCH	800,000	1,301,840	1,282,000	1,298,884		(2,956)		(2,956)			(16,884)	(16,884)	15,833	8,867
81720T AC 9	SENEGAL, REPUBLIC OF (GOVERNMENT)	C	06/05/2017	MERRILL LYNCH PIERCE FENNER	10/20/2017	Citigroup (SSB)	200,000	204,086	208,125	204,027		(59)		(59)			4,098	4,098	5,243	521
836205 AX 2	SOUTH AFRICA REPUBLIC OF (GOVERNMENT)	C	09/19/2017	HSBC SECURITIES	09/25/2017	VARIOUS	660,000	660,000	662,891	660,000				0			2,891	2,891		
91087B AD 2	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	10/02/2017	HSBC SECURITIES (USA), INC	10/04/2017	BARCLAYS BANK PLC	600,000	598,182	597,120	598,182				0			(1,062)	(1,062)		
M1487W BQ 7	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	C	06/05/2017	CITIGROUP GLOBAL MARKETS INC	09/12/2017	MERRILL LYNCH INTERNATIONAL	200,000	206,300	208,875	206,005		(295)		(295)			2,870	2,870	7,622	4,492

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
M1487W BS 3	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	D	06/05/2017	BNP PARIBAS LONDON BRANCH	08/11/2017	NOMURA INTERNATIONAL PLC	200,000	215,978	216,600	215,985		7		7			615	615	9,208	6,233
M5269U AG 9	JORDAN HASHEMITE KINGDOM OF (GOVERNMENT)	D	07/14/2017	VARIOUS	11/20/2017	GOLDMAN SACHS & CO, NY	700,000	722,350	717,570	721,505		(845)		(845)			(3,935)	(3,935)	34,901	17,033
M5269U AH 7	JORDAN, HASHEMITE KINGDOM OF (GOVERNMENT	D	06/08/2017	Jefferies	11/20/2017	GOLDMAN SACHS & CO, NY	200,000	201,500	197,100	201,462		(38)		(38)			(4,362)	(4,362)	9,328	4,217
M8489S AC 1	QATAR, STATE OF (GOVERNMENT)	C	10/12/2017	VARIOUS	10/24/2017	VARIOUS	600,000	616,430	621,250	616,427		(3)		(3)			4,823	4,823	8,736	7,914
V0055B AG 0	AFRICA FINANCE CORP	D	06/09/2017	MITSUBISHI UFJ SECURITIES	08/08/2017	JEFFERIES INTERNATIONAL LTD	200,000	199,100	199,100	199,122		22		22			(22)	(22)	2,519	1,292
V21735 AA 9	ANGOLA, REPUBLIC OF (GOVERNMENT)	D	06/05/2017	BARCLAYS BANK PLC	08/01/2017	Jefferies	200,000	216,230	214,750	216,048		(182)		(182)			(1,298)	(1,298)	4,275	1,636
V342A3 BV 5	NIGERIA FEDERAL REPUBLIC OF (GOVERNMENT)	D	06/05/2017	CITIGROUP GLOBAL MARKETS INC	08/15/2017	VARIOUS	400,000	443,640	440,000	443,395		(245)		(245)			(3,395)	(3,395)	15,488	10,150
V5311V AB 6	MOROCCO, KINGDOM OF (GOVERNMENT)	D	06/05/2017	HSBC SECURITIES (USA), INC	12/20/2017	MORGAN STANLEY & CO INC, NY	300,000	337,650	339,000	337,236		(414)		(414)			1,764	1,764	8,749	45
V58014 AA 5	CAMEROON, REPUBLIC OF (GOVERNMENT)	C	08/07/2017	GOLDMAN SACHS & CO, NY	09/27/2017	CITIGROUP GLOBAL MARKETS INC	200,000	236,750	235,500	236,209		(541)		(541)			(709)	(709)	6,861	4,222
V6745W AA 0	ETHIOPIA, FEDERAL DEMOCRATIC REPUBLIC OF	C	09/12/2017	VARIOUS	09/27/2017	CITIGROUP GLOBAL MARKETS INC	400,000	407,410	409,000	407,336		(74)		(74)			1,664	1,664	7,950	3,460
V71795 AJ 3	GHANA, REPUBLIC OF (GOVERNMENT)	D	06/05/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK	07/25/2017	GOLDMAN SACHS & CO, NY	200,000	250,854	248,750	250,561		(293)		(293)			(1,811)	(1,811)	6,151	3,524
V7179U AF 6	ZAMBIA, REPUBLIC OF (GOVERNMENT)	C	09/27/2017	CITIGROUP GLOBAL MARKETS INC	10/19/2017	CITIGROUP GLOBAL MARKETS INC	400,000	434,500	436,250	434,330		(170)		(170)			1,920	1,920	8,272	5,880
X5S005 UD 1	UKRAINE, REPUBLIC OF (GOVERMENT)	C	07/14/2017	VARIOUS	10/01/2017	Not Available	1,400,000	1,450,963	1,484,000	1,445,886		(5,077)		(5,077)			38,114	38,114	61,483	36,192
X5S005 UK 5	UKRAINE, REPUBLIC OF (GOVERMENT)	D	08/18/2017	GOLDMAN SACHS & CO, NY	11/06/2017	CITIGROUP GLOBAL MARKETS INC	400,000	400,625	415,500	400,637		12		12			14,863	14,863	21,269	14,058
Y1456T EQ 5	CHINA DEVELOPMENT BANK CORP	D	06/13/2017	Morgan Stanley	11/21/2017	CITIGROUP GLOBAL MARKETS INC	200,000	200,316	202,924	200,308		(8)		(8)			2,616	2,616	5,625	2,644
Y2029S AF 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	09/12/2017	Jefferies	09/18/2017	UBS SECURITIES LLC	200,000	215,900	215,250	215,819		(81)		(81)			(569)	(569)	5,764	5,556
Y2835J AC 2	PAKISTAN, ISLAMIC REPUBLIC OF (GOVERNMEN	D	06/19/2017	Jefferies	11/20/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK	400,000	463,250	442,000	460,733		(2,517)		(2,517)			(18,733)	(18,733)	21,267	7,333
Y7028N FG 5	POWER GRID CORP OF INDIA LTD	C	06/09/2017	GOLDMAN SACHS INTL	09/20/2017	GOLDMAN SACHS INTL	540,000	562,086	560,574	561,089		(997)		(997)			(515)	(515)	14,241	8,486
Y8137F AH 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	09/12/2017	CITIGROUP GLOBAL MARKETS INC	10/18/2017	UBS SECURITIES LLC	400,000	427,940	427,240	427,742		(198)		(198)			(502)	(502)	10,953	8,473
1099999. Total - Bonds - All Other Government							15,690,000	16,795,362	16,955,382	16,779,326	0	(16,035)	0	(16,035)	0	0	176,056	176,056	369,972	184,466
Bonds - U.S. Special Revenue and Special Assessment																				
3128MJ Z5 2	FH G08763 - RMBS	..	09/06/2017	Citigroup (SSB)	11/17/2017	VARIOUS	2,473,275	2,426,708	2,391,070	2,427,218		511		511			(36,149)	(36,149)	13,848	1,718
31418C F6 6	FN MA2888 - RMBS	..	07/12/2017	Bank of Tokyo Mitsubishi	11/28/2017	VARIOUS	9,999,921	9,639,767	9,675,874	9,646,349		6,582		6,582			29,524	29,524	101,532	11,111
64711M 5W 3	NEW MEXICO FIN AUTH REV	..	06/15/2017	Not Available	07/24/2017	Call @ 100.0	1,445,000	1,445,000	1,445,000	1,445,000				0				0	8,218	
64711M 6B 8	NEW MEXICO FIN AUTH REV	..	06/15/2017	Not Available	07/24/2017	Call @ 100.0	2,970,000	2,970,000	2,970,000	2,970,000				0				0	16,892	
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	09/12/2017	BARCLAYS BANK PLC, LONDON BRANCH	09/21/2017	MERRILL LYNCH PIERCE FENNER	300,000	320,550	315,750	320,544		(6)		(6)			(4,794)	(4,794)	4,123	3,655
3199999. Total - Bonds - U.S. Special Revenue and Special Assessments							17,188,196	16,802,025	16,797,694	16,809,111	0	7,087	0	7,087	0	0	(11,419)	(11,419)	144,613	16,484

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - Industrial and Miscellaneous																				
04684L AA 6	ATENTO LUXCO 1 SA	C	08/01/2017	GOLDMAN SACHS & CO, NY	08/22/2017	VARIOUS	140,000	140,000	143,655	140,000				0			3,655	3,655	341	
059597 AE 4	BANCO GENERAL SA	C	07/31/2017	BANK OF AMERICA NATL TR & SVGS, NEW YORK	08/03/2017	CITIGROUP GLOBAL MARKETS LIMITED	260,000	257,564	258,700	257,564				0			1,136	1,136		
05968A AA 4	BANCO DEL ESTADO DE CHILE	C	06/12/2017	BANCO SANTANDER CENTRAL HISPANO	09/19/2017	JEFFERIES INTERNATIONAL LTD	430,000	452,575	456,961	451,349		(1,226)		(1,226)			5,612	5,612	10,321	5,832
12674T AA 4	C&W SENIOR FINANCING DAC	C	09/14/2017	VARIOUS	11/21/2017	VARIOUS	460,000	469,750	481,262	469,666		(84)		(84)			11,596	11,596	8,456	1,222
14040H BP 9	CAPITAL ONE FINANCIAL CORP		05/09/2017	MORGAN STANLEY CO	10/13/2017	MARKETAXESS CORPORATION	2,000,000	1,996,840	2,013,520	1,997,278		438		438			16,242	16,242	21,528	
17252M AM 2	CINTAS CORPORATION NO 2		03/09/2017	KEYBANK CAPITAL MARKETS INC	06/01/2017	JP MORGAN SECURITIES INC	2,650,000	2,646,502	2,674,884	2,646,530		28		28			28,353	28,353	3,202	
31572U AF 3	FIBRIA OVERSEAS FINANCE LTD	C	09/13/2017	VARIOUS	09/13/2017	Citi Bank	300,000	311,107	308,983	310,990		(116)		(116)			(2,008)	(2,008)	6,785	4,547
575767 AL 2	MASSACHUSETTS MUTUAL LIFE INSURANCE CO		11/01/2017	Citigroup (SSB)	06/01/2017	Adjustment	550,000	545,045	545,045	545,045				0				0		
65334H AG 7	NEXEN INC	C	06/12/2017	BARCLAYS CAPITAL SECURITIES	06/21/2017	MILLENNIUM ADVISORS LLC	360,000	461,592	465,419	461,513		(79)		(79)			3,906	3,906	2,432	1,856
65540J AC 2	NONGHYUP BANK	C	11/01/2017	SOCIETE GENERALE - LONDON	11/01/2017	STANDARD CHARTERED BANK LONDON	468,000	465,538	467,438	465,622		84		84			1,816	1,816	2,429	
69033D AC 1	OVERSEA CHINESE BANKING CORP LTD	C	09/13/2017	VARIOUS	11/28/2017	BARCLAYS CAPITAL SECURITIES	570,000	600,301	596,163	598,876		(1,425)		(1,425)			(2,713)	(2,713)	18,696	9,675
706451 BG 5	PETROLEOS MEXICANOS		06/05/2017	HSBC SECURITIES	06/22/2017	MERRILL LYNCH PIERCE FENNER	700,000	745,360	728,350	745,299		(61)		(61)			(16,949)	(16,949)	24,733	22,286
71647N AP 4	PETROBRAS GLOBAL FINANCE BV	C	09/13/2017	VARIOUS	09/27/2017	VARIOUS	640,000	726,345	735,961	725,082		(1,263)		(1,263)			10,879	10,879	18,175	13,954
71647N AS 8	PETROBRAS GLOBAL FINANCE BV	C	07/13/2017	VARIOUS	08/09/2017	BARCLAYS BANK PLC, LONDON BRANCH	340,000	364,444	368,900	364,298		(146)		(146)			4,602	4,602	1,881	
71647N AW 9	PETROBRAS GLOBAL FINANCE BV	C	09/27/2017	CORPORATE ACTION	10/05/2017	VARIOUS	315,225	301,283	317,115	301,314		31		31			15,801	15,801	682	7,789
71656L BS 9	PETROLEOS MEXICANOS	C	07/13/2017	HSBC SECURITIES	10/16/2017	BNYM/DBAG LONDON GLOBAL MARKET	480,000	508,964	519,840	508,351		(613)		(613)			11,489	11,489	18,633	10,869
82460C AL 8	SHINHAN BANK	C	12/01/2017	MERRILL LYNCH INTERNATIONAL	12/01/2017	VARIOUS	500,000	495,555	501,875	495,626		71		71			6,248	6,248	3,593	
82460E AJ 9	SHINHAN BANK	C	09/13/2017	VARIOUS	11/29/2017	VARIOUS	400,000	405,560	405,236	405,391		(169)		(169)			(155)	(155)	10,549	5,403
82571B AB 8	SIAM COMMERCIAL BANK PCL	C	09/14/2017	VARIOUS	11/21/2017	VARIOUS	405,000	413,100	410,523	411,694		(1,406)		(1,406)			(1,171)	(1,171)	8,783	4,446
90014T AC 5	TURKIYE CUMHURIYETI ZIRAAT BANKASI AS	C	09/25/2017	GOLDMAN SACHS INTL	11/20/2017	VARIOUS	474,000	474,000	469,411	474,000				0			(4,589)	(4,589)	2,328	
921946 88 5	VANGUARD EMERGING MARKT GOVT BND ETF		06/07/2017	PERSHING DIV OF DLJ SEC LNDING	06/20/2017	PERSHING DIV OF DLJ SEC LNDING		981,592	989,235	981,592				0			7,643	7,643	7,374	
98105H AE 0	WOORI BANK	C	08/01/2017	MERRILL LYNCH INTERNATIONAL	11/16/2017	CITIGROUP GLOBAL MARKETS LIMITED	200,000	197,900	198,500	197,925		25		25			575	575	5,825	2,050
A9890A AA 8	BAHIA SUL HOLDINGS GMBH	C	06/15/2017	HSBC Bank PLC	09/13/2017	JEFFERIES INTERNATIONAL LTD	200,000	208,700	215,250	208,525		(175)		(175)			6,725	6,725	7,699	4,951
G09579 AA 4	BEIJING GAS SINGAPORE CAPITAL CORP	D	09/13/2017	VARIOUS	11/07/2017	BARCLAYS CAPITAL SECURITIES	586,000	584,541	581,779	584,577		36		36			(2,798)	(2,798)	6,247	4,562
G1818U AD 8	CANARA BANK LTD	C	09/20/2017	GOLDMAN SACHS INTL	09/28/2017	Morgan Stanley	570,000	573,910	572,844	573,891		(19)		(19)			(1,046)	(1,046)	2,676	2,161
G2353W AA 9	CNOOC FINANCE 2011 LTD	D	06/09/2017	HSBC Bank PLC	06/21/2017	HSBC Bank PLC	260,000	274,820	274,149	274,723		(97)		(97)			(574)	(574)	4,512	4,236
G2440J AG 0	GTL TRADE FINANCE INC	C	06/08/2017	BANCO SANTANDER CENTRAL HISPANO	08/10/2017	UBS AG London	200,000	193,840	205,354	193,867		27		27			11,487	11,487	4,753	2,256
G24422 AA 8	GTL TRADE FINANCE INC	C	06/08/2017	HSBC Bank PLC	07/13/2017	MERRILL LYNCH INTERNATIONAL	400,000	401,400	408,000	401,391		(9)		(9)			6,609	6,609	5,107	2,816
G2444P AA 5	COSL FINANCE (BVI) LTD	C	06/09/2017	WELLS FARGO SECURITIES INTERNATIONAL LTD	06/21/2017	Morgan Stanley	840,000	839,009	836,640	839,016		7		7			(2,376)	(2,376)	8,114	7,432

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
G3330K AA 1	FRANSHION BRILLIANT LTD	D	06/20/2017	VARIOUS	11/09/2017	GOLDMAN SACHS INTL	600,000	628,648	622,800	622,277		(6,371)		(6,371)			523	523	22,425	8,817
G3704M AA 5	FWD LTD	C	06/09/2017	Morgan Stanley	10/02/2017	BARCLAYS CAPITAL SECURITIES	200,000	214,606	212,876	214,077		(529)		(529)			(1,201)	(1,201)	5,278	2,194
G3946K AA 7	GOHL CAPITAL LTD	C	06/15/2017	BNP PARIBAS LONDON BRANCH	10/31/2017	HSBC Bank PLC	400,000	418,512	415,300	417,919		(593)		(593)			(2,619)	(2,619)	13,128	6,847
G42036 AB 2	GRUPOSURA FINANCE	C	07/17/2017	VARIOUS	09/29/2017	VARIOUS	460,000	495,900	502,550	495,010		(890)		(890)			7,540	7,540	10,785	4,153
G42037 AA 2	REGAL FOREST HOLDING CO LTD	C	06/15/2017	PERSHING SECURITIES LIMITED	07/28/2017	CANTOR FITZGERALD & CO	200,000	216,120	217,000	215,900		(220)		(220)			1,100	1,100	5,469	3,588
G463PC AG 4	HUARONG FINANCE II CO LTD	D	09/13/2017	ING BANK N.V. - AMSTERDAM	11/01/2017	BARCLAYS CAPITAL SECURITIES	300,000	299,508	298,854	299,550		42		42			(696)	(696)	3,438	2,338
G4R029 AA 2	HKT CAPITAL NO 4 LTD	C	09/13/2017	VARIOUS	10/10/2017	Morgan Stanley	810,000	778,658	778,248	779,445		788		788			(1,197)	(1,197)	12,090	6,191
G6217E AD 0	MMC FINANCE LTD	D	06/09/2017	BNY/VTB CAPITAL PLC	06/14/2017	ING BANK N.V. - AMSTERDAM	610,000	690,978	688,690	690,866		(112)		(112)			(2,176)	(2,176)	6,960	6,623
G781A6 AB 9	SAUDI ELECTRICITY GLOBAL SUKUK CO	C	09/18/2017	HSBC Bank PLC	10/16/2017	Morgan Stanley	200,000	210,000	208,500	209,989		(11)		(11)			(1,489)	(1,489)	5,341	4,554
G781A6 AD 5	SAUDI ELECTRICITY GLOBAL SUKUK CO 3	C	09/14/2017	VARIOUS	10/16/2017	CITIGROUP GLOBAL MARKETS LIMITED	400,000	437,900	441,500	437,813		(87)		(87)			3,687	3,687	11,611	7,975
G81043 AG 9	SHIMAO PROPERTY HOLDINGS LTD	C	06/15/2017	CITIGROUP GLOBAL MARKETS LIMITED	10/17/2017	VARIOUS	400,000	447,620	441,500	441,923		(5,697)		(5,697)			(423)	(423)	22,426	12,004
G8115E AA 5	SIAM COMMERCIAL BANK PUBLIC COMPANY LIMI	C	06/09/2017	ING BANK N.V. - AMSTERDAM	09/05/2017	BARCLAYS CAPITAL SECURITIES	600,000	609,402	614,280	609,008		(394)		(394)			5,272	5,272	11,787	7,307
G8189Y AC 8	SINOPEC GROUP OVERSEAS DEVELOPMENT (2012	D	06/05/2017	BARCLAYS BANK PLC, LONDON BRANCH	06/21/2017	NOMURA SECURITIES/FIXED INCOME.	200,000	224,600	225,000	224,572		(28)		(28)			428	428	1,056	569
G82003 AE 7	SINOPEC GROUP OVERSEAS DEVELOPMENT 2014	D	06/05/2017	Jefferies	06/21/2017	NOMURA SECURITIES INTERNATIONAL	200,000	215,434	214,700	215,357		(77)		(77)			(657)	(657)	1,847	1,507
G8669Q AB 6	TALENT YIELD INVESTMENTS LTD	D	06/09/2017	NOMURA INTERNATIONAL PLC	11/28/2017	BARCLAYS CAPITAL SECURITIES	260,000	277,662	275,444	276,095		(1,567)		(1,567)			(651)	(651)	6,988	1,593
L8800M AH 6	STEEL CAPITAL SA	D	06/08/2017	Royal Bank of Scotland Securities	06/14/2017	BARCLAYS CAPITAL SECURITIES	910,000	925,516	922,513	925,480		(36)		(36)			(2,967)	(2,967)	10,608	10,219
M0375Y AM 0	AKBANK TAS	D	11/10/2017	BNP PARIBAS, S.A.	12/05/2017	Morgan Stanley	200,000	205,500	209,000	205,433		(67)		(67)			3,567	3,567	3,240	2,320
M15636 AH 2	AXIS BANK LTD (DUBAI BRANCH)	D	06/20/2017	GOLDMAN SACHS INTL	06/23/2017	STANDARD CHARTERED BANK LONDON	280,000	279,496	278,846	279,498		2		2			(651)	(651)	581	470
M8933F AF 4	TURKIYE IS BANKASI AS	C	06/15/2017	Deutsche Bank AG New York Branch	10/05/2017	Morgan Stanley	200,000	203,180	203,500	203,036		(144)		(144)			464	464	5,533	1,833
M9869G JY 8	YAPI VE KREDI BANKASI AS	D	11/02/2017	Morgan Stanley	12/14/2017	MERRILL LYNCH INTERNATIONAL	200,000	212,500	214,500	212,069		(431)		(431)			2,431	2,431	4,675	2,692
N1384F AB 1	BHARTI AIRTEL INTERNATIONAL NETHERLANDS	C	06/09/2017	STANDARD CHARTERED BANK LONDON	08/18/2017	BNP PARIBAS, S.A.	200,000	213,358	213,420	213,041		(317)		(317)			379	379	2,764	713
N4826L AC 6	KAZAKHSTAN TEMIR ZHOLY FINANCE BV	D	06/05/2017	CITIGROUP GLOBAL MARKETS INC	11/03/2017	Not Available	200,000	217,610	222,506	215,266		(2,344)		(2,344)			7,240	7,240	8,279	2,340
N55218 AL 0	LUKOIL INTERNATIONAL FINANCE BV.	D	07/17/2017	VARIOUS	08/04/2017	BARCLAYS CAPITAL SECURITIES	800,000	824,400	826,000	823,919		(481)		(481)			2,081	2,081	10,546	5,881
N64884 AA 2	ZHAIKMUNAI	..	06/15/2017	Credit Suisse First Boston	07/31/2017	Not Available	200,000	201,780	195,200	201,675		(105)		(105)			(6,475)	(6,475)	12,715	4,427
P13296 AM 3	BANCO INBURSA SA INSTITUCION DE BANCA MU	C	07/17/2017	VARIOUS	09/29/2017	VARIOUS	940,000	936,050	943,573	936,190		140		140			7,382	7,382	18,075	7,958
P14008 AC 3	BANCO MERCANTIL DEL NORTE SA (CAYMAN ISL	C	08/01/2017	Morgan Stanley	12/15/2017	MERRILL LYNCH INTERNATIONAL	200,000	202,400	202,750	202,318		(82)		(82)			432	432	8,146	2,396
P1905C AE 0	BRF SA	D	06/08/2017	BANCO SANTANDER CENTRAL HISPANO	06/29/2017	MERRILL LYNCH INTERNATIONAL	200,000	197,620	196,500	197,637		17		17			(1,137)	(1,137)	1,082	528
P2205J AL 4	CENCOSUD SA	C	06/12/2017	Deutsche Bank AG New York Branch	09/11/2017	HSBC Bank PLC	370,000	401,635	405,150	401,556		(79)		(79)			3,594	3,594	14,367	8,307
P2894N AC 1	COLUMBUS INTERNATIONAL INC	C	06/15/2017	JEFFERIES INTERNATIONAL LTD	09/18/2017	Call @ 100.0	200,000	212,602	200,000	211,188		(1,414)		(1,414)			(11,188)	(11,188)	20,022	3,237
P3063D AA 0	COMPANIA GENERAL DE COMBUSTIBLES SA	C	06/20/2017	BANCO ITAU (ITAUBRSP)	07/31/2017	VARIOUS	200,000	215,600	212,024	215,358		(242)		(242)			(3,334)	(3,334)	4,381	2,375

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
P47718 AC 8	GLOBAL BANK CORP	C	09/13/2017	VARIOUS	11/29/2017	VARIOUS	1,310,000	1,335,320	1,335,596	1,333,578		(1,742)		(1,742)			2,019	2,019	34,533	13,436
P98088 AA 8	VOTORANTIM CIMENTOS BRASIL SA	C	06/05/2017	NOMURA SECURITIES/FIXED INCOME	10/18/2017	NOMURA SECURITIES INTERNATIONAL	400,000	396,600	429,200	396,679		79		79			32,521	32,521	15,708	5,075
U1065P AA 9	BRASKEM AMERICA FINANCE CO	C	06/08/2017	PERSHING SECURITIES LIMITED	08/10/2017	STANDARD CHARTERED BANK LONDON	200,000	212,540	221,100	212,521		(19)		(19)			8,579	8,579	7,996	5,542
U75888 AC 8	RELIANCE HOLDING USA INC	C	09/13/2017	WELLS FARGO SECURITIES INTERNATIONAL LTD	10/30/2017	UBS AG London	250,000	276,270	274,703	275,553		(717)		(717)			(850)	(850)	2,888	1,163
V00568 AA 9	AFRICA FINANCE CORP	C	09/13/2017	VARIOUS	10/10/2017	VARIOUS	1,040,000	1,080,735	1,077,700	1,078,968		(1,767)		(1,767)			(1,268)	(1,268)	20,576	15,065
V6143X AB 4	MTN (MAURITIUS) INVESTMENTS LTD	D	09/13/2017	BARCLAYS CAPITAL SECURITIES	11/01/2017	VARIOUS	400,000	428,590	433,040	428,080		(510)		(510)			4,960	4,960	14,444	7,872
V6560A AD 4	OCP SA	D	09/13/2017	VARIOUS	12/20/2017	Jefferies	500,000	569,290	572,000	568,872		(418)		(418)			3,128	3,128	22,630	8,040
Y0889V AA 8	BHARTI AIRTEL LTD	C	06/09/2017	NOMURA INTERNATIONAL PLC	08/17/2017	STANDARD CHARTERED BANK LONDON	200,000	201,480	202,240	201,451		(29)		(29)			789	789	1,726	92
Y0R15U CU 2	ADANI TRANSMISSION LTD	C	07/17/2017	PERSHING SECURITIES LIMITED	09/20/2017	VARIOUS	510,000	513,138	514,641	513,105		(34)		(34)			1,537	1,537	12,199	8,201
Y3R559 AL 6	ICBCIL FINANCE CO LTD	C	06/15/2017	Morgan Stanley	09/28/2017	WELLS FARGO SECURITIES INTERNATIONAL LTD	200,000	200,930	199,876	200,907		(23)		(23)			(1,031)	(1,031)	2,678	604
Y6S28S AE 6	ONGC VIDESH LTD	D	06/09/2017	STANDARD CHARTERED BANK LONDON	06/21/2017	UBS AG London	820,000	873,226	874,612	873,050		(176)		(176)			1,562	1,562	16,645	15,591
Y6S63R D4 3	NONGHYUP BANK	C	07/17/2017	MERRILL LYNCH INTERNATIONAL	10/24/2017	BNP PARIBAS, S.A.	240,000	242,777	241,099	242,536		(241)		(241)			(1,437)	(1,437)	5,252	3,393
Y7150W AA 3	PTT GLOBAL CHEMICAL PCL	C	06/20/2017	BARCLAYS CAPITAL SECURITIES	08/15/2017	JEFFERIES INTERNATIONAL LTD	400,000	426,404	425,492	425,705		(703)		(703)			(213)	(213)	6,989	4,392
Y72827 AC 5	RHB BANK BHD	D	06/16/2017	BARCLAYS CAPITAL SECURITIES	06/23/2017	JEFFERIES INTERNATIONAL LTD	540,000	532,548	532,116	532,585		37		37			(469)	(469)	3,041	2,741
Y8158K AB 7	AZERBAIJAN RESPUBLIKASI DOVLAT NEFT SHIR	D	06/15/2017	HSBC Bank PLC	06/21/2017	ING BANK N.V. - AMSTERDAM	200,000	197,210	192,500	197,215		5		5			(4,715)	(4,715)	2,639	2,533
Y8158K AC 5	AZERBAIJAN RESPUBLIKASI DOVLAT NEFT SHIR	D	06/05/2017	GOLDMAN SACHS & CO, NY	06/30/2017	MERRILL LYNCH INTERNATIONAL	200,000	217,480	209,500	217,430		(50)		(50)			(7,930)	(7,930)	4,131	3,282
Y9T10P X2 6	UNITED OVERSEAS BANK LTD	D	06/20/2017	BARCLAYS CAPITAL SECURITIES	11/21/2017	VARIOUS	680,000	694,953	689,357	693,554		(1,399)		(1,399)			(4,198)	(4,198)	16,396	6,347
Y9T10P X9 1	UNITED OVERSEAS BANK LTD	D	06/09/2017	HSBC Bank PLC	11/21/2017	UBS AG London	410,000	403,481	405,006	403,752		271		271			1,254	1,254	8,397	3,116
3899999. Total - Bonds - Industrial and Miscellaneous							35,338,225	37,454,904	37,583,494	37,420,001	0	(34,906)	0	(34,906)	0	0	163,492	163,492	680,365	356,784
Bonds - Hybrid Securities																				
P1507S AD 9	BANCO SANTANDER SA	C	06/08/2017	HSBC Bank PLC	09/28/2017	MORGAN STANLEY & CO INC, NY	510,000	534,735	532,950	530,175		(4,560)		(4,560)			2,775	2,775	20,399	11,127
Y9T10P N8 4	UNITED OVERSEAS BANK LTD	C	07/17/2017	BARCLAYS CAPITAL SECURITIES	10/24/2017	VARIOUS	930,000	950,829	949,393	948,269		(2,560)		(2,560)			1,124	1,124	19,680	9,797
4899999. Total - Bonds - Hybrid Securities							1,440,000	1,485,564	1,482,343	1,478,444	0	(7,120)	0	(7,120)	0	0	3,899	3,899	40,079	20,924
8399998. Total - Bonds							178,681,421	181,645,736	181,665,113	181,620,355	0	(25,381)	0	(25,381)	0	0	44,754	44,754	2,113,104	1,014,233
Preferred Stocks - Industrial and Miscellaneous																				
85917A 20 9	ASTORIA FINANCIAL CORP	..	10/02/2017	CORPORATE ACTION	12/20/2017	MERRILL LYNCH PIERCE FENNER	8,724.000	220,896	228,564	220,896				0			7,668	7,668		
8499999. Total - Preferred Stocks - Industrial and Miscellaneous								220,896	228,564	220,896	0	0	0	0	0	0	7,668	7,668	0	0
8999998. Total - Preferred Stocks								220,896	228,564	220,896	0	0	0	0	0	0	7,668	7,668	0	0
Common Stocks - Industrial and Miscellaneous																				
001228 10 5	AG MORTGAGE INVEST TRUST REIT ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	5,800.000	101,413	106,791	101,413				0			5,378	5,378	5,510	
00130H 10 5	AES ORD	..	10/03/2017	VARIOUS	11/20/2017	VARIOUS	85,000.000	952,675	950,491	952,675				0			(2,184)	(2,184)	10,200	
002824 10 0	ABBOTT LABORATORIES ORD	..	01/05/2017	FOX RIVER EXECUTION TECHNOLOGY	10/26/2017	DEUTSCHE BANK SECURITIES, INC	11,000.000	436,755	566,112	436,755				0			129,357	129,357	9,805	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
00817Y 10 8	AETNA ORD	..	03/31/2017	Jefferies	10/17/2017	VARIOUS	5,000.000	637,788	771,617	637,788				0			133,830	133,830	6,500	
023608 10 2	AMEREN ORD	..	08/31/2017	Goldman Sachs	10/17/2017	GOLDMAN	7,000.000	419,965	426,605	419,965				0			6,640	6,640	3,080	
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	07/31/2017	VARIOUS	12/12/2017	VARIOUS	19,000.000	1,304,575	1,365,101	1,304,575				0			60,526	60,526	18,145	
02553E 10 6	AMERICAN EAGLE OUTFITTERS ORD	..	03/31/2017	Jefferies	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	140,375	112,248	140,375				0			(28,127)	(28,127)	1,250	
026874 78 4	AMERICAN INTERNATIONAL GROUP ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	192,735	183,011	192,735				0			(9,724)	(9,724)	1,920	
03027X 10 0	AMERICAN TOWER REIT	..	04/07/2017	BARCLAYS CAPITAL INC./LE	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	244,255	255,804	244,255				0			11,549	11,549	1,240	
03071H 10 0	AMERISAFE ORD	..	11/10/2017	GOLDMAN	12/27/2017	Jefferies	2,000.000	127,985	122,182	127,985				0			(5,803)	(5,803)	7,400	
031162 10 0	AMGEN ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/22/2017	VARIOUS	10,000.000	1,570,330	1,709,251	1,570,330				0			138,921	138,921	25,300	
032654 10 5	ANALOG DEVICES ORD	..	03/10/2017	VARIOUS	08/04/2017	VARIOUS	1,448.000	108,943	113,479	108,943				0			4,537	4,537	1,147	
037411 10 5	APACHE ORD	..	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	269,975	234,920	269,975				0			(35,055)	(35,055)	1,250	
03762U 10 5	APOLLO COMM REAL EST FIN REIT ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	03/31/2017	Jefferies	34,200.000	598,329	643,031	598,329				0			44,702	44,702	15,732	
042315 50 7	ARMOUR RESIDENTIAL REIT ORD	..	08/04/2017	Jefferies	09/25/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	128,438	132,072	128,438				0			3,634	3,634	1,900	
04316A 10 8	ARTISAN PARTNERS ASSET MGMT CL A ORD	..	02/09/2017	VARIOUS	03/31/2017	Jefferies	11,000.000	329,418	303,511	329,418				0			(25,907)	(25,907)	10,560	
053484 10 1	AVALONBAY COMMUNITIES REIT ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/04/2017	VARIOUS	5,000.000	915,680	935,440	915,680				0			19,760	19,760	9,940	
05351W 10 3	AVANGRID ORD	C	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/18/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	229,025	219,970	229,025				0			(9,055)	(9,055)	2,160	
053611 10 9	AVERY DENNISON ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	09/06/2017	GOLDMAN	5,000.000	394,538	465,414	394,538				0			70,877	70,877	6,550	
05508R 10 6	B AND G FOODS ORD	..	06/20/2017	DEUTSCHE BANK SECURITIES, INC	10/17/2017	GOLDMAN	5,000.000	183,775	161,221	183,775				0			(22,554)	(22,554)	4,650	
062540 10 9	BANK OF HAWAII ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	04/11/2017	Jefferies	2,000.000	167,875	161,061	167,875				0			(6,814)	(6,814)	1,000	
06652K 10 3	BANKUNITED ORD	..	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	180,925	164,971	180,925				0			(15,954)	(15,954)	1,050	
067774 10 9	BARNES AND NOBLE ORD	..	03/31/2017	Jefferies	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	10,000.000	92,575	69,948	92,575				0			(22,627)	(22,627)	1,500	
086516 10 1	BEST BUY ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/18/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	298,375	278,919	298,375				0			(19,456)	(19,456)	1,700	
09247X 10 1	BLACKROCK ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	1,100.000	415,872	481,376	415,872				0			65,505	65,505	8,250	
096761 10 1	BOB EVANS FARMS ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/13/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	679,700	670,963	679,700				0			(8,738)	(8,738)	78,400	
10922N 10 3	BRIGHTHOUSE FINANCIAL ORD	..	08/07/2017	CORPORATE ACTION	09/25/2017	VARIOUS	909.091	47,912	53,340	47,912				0			5,428	5,428		
109641 10 0	BRINKER INTERNATIONAL ORD	..	08/31/2017	Goldman Sachs	10/17/2017	GOLDMAN	6,000.000	187,350	194,066	187,350				0			6,716	6,716	2,280	
110122 10 8	BRISTOL MYERS SQUIBB ORD	..	09/25/2017	VARIOUS	11/15/2017	VARIOUS	39,000.000	2,107,583	2,165,902	2,107,583				0			58,320	58,320	26,520	
115637 20 9	BROWN FORMAN CL B ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/18/2017	DEUTSCHE BANK SECURITIES, INC	5,700.000	282,806	274,420	282,806				0			(8,385)	(8,385)	1,040	
118440 10 6	BUCKLE ORD	..	01/05/2017	FOX RIVER EXECUTION TECHNOLOGY	03/03/2017	FOX RIVER EXECUTION TECHNOLOGY	7,000.000	157,535	127,428	157,535				0			(30,107)	(30,107)	7,000	

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12541W 20 9	CH ROBINSON WORLDWIDE ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	226,883	218,140	226,883				0			(8,742)	(8,742)	1,350	
12662P 10 8	CVR ENERGY ORD	..	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	DEUTSCHE BANK SECURITIES, INC	6,000.000	131,790	129,327	131,790				0			(2,463)	(2,463)	3,000	
126650 10 0	CVS HEALTH ORD	..	07/13/2017	VARIOUS	11/15/2017	VARIOUS	34,000.000	2,744,543	2,507,358	2,744,543				0			(237,184)	(237,184)	39,500	
12673P 10 5	CA ORD	..	02/09/2017	VARIOUS	12/04/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	314,713	327,453	314,713				0			12,740	12,740	7,854	
134429 10 9	CAMPBELL SOUP ORD	..	07/06/2017	VARIOUS	10/17/2017	VARIOUS	6,300.000	340,488	304,112	340,488				0			(36,376)	(36,376)	3,955	
14149Y 10 8	CARDINAL HEALTH ORD	..	09/06/2017	VARIOUS	10/26/2017	VARIOUS	20,900.000	1,510,701	1,412,134	1,510,701				0			(98,567)	(98,567)	10,568	
141624 10 6	CARE CAPITAL PROPERTIES ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	VARIOUS	17,000.000	434,245	421,126	434,245				0			(13,119)	(13,119)	9,690	
156700 10 6	CENTURYLINK ORD	..	10/26/2017	VARIOUS	12/12/2017	VARIOUS	28,000.000	655,590	593,527	655,590				0			(62,063)	(62,063)	15,120	
16934Q 20 8	CHIMERA INVESTMENT REIT	..	09/06/2017	VARIOUS	10/26/2017	VARIOUS	27,900.000	513,119	522,183	513,119				0			9,064	9,064	19,950	
172062 10 1	CINCINNATI FINANCIAL ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	278,940	284,214	278,940				0			5,274	5,274	2,000	
189054 10 9	CLOROX ORD	..	01/05/2017	FOX RIVER EXECUTION TECHNOLOGY	10/26/2017	VARIOUS	3,000.000	368,115	386,232	368,115				0			18,117	18,117	7,824	
191216 10 0	COCA-COLA ORD	..	02/09/2017	VARIOUS	12/12/2017	VARIOUS	46,000.000	1,908,590	2,108,450	1,908,590				0			199,860	199,860	62,900	
194162 10 3	COLGATE PALMOLIVE ORD	..	03/31/2017	VARIOUS	10/26/2017	DEUTSCHE BANK SECURITIES, INC	13,000.000	919,855	928,614	919,855				0			8,759	8,759	16,350	
19625W 10 4	COLONY NORTHSTAR CL A ORD	..	09/13/2017	VARIOUS	10/03/2017	GOLDMAN	24,000.000	324,313	302,993	324,313				0			(21,320)	(21,320)	9,450	
20825C 10 4	CONOCOPHILLIPS ORD	..	07/06/2017	DEUTSCHE BANK SECURITIES, INC	10/26/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	216,575	257,269	216,575				0			40,694	40,694	2,650	
209034 10 7	CONSOLIDATED COMMUNICATIONS HLDG ORD	..	07/06/2017	VARIOUS	08/22/2017	VARIOUS	14,000.000	318,417	271,314	318,417				0			(47,103)	(47,103)	5,423	
209115 10 4	CONSOLIDATED EDISON ORD	..	07/31/2017	VARIOUS	12/27/2017	VARIOUS	15,000.000	1,147,620	1,252,115	1,147,620				0			104,495	104,495	23,805	
21871N 10 1	CORECIVIC REIT ORD	..	09/25/2017	DEUTSCHE BANK SECURITIES, INC	10/03/2017	GOLDMAN	10,000.000	267,350	259,444	267,350				0			(7,906)	(7,906)	6,300	
22160K 10 5	COSTCO WHOLESALE ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	1,320,050	1,285,636	1,320,050				0			(34,414)	(34,414)	63,600	
22410J 10 6	CRACKER BARREL OLD COUNTRY STORE ORD	..	09/25/2017	VARIOUS	11/15/2017	VARIOUS	5,700.000	898,429	883,545	898,429				0			(14,884)	(14,884)	15,555	
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	11/06/2017	DEUTSCHE BANK SECURITIES, INC	1,000.000	104,595	111,802	104,595				0			7,207	7,207	1,900	
229899 10 9	CULLEN FROST BANKERS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	3,000.000	268,793	266,169	268,793				0			(2,623)	(2,623)	1,620	
232806 10 9	CYPRESS SEMICONDUCTOR ORD	..	09/08/2017	DEUTSCHE BANK SECURITIES, INC	10/26/2017	DEUTSCHE BANK SECURITIES, INC	16,000.000	213,680	250,954	213,680				0			37,274	37,274	2,640	
233331 10 7	DTE ENERGY ORD	..	08/31/2017	VARIOUS	10/17/2017	VARIOUS	17,500.000	1,877,973	1,862,115	1,877,973				0			(15,857)	(15,857)	14,438	
253868 10 3	DIGITAL REALTY REIT ORD	..	09/14/2017	VARIOUS	10/03/2017	VARIOUS	5,725.000	550,173	656,089	550,173				0			105,916	105,916	5,324	
254423 10 6	DINEEQUITY ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/18/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	235,825	214,070	235,825				0			(21,755)	(21,755)	4,850	
257867 20 0	RR DONNELLEY AND SONS ORD	..	08/04/2017	Jefferies	11/20/2017	Jefferies	10,000.000	94,475	81,023	94,475				0			(13,452)	(13,452)	2,800	
260543 10 3	THE DOW CHEMICAL COMPANY	..	06/12/2017	VARIOUS	08/31/2017	VARIOUS	5,000.000	312,580	317,072	312,580				0			4,492	4,492	3,680	
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	10/26/2017	DEUTSCHE BANK SECURITIES, INC	1,300.000	119,243	112,389	119,243				0			(6,854)	(6,854)	2,262	

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
263534 10 9	E I DU PONT DE NEMOURS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	06/12/2017	DEUTSCHE BANK SECURITIES, INC	1,500.000	114,566	123,200	114,566				0			8,634	8,634	1,140	
26441C 20 4	DUKE ENERGY ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	12/27/2017	Jefferies	2,000.000	154,070	167,941	154,070				0			13,871	13,871	6,980	
281020 10 7	EDISON INTERNATIONAL ORD	..	06/12/2017	VARIOUS	07/31/2017	VARIOUS	17,000.000	1,356,055	1,340,455	1,356,055				0			(15,600)	(15,600)	9,223	
29364G 10 3	ENTERGY ORD	..	10/26/2017	VARIOUS	12/12/2017	VARIOUS	8,000.000	639,880	645,568	639,880				0			5,688	5,688	11,370	
29476L 10 7	EQUITY RESIDENTIAL REIT ORD	..	06/20/2017	DEUTSCHE BANK SECURITIES, INC	06/30/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	545,320	526,588	545,320				0			(18,732)	(18,732)	4,030	
297178 10 5	ESSEX PROPERTY REIT ORD	..	06/12/2017	DEUTSCHE BANK SECURITIES, INC	06/30/2017	DEUTSCHE BANK SECURITIES, INC	1,000.000	262,645	257,259	262,645				0			(5,386)	(5,386)	1,750	
30225T 10 2	EXTRA SPACE STORAGE REIT ORD	..	06/12/2017	VARIOUS	06/30/2017	VARIOUS	4,000.000	300,400	303,053	300,400				0			2,653	2,653	3,120	
30231G 10 2	EXXON MOBIL ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/31/2017	Goldman Sachs	59,500.000	4,939,213	4,541,233	4,939,213				0			(397,980)	(397,980)	106,255	
311900 10 4	FASTENAL ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	455,850	429,540	455,850				0			(26,310)	(26,310)	3,840	
32055Y 20 1	FIRST INTERSTATE BANCSYSTEM CL A ORD	..	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	116,565	113,383	116,565				0			(3,182)	(3,182)	720	
337932 10 7	FIRSTENERGY ORD	..	10/26/2017	DEUTSCHE BANK SECURITIES, INC	12/12/2017	VARIOUS	30,000.000	940,250	925,779	940,250				0			(14,471)	(14,471)	14,400	
345370 86 0	FORD MOTOR ORD	..	09/25/2017	DEUTSCHE BANK SECURITIES, INC	12/12/2017	BARCLAYS CAPITAL INC./LE	25,000.000	298,625	314,805	298,625				0			16,180	16,180	3,750	
35906A 10 8	FRONTIER COMMUNICATIONS ORD	..	03/10/2017	VARIOUS	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	50,000.000	146,000	95,248	146,000				0			(50,752)	(50,752)	5,250	
36162J 10 6	GEO GROUP REIT ORD	..	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	05/31/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	101,865	89,803	101,865				0			(12,062)	(12,062)	1,410	
36174X 10 1	GGP ORD	..	04/07/2017	BARCLAYS CAPITAL INC./LE	05/31/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	115,338	111,373	115,338				0			(3,965)	(3,965)	1,100	
36467J 10 8	GAMING AND LEISURE PROPERTIES REIT ORD	..	09/06/2017	VARIOUS	12/04/2017	VARIOUS	10,000.000	356,883	341,072	356,883				0			(15,811)	(15,811)	13,780	
36467W 10 9	GAMESTOP CL A ORD	..	09/06/2017	VARIOUS	12/12/2017	VARIOUS	28,000.000	612,910	576,235	612,910				0			(36,675)	(36,675)	21,280	
369604 10 3	GENERAL ELECTRIC ORD	..	06/12/2017	VARIOUS	10/17/2017	VARIOUS	34,100.000	992,962	879,669	992,962				0			(113,294)	(113,294)	10,584	
370334 10 4	GENERAL MILLS ORD	..	09/06/2017	VARIOUS	11/06/2017	VARIOUS	35,400.000	1,992,699	1,903,566	1,992,699				0			(89,133)	(89,133)	22,192	
37045V 10 0	GENERAL MOTORS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	175,438	169,821	175,438				0			(5,616)	(5,616)	1,900	
371901 10 9	GENTEX ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/13/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	198,050	181,046	198,050				0			(17,004)	(17,004)	1,000	
372460 10 5	GENUINE PARTS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	03/31/2017	Jefferies	5,000.000	498,388	462,002	498,388				0			(36,385)	(36,385)	3,375	
38376A 10 3	GOVERNMENT PROPERTIES INCOME REIT ORD	..	06/30/2017	DEUTSCHE BANK SECURITIES, INC	07/31/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	146,520	141,797	146,520				0			(4,723)	(4,723)	3,440	
38741L 10 7	GRANITE POINT MORTGAGE TRUST ORD	..	11/01/2017	CORPORATE ACTION	12/19/2017	VARIOUS	947.650	18,439	17,052	18,439				0			(1,387)	(1,387)		
401617 10 5	GUESS ORD	..	08/30/2017	Goldman Sachs	10/17/2017	GOLDMAN	10,000.000	161,250	161,646	161,250				0			396	396	2,250	
40414L 10 9	HCP REIT ORD	..	10/26/2017	VARIOUS	11/06/2017	VARIOUS	23,500.000	690,228	688,137	690,228				0			(2,091)	(2,091)	8,695	
40418F 10 8	HFF CL A ORD	..	02/01/2017	VARIOUS	03/31/2017	Jefferies	5,000.000	148,549	138,309	148,549				0			(10,239)	(10,239)	7,850	
418056 10 7	HASBRO ORD	..	03/31/2017	Jefferies	09/13/2017	VARIOUS	3,000.000	297,353	300,333	297,353				0			2,981	2,981	2,850	
427866 10 8	HERSHEY FOODS ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	424,580	440,830	424,580				0			16,250	16,250	6,256	
42809H 10 7	HESS ORD	..	06/12/2017	DEUTSCHE BANK SECURITIES, INC	07/31/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	226,925	222,670	226,925				0			(4,255)	(4,255)	1,250	
431284 10 8	HIGHWOODS PROPERTIES REIT ORD	..	11/06/2017	DEUTSCHE BANK SECURITIES, INC	12/04/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	256,975	254,919	256,975				0			(2,056)	(2,056)	2,200	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
44106M 10 2	HOSPITALITY PROPERTIES REIT ORD	..	10/03/2017	GOLDMAN	10/26/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	227,080	224,835	227,080				0			(2,245)	(2,245)	4,160	
443510 60 7	HUBBELL ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	03/31/2017	Jefferies	2,000.000	245,755	240,080	245,755				0			(5,675)	(5,675)	1,400	
450056 10 6	IRHYTHM TECHNOLOGIES ORD	..	04/18/2017	Unknown	04/26/2017	VARIOUS	43,321.000	261,226	1,449,284	261,226				0			1,188,059	1,188,059		
458140 10 0	INTEL ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	08/31/2017	GOLDMAN	3,600.000	132,390	126,231	132,390				0			(6,159)	(6,159)	2,898	
460146 10 3	INTERNATIONAL PAPER ORD	..	09/06/2017	GOLDMAN	11/20/2017	Jefferies	5,000.000	274,425	270,706	274,425				0			(3,719)	(3,719)	2,375	
460690 10 0	INTERPUBLIC GROUP OF COMPANIES ORD	..	03/10/2017	FOX RIVER EXECUTION TECHNOLOGY	08/31/2017	Goldman Sachs	5,000.000	121,175	100,673	121,175				0			(20,502)	(20,502)	1,800	
46284V 10 1	IRON MOUNTAIN ORD	..	08/31/2017	VARIOUS	09/25/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	368,350	382,491	368,350				0			14,141	14,141	8,250	
46625H 10 0	JPMORGAN CHASE ORD	..	03/31/2017	Jefferies	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	439,238	413,166	439,238				0			(26,072)	(26,072)	2,500	
48238T 10 9	KAR AUCTION SERVICES ORD	..	03/10/2017	FOX RIVER EXECUTION TECHNOLOGY	06/20/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	179,820	169,696	179,820				0			(10,124)	(10,124)	2,560	
487836 10 8	KELLOGG ORD	..	05/11/2017	VARIOUS	08/31/2017	VARIOUS	10,500.000	766,431	712,278	766,431				0			(54,154)	(54,154)	10,540	
494368 10 3	KIMBERLY CLARK ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	10/17/2017	VARIOUS	11,800.000	1,556,661	1,453,612	1,556,661				0			(103,049)	(103,049)	17,654	
49446R 10 9	KIMCO REALTY REIT ORD	..	06/30/2017	VARIOUS	10/26/2017	VARIOUS	18,000.000	367,815	353,742	367,815				0			(14,073)	(14,073)	7,020	
49456B 10 1	KINDER MORGAN ORD	..	07/13/2017	VARIOUS	11/06/2017	VARIOUS	17,000.000	352,895	315,968	352,895				0			(36,927)	(36,927)	3,000	
500255 10 4	KOHL'S ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	194,925	206,720	194,925				0			11,795	11,795	2,750	
500754 10 6	KRAFT HEINZ ORD	..	08/11/2017	BARCLAYS CAPITAL INC./LE	10/03/2017	VARIOUS	12,000.000	1,044,350	960,618	1,044,350				0			(83,732)	(83,732)	8,650	
501797 10 4	L BRANDS ORD	..	07/31/2017	DEUTSCHE BANK SECURITIES, INC	09/25/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	231,975	204,470	231,975				0			(27,505)	(27,505)	3,000	
502175 10 2	LTC PROPERTIES REIT ORD	..	09/06/2017	GOLDMAN	12/04/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	145,935	137,172	145,935				0			(8,763)	(8,763)	1,710	
512816 10 9	LAMAR ADVERTISING CL A REIT	..	06/12/2017	DEUTSCHE BANK SECURITIES, INC	07/31/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	214,035	211,690	214,035				0			(2,345)	(2,345)	2,490	
518439 10 4	ESTEE LAUDER CL A ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	413,338	423,566	413,338				0			10,228	10,228	1,700	
524660 10 7	LEGGETT & PLATT ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	265,825	240,869	265,825				0			(24,956)	(24,956)	1,800	
53223X 10 7	LIFE STORAGE ORD	..	01/05/2017	FOX RIVER EXECUTION TECHNOLOGY	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	173,590	159,247	173,590				0			(14,343)	(14,343)	3,900	
532457 10 8	ELI LILLY ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	08/31/2017	VARIOUS	10,900.000	834,582	900,074	834,582				0			65,492	65,492	11,804	
535678 10 6	LINEAR TECHNOLOGY CORPORATION	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	03/10/2017	Not Provided	1,500.000	93,563	97,879	93,563				0			4,317	4,317	495	
55261F 10 4	M&T BANK ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	04/01/2017	Jefferies	2,000.000	328,975	309,438	328,975				0			(19,537)	(19,537)	1,500	
55272X 10 2	MFA FINANCIAL REIT ORD	..	09/25/2017	VARIOUS	11/06/2017	VARIOUS	70,000.000	580,950	555,538	580,950				0			(25,412)	(25,412)	14,000	
553498 10 6	MSA SAFETY ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	08/22/2017	GOLDMAN	5,000.000	394,775	352,517	394,775				0			(42,258)	(42,258)	3,500	
55378A 10 5	MTGE INVESTMENT REIT ORD	..	09/13/2017	VARIOUS	10/26/2017	VARIOUS	16,900.000	284,747	322,333	284,747				0			37,586	37,586	12,960	
554382 10 1	MACERICH REIT ORD	..	08/04/2017	VARIOUS	08/31/2017	VARIOUS	8,000.000	488,250	442,230	488,250				0			(46,020)	(46,020)	5,680	
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD.	..	10/26/2017	DEUTSCHE BANK SECURITIES, INC	12/12/2017	VARIOUS	7,500.000	569,933	524,148	569,933				0			(45,785)	(45,785)	16,410	
55616P 10 4	MACYS ORD	..	03/10/2017	FOX RIVER EXECUTION TECHNOLOGY	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	5,000.000	158,675	147,472	158,675				0			(11,203)	(11,203)	1,888	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
56585A 10 2	MARATHON PETROLEUM ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/22/2017	GOLDMAN	5,000.000	257,125	248,319	257,125				0			(8,806)	(8,806)	3,800	
577081 10 2	MATTEL ORD	..	10/26/2017	VARIOUS	12/12/2017	VARIOUS	25,000.000	490,208	447,187	490,208				0			(43,020)	(43,020)	6,140	
57772K 10 1	MAXIM INTEGRATED PRODUCTS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	09/25/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	224,438	233,470	224,438				0			9,032	9,032	5,100	
579780 20 6	MCCORMICK ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	287,595	285,878	287,595				0			(1,717)	(1,717)	2,820	
58463J 30 4	MEDICAL PROPERTIES REIT ORD	..	08/31/2017	Goldman Sachs	09/25/2017	DEUTSCHE BANK SECURITIES, INC	13,000.000	171,145	170,231	171,145				0			(914)	(914)	3,120	
58933Y 10 5	MERCK & CO ORD	..	06/12/2017	VARIOUS	10/26/2017	DEUTSCHE BANK SECURITIES, INC	49,600.000	3,232,432	3,130,517	3,232,432				0			(101,915)	(101,915)	39,527	
589400 10 0	MERCURY GENERAL ORD	..	03/03/2017	FOX RIVER EXECUTION TECHNOLOGY	12/19/2017	GOLDMAN	1,000.000	59,435	52,534	59,435				0			(6,901)	(6,901)	2,493	
60871R 20 9	MOLSON COORS BREWING NONVTG CL B ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	06/30/2017	DEUTSCHE BANK SECURITIES, INC	3,500.000	327,233	302,166	327,233				0			(25,067)	(25,067)	1,435	
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	11,000.000	491,715	479,774	491,715				0			(11,941)	(11,941)	2,470	
620076 30 7	MOTOROLA SOLUTIONS ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	09/25/2017	DEUTSCHE BANK SECURITIES, INC	2,000.000	155,635	166,986	155,635				0			11,351	11,351	2,820	
626717 10 2	MURPHY OIL ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/22/2017	Goldman Sachs	8,000.000	207,320	184,836	207,320				0			(22,484)	(22,484)	4,000	
62914B 10 0	NIC ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	8,000.000	176,840	163,156	176,840				0			(13,684)	(13,684)	640	
62942X 40 5	NRG YIELD CL C ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	06/20/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	86,525	86,723	86,525				0			198	198	1,350	
635017 10 6	NATIONAL BEVERAGE ORD	..	05/31/2017	DEUTSCHE BANK SECURITIES, INC	07/18/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	287,865	300,008	287,865				0			12,143	12,143	4,500	
637417 10 6	NATIONAL RETAIL PROPERTIES REIT ORD	..	07/24/2017	Jefferies	09/13/2017	BARCLAYS CAPITAL INC./LE	3,000.000	120,683	127,385	120,683				0			6,702	6,702	1,425	
64704V 10 6	NEW MEDIA INVESTMENT GROUP ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	8,000.000	108,040	115,961	108,040				0			7,921	7,921	5,600	
64828T 20 1	NEW RESIDENTIAL INVESTMENT REIT ORD	..	09/13/2017	VARIOUS	10/26/2017	VARIOUS	10,000.000	165,863	167,196	165,863				0			1,334	1,334	4,900	
648691 10 3	NEW SENIOR INVESTMENT GROUP ORD	..	11/20/2017	Jefferies	12/27/2017	Jefferies	12,000.000	96,210	90,268	96,210				0			(5,942)	(5,942)	3,120	
649445 10 3	NEW YORK COMMUNITY BANCORP ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	08/04/2017	Jefferies	14,000.000	186,570	180,211	186,570				0			(6,359)	(6,359)	4,760	
65339F 10 1	NEXTERA ENERGY ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	08/31/2017	Goldman Sachs	5,000.000	593,925	752,508	593,925				0			158,583	158,583	14,738	
655664 10 0	NORDSTROM ORD	..	09/06/2017	GOLDMAN	12/04/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	233,625	236,270	233,625				0			2,645	2,645	1,850	
668074 30 5	NORTHWESTERN ORD	..	09/13/2017	BARCLAYS CAPITAL INC./LE	12/27/2017	Jefferies	2,000.000	118,455	117,962	118,455				0			(493)	(493)	2,100	
67018T 10 5	NU SKIN ENTERPRISES CL A ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	6,000.000	350,490	364,642	350,490				0			14,152	14,152	4,320	
670346 10 5	NUCOR ORD	..	06/12/2017	DEUTSCHE BANK SECURITIES, INC	07/31/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	179,715	172,991	179,715				0			(6,724)	(6,724)	1,133	
670837 10 3	OGE ENERGY ORD	..	09/25/2017	VARIOUS	11/15/2017	VARIOUS	16,000.000	573,713	571,092	573,713				0			(2,620)	(2,620)	5,020	
67103H 10 7	O'REILLY AUTOMOTIVE ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	07/31/2017	DEUTSCHE BANK SECURITIES, INC	400.000	109,915	81,716	109,915				0			(28,199)	(28,199)		
674599 10 5	OCCIDENTAL PETROLEUM ORD	..	08/22/2017	VARIOUS	10/17/2017	VARIOUS	22,000.000	1,332,590	1,383,748	1,332,590				0			51,158	51,158	16,820	
681919 10 6	OMNICOM GROUP ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	1,500.000	128,558	118,100	128,558				0			(10,458)	(10,458)	1,650	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
681936 10 0	OMEGA HEALTHCARE REIT ORD	..	09/25/2017	VARIOUS	11/06/2017	VARIOUS	18,000.000	586,065	542,165	586,065				0			(43,900)	(43,900)	14,650	
682680 10 3	ONEOK ORD	..	09/25/2017	VARIOUS	11/20/2017	VARIOUS	12,000.000	669,973	613,331	669,973				0			(56,641)	(56,641)	8,290	
69007J 10 6	OUTFRONT MEDIA ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	06/30/2017	DEUTSCHE BANK SECURITIES, INC	11,000.000	254,925	254,259	254,925				0			(666)	(666)	3,960	
690732 10 2	OWENS & MINOR ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	07/13/2017	DEUTSCHE BANK SECURITIES, INC	13,500.000	439,088	424,918	439,088				0			(14,170)	(14,170)	3,476	
69331C 10 8	PG&E ORD	..	09/25/2017	VARIOUS	11/15/2017	VARIOUS	42,000.000	2,837,070	2,664,197	2,837,070				0			(172,873)	(172,873)	21,780	
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	DEUTSCHE BANK SECURITIES, INC	2,000.000	233,870	257,584	233,870				0			23,714	23,714	2,600	
69349H 10 7	PNM RESOURCES ORD	..	03/31/2017	Jefferies	06/12/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	185,038	195,721	185,038				0			10,683	10,683	1,213	
700517 10 5	PARK HOTELS RESORTS ORD	..	08/22/2017	Goldman Sachs	10/26/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	104,940	114,257	104,940				0			9,317	9,317	1,720	
70156Q 10 7	PARKWAY, INC	..	10/05/2017	VARIOUS	10/12/2017	Not Available	13,000.000	299,585	247,650	299,585				0			(51,935)	(51,935)	52,000	
70338P 10 0	PATTERN ENERGY GROUP CL A ORD	..	09/13/2017	BARCLAYS CAPITAL INC./LE	11/06/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	129,488	113,122	129,488				0			(16,365)	(16,365)	2,100	
703395 10 3	PATTERSON COMPANIES ORD	..	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	07/13/2017	DEUTSCHE BANK SECURITIES, INC	7,000.000	311,115	301,868	311,115				0			(9,247)	(9,247)	3,640	
704326 10 7	PAYCHEX ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	VARIOUS	17,000.000	1,020,235	992,770	1,020,235				0			(27,465)	(27,465)	11,820	
70931T 10 3	PENNYMAC MORTGAGE INVEST REIT ORD	..	09/25/2017	VARIOUS	10/26/2017	VARIOUS	37,500.000	648,184	643,373	648,184				0			(4,811)	(4,811)	17,625	
712704 10 5	PEOPLES UNITED FINANCIAL ORD	..	07/13/2017	DEUTSCHE BANK SECURITIES, INC	09/25/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	178,150	174,746	178,150				0			(3,404)	(3,404)	1,725	
713448 10 8	PEPSICO ORD	..	01/17/2017	DEUTSCHE BANK SECURITIES, INC	10/03/2017	GOLDMAN	1,500.000	153,293	163,684	153,293				0			10,391	10,391	3,544	
724479 10 0	PITNEY BOWES ORD	..	10/26/2017	VARIOUS	12/12/2017	VARIOUS	17,000.000	229,383	203,655	229,383				0			(25,727)	(25,727)	3,188	
736508 84 7	PORTLAND GENERAL ELECTRIC ORD	..	06/20/2017	DEUTSCHE BANK SECURITIES, INC	10/17/2017	GOLDMAN	4,000.000	190,900	181,976	190,900				0			(8,924)	(8,924)	2,720	
74144T 10 8	T ROWE PRICE GROUP ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	03/31/2017	Jefferies	5,000.000	367,275	340,705	367,275				0			(26,570)	(26,570)	2,850	
742718 10 9	PROCTER & GAMBLE ORD	..	04/11/2017	VARIOUS	10/26/2017	VARIOUS	33,000.000	2,916,220	2,958,817	2,916,220				0			42,597	42,597	61,943	
74340W 10 3	PROLOGIS REIT	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	227,540	229,295	227,540				0			1,755	1,755	1,760	
74460D 10 9	PUBLIC STORAGE REIT ORD	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	10/01/2017	VARIOUS	6,500.000	1,428,478	1,360,598	1,428,478				0			(67,880)	(67,880)	15,000	
751212 10 1	RALPH LAUREN CL A ORD	..	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	06/30/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	316,940	295,173	316,940				0			(21,767)	(21,767)	2,000	
760759 10 0	REPUBLIC SERVICES ORD	..	06/20/2017	DEUTSCHE BANK SECURITIES, INC	10/17/2017	GOLDMAN	5,000.000	322,875	314,918	322,875				0			(7,957)	(7,957)	3,325	
778296 10 3	ROSS STORES ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	2,000.000	130,230	129,427	130,230				0			(803)	(803)	320	
78573M 10 4	SABRE ORD	..	09/08/2017	DEUTSCHE BANK SECURITIES, INC	10/26/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	176,950	181,046	176,950				0			4,096	4,096	1,400	
800422 10 7	JOHN B SANFILIPPO AND SON ORD	..	07/13/2017	DEUTSCHE BANK SECURITIES, INC	08/31/2017	Goldman Sachs	2,000.000	127,290	123,983	127,290				0			(3,307)	(3,307)	5,000	
80589M 10 2	SCANA ORD	..	08/31/2017	Goldman Sachs	10/17/2017	GOLDMAN	6,000.000	362,310	294,743	362,310				0			(67,567)	(67,567)	3,675	
806857 10 8	SCHLUMBERGER ORD	C	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	06/20/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	357,275	333,718	357,275				0			(23,557)	(23,557)	2,500	
810186 10 6	SCOTTS MIRACLE GRO ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	1,000.000	91,328	87,623	91,328				0			(3,704)	(3,704)	1,000	

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CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
81721M 10 9	SENIOR HOUSING REIT ORD	..	10/03/2017	GOLDMAN	10/26/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	195,950	183,246	195,950				0			(12,704)	(12,704)	3,900	
828806 10 9	SIMON PROP GRP REIT ORD	..	10/26/2017	VARIOUS	12/12/2017	VARIOUS	26,000.000	4,367,695	4,200,694	4,367,695				0			(167,001)	(167,001)	46,125	
832696 40 5	JM SMUCKER ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	500.000	66,748	65,251	66,748				0			(1,496)	(1,496)	750	
842587 10 7	SOUTHERN ORD	..	05/10/2017	VARIOUS	12/04/2017	VARIOUS	51,800.000	2,553,573	2,541,883	2,553,573				0			(11,690)	(11,690)	54,988	
84860W 10 2	SPIRIT REALTY CAPITAL REIT ORD	..	09/25/2017	DEUTSCHE BANK SECURITIES, INC	10/17/2017	GOLDMAN	10,000.000	84,350	85,548	84,350				0			1,198	1,198	1,800	
855030 10 2	STAPLES, INC	..	06/20/2017	DEUTSCHE BANK SECURITIES, INC	09/13/2017	Not Available	20,000.000	175,100	205,000	175,100				0			29,900	29,900	2,400	
85571B 10 5	STARWOOD PROPERTY REIT	..	08/31/2017	VARIOUS	10/17/2017	VARIOUS	37,500.000	828,938	831,225	828,938				0			2,287	2,287	18,000	
87236Y 10 8	TD AMERITRADE HOLDING ORD	..	04/27/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	191,675	201,771	191,675				0			10,096	10,096	900	
875465 10 6	TANGER FACTORY REIT ORD	..	07/24/2017	Jefferies	08/31/2017	Goldman Sachs	5,000.000	135,738	116,972	135,738				0			(18,765)	(18,765)	1,713	
87612E 10 6	TARGET ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	9,000.000	505,485	501,853	505,485				0			(3,632)	(3,632)	8,500	
87612G 10 1	TARGA RESOURCES ORD	..	07/24/2017	VARIOUS	11/06/2017	DEUTSCHE BANK SECURITIES, INC	7,000.000	361,200	318,298	361,200				0			(42,902)	(42,902)	10,010	
893641 10 0	TRANSDIGM GROUP ORD	..	08/30/2017	Goldman Sachs	11/20/2017	Jefferies	600.000	165,909	159,976	165,909				0			(5,933)	(5,933)	13,200	
89417E 10 9	TRAVELERS COMPANIES ORD	..	03/03/2017	FOX RIVER EXECUTION TECHNOLOGY	07/31/2017	VARIOUS	7,000.000	856,765	857,926	856,765				0			1,161	1,161	6,130	
899896 10 4	TUPPERWARE BRANDS ORD	..	09/06/2017	VARIOUS	11/06/2017	VARIOUS	13,000.000	764,405	760,705	764,405				0			(3,700)	(3,700)	12,240	
90187B 10 1	TWO HARBORS INVESTMENT REIT ORD	..	11/01/2017	VARIOUS	11/02/2017	VARIOUS	68,600.000	633,560	651,453	633,560				0			17,893	17,893	14,880	
90187B 40 8	TWO HARBORS INVESTMENT REIT ORD	..	11/02/2017	CORPORATE ACTION	11/06/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	83,511	76,223	83,511				0			(7,288)	(7,288)		
902973 30 4	US BANCORP ORD	..	02/09/2017	BARCLAYS CAPITAL INC./LE	11/15/2017	BARCLAYS CAPITAL INC./LE	4,000.000	214,190	208,005	214,190				0			(6,185)	(6,185)	3,440	
904214 10 3	UMPQUA HOLDINGS ORD	..	09/06/2017	VARIOUS	10/26/2017	DEUTSCHE BANK SECURITIES, INC	10,000.000	179,725	207,145	179,725				0			27,420	27,420	2,840	
913017 10 9	UNITED TECHNOLOGIES ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	12/12/2017	BARCLAYS CAPITAL INC./LE	1,200.000	132,414	148,164	132,414				0			15,750	15,750	3,264	
91325V 10 8	UNITI GROUP ORD	..	09/08/2017	VARIOUS	10/26/2017	VARIOUS	14,000.000	336,500	317,863	336,500				0			(18,637)	(18,637)	8,400	
91913Y 10 0	VALERO ENERGY ORD	..	05/05/2017	Jefferies	08/22/2017	Goldman Sachs	5,000.000	326,738	327,867	326,738				0			1,130	1,130	7,000	
92276F 10 0	VENTAS REIT ORD	..	05/31/2017	DEUTSCHE BANK SECURITIES, INC	06/30/2017	DEUTSCHE BANK SECURITIES, INC	3,000.000	199,485	208,420	199,485				0			8,935	8,935	2,325	
92343V 10 4	VERIZON COMMUNICATIONS ORD	..	08/31/2017	VARIOUS	10/26/2017	VARIOUS	66,200.000	3,243,812	3,136,965	3,243,812				0			(106,847)	(106,847)	71,944	
92936U 10 9	W P CAREY REIT ORD	..	09/06/2017	VARIOUS	10/03/2017	VARIOUS	5,000.000	342,905	341,017	342,905				0			(1,888)	(1,888)	5,015	
92939U 10 6	WEC ENERGY GROUP ORD	..	07/31/2017	VARIOUS	12/27/2017	VARIOUS	35,000.000	2,079,125	2,161,115	2,079,125				0			81,990	81,990	33,800	
930059 10 0	WADDELL REED FINANCIAL CL A ORD	..	02/03/2017	FOX RIVER EXECUTION TECHNOLOGY	04/07/2017	BARCLAYS CAPITAL INC./LE	15,000.000	293,575	249,482	293,575				0			(44,093)	(44,093)	11,500	
942622 20 0	WATSCO ORD	..	04/10/2017	FOX RIVER EXECUTION TECHNOLOGY	11/06/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	564,820	664,605	564,820				0			99,785	99,785	14,200	
948741 10 3	WEINGARTEN RLTY REIT ORD	..	12/12/2017	VARIOUS	12/27/2017	VARIOUS	23,000.000	742,095	716,451	742,095				0			(25,644)	(25,644)	11,775	
949746 10 1	WELLS FARGO ORD	..	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	08/11/2017	BARCLAYS CAPITAL INC./LE	10,000.000	542,550	519,313	542,550				0			(23,237)	(23,237)	11,500	
95040Q 10 4	WELLTOWER ORD	..	10/26/2017	VARIOUS	11/06/2017	VARIOUS	10,500.000	741,158	754,505	741,158				0			13,348	13,348	9,135	
958102 10 5	WESTERN DIGITAL ORD	..	06/12/2017	DEUTSCHE BANK SECURITIES, INC	07/31/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	433,225	425,565	433,225				0			(7,660)	(7,660)	2,500	
959802 10 9	WESTERN UNION ORD	..	03/03/2017	VARIOUS	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	12,000.000	242,538	241,495	242,538				0			(1,043)	(1,043)	2,100	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
962166 10 4	WEYERHAEUSER REIT	..	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	07/18/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	167,575	165,371	167,575				0			(2,204)	(2,204)	1,550	
969457 10 0	WILLIAMS ORD	..	09/06/2017	VARIOUS	10/26/2017	DEUTSCHE BANK SECURITIES, INC	15,000.000	440,455	449,655	440,455				0			9,200	9,200	4,500	
969904 10 1	WILLIAMS SONOMA ORD	..	01/10/2017	BARCLAYS CAPITAL INC./LE	06/12/2017	DEUTSCHE BANK SECURITIES, INC	2,000.000	99,775	98,788	99,775				0			(987)	(987)	1,520	
98389B 10 0	XCEL ENERGY ORD	..	08/31/2017	VARIOUS	10/17/2017	VARIOUS	40,000.000	1,873,600	1,875,808	1,873,600				0			2,208	2,208	14,400	
984121 10 3	XEROX ORD	..	03/10/2017	FOX RIVER EXECUTION TECHNOLOGY	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	12,000.000	88,380	84,418	88,380				0			(3,962)	(3,962)	750	
G29183 10 3	EATON ORD	C	07/31/2017	VARIOUS	11/06/2017	DEUTSCHE BANK SECURITIES, INC	11,000.000	838,433	853,716	838,433				0			15,283	15,283	13,200	
G3223R 10 8	EVEREST RE GROUP ORD	C	01/23/2017	FOX RIVER EXECUTION TECHNOLOGY	12/04/2017	DEUTSCHE BANK SECURITIES, INC	500.000	109,578	106,775	109,578				0			(2,802)	(2,802)	2,525	
G491BT 10 8	INVESCO ORD	..	05/02/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	163,075	171,121	163,075				0			8,046	8,046	2,900	
G54050 10 2	LAZARD CL A ORD	C	02/08/2017	FOX RIVER EXECUTION TECHNOLOGY	06/12/2017	DEUTSCHE BANK SECURITIES, INC	4,000.000	174,580	180,536	174,580				0			5,956	5,956	7,960	
G5960L 10 3	MEDTRONIC ORD	C	02/09/2017	VARIOUS	10/17/2017	GOLDMAN	15,000.000	1,126,338	1,169,898	1,126,338				0			43,560	43,560	20,250	
G6518L 10 8	NIELSEN HOLDINGS ORD	C	02/09/2017	BARCLAYS CAPITAL INC./LE	06/02/2017	FOX RIVER EXECUTION TECHNOLOGY	4,000.000	172,750	156,177	172,750				0			(16,573)	(16,573)	2,600	
G65772 10 8	NORDIC AMERICAN OFFSHORE ORD	D	08/10/2017	Not Available	12/12/2017	VARIOUS	614.000	1,500	752	1,500				0			(748)	(748)	12	
G65773 10 6	NORDIC AMERICAN TANKERS ORD	C	08/04/2017	Jefferies	09/25/2017	DEUTSCHE BANK SECURITIES, INC	15,000.000	85,763	79,681	85,763				0			(6,081)	(6,081)	3,000	
G9319H 10 2	VALIDUS HOLDINGS ORD	C	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	06/30/2017	DEUTSCHE BANK SECURITIES, INC	5,000.000	266,449	259,819	266,449				0			(6,656)	(6,656)	1,900	
G98294 10 4	XL GROUP ORD	C	05/11/2017	FOX RIVER EXECUTION TECHNOLOGY	09/25/2017	DEUTSCHE BANK SECURITIES, INC	6,000.000	251,070	236,425	251,070				0			(14,645)	(14,645)	2,640	
Y1771G 10 2	COSTAMARE ORD	D	09/25/2017	DEUTSCHE BANK SECURITIES, INC	12/12/2017	BARCLAYS CAPITAL INC./LE	20,000.000	121,500	113,117	121,500				0			(8,383)	(8,383)	2,000	
9099999. Total - Common Stocks - Industrial and Miscellaneous								116,535,772	116,079,824	116,535,772	0	0	0	0	0	0	(455,948)	(455,948)	1,963,427	0
Common Stocks - Mutual Funds																				
315792 23 4	FIDELITY FREEDOM K 2020 MF	..	09/08/2017	Unknown	10/01/2017	Unknown	26,377.819	428,203	394,092	428,203				0			(34,111)	(34,111)	227	
315792 24 2	FIDELITY FREEDOM K 2015 MF	..	09/08/2017	Unknown	09/29/2017	Unknown	4,362.268	58,392	60,289	58,392				0			1,897	1,897	125	
316345 80 0	FIDELITY LOW-PRCD STK;K	..	09/15/2017	Unknown	09/29/2017	Unknown	30.602	1,570	1,585	1,570				0			15	15		
921937 60 3	VANGUARD TTL MRKT INDEX CL ADM MF	..	11/15/2017	Unknown	11/15/2017	Unknown	544.984	5,879	5,874	5,879				0			(4)	(4)	26	
9299999. Total - Common Stocks - Mutual Funds								494,044	461,840	494,044	0	0	0	0	0	0	(32,203)	(32,203)	378	0
9799998. Total - Common Stocks								117,029,816	116,541,664	117,029,816	0	0	0	0	0	0	(488,151)	(488,151)	1,963,805	0
9899999. Total - Preferred and Common Stocks								117,250,712	116,770,228	117,250,712	0	0	0	0	0	0	(480,483)	(480,483)	1,963,805	0
9999999. Total - Bonds, Preferred and Common Stocks								298,896,448	298,435,341	298,871,067	0	(25,381)	0	(25,381)	0	0	(435,729)	(435,729)	4,076,909	1,014,233

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	9	10	Stock of Such Company Owned by Insurer on Statement Date	
										11	12
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code	ID Number	*NAIC Valuation Method (See Purposes and Procedures Manual of the NAIC Investment Analysis Office)*	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Nonadmitted Amount	Number of Shares	% of Outstanding
Common Stocks - U.S. Health Entity											
000000 00 0	BCBSNC Senior Health		15999	81-1191645	2ciB1	NO		1,500,000		1.000	100.0
1399999. Total - Common Stocks - U.S. Health Entity							0	1,500,000	0	XXX	XXX
Common Stocks - Other Affiliates											
65511# 10 1	NobleHealth Inc			26-0529453	2ciB3	NO		211,178,829		372.000	100.0
1799999. Total - Common Stocks - Other Affiliates							0	211,178,829	0	XXX	XXX
1899999. Total - Common Stocks							0	212,678,829	0	XXX	XXX
1999999. Total - Preferred and Common Stock							0	212,678,829	0	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	Codes		4	5	6	7	Change in Book/Adjusted Carrying Value				12	13	Interest						20
	2	3					8	9	10	11			14	15	16	17	18	19	
Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
All Other Government Bonds - Issuer Obligations																			
LEBANON, REPUBLIC OF (GOVERNMENT)		D	10/12/2017.	MERRILL LYNCH INTERNATIONAL	06/12/2018.	279,247	(2,669)	(884)			280,000	282,800	761		5.150	3.585	JD	7,210	4,967
0699999. All Other Government Bonds - Issuer Obligations						279,247	(2,669)	(884)	0	0	280,000	282,800	761	0	XXX	XXX	XXX	7,210	4,967
1099999. Total - All Other Government Bonds						279,247	(2,669)	(884)	0	0	280,000	282,800	761	0	XXX	XXX	XXX	7,210	4,967
Bonds - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																			
TURKIYE PETROL RAFINERILERI AS		D	06/15/2017.	BARCLAYS CAPITAL SECURITIES	05/02/2018.	200,540	(258)	(1,262)			200,000	202,060	1,352		4.125	2.913	MN	4,125	1,077
3299999. Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						200,540	(258)	(1,262)	0	0	200,000	202,060	1,352	0	XXX	XXX	XXX	4,125	1,077
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						200,540	(258)	(1,262)	0	0	200,000	202,060	1,352	0	XXX	XXX	XXX	4,125	1,077
Total Bonds																			
7799999. Subtotals - Issuer Obligations						479,787	(2,927)	(2,146)	0	0	480,000	484,860	2,113	0	XXX	XXX	XXX	11,335	6,044
8399999. Subtotals - Bonds						479,787	(2,927)	(2,146)	0	0	480,000	484,860	2,113	0	XXX	XXX	XXX	11,335	6,044
9199999. Total - Short-Term Investments						479,787	(2,927)	(2,146)	0	0	XXX	484,860	2,113	0	XXX	XXX	XXX	11,335	6,044

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination - Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18	Hedge	
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

E22

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

(Securities lending collateral assets reported in aggregate on one Line 10 of the Assets page and not included on Schedules A, B, BA, D, DB and E.)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

(Securities lending collateral assets included on Schedules A, B, BA, D, DB and E and not reported in aggregate on Line 10 of the Assets page).

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories							
General Fund-Bank of America	Bank of America					641,210	XXX
Claims-FEP Std Option-Wachovia	Wachovia					(1,767,173)	XXX
Clms-FEP Basic Opt Wachovia	Wachovia					(4,204,783)	XXX
Dental Blue Select ACS	Wachovia					(195,519)	XXX
Claims Master Account	Wachovia					26,480,220	XXX
FEP Master Account	Wachovia					2,239,647	XXX
Fiscal Agent-Mellon	Mellon					993	XXX
FHLB Checking Account	FHLBank					1,303,459	XXX
Wachovia - Payroll	Wachovia					890,934	XXX
A/P Wach - 2079900141205	Wachovia					(2,342,415)	XXX
Broker Comm Cash	Wachovia					(423,577)	XXX
BB&T General Fund	BB&T					131,523,508	XXX
Workers' Compensation Wachovia	Wachovia					1,632	XXX
Bank of America - Accounts payable	Bank of America					3,667,766	XXX
Wells Fargo- Facets IPP Host	Wells Fargo					(15,021)	XXX
Cash-Claims Payments-BE	Wachovia					(53,207,246)	XXX
MedSupp Premium Refunds	Wachovia					(1,035,503)	XXX
Cash Clearing-Nonunderw-BE	Wachovia					(19,149,670)	XXX
Draft Representments	Wachovia					19,327	XXX
Med supp Claims Disburs	BB&T					(2,944,251)	XXX
Credit Memos Cash	Wachovia					(3,214,634)	XXX
PARTNERS-General Cash	Wachovia					(747,424)	XXX
Bank-Claims Disbursement account	Wachovia					(72,043,965)	XXX
Bank-Premium Refunds	Wachovia					(2,406,944)	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	3,070,571	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	3,070,571	XXX
0599999. Total Cash		XXX	XXX	0	0	3,070,571	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(44,576,904)	4. April	53,103,763	7. July	32,808,846	10. October	28,501,775
2. February	76,546,441	5. May	(81,312,282)	8. August	163,482,745	11. November	40,992,934
3. March	156,313,759	6. June	69,553,640	9. September	86,820,070	12. December	3,070,571

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Exempt Money Market Mutual Funds as Identified by the SVO								
	DREYFUS TRS SEC;INST		12/29/2017	1.120		329,836	20	423
	DREYFUS GVT CSH MGT;INST		12/29/2017	1.190		60,120,189	62,772	13,982
	DREYFUS GOVT CASH MGT INSTL 289		12/29/2017			9,006,758	7,657	762
	FIRST AMER:TRES OBLG;V	SD	12/04/2017	1.080		500,996	412	2,800
8599999. Total - Exempt Money Market Mutual Funds as Identified by the SVO						69,957,778	70,861	17,968
All Other Money Market Mutual Funds								
	FIDELITY:GOVT MNY MKT		12/29/2017	0.930		20,926		35
8699999. Total - All Other Money Market Mutual Funds						20,926	0	35
8899999. Total - Cash Equivalents						69,978,704	70,861	18,002

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusting Carrying Value	4 Fair Value	5 Book/Adjusting Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	ST	Coll St Employees MM Plan (NCGS Ch 58), DOI dep, HMO-LOB dep	500,996	500,996		
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	500,996	500,996	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Supplement for the year 2017 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2017
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

5 4 6 3 1 2 0 1 7 3 6 0 3 4 1 0 0 *

NAIC Group Code.....758
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2014				Policies Issued in 2015, 2016 & 2017			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	M4	P	NO	35	02/23/1968		05/22/2000	10/01/1982	BC65 High Option	211,191	109,701	51.9	50			0.0	
YES	M140	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 1	1,494	821	55.0	1			0.0	
YES	M141	P	NO	35	08/17/1982		05/22/2000	09/07/1986	Med. Supp Plan 2	627	811	129.3				0.0	
YES	M142	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 3	29,634	13,320	44.9	8			0.0	
YES	M143	P	NO	35	08/17/1982		05/22/2000	01/01/1992	Med. Supp Plan 4	2,144,021	1,670,208	77.9	403			0.0	
YES	M144	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 5	2,988	3,921	131.2	2			0.0	
YES	M145	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 6	52,396	22,916	43.7	20			0.0	
YES	M146	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 7	17,024	9,425	55.4	6			0.0	
YES	M147	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 8			0.0				0.0	
YES	M148	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 9	2,052,466	1,478,332	72.0	592			0.0	
YES	M150	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 11	5,647	223	3.9	1			0.0	
YES	M151	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 12	1,205,289	843,065	69.9	155			0.0	
YES	K74A	A	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan A	1,248,648	874,849	70.1	461			0.0	
YES	K74B	B	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan B	2,240,007	1,642,824	73.3	795			0.0	
YES	K74C	C	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan C	4,294,969	3,685,315	85.8	1,221			0.0	
YES	K74D	D	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan D	1,599,758	1,071,958	67.0	542			0.0	
YES	K74E	E	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan E	747,278	555,050	74.3	255			0.0	
YES	K74F	F	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan F	108,587,769	77,957,723	71.8	39,069			0.0	
YES	K74H	H	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan H	578,175	421,053	72.8	188			0.0	
YES	K74I	I	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan I	3,032,725	2,042,848	67.4	1,040			0.0	
YES	K74J	J	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan J	36,131,247	27,646,789	76.5	11,188			0.0	
YES	BMS A	A	NO	234	03/14/2011				Med. Supp Plan A	2,292,456	2,834,108	123.6	321	2,355,175	2,689,798	114.2	337
YES	BMS B	B	NO	234	03/14/2011				Med. Supp Plan B	622,666	602,434	96.8	185	349,101	216,392	62.0	93
YES	BMS C	C	NO	234	03/14/2011				Med. Supp Plan C	788,744	531,831	67.4	166	1,049,579	574,942	54.8	200
YES	BMS D	D	NO	234	03/14/2011				Med. Supp Plan D	207,953	117,725	56.6	77	87,283	77,444	88.7	44
YES	BMS F	F	NO	234	03/14/2011				Med. Supp Plan F	105,622,991	73,669,955	69.7	41,970	92,064,981	68,467,437	74.4	42,350
YES	BMS HDF	F	NO	234	03/14/2011				Med. Supp Plan HDF	1,702,937	1,244,785	73.1	3,961	3,679,119	2,311,999	62.8	10,148
YES	BMS G	G	NO	234	03/14/2011				Med. Supp Plan G	3,887,797	2,723,878	70.1	1,460	1,985,151	1,381,809	69.6	2,205

Supplement for the year 2017 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2017
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....758
Address (City, State and Zip Code).....
Person Completing This Exhibit.....

NAIC Company Code.....54631

Title.....Telephone Number.....

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2014				Policies Issued in 2015, 2016 & 2017			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
.....YES.....	BMS K.....	K.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan K.....	29,180	8,882	.....30.4	21	27,601	14,367	.....52.1	28
.....YES.....	BMS L.....	L.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan L.....	59,065	30,925	.....52.4	34	63,148	45,373	.....71.9	44
.....YES.....	BMS M.....	M.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan M.....	24,795	18,624	.....75.1	12	91,566	50,571	.....55.2	54
.....YES.....	BMS N.....	N.....	.....NO.....	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan N.....	228,691	109,345	.....47.8	83	326,718	133,602	.....40.9	150
0199999.	Total Policy Experience on Individual Policies.....									279,650,628	201,943,644	.....72.2	104,287	102,079,422	75,963,734	.....74.4	55,653

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... 4705 University Drive Durham NC 27707
   2.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... 4705 University Drive Durham NC 27707
   3.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
4. Explain any policies identified as policy type "O".

54631201736500100

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....758 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	63,409,248	XXX		XXX	63,409,248
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	(5,618)	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	(56,744)	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	63,460,374	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	63,460,374	XXX	0	XXX	63,409,248
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	44,239,351	XXX		XXX	44,239,351
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	151,629	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	(692,617)	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	45,083,597	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	45,083,597	XXX	0	XXX	44,239,351
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	45,002,588	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	13,825,543	XXX		XXX	13,825,543
15. Expenses Incurred	13,825,543	XXX		XXX	XXX
16. Underwriting Gain/Loss	4,551,234	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	5,344,354

HMO Line of Business

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	109,851	103,865
2.	Net premium income (including $.....0 non-health premium income)	XXX	46,660,629	38,089,552
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	46,660,629	38,089,552
Hospital and Medical:				
9.	Hospital/medical benefits		25,742,699	17,650,195
10.	Other professional services	4,705	1,626,392	1,056,247
11.	Outside referrals		3,115,819	
12.	Emergency room and out-of-area			2,049,301
13.	Prescription drugs		9,464,859	5,273,842
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	4,705	39,949,769	26,029,585
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	4,705	39,949,769	26,029,585
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....1,326,330 cost containment expenses	14,534	3,254,572	2,276,556
21.	General administrative expenses		3,978,827	3,476,653
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	19,239	47,183,168	31,782,794
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(522,539)	6,306,758
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		633,692	562,377
26.	Net realized capital gains or (losses) less capital gains tax of $.....0		18,616	210,871
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	652,308	773,248
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	129,769	7,080,006
31.	Federal and foreign income taxes incurred	XXX	45,419	2,478,002
32.	Net income (loss) (Lines 30 minus 31)	XXX	84,350	4,602,004

DETAILS OF WRITE-INS

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	46,660,629	46,660,629								
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	46,660,629	46,660,629	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	25,742,699	25,742,699								XXX
9. Other professional services	1,626,392	1,626,392								XXX
10. Outside referrals	3,115,819	3,115,819								XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	9,464,859	9,464,859								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	39,949,769	39,949,769	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	39,949,769	39,949,769	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....1,326,330 cost containment expenses	3,254,572	3,254,572								
20. General administrative expenses	3,978,827	3,978,827								
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	47,183,168	47,183,168	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(522,539)	(522,539)	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	46,660,629			46,660,629
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	46,660,629	0	0	46,660,629
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	46,660,629	0	0	46,660,629

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	42,628,452	42,628,452								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	42,628,452	42,628,452	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,519,550	1,519,550								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	1,519,550	1,519,550	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	4,198,232	4,198,232								
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	4,198,232	4,198,232	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	39,949,770	39,949,770	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	39,949,770	39,949,770	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	516,647	516,647								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	516,647	516,647	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct	1,002,903	1,002,903								
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	1,002,903	1,002,903	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	1,519,550	1,519,550	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	1,519,550	1,519,550	0	0	0	0	0	0	0	0

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)	4,394,995	38,233,457	21,895	1,497,655	4,416,890	4,198,232
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	4,394,995	38,233,457	21,895	1,497,655	4,416,890	4,198,232
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	4,394,995	38,233,457	21,895	1,497,655	4,416,890	4,198,232

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	758	758	757	757	757
2. 2013	14,213	16,824	16,824	16,824	16,824
3. 2014	XXX	21,054	21,628	21,638	21,638
4. 2015	XXX	XXX	11,028	12,048	12,048
5. 2016	XXX	XXX	XXX	22,186	26,580
6. 2017	XXX	XXX	XXX	XXX	38,233

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	757	757	757	757	757
2. 2013	15,533	16,824	16,824	16,824	16,824
3. 2014	XXX	22,963	21,628	21,638	21,638
4. 2015	XXX	XXX	12,412	12,048	12,048
5. 2016	XXX	XXX	XXX	26,384	26,580
6. 2017	XXX	XXX	XXX	XXX	39,753

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	17,000	16,824	869	5.2	17,693	104.1			17,693	104.1
2. 2014	30,652	21,638	521	2.4	22,159	72.3			22,159	72.3
3. 2015	18,232	12,048	118	1.0	12,166	66.7			12,166	66.7
4. 2016	30,090	26,580	1,067	4.0	27,647	91.9			27,647	91.9
5. 2017	46,660	38,233	1,093	2.9	39,326	84.3	1,520	61	40,907	87.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	758	758	757	757	757
2. 2013	14,213	16,824	16,824	16,824	16,824
3. 2014	XXX	21,054	21,628	21,638	21,638
4. 2015	XXX	XXX	11,028	12,048	12,048
5. 2016	XXX	XXX	XXX	22,186	26,580
6. 2017	XXX	XXX	XXX	XXX	38,233

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior	757	757	757	757	757
2. 2013	15,533	16,824	16,824	16,824	16,824
3. 2014	XXX	22,963	21,628	21,638	21,638
4. 2015	XXX	XXX	12,412	12,048	12,048
5. 2016	XXX	XXX	XXX	26,384	26,580
6. 2017	XXX	XXX	XXX	XXX	39,753

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2013	17,000	16,824	869	5.2	17,693	104.1			17,693	104.1
2. 2014	30,652	21,638	521	2.4	22,159	72.3			22,159	72.3
3. 2015	18,232	12,048	118	1.0	12,166	66.7			12,166	66.7
4. 2016	30,090	26,580	1,067	4.0	27,647	91.9			27,647	91.9
5. 2017	46,660	38,233	1,093	2.9	39,326	84.3	1,520	61	40,907	87.7

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only

NONE

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)	20,597	30,252	31,550		82,399
2. Salaries, wages and other benefits	832,633	1,282,281	1,652,349	789	3,768,052
3. Commissions (less $.....0 ceded plus $.....0 assumed)			948,611		948,611
4. Legal fees and expenses	442	801	28,702		29,945
5. Certifications and accreditation fees	3,168	4,775	6,741		14,684
6. Auditing, actuarial and other consulting services	246,611	359,903	425,387		1,031,901
7. Traveling expenses	3,330	17,128	33,692		54,150
8. Marketing and advertising			155,674		155,674
9. Postage, express and telephone	13,670	51,535	57,375		122,580
10. Printing and office supplies	4,235	24,661	46,219		75,115
11. Occupancy, depreciation and amortization	(7,378)	19,995	(9,513)		3,104
12. Equipment	1,010	1,551	1,991		4,552
13. Cost or depreciation of EDP equipment and software	76,415	128,533	142,356		347,304
14. Outsourced services including EDP, claims, and other services	393,600	410,981	444,352	6,043	1,254,976
15. Boards, bureaus and association fees	51,767	2,892	122,552		177,211
16. Insurance, except on real estate	25	46	15,504		15,575
17. Collection and bank service charges		1	42,628		42,629
18. Group service and administration fees	212,642	227,585	58,291		498,518
19. Reimbursements by uninsured plans	(453,274)	(488,752)	(711,122)		(1,653,148)
20. Reimbursements from fiscal intermediaries	(105,835)	(229,279)	(462,976)		(798,090)
21. Real estate expenses	(4,648)	19,537	8,303	5,777	28,969
22. Real estate taxes	2,872	4,180	5,258		12,310
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			871,285		871,285
23.3 Regulatory authority licenses and fees		1	598		599
23.4 Payroll taxes	34,448	59,635	63,020		157,103
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	1,326,330	1,928,242	3,978,827	12,609	(a) 7,246,008
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year					0
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,326,330	1,928,242	3,978,827	12,609	7,246,008

DETAILS OF WRITE-INS

2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

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

* 5 4 6 3 1 2 0 1 7 4 3 0 3 4 1 0 0 *

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	10,336		10,336							
2. First quarter	9,808		9,808							
3. Second quarter	9,403		9,403							
4. Third quarter	8,322		8,322							
5. Current year	8,142		8,142							
6. Current year member months	109,851		109,851							
Total Member Ambulatory Encounters for Year:										
7. Physician	3,250		3,250							
8. Non-physician	0									
9. Totals	3,250	0	3,250	0	0	0	0	0	0	0
10. Hospital patient days incurred	87		87							
11. Number of inpatient admissions	23		23							
12. Health premiums written (b)	46,660,629		46,660,629							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	46,660,629		46,660,629							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	42,628,451		42,628,451							
18. Amount incurred for provision of health care services	39,949,770		39,949,770							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

2017 ALPHABETICAL INDEX
HEALTH ANNUAL STATEMENT BLANK

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ANNUAL STATEMENT

OF THE

Blue Cross and Blue Shield of North Carolina

Of

Durham

in the state of

North Carolina

to the Insurance Department

of the state of North Carolina

For the Year Ended

December 31, 2018

2018

HEALTH

54631201820100100

ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

Blue Cross and Blue Shield of North Carolina

NAIC Group Code....758, 758 (Current Period) (Prior Period) NAIC Company Code..... 54631 Employer's ID Number..... 56-0894904

Organized under the Laws of North Carolina State of Domicile or Port of Entry North Carolina Country of Domicile United States of America

Licensed as Business Type..... HOSPITAL, MEDICAL & DENTAL SERVICE OR INDEMNITY Is HMO Federally Qualified? Yes [ ] No [ ] N/A [X]

Incorporated/Organized..... January 1, 1968 Commenced Business..... January 1, 1968

Statutory Home Office	4705 University Drive..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	
Main Administrative Office	4615 University Drive..... Durham..... NC.....27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Mail Address	PO Box 2291..... Durham..... NC..... 27702-2291 *(Street and Number or P. O. Box) (City, State and Zip Code)*	
Primary Location of Books and Records	4705 University Drive, Building 700..... Durham..... NC..... 27707-3460 *(Street and Number) (City, State and Zip Code)*	919-489-7431 *(Area Code) (Telephone Number)*
Internet Website Address	www.bcbsnc.com	
Statutory Statement Contact	Thomas Robert Krebs *(Name)* tom.krebs@bcbsnc.com *(E-Mail Address)*	919-765-3790 *(Area Code) (Telephone Number) (Extension)* 919-287-5458 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Patrick Hugh Conway	President & Chief Executive Officer	2. Gerald Allan Petkau	SVP, Chief Operating Officer
3. Mitchell Wade Perry #	SVP, Chief Financial Officer	4. Danielle Carim Gray #	SVP, Chief Legal Officer & Corporate Secretary

OTHER

Fara Marie Palumbo #	SVP, Chief People Officer	John Thomas Roos	SVP, Chief Growth Officer
Patrick Kim Getzen #	SVP, Chief Data and Analytics Officer	Rahul Rajkumar #	SVP, Chief Medical Officer
Bryony Rose Humphries Winn #	SVP, Chief Strategy and Innovation Officer	Jogenia Harrell Abernathy	Chief Information Officer
Bruce Lagarde Allen	VP, Federal Segment	Daniel Fulton Atherton	VP, Production Operations
Joseph Bastante	Chief Technology Officer	Tracy Rudolph Bennett	VP, Audit
Gary Paul Bolt	VP, Individual Under 65 Segment	Samantha Jane Bureau-Johnson	VP, Business Process Excellence & Project Management Office
Lisa Lindoe Cade	Chief Service Operations Officer	Richard Allen Chilton	Chief Information Security Officer
Kenneth Steven Crist	VP, Major Group Segment	Diane Grace DeGroff	VP, Corporate Services
Robert Wayne Emerson #	Head of Healthcare Data Managment	James Patrick Emmons	VP, Corporate Administrative Services
Robert Mark Fleming	VP, Government Affairs	Tarsha Vanessa Fletcher #	VP, Customer Service Operations

DIRECTORS OR TRUSTEES

Frank Brown Holding, Jr., Chairman	Patrick Hugh Conway	Roberta Bromberg Bowman	Walter Conaway Davenport
Jeffrey Thompson Barber	Lars Steven Nelson	William Hardy Bryan	Harold Lee Martin, Sr.
Anita Rose Brown-Graham	Edward Lloyd Curran	Jimmy Walker Phillips, Jr.	Lisa Anne Carey
John Davis Kimberly			

State of..... North Carolina
County of.....Durham

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

(Signature)	(Signature)	(Signature)
Patrick Hugh Conway	Danielle Carim Gray	Mitchell Wade Perry
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & Chief Executive Officer	SVP, Chief Legal Officer & Corporate Secretary	SVP, Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 15 day of February 2019

Wendy C. Compton

WENDY C. COMPTON
Notary Public
Person County
NORTH CAROLINA

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

OTHER (continued)

Robert Taylor Gofourth	VP, Operational Strategy and Performance
Estay Lewis Greene	VP, Pharmacy Services
Sean Michael Kerns	VP, Ancillary Segment & Division Operations
Adrienna Yvette Maisonet-Morales	VP, Enterprise Learning & Development
Robin Carole Miller	VP, People Strategies
Susan Lorraine Murray	VP, State Segment
Michael Authur O'Connor #	VP, Head of Total Rewards & Shared Services
Christopher Shawn Peronto #	Head of Enterprise Strategy and Innovation
Maticia Cotton Sims	VP, Corporate Controller
Troy Raymond Smith #	VP, Healthcare Strategy & Payment Transformation
Brian Bahram Tajlili #	VP, Chief Actuary
Kelly Ann Wage	VP, Product & Digital Transformation
Mark Eric Werner	VP, Provider Network & Transformation
Sameet Goyal #	Head of Corporate Development
Trevor Ronald Johnson	VP, IT Solution Delivery
David Bruce Kochman	VP, Communications
Debbie Livengood Miller	VP, Care Management Operations
Barbara Christine Morales-Burke	VP, Health Policy & Chief Compliance Officer
Lauren Claire O'Brien #	VP, Treasurer and Chief Risk Officer
Louis Patalano IV	VP, Deputy General Counsel
Reagan Greene Pruitt #	VP, Marketing & Community Engagement
Pariyast Joseph Sinsangkeo	VP, IT Solution & Information Delivery
James Woo Song #	VP, Technology Infrastructure
Jesse Lee Thomas #	VP, Medicaid Segment
Roy Edward Watson Jr	VP, Local Group Segment

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	3,052,710,296		3,052,710,296	2,761,344,059
2. Stocks (Schedule D):				
2.1 Preferred stocks	190,278,407		190,278,407	105,795,186
2.2 Common stocks	957,475,932	251,910	957,224,022	1,005,776,564
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....89,414,152 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	5,102,981
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....31,720,270, Schedule E-Part 1), cash equivalents ($.....81,629,639, Schedule E-Part 2) and short-term investments ($.....398,443, Schedule DA)	113,748,352		113,748,352	73,529,062
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	527,815,201		527,815,201	473,161,322
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	401,597	401,597	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	4,842,429,785	653,507	4,841,776,278	4,424,709,174
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	29,078,419		29,078,419	27,289,462
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	330,233,219	14,233,713	315,999,506	276,022,433
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....0) and contracts subject to redetermination ($.....0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	534,711		534,711	15,922,845
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	298,246,903	48,953,471	249,293,432	224,169,845
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	94,315,147	19,986,545	74,328,602	37,443,925
19. Guaranty funds receivable or on deposit	46,672,879		46,672,879	44,711,988
20. Electronic data processing equipment and software	257,441,402	251,272,285	6,169,117	8,883,969
21. Furniture and equipment, including health care delivery assets ($.....0)	20,130,866	20,130,866	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	9,107,952		9,107,952	6,514,582
24. Health care ($.....69,081,219) and other amounts receivable	173,735,391	104,654,172	69,081,219	59,698,397
25. Aggregate write-ins for other-than-invested assets	410,127,654	344,525,324	65,602,330	85,098,475
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,512,054,328	804,409,883	5,707,644,445	5,210,465,095
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	6,512,054,328	804,409,883	5,707,644,445	5,210,465,095

DETAILS OF WRITE-INS

1101. Goodwill	401,597	401,597	0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	401,597	401,597	0	0
2501. Investment In Topaz R & D	152,883,241	152,883,241	0	
2502. Prepaid Retirement	104,737,447	104,737,447	0	
2503. Prepaid Expenses	66,310,270	66,310,270	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	86,196,696	20,594,366	65,602,330	85,098,475
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	410,127,654	344,525,324	65,602,330	85,098,475

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....3,489,946 reinsurance ceded)	740,530,948	22,903,019	763,433,967	785,647,332
2.	Accrued medical incentive pool and bonus amounts	49,064,505		49,064,505	31,174,995
3.	Unpaid claims adjustment expenses	18,957,044	586,300	19,543,344	20,481,761
4.	Aggregate health policy reserves, including the liability of $.....15,883,467 for medical loss ratio rebate per the Public Health Service Act	205,923,074		205,923,074	245,211,675
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserves			0	
7.	Aggregate health claim reserves			0	
8.	Premiums received in advance	119,478,332		119,478,332	123,217,910
9.	General expenses due or accrued	621,322,560		621,322,560	498,805,005
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	190,237,676		190,237,676	82,685,079
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	420,147		420,147	416,648
13.	Remittances and items not allocated	3,290,203		3,290,203	3,417,032
14.	Borrowed money (including $.....62,579,004 current) and interest thereon $.....0 (including $.....0 current)	62,579,004		62,579,004	62,171,888
15.	Amounts due to parent, subsidiaries and affiliates	7,251,853		7,251,853	2,661,416
16.	Derivatives			0	
17.	Payable for securities	9,705,000		9,705,000	6,932,059
18.	Payable for securities lending			0	
19.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($.....0) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans	100,708,371		100,708,371	226,976,634
23.	Aggregate write-ins for other liabilities (including $.....0 current)	138,139,728	0	138,139,728	166,190,899
24.	Total liabilities (Lines 1 to 23)	2,267,608,445	23,489,319	2,291,097,764	2,255,990,333
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	169,100,868
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other-than-special surplus funds	XXX	XXX	1,114,076,146	1,023,826,825
31.	Unassigned funds (surplus)	XXX	XXX	2,302,470,535	1,761,547,069
32.	Less treasury stock at cost:				
	32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
	32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	3,416,546,681	2,954,474,762
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	5,707,644,445	5,210,465,095

DETAILS OF WRITE-INS

2301.	Accrued Other Retirement Benefits	55,343,493		55,343,493	76,099,811
2302.	Accounts Payable	41,333,692		41,333,692	48,977,751
2303.	Intercompany Tax Payable	41,462,495		41,462,495	39,045,441
2398.	Summary of remaining write-ins for Line 23 from overflow page	48	0	48	2,067,896
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	138,139,728	0	138,139,728	166,190,899
2501.	Special Surplus - ACA Health Insurer Tax	XXX	XXX		169,100,868
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	169,100,868
3001.	Contingency Reserve	XXX	XXX	1,114,076,146	1,023,826,825
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	1,114,076,146	1,023,826,825

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	19,311,234	20,382,745
2.	Net premium income (including $.....0 non-health premium income)	XXX	9,069,391,728	8,813,973,311
3.	Change in unearned premium reserves and reserve for rate credits	XXX	48,569,386	(92,594,569)
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	22,726,015	10,734,297
8.	Total revenues (Lines 2 to 7)	XXX	9,140,687,129	8,732,113,039
Hospital and Medical:				
9.	Hospital/medical benefits		4,559,141,592	4,455,671,958
10.	Other professional services	140,850,881	329,257,023	296,289,692
11.	Outside referrals			
12.	Emergency room and out-of-area	37,386,875	533,112,666	473,903,785
13.	Prescription drugs		1,378,250,962	1,459,772,020
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		53,742,064	38,687,911
16.	Subtotal (Lines 9 to 15)	178,237,756	6,853,504,307	6,724,325,366
Less:				
17.	Net reinsurance recoveries		4,168,913	27,573,562
18.	Total hospital and medical (Lines 16 minus 17)	178,237,756	6,849,335,394	6,696,751,804
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....246,546,867 cost containment expenses	17,550,097	546,531,926	650,293,191
21.	General administrative expenses		1,132,612,630	795,005,963
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)		(1,024,590)	(97,176,900)
23.	Total underwriting deductions (Lines 18 through 22)	195,787,853	8,527,455,360	8,044,874,058
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	613,231,769	687,238,981
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		163,968,262	131,705,769
26.	Net realized capital gains or (losses) less capital gains tax of $.....8,562,617		32,211,751	3,869,134
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	196,180,013	135,574,903
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	24,743,550	24,816,524
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	834,155,332	847,630,408
31.	Federal and foreign income taxes incurred	XXX	183,773,246	148,054,102
32.	Net income (loss) (Lines 30 minus 31)	XXX	650,382,086	699,576,306
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	Loss on Fixed Assets	XXX	(9,013,399)	(3,058,753)
0702.	North Carolina State Tax Credits	XXX	31,739,414	13,793,050
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	22,726,015	10,734,297
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	BlueCard Access Fees		24,743,550	24,816,524
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	24,743,550	24,816,524

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	2,954,474,762	2,210,529,712
34. Net income or (loss) from Line 32	650,382,086	699,576,306
35. Change in valuation basis of aggregate policy and claim reserves	5,578,091	17,530,059
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....(22,438,326)	(48,517,046)	151,882,316
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	37,480,147	(167,638,504)
39. Change in nonadmitted assets	(194,314,824)	(13,902,297)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	11,463,465	56,497,170
48. Net change in capital and surplus (Lines 34 to 47)	462,071,919	743,945,050
49. Capital and surplus end of reporting period (Line 33 plus 48)	3,416,546,681	2,954,474,762

DETAILS OF WRITE-INS

4701. Change in accounting estimate for pension amortization, net of tax		51,334,213
4702. Additional Liability for Pension Benefits	11,463,465	5,162,957
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	11,463,465	56,497,170

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	9,031,946,876	8,893,178,353
2.	Net investment income	181,932,497	142,931,639
3.	Miscellaneous income	22,726,015	10,734,297
4.	Total (Lines 1 through 3)	9,236,605,388	9,046,844,289
5.	Benefit and loss related payments	6,845,102,470	6,530,362,190
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,588,144,481	1,349,867,631
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....8,562,617 tax on capital gains (losses)	73,803,595	33,714,557
10.	Total (Lines 5 through 9)	8,507,050,546	7,913,944,378
11.	Net cash from operations (Line 4 minus Line 10)	729,554,842	1,132,899,911
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	1,134,830,413	729,250,556
	12.2 Stocks	507,655,273	253,654,762
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets	50,723,369	72,137,900
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds	2,772,941	2,374,857
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,695,981,996	1,057,418,075
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	1,460,987,457	1,501,661,788
	13.2 Stocks	589,086,943	476,319,686
	13.3 Mortgage loans		
	13.4 Real estate	1,790,862	1,385,407
	13.5 Other invested assets	70,443,473	98,796,811
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,122,308,735	2,078,163,692
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(426,326,739)	(1,020,745,617)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock		
	16.3 Borrowed funds	407,116	(43,993,620)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(263,415,929)	58,087,606
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(263,008,813)	14,093,986
	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)	40,219,290	126,248,280
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	73,529,062	(52,719,218)
	19.2 End of year (Line 18 plus Line 19.1)	113,748,352	73,529,062

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

20.0001	Charitable foundation contributions	40,000,000	10,000,000

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	9,069,391,728	6,494,881,555	382,057,437	70,610,523	8,273,893	1,145,004,027	792,362,296		176,201,997	
2. Change in unearned premium reserves and reserve for rate credit	48,569,386					48,569,386				
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	22,726,015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,726,015
7. Total revenues (Lines 1 to 6)	9,140,687,129	6,494,881,555	382,057,437	70,610,523	8,273,893	1,193,573,413	792,362,296	0	176,201,997	22,726,015
8. Hospital/medical benefits	4,559,141,592	3,031,693,692	193,090,786			708,279,570	568,061,610		58,015,934	XXX
9. Other professional services	329,257,023	208,428,268	13,274,951	48,364,264	5,271,028	48,694,070			5,224,442	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	533,112,666	390,368,389	24,862,851			91,199,845	19,211,305		7,470,276	XXX
12. Prescription drugs	1,378,250,962	973,735,618	62,017,942			227,489,058	53,103,924		61,904,420	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	53,742,064	46,493,834					7,248,230			XXX
15. Subtotal (Lines 8 to 14)	6,853,504,307	4,650,719,801	293,246,530	48,364,264	5,271,028	1,075,662,543	647,625,069	0	132,615,072	XXX
16. Net reinsurance recoveries	4,168,913	233,410							3,935,503	XXX
17. Total hospital and medical (Lines 15 minus 16)	6,849,335,394	4,650,486,391	293,246,530	48,364,264	5,271,028	1,075,662,543	647,625,069	0	128,679,569	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....246,546,867 cost containment expenses	546,531,926	331,206,097	37,483,760	4,640,463	359,058	67,579,163	93,703,769		11,559,616	
20. General administrative expenses	1,132,612,630	1,057,752,242	36,143,107	11,491,663	889,174	32,325,529	36,778,680		(42,767,765)	
21. Increase in reserves for accident and health contracts	(1,024,590)		(1,024,590)							XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	8,527,455,360	6,039,444,730	365,848,807	64,496,390	6,519,260	1,175,567,235	778,107,518	0	97,471,420	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	613,231,769	455,436,825	16,208,630	6,114,133	1,754,633	18,006,178	14,254,778	0	78,730,577	22,726,015
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601. Loss on Fixed Assets	(9,013,399)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(9,013,399)
0602. North Carolina State Tax Credits	31,739,414	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,739,414
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	22,726,015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,726,015
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	6,494,881,555			6,494,881,555
2. Medicare supplement	382,057,437			382,057,437
3. Dental only	70,610,523			70,610,523
4. Vision only	8,273,893			8,273,893
5. Federal employees health benefits plan	1,145,004,027			1,145,004,027
6. Title XVIII - Medicare	792,362,296			792,362,296
7. Title XIX - Medicaid				0
8. Other health	179,706,812		3,504,815	176,201,997
9. Health subtotal (Lines 1 through 8)	9,072,896,543	0	3,504,815	9,069,391,728
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	9,072,896,543	0	3,504,815	9,069,391,728

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	6,828,283,690	4,675,027,572	287,471,903	47,623,226	5,212,022	1,031,606,857	652,020,143		129,321,967	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	19,033,774	15,621,543							3,412,231	
1.4 Net	6,809,249,916	4,659,406,029	287,471,903	47,623,226	5,212,022	1,031,606,857	652,020,143	0	125,909,736	0
2. Paid medical incentive pools and bonuses	35,852,555	30,803,067					5,049,488			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	766,923,913	519,228,284	34,657,969	3,134,359	221,545	126,265,405	65,050,304		18,366,047	
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	3,489,946								3,489,946	
3.4 Net	763,433,967	519,228,284	34,657,969	3,134,359	221,545	126,265,405	65,050,304	0	14,876,101	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	49,064,505	41,594,710					7,469,795			
6. Net healthcare receivables (a)	6,831,355	7,869,818	(11,184)				(1,758,057)		730,778	
7. Amounts recoverable from reinsurers December 31, current year	534,711	534,711								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	788,614,005	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664		14,342,164	
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	2,966,673								2,966,673	
8.4 Net	785,647,332	582,160,070	28,894,528	2,393,321	162,540	82,209,718	78,451,664	0	11,375,491	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	31,174,996	25,903,943					5,271,053			
11. Amounts recoverable from reinsurers December 31, prior year	15,922,845	15,922,845								
12. Incurred benefits:										
12.1 Direct	6,799,762,243	4,604,225,968	293,246,528	48,364,264	5,271,027	1,075,662,544	640,376,840	0	132,615,072	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	4,168,913	233,409	0	0	0	0	0	0	3,935,504	0
12.4 Net	6,795,593,330	4,603,992,559	293,246,528	48,364,264	5,271,027	1,075,662,544	640,376,840	0	128,679,568	0
13. Incurred medical incentive pools and bonuses	53,742,064	46,493,834	0	0	0	0	7,248,230	0	0	0

(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 (Medical and Hospital)	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	201,169,297	157,637,707	526,801			38,334,177	4,670,612			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	201,169,297	157,637,707	526,801	0	0	38,334,177	4,670,612	0	0	0
2. Incurred but unreported:										
2.1 Direct	565,754,616	361,590,577	34,131,168	3,134,359	221,545	87,931,228	60,379,692		18,366,047	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	3,489,946								3,489,946	
2.4 Net	562,264,670	361,590,577	34,131,168	3,134,359	221,545	87,931,228	60,379,692	0	14,876,101	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	766,923,913	519,228,284	34,657,969	3,134,359	221,545	126,265,405	65,050,304	0	18,366,047	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	3,489,946	0	0	0	0	0	0	0	3,489,946	0
4.4 Net	763,433,967	519,228,284	34,657,969	3,134,359	221,545	126,265,405	65,050,304	0	14,876,101	0

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)	349,017,740	4,325,776,422	5,422,494	513,805,790	354,440,234	582,160,070
2. Medicare supplement	26,994,119	260,477,785	12,315	34,645,654	27,006,434	28,894,528
3. Dental only	2,710,030	44,913,196	23,028	3,111,331	2,733,058	2,393,321
4. Vision only	552,031	4,659,991	83	221,462	552,114	162,540
5. Federal employees health benefits plan	112,130,280	919,476,577	1,111,478	125,153,927	113,241,758	82,209,719
6. Title XVIII - Medicare	51,093,576	600,926,566	150,960	64,899,344	51,244,536	78,451,664
7. Title XIX - Medicaid					0	
8. Other health	(13,213,747)	139,123,483	7,000,000	7,876,101	(6,213,747)	11,375,490
9. Health subtotal (Lines 1 to 8)	529,284,029	6,295,354,020	13,720,358	749,713,609	543,004,387	785,647,332
10. Healthcare receivables (a)	6,390	142,976,725			6,390	136,151,760
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	29,457,818	6,394,737	1,434,288	47,630,217	30,892,106	31,174,996
13. Totals (Lines 9 - 10 + 11 + 12)	558,735,457	6,158,772,032	15,154,646	797,343,826	573,890,103	680,670,568

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	513,346	526,176	526,177	526,179	526,178
2. 2014	5,735,536	6,399,876	6,406,057	6,406,057	6,406,057
3. 2015	XXX	5,871,537	6,443,074	6,447,870	6,447,870
4. 2016	XXX	XXX	5,282,333	5,874,234	5,879,326
5. 2017	XXX	XXX	XXX	6,005,712	6,559,364
6. 2018	XXX	XXX	XXX	XXX	6,301,750

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	522,101	526,178	526,178	526,178	526,178
2. 2014	6,453,467	6,404,753	6,406,057	6,406,057	6,406,057
3. 2015	XXX	6,550,900	6,451,276	6,447,870	6,447,870
4. 2016	XXX	XXX	5,970,712	5,917,742	5,879,326
5. 2017	XXX	XXX	XXX	6,779,026	6,576,619
6. 2018	XXX	XXX	XXX	XXX	7,096,992

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	7,344,344	6,406,057	224,526	3.5	6,630,583	90.3			6,630,583	90.3
2. 2015	7,433,252	6,447,870	241,296	3.7	6,689,166	90.0			6,689,166	90.0
3. 2016	7,205,926	5,879,326	202,618	3.4	6,081,944	84.4			6,081,944	84.4
4. 2017	8,813,972	6,559,364	69,495	1.1	6,628,859	75.2	17,256	417	6,646,532	75.4
5. 2018	9,069,392	6,301,749	496,410	7.9	6,798,159	75.0	795,242	19,126	7,612,527	83.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	266,995	275,648	275,649	275,649	275,648
2. 2014	3,346,929	3,739,829	3,745,929	3,745,929	3,745,929
3. 2015	XXX	3,721,874	4,059,964	4,065,300	4,065,300
4. 2016	XXX	XXX	3,201,608	3,593,762	3,600,188
5. 2017	XXX	XXX	XXX	3,994,332	4,366,383
6. 2018	XXX	XXX	XXX	XXX	4,332,170

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	270,137	275,648	275,648	275,648	275,648
2. 2014	3,743,605	3,740,729	3,745,929	3,745,929	3,745,929
3. 2015	XXX	4,119,236	4,066,226	4,065,300	4,065,300
4. 2016	XXX	XXX	3,638,897	3,634,887	3,600,188
5. 2017	XXX	XXX	XXX	4,566,544	4,375,364
6. 2018	XXX	XXX	XXX	XXX	4,891,484

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	4,296,357	3,745,929	165,156	4.4	3,911,085	91.0			3,911,085	91.0
2. 2015	4,651,137	4,065,300	173,955	4.3	4,239,255	91.1			4,239,255	91.1
3. 2016	4,478,873	3,600,188	43,897	1.2	3,644,085	81.4			3,644,085	81.4
4. 2017	6,191,060	4,366,383	50,197	1.1	4,416,580	71.3	8,982	210	4,425,772	71.5
5. 2018	6,494,882	4,332,170	334,556	7.7	4,666,726	71.9	559,312	13,082	5,239,120	80.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	25,162	25,456	25,457	25,456	25,456
2. 2014	223,977	252,491	252,784	252,784	252,784
3. 2015	XXX	243,701	269,136	269,135	269,135
4. 2016	XXX	XXX	247,016	272,679	272,678
5. 2017	XXX	XXX	XXX	251,875	278,869
6. 2018	XXX	XXX	XXX	XXX	260,479

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	25,204	25,456	25,456	25,456	25,456
2. 2014	254,469	252,516	252,784	252,784	252,784
3. 2015	XXX	276,007	269,147	269,135	269,135
4. 2016	XXX	XXX	275,562	272,731	272,678
5. 2017	XXX	XXX	XXX	280,717	278,881
6. 2018	XXX	XXX	XXX	XXX	295,124

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	337,578	252,784	16,381	6.5	269,165	79.7			269,165	79.7
2. 2015	351,568	269,135	15,204	5.6	284,339	80.9			284,339	80.9
3. 2016	375,586	272,678	2,796	1.0	275,474	73.3			275,474	73.3
4. 2017	381,730	278,869	3,503	1.3	282,372	74.0	12		282,384	74.0
5. 2018	382,057	260,479	22,192	8.5	282,671	74.0	34,646	887	318,204	83.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	3,735	3,765	3,766	3,766	3,766
2. 2014	53,769	57,379	57,331	57,331	57,331
3. 2015	XXX	50,926	54,823	54,798	54,798
4. 2016	XXX	XXX	47,731	50,758	50,742
5. 2017	XXX	XXX	XXX	45,807	48,532
6. 2018	XXX	XXX	XXX	XXX	44,913

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	3,756	3,766	3,766	3,766	3,766
2. 2014	58,278	57,406	57,331	57,331	57,331
3. 2015	XXX	54,355	54,825	54,798	54,798
4. 2016	XXX	XXX	50,885	50,759	50,742
5. 2017	XXX	XXX	XXX	48,199	48,532
6. 2018	XXX	XXX	XXX	XXX	48,048

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	86,116	57,331	2,037	3.6	59,368	68.9			59,368	68.9
2. 2015	78,523	54,798	521	1.0	55,319	70.4			55,319	70.4
3. 2016	73,243	50,742	2,548	5.0	53,290	72.8			53,290	72.8
4. 2017	72,631	48,532	283	0.6	48,815	67.2			48,815	67.2
5. 2018	70,611	44,913	2,041	4.5	46,954	66.5	3,134	80	50,168	71.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	387	386	386	386	387
2. 2014	3,360	3,818	3,818	3,818	3,818
3. 2015	XXX	4,003	4,508	4,508	4,508
4. 2016	XXX	XXX	4,370	4,927	4,927
5. 2017	XXX	XXX	XXX	4,623	5,175
6. 2018	XXX	XXX	XXX	XXX	4,660

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	387	387	387	387	387
2. 2014	3,496	3,818	3,818	3,818	3,818
3. 2015	XXX	4,183	4,508	4,508	4,508
4. 2016	XXX	XXX	4,559	4,927	4,927
5. 2017	XXX	XXX	XXX	4,783	5,175
6. 2018	XXX	XXX	XXX	XXX	4,879

12.VO

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	5,809	3,818	63	1.7	3,881	66.8			3,881	66.8
2. 2015	6,574	4,508	6	0.1	4,514	68.7			4,514	68.7
3. 2016	7,341	4,927	19	0.4	4,946	67.4			4,946	67.4
4. 2017	7,796	5,175	23	0.4	5,198	66.7			5,198	66.7
5. 2018	8,274	4,660	141	3.0	4,801	58.0	221	6	5,028	60.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	118,400	122,255	122,253	122,255	122,255
2. 2014	771,326	884,202	884,038	884,038	884,038
3. 2015	XXX	848,470	956,027	955,513	955,513
4. 2016	XXX	XXX	894,637	977,262	975,945
5. 2017	XXX	XXX	XXX	898,909	1,012,358
6. 2018	XXX	XXX	XXX	XXX	919,477

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	121,726	122,255	122,255	122,255	122,255
2. 2014	897,116	888,000	884,038	884,038	884,038
3. 2015	XXX	969,521	957,835	955,513	955,513
4. 2016	XXX	XXX	1,013,038	977,572	975,945
5. 2017	XXX	XXX	XXX	980,809	1,013,469
6. 2018	XXX	XXX	XXX	XXX	1,044,631

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	1,018,780	884,038	19,887	2.2	903,925	88.7			903,925	88.7
2. 2015	1,073,537	955,513	17,097	1.8	972,610	90.6			972,610	90.6
3. 2016	1,121,822	975,945	87,082	8.9	1,063,027	94.8			1,063,027	94.8
4. 2017	1,104,890	1,012,358	13,357	1.3	1,025,715	92.8	1,111	28	1,026,854	92.9
5. 2018	1,145,004	919,477	80,294	8.7	999,771	87.3	125,154	3,204	1,128,129	98.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	95,331	95,330	95,329	95,330	95,330
2. 2014	1,236,311	1,360,509	1,360,509	1,360,509	1,360,509
3. 2015	XXX	926,850	1,020,778	1,020,778	1,020,778
4. 2016	XXX	XXX	780,098	865,202	865,202
5. 2017	XXX	XXX	XXX	703,863	754,958
6. 2018	XXX	XXX	XXX	XXX	600,927

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	97,555	95,330	95,330	95,330	95,330
2. 2014	1,396,012	1,360,636	1,360,509	1,360,509	1,360,509
3. 2015	XXX	1,044,773	1,020,897	1,020,778	1,020,778
4. 2016	XXX	XXX	873,688	865,222	865,202
5. 2017	XXX	XXX	XXX	782,295	755,109
6. 2018	XXX	XXX	XXX	XXX	665,826

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	1,466,708	1,360,509	15,661	1.2	1,376,170	93.8			1,376,170	93.8
2. 2015	1,127,824	1,020,778	29,383	2.9	1,050,161	93.1			1,050,161	93.1
3. 2016	1,000,698	865,202	61,814	7.1	927,016	92.6			927,016	92.6
4. 2017	903,160	754,958	1,498	0.2	756,456	83.8	151		756,607	83.8
5. 2018	792,362	600,927	46,782	7.8	647,709	81.7	64,899	1,665	714,273	90.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	XXX				
4. 2016	XXX	XXX			
5. 2017	XXX	XXX	XXX		
6. 2018	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

NONE

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015	XXX				
4. 2016	XXX	XXX			
5. 2017	XXX	XXX	XXX		
6. 2018	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

NONE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014		0		0.0	0	0.0			0	0.0
2. 2015		0		0.0	0	0.0			0	0.0
3. 2016		0		0.0	0	0.0			0	0.0
4. 2017		0		0.0	0	0.0			0	0.0
5. 2018		0		0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	3,336	3,336	3,337	3,337	3,336
2. 2014	99,864	101,648	101,648	101,648	101,648
3. 2015	XXX	75,713	77,838	77,838	77,838
4. 2016	XXX	XXX	106,873	109,644	109,644
5. 2017	XXX	XXX	XXX	106,303	93,089
6. 2018	XXX	XXX	XXX	XXX	139,123

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	3,336	3,336	3,336	3,336	3,336
2. 2014	100,491	101,648	101,648	101,648	101,648
3. 2015	XXX	82,825	77,838	77,838	77,838
4. 2016	XXX	XXX	114,083	111,644	109,644
5. 2017	XXX	XXX	XXX	115,679	100,089
6. 2018	XXX	XXX	XXX	XXX	147,000

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	132,996	101,648	5,341	5.3	106,989	80.4			106,989	80.4
2. 2015	144,089	77,838	5,130	6.6	82,968	57.6			82,968	57.6
3. 2016	148,363	109,644	4,462	4.1	114,106	76.9			114,106	76.9
4. 2017	152,705	93,089	634	0.7	93,723	61.4	7,000	179	100,902	66.1
5. 2018	176,202	139,123	10,404	7.5	149,527	84.9	7,876	202	157,605	89.4

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and 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	187,683								187,683
2. Additional policy reserves (a)	114,476,322		102,728,561						11,747,761
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0 for investment income)	15,883,467	15,400,000					483,467		
5. Aggregate write-ins for other policy reserves	87,311,046	0	0	0	0	87,311,046	0	0	0
6. Totals (gross)	217,858,518	15,400,000	102,728,561	0	0	87,311,046	483,467	0	11,935,444
7. Reinsurance ceded	11,935,444								11,935,444
8. Totals (net) (Page 3, Line 4)	205,923,074	15,400,000	102,728,561	0	0	87,311,046	483,467	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501. FEP Stabilization Reserve	87,311,046					87,311,046			
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	87,311,046	0	0	0	0	87,311,046	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $.....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 ($.....19,599,209 for occupancy of own building)	4,060,939	5,342,067	4,887,261		14,290,267
2. Salaries, wages and other benefits	160,519,965	204,746,133	291,761,687	1,103,295	658,131,080
3. Commissions (less $.....0 ceded plus $.....0 assumed)			154,980,768		154,980,768
4. Legal fees and expenses	148,315	202,749	4,844,168		5,195,232
5. Certifications and accreditation fees	803,989	920,851	1,738,784		3,463,624
6. Auditing, actuarial and other consulting services	52,913,358	64,848,178	70,979,483		188,741,019
7. Traveling expenses	881,929	2,275,948	5,504,732		8,662,609
8. Marketing and advertising			22,403,193		22,403,193
9. Postage, express and telephone	3,024,244	10,821,692	7,891,554		21,737,490
10. Printing and office supplies	1,285,817	6,574,885	7,328,978		15,189,680
11. Occupancy, depreciation and amortization	(4,733,075)	(3,533,548)	(4,635,512)		(12,902,135)
12. Equipment	178,850	322,354	253,371		754,575
13. Cost or depreciation of EDP equipment and software	17,164,723	23,420,369	25,781,509		66,366,601
14. Outsourced services including EDP, claims, and other services	72,137,090	54,219,546	53,668,390	7,482,522	187,507,548
15. Boards, bureaus and association fees	1,801,119	613,922	4,472,026		6,887,067
16. Insurance, except on real estate	5,690	6,617	2,879,851		2,892,158
17. Collection and bank service charges	52	274	7,397,786		7,398,112
18. Group service and administration fees	40,695,034	34,050,913	9,006,440		83,752,387
19. Reimbursements by uninsured plans	(89,441,676)	(90,165,753)	(112,850,124)		(292,457,553)
20. Reimbursements from fiscal intermediaries	(23,168,948)	(39,284,738)	(15,717,204)		(78,170,890)
21. Real estate expenses	63,595	5,909,742	3,694,142	6,101,754	15,769,233
22. Real estate taxes	634,942	753,519	856,548		2,245,009
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			142,299,925		142,299,925
23.3 Regulatory authority licenses and fees	522		99,803		100,325
23.4 Payroll taxes	7,570,393	10,576,630	11,025,779		29,172,802
23.5 Other (excluding federal income and real estate taxes)			305,192,278		305,192,278
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	7,362,709	126,867,014	0	134,229,723
26. Total expenses incurred (Lines 1 to 25)	246,546,867	299,985,059	1,132,612,630	14,687,571	(a) 1,693,832,127
27. Less expenses unpaid December 31, current year	1,779,912	17,763,432	621,322,560		640,865,904
28. Add expenses unpaid December 31, prior year	1,865,378	18,616,383	498,805,005		519,286,766
29. Amounts receivable relating to uninsured plans, prior year	34,240,289	61,351,762	152,487,111		248,079,162
30. Amounts receivable relating to uninsured plans, current year	41,164,522	73,758,605	183,323,776		298,246,903
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	253,556,566	313,244,853	1,040,931,740	14,687,571	1,622,420,730

DETAILS OF WRITE-INS

2501. Charitable foundation contributions			127,502,137		127,502,137
2502. Interest expense		7,362,709			7,362,709
2503. Guarantee Association assessment expense			(635,123)		(635,123)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	7,362,709	126,867,014	0	134,229,723

(a) Includes management fees of $.....915,036 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) 7,266,213	7,975,467
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 100,228,468	100,596,201
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 7,162,613	7,333,189
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	21,491,387	21,622,906
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 19,599,209	19,599,209
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 3,136,539	3,327,083
7.	Derivative instruments	(f)	
8.	Other invested assets	17,654,145	17,654,145
9.	Aggregate write-ins for investment income	0	5,825,890
10.	Total gross investment income	176,538,574	183,934,089
11.	Investment expenses		(g) 14,687,571
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) 8,118,220
15.	Aggregate write-ins for deductions from investment income		(2,839,964)
16.	Total deductions (Lines 11 through 15)		19,965,827
17.	Net investment income (Line 10 minus Line 16)		163,968,262
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Investment Income		1,621,214
0902.	FEP Interest		4,204,676
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	5,825,890
1501.	Gain/Loss - Fixed Assets		(2,839,964)
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		(2,839,964)

(a) Includes $.....2,002,007 accrual of discount less $.....17,118,509 amortization of premium and less $.....6,508,393 paid for accrued interest on purchases.
(b) Includes $.....12,069 accrual of discount less $.....55,584 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 $.....19,599,209 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....183,610 accrual of discount less $.....2,714 amortization of premium and less $.....25,761 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 $.....8,118,220 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	(5,466,655)		(5,466,655)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	(9,523,076)		(9,523,076)	(4,737,429)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	3,550		3,550	(12,680,995)	
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	47,968,397	(560,992)	47,407,405	(114,141,373)	
2.21	Common stocks of affiliates			0	34,021,506	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(639)		(639)	2,927	
7.	Derivative instruments			0		
8.	Other invested assets	8,634,782	(281,000)	8,353,782	26,579,993	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	41,616,360	(841,992)	40,774,368	(70,955,371)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 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)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks	251,910	184,370	(67,540)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	401,597	540,764	139,167
12. Subtotals, cash and invested assets (Lines 1 to 11)	653,507	725,134	71,627
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	14,233,713	6,286,341	(7,947,372)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	48,953,471	23,909,317	(25,044,154)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	19,986,545		(19,986,545)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	251,272,285	191,480,750	(59,791,535)
21. Furniture and equipment, including health care delivery assets	20,130,866	18,414,382	(1,716,484)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	104,654,172	113,048,367	8,394,195
25. Aggregate write-ins for other-than-invested assets	344,525,324	256,230,768	(88,294,556)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	804,409,883	610,095,059	(194,314,824)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	804,409,883	610,095,059	(194,314,824)

DETAILS OF WRITE-INS

1101. Goodwill	401,597	540,764	139,167
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	401,597	540,764	139,167
2501. Investment in Topaz R & D	152,883,241	145,207,014	(7,676,227)
2502. Prepaid Retirement	104,737,447	29,280,350	(75,457,097)
2503. Prepaid Expenses	66,310,270	61,155,398	(5,154,872)
2598. Summary of remaining write-ins for Line 25 from overflow page	20,594,366	20,588,006	(6,360)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	344,525,324	256,230,768	(88,294,556)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations	60,268	47,658	47,199	46,714	46,476	566,331
2. Provider service organizations						
3. Preferred provider organizations	1,117,330	1,130,658	1,100,266	1,077,725	1,069,259	13,244,537
4. Point of service	7,801	7,685	7,479	7,557	8,075	91,207
5. Indemnity only	205,399	203,073	273,946	203,455	204,191	2,440,924
6. Aggregate write-ins for other lines of business	243,489	243,813	244,526	249,716	252,202	2,968,235
7. Total	1,634,287	1,632,887	1,673,416	1,585,167	1,580,203	19,311,234
DETAILS OF WRITE-INS						
0601. Dental	161,955	159,327	158,750	161,541	161,249	1,926,366
0602. Vision	81,534	84,486	85,776	88,175	90,953	1,041,869
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	243,489	243,813	244,526	249,716	252,202	2,968,235

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
FEP	260,891,465					260,891,465
0299997. Group subscribers subtotal	260,891,465	0	0	0	0	260,891,465
0299998. Premiums due and unpaid not individually listed	49,853,300	629,944	108,193	13,100,025	13,100,025	50,591,437
0299999. Total group	310,744,765	629,944	108,193	13,100,025	13,100,025	311,482,902
0399999. Premiums due and unpaid from Medicare entities	4,009,338	381,425	125,841	1,133,688	1,133,688	4,516,604
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	314,754,103	1,011,369	234,034	14,233,713	14,233,713	315,999,506

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Prime Therapeuticis	23,159,885	22,062,863	23,858,471	73,901,895	73,901,895	69,081,219
0199999. Total Pharmaceutical Rebate Receivables	23,159,885	22,062,863	23,858,471	73,901,895	73,901,895	69,081,219
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually				28,892,815	28,892,815	0
0299999. Total Claim Overpayment Receivables	0	0	0	28,892,815	28,892,815	0
Other Receivables						
				1,859,462	1,859,462	0
0699999. Total Other Receivables	0	0	0	1,859,462	1,859,462	0
0799999. Gross Health Care Receivables	23,159,885	22,062,863	23,858,471	104,654,172	104,654,172	69,081,219

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	136,152,077		6,390	142,976,725	136,158,467	136,152,077
2. Claim overpayment receivables	28,904,805			28,892,815	28,904,805	28,904,805
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	7,689,882			1,859,462	7,689,882	7,689,882
7. Totals (Lines 1 through 6)	172,746,764	0	6,390	173,729,002	172,753,154	172,746,764

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	4,168,797	642,554	127,037	48,962	131,740	5,119,090
0399999. Aggregate accounts not individually listed - covered	277,506,670	42,773,228	8,456,567	3,259,271	8,769,613	340,765,349
0499999. Subtotals	281,675,467	43,415,782	8,583,604	3,308,233	8,901,353	345,884,439
0599999. Unreported claim and other claim reserves						421,039,474
0799999. Total claims unpaid						766,923,913
0899999. Accrued medical incentive pool and bonus amounts						49,064,505

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Mosaic Health Solutions, LLC	4,251,150					4,251,150	
ACS Benefit Services, Inc.	2,500,000					2,500,000	
0199999. Individually listed receivables	6,751,150	0	0	0	0	6,751,150	0
0299999. Receivables not individually listed	2,356,802					2,356,802	
0399999. Total gross amounts receivable	9,107,952	0	0	0	0	9,107,952	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
ACS Benefit Services, Inc.	Dental Claims	3,172,028	3,172,028	
Mosaic Health Solutions, LLC	Administrative Services	2,281,586	2,281,586	
Topaz	Administrative Services	1,151,402	1,151,402	
NobleHealth Services	Administrative Services	307,638	307,638	
0199999. Individually listed payables		6,912,654	6,912,654	0
0299999. Payables not individually listed		339,200	339,200	
0399999. Total gross payables		7,251,854	7,251,854	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0				
2. Intermediaries	0	0.0				
3. All other providers	34,459,830	0.5	1,580,203	100.0		34,459,830
4. Total capitation payments	34,459,830	0.5	1,580,203	100.0	0	34,459,830
Other Payments:						
5. Fee-for-service	2,102,125,308	30.7	XXX	XXX		2,102,125,308
6. Contractual fee payments	4,672,664,778	68.3	XXX	XXX		4,672,664,778
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	35,852,555	0.5	XXX	XXX		35,852,555
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	6,810,642,641	99.5	XXX	XXX	0	6,810,642,641
13. Total (Line 4 plus Line 12)	6,845,102,471	100.0	XXX	XXX	0	6,845,102,471

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	45,987,044	888,467	30,317,299	15,669,745	15,669,745	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	9,898,492	1,549,836	5,437,371	4,461,121	4,461,121	0
6. Total	55,885,536	2,438,303	35,754,670	20,130,866	20,130,866	0

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Cross and Blue Shield of North Carolina (Blue Cross NC or the Company) have been prepared in conformity with accounting practices and procedures prescribed by the North Carolina Department of Insurance (NCDOI).

The NCDOI recognizes only Statutory Accounting Practices (SAP) prescribed or permitted by the state of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the North Carolina Insurance laws, regulations and general administrative rules. The NCDOI has adopted the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) as a component of prescribed or permitted practices by the State of North Carolina (NC SAP). There is no deviation from the NAIC SAP. There were no differences between the statutory practices prescribed or permitted by the state of North Carolina and those prescribed or permitted by NAIC SAP which would materially affect the statutory basis net income or surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of North Carolina is shown below:

NET INCOME

		SSAP #	F/S Page	F/S Line #	2018		2017
1.	Blue Cross NC state basis (Page 4, Line 32, Columns 2&3)	XXX	XXX	XXX	$650,382,086		$699,576,306
2.	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				$0		$0
3.	State Permitted Practices that are an increase/(decrease) from NAIC SAP:				$0		$0
4.	NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$650,382,086		$699,576,306
	SURPLUS						
5.	Blue Cross NC state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$3,416,546,681		$2,954,474,762
6.	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				$0		$0
7.	State Permitted Practices that are an increase/(decrease) from NAIC SAP:				$0		$0
8.	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$3,416,546,681		$2,954,474,762

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

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. The Company uses estimates and assumptions based on analytical and/or actuarially accepted quantitative methods in determining contract reserves and claims incurred but not yet reported, valuation of pension and other benefit plans, deferred income taxes, fair value of investments, other-than-temporary investments, and other valuation accruals. Actual results could differ materially from those estimates.

On December 22, 2017, the United States government enacted significant changes to the US tax law with the passage of H.R.1, An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (the Tax Act). The Tax Act included significant changes to existing tax law, including a permanent reduction to the US federal corporate income tax rate from 35% to 21%, along with changes to deductions, credits, and business-related exclusions.

The Company recognized a provisional tax benefit in 2017 and completed its accounting for the tax effects of the enactment of the Tax Act in 2018 as provided in Footnote 9, Income Taxes.

C. Accounting Policies

Premiums written are earned over the period of coverage on a pro rata basis. Premiums billed to policyholders are recorded as uncollected premiums when the coverage period begins. Payments received in advance of coverage are recorded as premiums received in advance until earned. Delinquent uncollected premiums are charged directly to reserves and unassigned funds once delinquent for 30 days and 90 days for non-group and group subscribers, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase. These investments are recorded at amortized cost.

2. Bonds rated 1 and 2 by the NAIC are stated at cost adjusted for amortization of premiums and accretion of discounts using the scientific amortization method. Bonds rated 3 through 6 are carried at the lower of amortized cost or fair value with the change recorded in capital and surplus, net of applicable taxes. Prepayment assumptions are determined by using broker data.

The Company holds one Securities Valuations Office (SVO)-Identified bond ETF reported on Schedule D-1. The ETF is reported at fair value.

Declines in the fair value of invested assets below cost are compiled on a monthly basis and reviewed quarterly to assess whether any other-than-temporary impairment loss should be recorded. Various thresholds are used to identify those securities which are at the greatest risk of an other than temporary impairment.

3. Common stocks of subsidiaries are stated in accordance with SSAP 97. Common stocks, excluding common stock of subsidiaries, are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, Blue Cross NC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

4. Preferred stocks are stated at the estimated market value provided by the Securities Valuation Office (SVO) of the NAIC or are based on quoted market prices. Estimated SVO market values are based on published quotations of the SVO. However, for certain investments for which the SVO does not provide a value, Blue Cross NC uses the amortized cost amount as its estimate of market value in accordance with prescribed guidance.

5. The Company does not have any mortgage loans.

6. Mortgage-backed and other asset-backed securities rated 1 and 2 by the NAIC are adjusted for unamortized premiums and discounts, which are amortized using the scientific method over the estimated remaining term of the securities, adjusted retrospectively for changes in anticipated prepayments.

For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

7. As of December 31, 2018, Blue Cross NC had seven wholly-owned subsidiaries: Beacon Health Holdings (Beacon); Corium, LLC (Corium); Corium II, LLC (Corium II); Blue Cross and Blue Shield of North Carolina Senior Health (Senior Health); Momentum Health Partners, LLC (MHP); Momentum Health, LLC Momentum, and NobleHealth, Inc. (NobleHealth). Beacon is a holding company for not-for-profit subsidiaries and affiliates. Corium owns, operates, and manages financed office buildings of the Company. Corium II owns, operates, and manages unencumbered office buildings of the Company. Senior Health will provide Medicare plans in the future. MHP and Momentum may provide medical plans in the future. NobleHealth holds non-controlling strategic investments in certain health services companies and has six wholly-owned subsidiaries: Mosaic Group Services, LLC (Mosaic Group); Mosaic Health Solutions, LLC (Mosaic Health Solutions); Noble Benefit Services, LLC (NBS); Topaz Shared Services, LLC (Topaz); ACS Benefit Services, LLC (ACS); and NC Health Affiliates, LLC (NCHA). Mosaic Group functions as an insurance agency selling third-party life and disability and death and dismemberment products and is licensed as a third-party administrator. Mosaic Health Solutions holds non-controlling strategic investments in certain health services companies. NBS will function as a third-party administrator for self-insured employer groups. Topaz provides a healthcare payer operating system. ACS provides self-funded plans with complete third-party administration services for group medical, dental and disability benefits. NCHA operates as a staff augmentation service.

NobleHealth investment meets the definition of presumption of control as defined in accounting guidance provided in SSAP 97 (Investments in Subsidiary, Controlled, and Affiliated Entities-A Replace of SSAP No. 88), Paragraph 6.b. Accordingly, adjustment has been made to report this investment on an equity method basis as defined in SSAP No. 48 – Joint Ventures, Partnerships and Limited Liability Companies. The investment which is Common Stock is carried at cost.

8. As of December 31, 2018, the Company holds ownership interest in 38 limited partnerships. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies or net asset value (NAV).

9. The Company does not have derivative instruments.

10. There have been no significant changes related to the methodology used in the premium deficiency calculation.

11. Claims and claims adjustment expenses are expensed as incurred. The claims unpaid liability includes management's estimate of the ultimate cost of the claims in process of settlement and claims incurred but not yet reported.

The process of estimating reserves requires a high degree of judgment and a number of factors are taken into consideration. The Company actuarially estimates the liability for claims in process of settlement and claims incurred but not reported based on the most current historical claims payment patterns, changes in number of members, changes in products and benefits, and estimates of health care trend changes (cost, utilization, and intensity of services). Management also estimates the amount of claims adjustment expense needed to settle claims by determining the total administrative cost incurred to process claims as a percentage of total insured claims expense and applying that percentage to total claims in process of settlement and claims incurred but not yet reported.

Estimates for contract reserves are continually reviewed and revised as changes in experience and other factors occur. Changes to the valuation basis are reflected in capital and surplus in the period in which the change in estimate is identified. Changes in the medical cost trend or in claims payment patterns used in estimating reserves would impact the balance of contract reserves and would be recognized in the Statement of Revenue and Expenses. At year-end 2018 and 2017, the Company adjusted contract reserves through capital and surplus by $5,578,091 and $17,530,059 in accordance with the statutory accounting guidance defined in SSAP 54, paragraph 21, as a result of updated experience and refinement of assumptions.

Estimates for the claims unpaid liability are continually reviewed and revised as changes in experience and other factors occur, and revisions are accordingly reflected in the hospital and medical expense line of the Statement of Revenue and Expenses in the period in which the change in estimate is identified. Changes in the medical cost trend and claims payment patterns used in estimating reserves would impact the balance of claims unpaid and unpaid claims adjustment expense. These estimates may change as actuarial methods change or as underlying facts upon which these estimates are based change. There have been no significant changes to our actuarial methods in the last two fiscal years.

12. The Company has not modified its capitalization policy from the prior period.

13. The Company's pharmacy benefit manager (PBM) contracts with pharmaceutical manufacturers, some of whom provide rebates based on use of the manufacturers products by the PBM for the Company's insured and self-funded customers. The Company accrues the rebates receivable monthly based on the terms of the applicable contracts. The PBM bills these rebates to the manufacturers on a quarterly basis. The Company is reimbursed either annually or quarterly for these rebates. The Company records the rebates attributable to insured customers as a reduction to claims and medical expenses. The rebates attributable to self-funded customers are accrued in accordance with their contracts, as rebates receivable as well as a corresponding payable to self-funded customers. Of these receivables, $73,901,896 and $76,453,680 at December 31, 2018 and 2017, respectively, were nonadmitted because they were outstanding in excess of 90 days.

D. Going Concern

At December 31, 2018, as required by SSAP No, 1, *Accounting Policies, Risk and Uncertainties, and other Disclosures*, the Company has assessed its ability to continue as a going concern and is unaware of any conditions or events that create substantial doubt regarding its ability to do so.

2. Accounting Changes and Corrections of Errors

The Company did not have any material changes in accounting principles and/or corrections of errors at December 31, 2018.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

There have been no significant changes since the fiscal year 2017 filing.

B. Statutory Mergers

There have been no significant changes since the fiscal year 2017 filing.

C. Assumption Reinsurance

The Company has not assumed any reinsurance related to statutory purchase or mergers since the fiscal year 2017 filing.

D. Impairment Loss

There have been no significant changes since the fiscal year 2017 filing. The Company did not recognize any impairment losses.

4. Discontinued Operations

The Company did not have any discontinued operations at December 31, 2018 and 2017.

A. Discontinued Operations Disposed of or Classified as Held for Sale.

(1) Not Applicable.

(2) Not Applicable.

(3) Not Applicable.

(4) Not Applicable.

B. Change in the Plan of Sale of Discontinued Operations

Not Applicable.

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal

Not Applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not Applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in any mortgage or mezzanine real estate loans as of December 31, 2018 and 2017.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable
(5) Not applicable
(6) Not applicable
(7) Not applicable
(8) Not applicable
(9) Not applicable

B. Debt Restructuring

The Company did not have any debt restructuring in which it is a creditor as of December 31, 2018 and 2017.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable

C. Reverse Mortgages

The Company did not have any reverse mortgages as of December 31, 2018 and 2017.

(1) Not applicable
(2) Not applicable
(3) Not applicable
(4) Not applicable

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.

(2) The Company did not have any other than impaired loan-backed securities for the period ended December 31, 2018.

(3) Loan-backed securities with a recognized other-than-temporary impairment, currently held by the Company, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities are as follows as of December 31, 2018:

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of financial statement Where Reported
None	$-	$-	$-	$-	$-	$-

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earning as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

A. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$2,408,183
2.	12 Months or Longer	$7,076,244

B. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	$236,729,359
2.	12 Months or Longer	$232,839,725

(5) For loan-backed or structured securities, factors considered by management in determining whether an other-than-temporary impairment exists include the Company's stated intent to not sell, the Company's ability to hold such investments until the fair value recovers, and the discounted cash flows of the security based on the yield at the date of acquisition. If the Company intends to sell or if the Company does not have the ability and intent to hold the security for a period of time sufficient to recover its amortized cost basis, an other-than-temporary impairment exists, and the security is written down to fair value with the amount of the write-down recorded as a realized loss. If the Company does not intend to sell the security and has the ability and intent to hold the security for a period of time sufficient to recover the amortized cost basis, the Company calculates the cash flows expected to be collected. In this calculation, the Company compares the present value of cash flows expected to be collected, discounted at the security's effective interest rate at date of purchase, to the amortized cost basis. If the present value of cash flows is less than the amortized cost basis, a realized loss is recorded for the difference. The present value of cash flows then becomes the new cost basis.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company did not have any Repurchase Agreements and/or Securities Lending Transactions as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any Repurchase Agreements Transactions Accounted for as Secured Borrowing as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Not applicable

(10) Not applicable

(11) Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Not applicable

(10) Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any Repurchase Agreements Transactions Accounted for as a Sale as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

(9) Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any Reverse Repurchase Agreements Transactions Accounted for as a Sale as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

(8) Not applicable

J. Real Estate

(1) During 2018, Blue Cross NC sold its Duke Street property, and recognized a gain on the sale in the amount of $2,839,964.

(2) The Company has not experienced changes to a plan of sale for an investment in real estate.

(3) The Company does not hold real estate investments with participating mortgage loan features.

(4) The Company did not engage in retail land sales operations.

(5) The Company does not hold real estate investments with participating mortgage loan features.

K. Investment in Low-Income Housing Tax Credits (LIHTC)

The Company did not have any LIHTC investments as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

L. Restricted Assets

(1) On deposit with government authorities as required by law:

Restricted Asset Category	Total gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreement	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	500,004	500,996	(992)	500,004	0.0	0.0
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in order categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	$500,004	$500,996	($992)	$500,996	0.0	0.0

(2) The Company does not have any other assets pledged as collateral not captured in other categories as of December 31, 2018.

(3) The Company does not have any other restricted assets as of December 31, 2018.

(4) The Company does not have collateral that is reflected as assets as of December 31, 2018.

M. Working Capital Finance Investments

(1) The Company did not have any working capital finance investments as of December 31, 2018 and 2017.

(2) Not applicable

(3) Not applicable

N. Offsetting and Netting of Assets and Liabilities

The Company did not offset or net any assets and liabilities as of December 31, 2018 and 2017.

O. Structured Notes

The Company did not have joint and several liabilities as of December 31, 2018 and 2017.

P. 5* Securities

The Company did not have any 5* securities as of December 31, 2018 and 2017.

Q. Short Sales

(1) Not applicable

(2) Not applicable

R. Prepayment Penalty and Acceleration Fees

The Company did not have any prepayment penalties or acceleration fees as of December 31, 2018 and 2017.

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.

B. At December 31, 2018 the Company recognized an impairment for the following investment:

(1) Excel Medical Fund I. This fund has impaired some of the underlying investments. Investor statement indicates write down of underlying securities of 35.5%, and we took the corresponding write down to our investment.

(2) The amount of the impairment is $281,000. This is consistent with the impairments of the underlying investments.

7. Investment Income

a. Due and accrued income are excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due.

b. The total amount excluded was $0.

8. Derivative Instruments

The Company does not hold any derivative instruments as of December 31, 2018 and 2017.

9. Income Taxes

A. The changes in components of the net deferred tax asset (DTA) recognized in the Company's Statement of Assets, Liabilities, Capital and Surplus at December 31, 2018 are as follows:

1.

	12/31/18			12/31/17			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	160,881,363	52,856	160,934,219	122,248,039	59,850	122,307,889	38,633,324	(6,994)	38,626,330
(b) Statutory valuation allowance adjustn	(1,073,909)	-	(1,073,909)	(1,073,909)	-	(1,073,909)	-	-	-
(c) Adjusted gross deferred tax assets (1a	159,807,454	52,856	159,860,310	121,174,130	59,850	121,233,980	38,633,324	(6,994)	38,626,330
(d) Deferred tax assets nonadmitted	(19,986,545)	-	(19,986,545)	-	-	-	(19,986,545)	-	(19,986,545)
(e) Subtotal net admitted deferred tax asse	139,820,908	52,856	139,873,764	121,174,130	59,850	121,233,980	18,646,778	(6,994)	18,639,784
(f) Deferred tax liabilities	10,672,345	54,872,818	65,545,163	9,657,342	74,132,714	83,790,055	1,015,003	(19,259,896)	(18,244,892)
(g) Net Admitted Deferred Tax Asset/(Ne	129,148,563	(54,819,962)	74,328,601	111,516,788	(74,072,864)	37,443,925	17,631,775	19,252,902	36,884,677

2.

	12/31/18			12/31/17			Change		
	(1)	(2)	(3) (Col 1+2)	(4)	(5)	(6) (Col 4+5)	(7) (Col 1-4)	(8) (Col 2-5)	(9) (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101									
years recoverable though loss carrybacks	66,275,235	-	66,275,235	61,587,109	-	61,587,109	4,688,126	-	4,688,126
(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	8,053,366	-	8,053,366	8,756,445	-	8,756,445	(703,079)	N/A	(703,079)
1. Adjusted gross deferred tax assets expected to be realized following the	N/A	N/A	8,053,366	N/A	N/A	8,756,445	N/A	N/A	(703,079)
allowed per limitation threshold	N/A	N/A	500,407,327	N/A	N/A	436,222,030	N/A	N/A	64,185,297
(excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities)	65,492,307	52,856	65,545,163	50,830,576	59,850	50,890,426	14,661,731	(6,994)	14,654,737
result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	139,820,908	52,856	139,873,764	121,174,130	59,850	121,233,980	18,646,778	(6,994)	18,639,784

3.

a. The ratio percentage used to determine recovery period and threshold limitation amount was 1018% and 937% in 2018 and 2017, respectively.
b. The amount of adjusted capital and surplus used to determine recovery period and threshold limitation was $328,388,651 and $331,195,958 in 2018 and 2017, respectively.
c. No tax planning strategies have been used to increase adjusted gross or net admitted deferred tax assets.

B. The Company had no deferred tax liabilities that are not recognized.

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

		1 Current 12/31/2018	2 Prior 12/31/2017	3 Change (Col 1-2)
1	Current income tax			
	(a) Federal	$183,773,246	$148,054,106	$35,719,140
	(b) Foreign			-
	(c) Subtotal	183,773,246	148,054,106	35,719,140
	(d) Federal income tax on net capital gains	8,562,617	2,083,380	6,479,237
	(e) Utilization of capital loss carry-forwards	-	-	-
	(f) Other	-	-	-
	(g) Federal and foreign income taxes incurred	192,335,863	150,137,486	42,198,377
2	Deferred tax assets			
	(a) Ordinary			
	(1) Discounting of unpaid losses	2,732,453	1,222,419	1,510,034
	(2) Unearned premium reserve	992,161	-	992,161
	(3) Policyholder reserve	-	(442,262)	442,262
	(4) Investments	-	-	-
	(5) Deferred acquisition costs	15,951,034	16,382,965	(431,931)
	(6) Policyholder dividends accrual	-	-	-
	(7) Fixed assets	17,745,692	10,721,312	7,024,380
	(8) Compensation and benefits accrual	3,625,622	3,585,500	40,122
	(9) Pension accrual	6,404,978	7,553,702	(1,148,724)
	(10) Receivables - nonadmitted	30,057,196	26,926,636	3,130,560
	(11) Net operating loss carry-forward	-	-	-
	(12) Tax credit carry-forward	-	-	-
	(13) Other (including items for both <=5% and >5% of total ordinary tax assets) (items >5% listed separately)	83,372,227	56,297,768	27,074,459
	(99) Total	160,881,363	122,248,040	38,633,323
	Statutory valuation allowance adjustment	1,073,909	1,073,909	-
	Nonadmitted	19,986,545	-	19,986,545
	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	139,820,909	121,174,131	18,646,778
	Capital			
	(1) Investments	52,856	59,850	(6,994)
	(2) Net capital loss carry-forward	-	-	-
	(3) Real estate	-	-	-
	(4) Other (including items for both <=5% and >5% of total capital tax assets) (items >5% listed separately)	-	-	-
	(99) Total	52,856	59,850	(6,994)
	(b) Statutory valuation allowance adjustment	-	-	-
	(c) Nonadmitted	-	-	-
	(d) Admitted capital deferred tax assets (2e99 - 2f - 2g)	52,856	59,850	(6,994)
	(e) Admitted deferred tax assets (2d + 2h)	139,873,765	121,233,981	18,639,784
3	Deferred Tax Liabilities - Ordinary			
	(a) Ordinary			
	(1) Investments	-	-	-
	(2) Fixed assets	-	-	-
	(3) Deferred and uncollected premium	-	-	-
	(4) Policyholder reserves	493,055	-	493,055
	(5) Other (including items for both <=5% and >5% of total ordinar	10,179,290	9,657,342	521,948
	(99) Total	10,672,345	9,657,342	1,015,003
	(b) Capital			
	(1) Investments	54,872,818	74,132,714	(19,259,896)
	(2) Real estate	-	-	-
	(3) Other (including items for both <=5% and >5% of total capital tax liabilities) (items >5% listed separately)	-	-	-
	(99) Subtotal	54,872,818	74,132,714	(19,259,896)
	(c) Deferred tax liabilities (3a99 + 3b99)	65,545,163	83,790,056	(18,244,893)
4	Net deferred tax assets/liabilities (2i - 3c)	$74,328,602	$37,443,925	$36,884,677

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

	12/31/2018	12/31/2017	Change
Total deferred tax assets	$159,860,310	$121,233,980	$38,626,330
Total deferred tax liabilities	65,545,163	83,790,055	(18,244,892)
Net deferred tax asset (liability)	$94,315,147	$37,443,925	56,871,222
Tax effect of unrealized gains (losses)			(22,438,326)
Pension Adjustments to Surplus			3,047,251
Change in net deferred income tax			$37,480,147

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

	12/31/2018	Effective Tax Rate
Provision computed at statutory rate	$168,408,152	21.0%
Change in Nonadmitted Assets	(36,608,939)	-4.6%
Tax Exempt Income	(8,651,007)	-1.1%
Change in Valuation Basis of Aggregate Policy and Claim Reserves	1,171,399	0.1%
Donation of Appreciated Securities	(6,234,724)	-0.8%
ACA Compensation Limitation	4,466,350	0.6%
ACA Nondeductible Insurer Fee	34,982,722	4.4%
Energy Credit	(1,410,142)	-0.2%
Other	(9,830,713)	-1.2%
Total	$146,293,099	18.2%
Federal income taxes incurred	183,773,246	22.9%
Change in net deferred income taxes	(37,480,147)	-4.7%
Total statutory income taxes	$146,293,099	18.2%

E. The Company had no net capital loss carryforwards and no federal income tax net operating loss (NOL) carryforwards.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
Year ended 2018	$183,773,246	$8,562,617	$192,335,863
Year ended 2017	$131,650,229	$5,641,500	$137,291,729

As discussed in Footnote 1B, Accounting Estimates, the Company completed its accounting for the tax effects of the enactment of the Tax Act in 2018. The Company recognized a total provisional tax benefit of $1,093,338 in 2017 due to the application of the newly enacted rates to existing deferred balances. The Company completed its accounting for the tax effects of the enactment of the Tax Act in 2018 and recorded an additional benefit of $11,517,000 in net deferred income taxes.

F. The Company's federal income tax return is consolidated with the following entities:

Corium, LLC (Corium)
Corium II, LLC (Corium II)
NobleHealth, Inc.
Noble Benefit Services, LLC
Mosaic Group Services, LLC
ACS Benefit Services, LLC
Mosaic Health Solutions, LLC
Topaz Shared Services, LLC
Blue Cross and Blue Shield of North Carolina Senior Health
NC Health Affiliates, LLC
Beacon Health Holdings, Inc.
Momentum Health, LLC
Momentum Health Partners, Inc.

Current taxes are allocated among all affiliated companies based on a written tax sharing agreement. Allocation of taxes is made primarily on a separate return basis. Payment for losses and other tax items occurs once a company could have utilized the items in a separate return and the group has utilized the items in the consolidated return. This is referred to as the wait-and-see method. Inter-company balances are settled annually within two months of filing the consolidated return.

G. Not applicable

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

A., B. &
C. At December 31, 2018 and December 31, 2017, the Company earned management fees of $3,708,432 and $2,985,462, from its subsidiaries. The Company has agreed to provide its subsidiaries, administrative services, which include but are not limited to management duties, production of business and servicing of the subsidiaries business. At December 31, 2018 and December 31, 2017, the Company also paid management fees of $4,623,468 and $4,752,987 to its subsidiaries for services primarily related to certain administrative service agreements.

D. At December 31, 2018 and December 31, 2017, the Company reported $9,107,952 and $6,514,582 as amounts due from its subsidiaries, respectively. At December 31, 2018 and December 31, 2017, the Company reported $7,251,854 and $2,661,416 as amounts due to its subsidiaries, respectively. These inter-company transactions are settled monthly.

E. See note 14 for disclosure related to affiliate guarantee.

F. The Company has insurance and other cost sharing arrangements with ACS. The Company's portion of the insurance cost sharing arrangement with ACS was $11,825 for the periods ended December 31, 2018 and December 31 2017. In addition, ACS paid Blue Cross NC $71,237 and $110,194 as additional amounts due under an administrative services agreement and Blue Cross NC paid ACS $52,312 and $331,287 for electronic data interchange services for the periods ended December 31, 2018 and December 31, 2017, respectively.

G. The Company is organized as a taxable not-for-profit insurance company; therefore, no outstanding shares exist at December 31, 2018 or December 31, 2017.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. The Company owns 100% interest in Corium, Corium II, Senior Health, Beacon, MHP, Momentum Health, and NobleHealth whose carrying values are less than 10% of the Company's admitted assets. The Company carries Senior Heath at the subsidiaries' statutory equity. The Company carries NobleHealth at GAAP audited equity. The Company carries Beacon at GAAP unaudited equity. MHP and Momentum Health valuation are yet to be determined. Corium and Corium II are recorded on a consolidated basis.

J. The Company did not recognize any impairment write down for its investments in subsidiaries, controlled or affiliated companies for the periods ended December 31, 2018 and December 31, 2017.

K. The Company has no investment in a foreign insurance subsidiary.

L. The Company utilized the look-through approach in valuing its investment in Beacon at $3,338,462. Beacon's financial statements are not audited.

M. All SCA Investments

1. Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8(ii) Entities	XXX			
c. SSAP No. 97 8b (iii) Entities				
NobleHealth, Inc.		$197,450,339	$197,450,339	-
Total SSAP No. 97 8b(iii)	100%	$197,450,339	$197,450,339	-
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	100%	$197,450,339	$197,450,339	$-
f. Aggregate Total (a+e)	XXX	$197,450,339	$197,450,339	$-

2. NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above)	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities Total SSAP No. 97 8a Entities	XXX					
b. SSAP No. 97 8b(ii) Entities Total SSAP No. 97 8(ii) Entities	XXX	XXX	$-	XXX	XXX	XXX
c. SSAP No. 97 8b (iii) Entities NobleHealth, Inc. Total SSAP No. 97 8b(iii)	S2 XXX	In process XXX	$197,450,339 $197,450,339	Y XXX	N XXX	 XXX
d. SSAP No. 97 8b(iv) Entities Total SSAP No. 8b(iv) Entities	XXX	XXX	$-	XXX	XX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$197,450,339	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	$197,450,339	XXX	XXX	XXX

N. Investment in Insurance SCAs

1. The Company has received an exemption from the North Carolina Department of Insurance pursuant to 58-10-185 for Senior Health for the year-end December 31, 2018. The statute requires an annual audit of financial statements reporting the financial position and the results of operations of insurers by independent certified public accountants.

2. The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA has completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements
Blue Cross and Blue Shield of NC Senior Health	-	-	-	$1,500,000

3. Senior Health is not required to file an HRBC at this time.

11. Debt

A. Blue Cross NC has established three credit lines providing a total borrowing capacity of $350,000,000 to support its daily working capital requirements. The three credit lines include two revolving lines of credit and a secured line of credit with the Federal Home Loan Bank of Atlanta (FHLBA). The interest rate for borrowings on the revolving lines is LIBOR plus 65 basis points. The interest rate for borrowings on the secured line is based on rates published by the FHLBA for the specific term requested for the borrowings.

In November 2013, Blue Cross NC entered into a revolving line of credit and has amended and restated it periodically to extend the termination date or adjust the borrowing capacity as our liquidity needs fluctuate. In July 2016, Blue Cross NC extended the termination date an additional year to July 2018. In July 2017, Blue Cross NC extended the termination date an additional year to July 2019 and reduced the borrowing capacity to $100,000,000 from $150,000,000. In July 2018, Blue Cross NC extended the termination date an additional year to July 2020.

In September 2015, Blue Cross NC entered into a second $50,000,000 revolving line of credit terminating in September 2017. In December 2016, Blue Cross NC extended the termination date to September 2017. In November 2017, Blue Cross NC extended the termination date to September 2019.

In September 2016, Blue Cross NC entered into a credit agreement with the FHLBA providing secured borrowing capacity up to $200,000,000. The capacity is based on our internal limits and the collateral will included cash and securities in our investment portfolio deemed eligible by the FHBLA. Collateral is only encumbered to the extent borrowings are outstanding.

There were no outstanding borrowing under these revolving lines of credit at December 31, 2018 or December 31, 2017.

In September 2014, the Company entered into a $165,000,000 thirty-year, fully amortizing, 4.09% mortgage due 2044 with an unaffiliated lender using eight office buildings as collateral. The mortgage is not callable and can be prepaid at any time subject to a make whole premium due to the lender.

Blue Cross NC must maintain certain covenants including limits on indebtedness to capital, indebtedness to EBITDA, risk based capital ratio, liens, and dispositions. As of December 31, 2018 and December 31, 2017, the Company was in compliance with the covenants and requirements outlined in these agreements.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the FHLBA. Through its membership, the Company has the opportunity to conduct business activity with the FHLBA. The Company has determined the actual/estimated maximum borrowing capacity as $200,000,000. The Company calculated this amount in accordance with current debt policy. The Company's membership stock is eligible for redemption.

2. FHLBA Capital Stock

a. Aggregate Totals

1. Current Year

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	4,689,500
(c)	Activity Stock	-
(d)	Excess Stock	-
(e)	Aggregate Total	4,689,500
(f)	Actual or estimated borrowing capacity as determined by the insurer	$200,000,000

2. Prior Year-end

		Total
(a)	Membership Stock – Class A	-
(b)	Membership Stock – Class B	3,699,200
(c)	Activity Stock	-
(d)	Excess Stock	-
(e)	Aggregate Total	3,699,200
(f)	Actual or estimated borrowing capacity as determined by the insurer	$200,000,000

b. Membership Stock (Class A and B) Eligible and Not Eligible for redemption

					Eligible for Redemption		
Membership Stock		1. Current Year Total	2. Not Eligible for Redemption	3. Less Than 6 Months	4. 6 Months to Less than 1 Year	5. 1 to Less than 3 Years	6. 3 to 5 Years
1.	Class A	-	-	-	-	-	-
2.	Class B	4,689,500	-	-	-	-	4,689,500

3. Collateral Pledged to FHLBA

a. Amount Pledged to FHLBA

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	-	-	-
2. Prior Year-end Total Maximum collateral Pledged	-	-	-

b. Maximum amount Pledged During Reporting Period

	1. Fair Value	2. Carry Value	3. Amount Borrowed at time of Maximum Collateral
1. Current Year Maximum Collateral Pledged	-	-	-
2. Prior Year-end Total Maximum collateral Pledged	-	-	-

4. Borrowing from FHLBA

a. Amount as of the Reporting Date

1. Current Year

	Total	Funding Agreements Reserves Established
(a) Debt	-	XXX
(b) Funding Agreements	-	-
(c) Other	-	XXX
(d) Aggregate Total	-	-

2. Prior Year-end

	Total	Funding Agreements Reserves Established
(a) Debt	-	XXX
(b) Funding Agreements	-	-
(c) Other	-	XXX
(d) Aggregate Total	-	-

b. Maximum Amount During reporting Period (Current Year)

	Total
1. Debt	-
2. Funding Agreements	-
3. Other	-
4. Aggregate Total	-

c. FHLB – Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company maintains a noncontributory, defined benefit pension plan. The Plan covers most employees hired before January 1, 2006. Benefits are determined according to the covered employee's years of credited service and final average compensation while an eligible participant. Effective December 31, 2013 the Plan was frozen and no longer recognizes service or compensation earned after this date for retirement benefit determination purposes. All Plan participants are fully vested. The Company also maintains three separate non-contributory, non-qualified defined benefit SERPs for certain executives. Two of the SERPs have benefits based on years of service, retirement age and certain final average pay calculations. Benefits are offset by benefits payable from other defined benefit retirement plans. An additional SERP has benefits based on years of service and individual agreements that generally require payment of a fixed monthly dollar amount for 15 years upon retirement.

Effective January 1, 2017 retirees and dependents who were age 65 and older obtained coverage through a private health exchange, BCBS Marketplace. Eligible retirees and dependents who enrolled through the BCBS Marketplace received a sponsor subsidy in the form of a Health Reimbursement Account contribution. This modification did not intend or expect to materially impact the cost of the program.

A summary of assets, obligations and assumptions of the Retirement and Other Postretirement Plans, are as follows at December 31, 2018 and 2017:

(1) Change in Benefit Obligation

	Over Funded		Underfunded	
	2018	2017	2018	2017
a. Pension Benefits				
1 Benefit Obligation, Beginning of Year	$521,004,708	$513,169,730	-	-
2 Service Cost	1,550,000	950,000	-	-
3 Interest Cost	16,852,857	18,155,866	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	(45,034,198)	37,036,811	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	(30,823,648)	(19,183,568)	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	(29,124,131)	-	-
10 Benefit Obligation, End of Year	$463,549,719	$521,004,708	-	-

	Over Funded		Underfunded	
	2018	2017	2018	2017
Postretirement Benefits				
1 Benefit Obligation, Beginning of Year	$66,871,184	62,453,172	$77,162,172	$71,162,309
2 Service Cost	1,375,457	1,303,114	403,710	375,899
3 Interest Cost	2,160,897	2,207,856	2,014,443	2,406,154
4 Contribution by plan participants	997,668	999,556	-	-
5 Actuarial (Gain)/Loss	(9,302,075)	3,576,820	(3,823,461)	5,467,710
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	(2,689,765)	(3,669,334)	(2,288,585)	(2,249,900)
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	(16,993,328)	-
10 Benefit Obligation, End of Year	$59,413,366	$66,871,184	$56,474,951	$77,162,172

	Over Funded		Underfunded	
	2018	2017	2018	2017
c. Special or Contractual Benefits per SSAP No. 11				
1 Benefit Obligation, Beginning of Year	$ -	$ -	$ -	$ -
2 Service Cost	-	-	-	-
3 Interest Cost	-	-	-	-
4 Contribution by plan participants	-	-	-	-
5 Actuarial (Gain)/Loss	-	-	-	-
6 Foreign currency exchange rate changes	-	-	-	-
7 Benefits Paid	-	-	-	-
8 Plan Amendments	-	-	-	-
9 Business combinations, divestitures, curtailments, settlements and special termination benefits.	-	-	-	-
10 Benefit Obligation, End of Year	$ -	$ -	$ -	$ -

(2) **Change in Plan Assets**

	Pension Benefits		Postretirement Benefits		Special or Contractual	
	2018	2017	2018	2017	2018	2017
Plan Assets as Fair Value, Beginning of Year	$550,285,058	$536,349,470	$67,933,545	$61,637,078	$ -	$ -
Actual Return on Plan Assets	(26,174,244)	62,243,287	(5,762,258)	8,916,057	-	-
Foreign currency exchange rate changes	-	-	-	-	-	-
Company Contributions	75,000,000	-	19,347,547	2,300,088	-	-
Plan participants' contributions	-	-	997,668	999,556	-	-
Benefits Paid	(30,823,648)	(19,183,568)	(4,978,350)	(5,919,234)	-	-
Plan Settlements	-	(29,124,131)	(16,993,328)	-	-	-
Plan Assets as Fair Value, End of Year	$568,287,166	$550,285,058	$60,544,824	$67,933,545	$ -	$ -

(3) **Funded Status**

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a Components				
1. Prepaid benefit costs	$160,251,512	$ 92,006,383	$ 3,938,341	5,773,582
2. Overfunded plan assets	($55,514,065)	($62,726,033)	($2,806,883)	(4,711,221)
3. Accrued benefit costs	-	-	($58,063,519)	($73,356,329)
4. Liability for pension benefits	-	-	$1,588,568	($3,805,843)
b Assets and liabilities recognized				
1. Assets (nonadmitted)	$104,737,447	$ 29,280,350	$ 1,131,458	1,062,361
2. Liability recognized	-	-	$56,474,951	($77,162,172)
c Unrecognized liabilities	-	-	-	-

(4) **Components of net periodic benefit cost**

	Pension Benefits		Postretirement Benefits		Special or Contractual	
	2018	2017	2018	2017	2018	2017
a Service Cost	$1,550,000	$950,000	$1,779,167	$1,679,013	$ -	$ -
b Interest cost	16,852,857	18,155,866	4,175,340	4,614,010	-	-
c Expected return on plan assets	(24,193,193)	(31,453,206)	(3,663,064)	(3,319,469)	-	-
d Expense Load	-	-	-	-	-	-
e Amortization of actuarial (gain)/loss	12,545,207	92,983,830	526,475	8,395,990	-	-
f Amortization of prior service cost/(credit)	-	-	2,844,029	2,844,029	-	-
g Gains or losses recognized due to a settlement, curtailment, or special termination benefit	-	3,506,381	228,031	-	-	-
h Total net periodic benefit cost	$6,754,871	$84,142,871	$5,889,978	$14,213,573	$ -	$ -

(5) Amounts in unassigned funds (surplus) recognized as compnents of net peridoc benefit cost.

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a Items not yet recognized as a component of net periodic cost - prior year	$62,726,033	$152,969,514	$8,517,064	$16,309,141
b Net transition asset or obligation recognized	-	-	-	-
c Net prior service cost or credit arising during the period	-	-	-	-
d Net prior service (cost) or credit recognized	-	-	($2,844,029)	($2,844,029)
e Net gain and loss arising during the period	$5,333,239	$6,246,730	($3,700,214)	$3,447,942
f Net gain and (loss) recognized	($12,545,207)	($96,490,211)	($754,506)	($8,395,990)
g Items not yet recognized as a component of net periodic cost-current year	$55,514,065	$62,726,033	$1,218,315	$8,517,064

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a Net transition asset or obligation	-	-	-	-
b Net prior service (cost) or credit	-	-	($2,844,029)	($2,844,029)
c Net recognized gain and (loss)	($11,102,813)	($12,545,207)	($55,050)	($868,280)

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a Net transition asset or obligation	-	-	-	-
b Net prior service (cost) or credit	-	-	($4,640,569)	($7,484,598)
c Net recognized gain and (loss)	($55,514,065)	($62,726,033)	$3,422,254	($1,032,466)

(8) The following table presents assumptions used in determining the actuarial present value of the benefit obligation and the subsequent year's net periodic benefit cost for the qualified, non-qualified and other postretirement plans:

	Qualified		Non-Qualified		Other Postretirement	
	2018	2017	2018	2017	2018	2017
Discount Rate	See detail below	See detail below	See detail below	See detail below	See detail below	See detail below
Rate of Compensation Increase	n/a	n/a	n/a	n/a	3.50%	3.50%
Expected return on plan assets	4.50%	4.50%	n/a	n/a	5.50%	5.50%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2018	2017
Qualified	4.22%	3.62%
Nonqualified:		
Partners SERP	4.00%	3.34%
Senior SERP	4.24%	3.64%
Restoration SERP	4.18%	3.56%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2018	2017
Qualified	3.96%	3.30%
Nonqualified:		
Partners SERP	3.70%	2.99%
Senior SERP	4.12%	2.56%
Restoration SERP	3.90%	3.11%

Effective Discount Rate for Benefit Obligations by Benefit Plan

	2018	2017
Retiree Medical and Dental	4.22%	3.62%
Retiree Life Insurance	4.21%	3.61%

Effective Rate for Interest on Benefit Obligations by Benefit Plan

	2018	2017
Retiree Medical and Dental	3.94%	3.30%
Retiree Life Insurance	3.93%	3.26%

Effective Discount Rate for Service Cost by Benefit Plan

	2018	2017
Retiree Medical and Dental	4.32%	3.74%
Retiree Life Insurance	4.27%	3.68%

Effective Rate for Interest on Service Cost by Benefit Plan

	2018	2017
Retiree Medical and Dental	4.25%	3.65%
Retiree Life Insurance	4.14%	3.52%

The above trend rates were used for the PPO plan options. Different rates were used for some post-65 plan options to better model gross costs and expected government subsidies.

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was $463,549,719 for the current year and $521,004,708 for the prior year.

(10) The Company provides certain health care and life insurance benefits for retired employees. The Plan is a contributory health and welfare plan, which provides health benefits (medical, hospital, surgical, dental and drug) for eligible retirees. Retirees are eligible for coverage upon retirement at age 55 or later with five or more years of service. In addition, substantially all of those employees hired prior to January 1, 2006 and who reach retirement age with at least 15 years of service may become eligible for both Company subsidized health care insurance and a company-paid life insurance benefit. The Company funds retiree health care benefits by making contributions to the Voluntary Employees Beneficiary Association (VEBA) administered by the

BCBSA. The Company did not make a contribution for the years 2018 or 2017 to fund the liability for eligible retired employees.

(11) Health care cost trend rate assumptions can have a significant effect on the amounts reported for the Retiree Medical Benefits Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service and interest cost components	$242,833	$(191,639)
Effect on postretirement benefit obligation	$3,595,318	$(2,950,060)

(12) Future expected benefit payments are as follows:

	Retirement Benefits		Other Postretirement Benefits
	Qualified	Non-Qualified	
a. 2019	$ 22,277,360	$ 2,300,953	$ 3,541,956
b. 2020	$ 22,710,632	$ 2,350,518	$ 3,605,765
c. 2021	$ 23,261,565	$ 2,328,219	$ 3,726,282
d. 2022	$ 23,989,469	$ 2,338,851	$ 3,828,300
e. 2023	$ 24,462,984	$ 2,407,194	$ 3,939,402
f. Thereafter Total	$132,925,097	$18,002,030	$21,253,400

(13) The Company anticipates that it will make cash contributions in 2019 of $2,187,199 and $712,203 to the non-qualified and postretirement pension plan respectively. The Plan does not expect to make a cash contribution to the qualified pension plan. Expected contributions are dependent on many variables, including the variability of the market value of the assets as compared to the obligation and other market or regulatory conditions. The Plan takes into consideration its business investment opportunities and resulting cash requirements. Accordingly, actual funding may differ from current estimates. The Pension Protection Act established certain minimum funding standards for defined benefit plans, and the Plan is in compliance with these funding standards.

(14) Not Applicable

(15) In 2018 and 2017, Blue Cross NC recognized the amortization of the cumulative net loss from past experience as measured by comparing the expected position of the plan at year-end (based on the beginning of the year actuarial assumptions and prior year census data) with the actual position of the plan at year-end (based on the end of year actuarial assumptions and current year census data) prior to recognizing any plan provision changes.

(16) The Company did not have a significant benefit increase during the period. Additionally, the Company does not have any substantive commitment, such as a past practice or history of regular benefit increases, used as the basis for accounting for the benefit obligation.

(17) No significant special or contractual termination benefits were recognized during the period.

(18) There was no significant change in the benefit obligation or plan asset in 2018 or 2017 not otherwise apparent in the disclosures herein.

(19) There are no plan assets expected to be returned to the employer.

(20) The accumulated postretirement and pension benefit obligation, fair value of plan assets and funded status of the benefit plans are disclosed in the tables herein.

(21) The full surplus impacts of SSAP No. 102 and SSAP No. 92 have been recognized. There is no transition liability, nor will there be any future recognition of the initial application if this guidance.

B. Investment Plan Policies for Plan Assets

Blue Cross NC's plan weighted-average asset allocations at December 31, by asset category, are as follows:

	Retirement Benefits					
	Qualified			Other Postretirement Benefits		
	Target	2018	2017	Target	2018	2017
Asset Category:						
Equity securities:						
Mutual funds	13%	5%	7%	-%	-%	-%
Common stock	2	2	2	-	49	52
Total	15	7	9	50-60	49	52
Fixed income securities:						
State and U.S. government obligations	17	18	21	-	51	47
Domestic corporate fixed income securities	67	73	67	-	-	-

International corporate fixed income securities	-	-	-	-	-	-
Total	84	91	88	40-50	51	47
Cash and cash equivalents	1	1	1	0-3	-	1
Collective trust fund - real estate	-	-	-	-	-	-
Other	-	1	2	-	-	-
Total	100%	100%	100%	100%	100%	100%

The Company utilizes a partial liability matching investment strategy. The Plan's funding ratio exceeded 100% at year end and approximately 90% of the portfolio was transitioned to a liability driven investment strategy.

The Plan's investments remain diversified and of high quality. At year end, the Plan had investments in funds invested in fixed income, domestic and international equities, real estate and timber.

The investment fiduciary for the VEBA employs a total return investment approach whereby a mix of equities, fixed income and other investments is used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio contains a diversified blend of equity, fixed income and other investments. Investment risk is measured and monitored on an ongoing basis through investment portfolio reviews, annual liability measurements, and periodic asset/liability studies.

The mutual fund investment strategy for the VEBA is market sensitive while remaining consistent with the risk tolerance, tax status, and cash flow requirements. Fund strategies include pursuing and capitalizing on market inefficiencies using duration, yield curve, security selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks selection, geographic concentration, sector and state allocation. Security selection, geographic concentration and sector decisions are based on relative attractiveness, using inputs such as historical spread relationships, the value of state tax exemptions, state/regional economic outlooks, credit outlooks and supply and demand.

C. Fair Value Measurement of Plan Assets

(1) The following table summarizes fair value measurements by level at December 31 for qualified retirement benefit plan assets and liabilities:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	**Significant Other Observable Inputs (Level II)**	**Significant Unobservable Inputs (Level III)**	**Total Fair Value**
December 31, 2018				
Equity securities:				
Common stocks	$ 9,072,923	$ -	$ -	$ 9,072,923
Mutual funds	93,183,394	-	-	93,183,394
Total equity securities.....	102,256,317	-	-	102,256,317
Fixed income securities:				
US Treasury and agency securities	95,277,007	-	-	95,277,007
States and political subdivisions	-	-	-	-
Corporate fixed income securities	-	155,517,408	-	155,517,408
Residential mortgage-backed	-	36,133,815	-	36,133,815
Total fixed income securities	95,277,007	191,651,223	-	286,928,230
Cash and cash equivalents	8,378,715	-	-	8,378,715
Other	1,019,042	698,714	-	1,717,756
Total investments	206,931,081	192,349,937	-	399,281,018
Plan receivables	477,435	-	-	477,435
Total assets	207,408,516	192,349,937	-	399,758,453
Plan liabilities	(15,647,308)	(36,453)	-	(15,683,761)
Total net assets	$191,761,208	$192,313,484	$ -	$384,074,692

(2) There were no material transfers between Levels I, II or III during the years ended December 31, 2018 and 2017.

(3) The following is a description of the valuation methodologies used for the benefit plan assets. There have been no changes in the methodologies used during the years ended December 31, 2018 and 2017.

D. Rate of Return on Assets Assumption

To set the expected return on plan assets for the qualified pension plan, the Company projects returns on each asset class using historical return relationships and making adjustments as necessary, given current market and economic conditions. The projected returns are then applied to the portfolio target asset allocation weightings and result in a projected long-term portfolio rate of return.

E. Defined Contribution Plans

Blue Cross NC sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code, the Blue Cross NC 401(k) Plan (401(k) Plan). Eligible employees may contribute pretax and Roth contributions that are matched at the rate of 100% of the first 4% and 50% of the next 2% of compensation contributed. Additional Company contributions include profit sharing contributions that range from 2% to 5% of eligible compensation, based on the employee's years of service with the Company and Transition Contributions that range from 1% to 8% of eligible compensation for eligible employees who were participants in the defined benefit pension plan on December 31, 2013. Transition Contributions will cease after December 31, 2023. Employee and Company contributions are subject to certain regulatory limits and service conditions.

The Company's contributions to the plans totaled $34,689,250 and $31,458,000 for the years ended December 31, 2018 and 2017, respectively.

The Company also maintains the Restoration Plan, a non-qualified defined contribution plan, to ensure that designated participants receive the full amount of benefits to which they would have been entitled under the Blue Cross NC 401(k) Plan except for limits on compensation imposed by the Internal Revenue Service. The Company's contributions to the plans totaled $4,914,707 and $3,889,737 for the years ended December 31, 2018 and 2017, respectively.

F. Multiemployer Plans

Blue Cross NC does not participate in any multiemployer plans.

G. Consolidated/Holding Company Plans

The Company does not participate in any qualified, noncontributory defined benefit pension plans sponsored by any affiliates

H. Post-Employment Benefits and Compensated Absences

The Company does not have any post-employment benefits that are not accrued for in accordance with SSAP No. 11 Post-Employment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits

(1) The Medicare Prescription Drug, Improvement and Modernization Act of 2003 allows employers who offer actuarially equivalent prescription drug benefits to retirees to receive a federal subsidy starting in 2006. The Plan did not apply for these federal subsidies during 2018 and does not expect to apply for them in 2019.

(2) Not applicable.

(3) Not applicable.

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

(1) The Company has no shares authorized, issued or outstanding since the Company is incorporated as a taxable not-for-profit organization as of December 31, 2018 and 2017.

(2) The Company has no preferred stock outstanding.

(3) The Company does not declare dividends as it does not have shares authorized, issued or outstanding.

(4) The Company did not pay any dividends as of December 31, 2018 or 2017.

(5) The Company did not pay any dividends to stockholders as of December 31, 2018 or 2017.

(6) There were no restrictions placed on the Company's unassigned funds as of December 31, 2018 or 2017.

(7) The Company had no unpaid advances of surplus as of December 31, 2018 or 2017.

(8) The Company did not hold any shares of stock for purposes such as conversion of preferred stock, employee stock options or stock purchase warrants as of December 31, 2018 or 2017.

(9) The Company does not have any special surplus funds as of December 31, 2018. Enacted on January 22, 2018, along with continuing resolution legislation, H.R. 195, Division D – Suspension of Certain Health-Related Taxes, § 4003, suspends collection of the health insurers tax for the 2019 calendar year only. The ACA imposed a nondeductible assessment on entities that issued health insurance for each calendar year beginning on or after January 1, 2014. The liability related to the Section 9010 ACA assessment shall be estimated and recorded in full once the entity provides qualifying health insurance (typically January 1) in the applicable calendar year in which

the assessment is paid (fee year) with a corresponding entry to expense. The Section 9010 ACA assessment shall be recognized in full on January 1 of the fee year, in the operating expense category of Taxes, Licenses and Fees. On January 1, 2018 the Company recognized in full $169,100,868 related to the Section 9010 ACA assessment. At September 30, 2018, the Company adjusted our initial amount for 2017 by ($2,516,476), based on the final fee calculation from the Internal Revenue Service (IRS). At September 30, 2018, the Company paid $166,584,392, based on the invoice from the IRS.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses were ($273,547,398) and ($360,351,837) in 2018 and 2017, respectively.

(11) The Company does not have any surplus notes debentures or similar obligations as of December 31, 2018 or 2017.

(12) The Company does not have any quasi-reorganizations as of December 31, 2018 or 2017.

(13) The Company was not involved in any quasi-reorganizations; therefore, there is no effective date(s) for quasi-reorganization.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has a long-term debt obligation due September 2044, future interest payments on this debt obligation are as follows: 2019, $6,153,204; 2020, $6,011,398; 2021, $5,863,682; 2022, $5,709,809; 2023, $5,549,524 and thereafter $64,782,242.

At December 31, 2018, expected future costs to Blue Cross NC related to a purchase obligation for stated service fees with non-cancelable terms with HCL for outsourced IT infrastructure are estimated as follows: 2019, $26,332,738; 2020,$26,010,484; 2021, $2,165,664; 2022, $0 and 2023, $0.

At December 31, 2018, the Company has a commitment to a major vendor to purchase certain IT related services and products with future estimated costs as follows: 2019, $44,000,000; 2020, $45,000,000; 2021, $0; 2022, $0 and 2023, $0.

At December 31, 2018, we have various other non-cancelable arrangements with our vendors for outsourced claims processing, healthcare programs, and IT support with future costs estimated as follows: 2019, $259,053,276; 2020, $75,772,264; 2021, $19,260,254; 2022, $10,012,597 and 2023, $6,934,990.

B. Assessments

1. The National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) is a voluntary organization consisting of the state life and health insurance guaranty associations located throughout the U.S. State life and health insurance guaranty associations, working together with NOLHGA, provide a safety net for their state's policyholders, ensuring that they continue to receive coverage even if their insurer is declared insolvent. On March 1, 2017, Pennsylvania courts released an Order of Liquidation for Penn Treaty & American Network Insurance Company. This liquidation triggered state guaranty fund actions and statutory accounting actions by insurers in 2017, including a payment of the assessment in the amount of $50,813,852.

2. Payment of the assessments is expected to be recovered over future years through premium tax credits allowable by the state of North Carolina. In accordance with SSAP No. 35R, Guaranty Fund and Other Assessments, the Company recorded a discounted premium tax credit asset of $41,711,988 , using a whole life discount rate of 3.5% over the five year recovery period..

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$41,711,988
b. Decreases current year:	$0
c. Increases current year:	$4,960,891
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$46,672,879

3. The tables below show the Company's discounted premium tax offsets at December 31, 2018:

a. Discount Rate Applied 3.5%

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency:

	Guaranty Fund Assessment		Related Assets	
Names of the Insolvency	Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty	$50,813,852	$46,672,879	$50,813,852	$46,672,879

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of Discounting Time Period for Payables and Recoverables by Insolvency:

Name of the Insolvency	Payables		Recoverables	
		Weighted		Weighted

	Number of Jurisdictions	Range of Years	Average Number of Years	Number of Jurisdictions	Range of Years	Average Number of Year
Penn Treaty	1	2-10	8	1	2-10	8

C. Gain Contingencies

The Company does not have any material gain contingencies as of December 31, 2018 and 2017.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

The Company did not pay any amounts to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company did not have joint and several liabilities as of December 31, 2018 and 2017.

All Other Contingencies

We are regularly involved in litigation, both as a defendant and as a plaintiff, but primarily as a defendant. Litigation naming us as a defendant ordinarily arises out of our business operations as a health services organization and our investment activities. Some of the lawsuits may be class actions, or purport to be, and some may include claims for unspecified or substantial punitive and treble damages.

We may discuss such litigation in one of three ways. We accrue a charge to income and disclose legal matters for which the chance of loss is probable and for which the amount of loss can be reasonably estimated. We may disclose contingencies for which the chance of loss is reasonably possible and provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. Finally, we may voluntarily disclose loss contingencies for which the chance of loss is remote in order to provide information concerning matters that potentially expose us to possible losses.

The Company is involved in litigation *(In Re: Blue Cross Blue Shield Antitrust Litigation (United States District Court, Northern District of Alabama))* which is a multi-district case that consolidates multiple state and national class actions against various of the Company, the BCBSA and multiple other Blue Cross and Blue Shield plans. The Company is a named defendant in forty-three of the consolidated cases (twenty-nine provider cases and fourteen subscriber cases). The cases all allege an ongoing conspiracy in violation of the Sherman Antitrust Act among the Blues and the BCBSA and seek (1) a permanent injunction prohibiting enforcement of any agreements which restrict the BCBSA member operating territories; (2) treble damages for (a) alleged artificially inflated premiums in the case of subscribers and (b) alleged suppressed provider compensation in the case of providers and (3) attorneys' fees and costs. Additionally, one of the consolidated cases against the Company makes antitrust allegations based on most favored nations (MFN) clauses in the Company's provider contracts and seeks reformation of the Company's provider contracts to strike MFN clauses and monetary damages. The case is now in the discovery stage. The Company is vigorously defending the case.

The Company is also a defendant in litigation *(Susan Sykes d/b/a Advanced Chiropractic, et al. v. BCBSNC, et al)*. This class action was filed May 22, 2015 against the Company and other carriers, CIGNA, Medcost and Healthgram who use Health Network Solutions, Inc. (HNS) to provide their chiropractic network. The complaint alleges a purported plaintiff class of all chiropractors who practiced in North Carolina from 2005 to the present and asserts claims for (1) declaratory judgment invalidating the agreements between HNS and the individual carriers; (2) price fixing, monopsony and monopoly; (3) unfair and deceptive trade practices; (4) illegal conspiracy in restraint of trade; (5) breach of fiduciary duty; and (6) punitive damages. Generally, the plaintiffs contend that the carriers' agreements with HNS result in underpayment to chiropractors and/or illegal exclusion of chiropractors from the carriers' provider networks. The case was originally filed in North Carolina state court, but has been transferred to the North Carolina Business Court to be consolidated with a prior pending action by the same plaintiffs against HNS. All defendants filed Motions to Dismiss on September 25, 2015 which were allowed and all claims dismissed on April 5, 2018. Plaintiffs have filed notice of appeal to the North Carolina Supreme Court. Briefing is complete and the case has been set for oral argument in the North Carolina Supreme Court on March 5, 2019. The Company is vigorously defending the case.

The Company is also a defendant in *United States of America, Ex Rel Dr. Susan Nedza v. American Imaging Management, Inc. et. al.,* pending in the United States District Court for the Northern District of Illinois. On December 21, 2017, Dr. Susan Nedza, a former employee of American Imaging Management, Inc. (AIM) filed a *qui tam* action against AIM and several Blue Cross and Blue Shield plans, including the Company, alleging on behalf of the United States that the defendants have caused false and fraudulent health care claims to be made under Medicare Advantage plans offered by the defendant Blue plans for which AIM provided utilization management services and have defrauded the federal government in violation of the federal False Claims Act. The Company was served with this complaint on January 3, 2018. The Company filed a Motion to Dismiss the Complaint on March 18, 2018, which is still pending. The Company is vigorously defending this case.

The Company is also a defendant in Lifebrite Hospital Group of Stokes, LLC v. Blue Cross and Blue Shield of North Carolina, originally filed in North Carolina state court, but removed by the Company to United Stated District Court for the Middle District of North Carolina. On March 15, 2018, the Company was served with a summons and complaint filed by Lifebrite Hospital Group of Stokes, LLC, which is also known as Stokes County Hospital in Danbury, North Carolina. The complaint alleges claims for breach of contract and unjust enrichment arising out of denial of urine drug testing claims filed by Stokes County Hospital. The Company filed its Answer and Counterclaims on May 16, 2018 and filed an Amended Answer and Counterclaims on June 27, 2018. The Plaintiff

filed a Motion to Dismiss the counterclaims and Motion to Remand to state court on July 20, 2018, which are currently pending. The Company is vigorously defending this matter and vigorously prosecuting its counterclaims against the plaintiff.

Additionally, the Company is also involved in various claims and legal actions arising in the ordinary course of business. However, management believes that proceedings arising in the ordinary course of business and those referenced above will not have a material adverse impact on the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1)

a. The Company leases office space and certain office equipment under various non-cancelable operating leases. Rental expense was $4,834,615 and $5,837,025 for periods ended December 31, 2018 and 2017, respectively.

b. The Company does not have contingent rental payments.

c. Certain rental commitments have renewal options extending through the year 2019 and are subject to adjustments in future periods.

d. The Company does not have lease agreement that include restrictions.

e. The Company does not have lease agreements that were terminated early or for which the Company is no longer using the leased property benefits, and the liability recognized in the financial statements.

(2) a. At December 31, 2018, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2019	$7,050,040
2.	2020	$6,120,546
3.	2021	$4,379,722
4.	2022	$2,502,469
5.	2023 and thereafter	$1,400,102
6.	Total	$21,452,879

b. The Company does not have any total minimum rentals to be received in the future under non-cancelable subleases as of December 31, 2018.

(3) The Company is not involved in any sales-leaseback transactions as of December 31, 2018 and 2017.

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

The Company does not have any financial instruments with off-balance sheet risk as of December 31, 2018 and 2017.

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales during 2018 and 2017.

B. Transfer and Servicing of Financial Assets

The Company had no transferring or servicing of financial assets during 2018 and 2017.

C. Wash Sales

The Company had no wash sales during 2018 and 2017.

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

A. ASO Plans

The loss from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows during 2018:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$(41,141,880)	$ -	$(41,141,880)
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
Net loss from operations	$(41,141,880)	$ -	$(41,141,880)
Total claim payment volume	$2,442,121,920	$ -	$2,442,121,920

Administrative fees incurred under this plan were $78,556,836 during 2018.

B. ASC Plans

The loss from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2018:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
Gross reimbursement for medical cost incurred (including other BlueCard claims)	$7,778,833,687	$ -	$7,778,833,687
Gross administrative fees accrued	373,861,757	-	373,861,757
Other income or expenses (including interest paid to or received from plans)	-	-	-
	$8,152,695,444		8,152,695,444
Gross expenses incurred (claims and administrative)	8,164,980,904	-	8,164,980,904
Total loss from operations	($12,285,460)	$ -	($12,285,460)

C. **Medicare or Similarly Structured Cost Based Reimbursement Contract**

The funds received and payments made for claims are treated as payments made by or to a partial self-insured plan since they are to be completely reconciled under the MMA of 2003.

1. Reinsurance subsidy cash receipts deposit from Centers for Medicare and Medicaid Services (CMS) net of claims incurred for the period ended December 31, 2018 is a receivable of $8,097,963. These cash receipts are subject to quarterly true up for actual claims incurred.

2. Low Income Subsidy cash deposits from CMS net of claims incurred for the period ended December 31, 2018 is a payable of $29,639,005. These cash receipts are subject to quarterly true up for actual claims incurred.

3. The Company has no recorded allowances and reserves for adjustment of recorded revenues as of December 31, 2018.

4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Name and Address Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced by
Med-America Insurance Company, Pittsburgh, PA	34-0977231	Yes	Long Term Care	P/U/R/C	$869,503

C – Claims Payment

CA – Claims Adjustment
R – Reinsurance Ceding
B – Binding Authority
P – Premium Collection
U – Underwriting

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

December 31, 2018	Level I	Level II	Level III	Net Asset Value (NAV)	Total
Cash Equivalents	$82,028,082	$-	$-	$-	$82,028,082
Investments available-for-sale					
Unaffiliated common stock	752,372,487	-	2,814,646	-	755,187,133
Other invested assets	-	-	-	527,815,201	527,815,201
Total assets	$834,400,569	$-	$2,814,646	$527,815,201	$1,365,030,416

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description	Beginning Balance at 1/1/2018	Transfers into Level #3	Transfers out of Level #3	Total Gains and Loss included in Income	Total Gains and Loss included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
Unaffiliated common stock	$3,720,591	-	-	(560,992)	(344,954)	-	-		-	$2,814,645
Total Investments	$3,720,591	$-	$-	($560,992)	($344,954)	$-	$-	$-	$-	$2,814,645

There were no material transfers between Levels I, II or III during the year to date ended December 31, 2018 and December 31, 2017.

B. **Assets measured at Fair Value on a Nonrecurring Basis**

Non-financial assets and liabilities including long-lived assets and goodwill are recognized at fair value when they are considered to be other-than-temporarily impaired. There was no required fair value measurement for assets and liabilities measured at fair value on a non-recurring basis.

C. **Assets measured at Fair Value and Admitted Values**

The assets on the table below are located on the Statement of Assets, lines 1, 2, and 5 (cash is excluded).

As of December 31, 2018 Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash Equivalents, and Short Term Investments	$82,028,082	$82,028,082	$82,028,082	-	-	-	-
Bond Securities	$3,045,006,978	$3,052,710,296	$291,893,814	$2,753,113,164	-	-	-
Unaffiliated common stock	$755,187,133	$754,935,223	$752,372,487	-	$2,814,646	-	-
Unaffiliated preferred stock	$190,251,627	$190,278,407	$190,251,627	-	-	-	-
Other invested assets	$527,815,201	$527,815,201	-	-	-	$527,815,201	-
Total	$4,600,289,021	$4,607,767,210	$1,316,546,010	$2,753,113,164	$2,814,646	$527,815,201	$-

D. The carrying amounts reported in the Statements of Assets, Liabilities, Capital and Surplus, for cash, cash equivalents, investment income due and incurred, premiums receivable, and other receivables, amounts receivable relating to uninsured plans, income tax receivable, premiums received in advance, medical and other benefits payable, accounts payable and accrued expenses, and payable for securities approximate fair value because of the short term nature of these items.

Non-financial instruments such as property and equipment, other current assets, deferred income taxes and certain financial instruments such as policy liabilities are excluded from the fair value disclosures. Therefore, the fair value amounts cannot be aggregated to determine our underlying economic value.

Not Practicable to Estimate Fair Value:

Investments available for sale	Carrying Value	Effective Int Rate	Maturiy Date	Explanation
-	-	-	-	-

E. The Company holds ownership interest in limited partnerships which include alternatives investments, private equity, and venture capital and real estate investments. The company carries these interests based on the underlying audited GAAP equity of the investee, adjusted for certain provisions as described by SSAP 48, Joint Ventures, Partnerships and Limited Liability Companies or NAV. Our limited partnership investments are not liquid and most of the funds do restrict our ability to sell.

21. Other Items

A. Unusual or Infrequent Items

The Company had no unusual or infrequent events or transactions.

B. Troubled Debt Restructuring: Debtors

The Company had no troubled debt restructurings.

C. Other Disclosures

On March 29, 2018 CMS released guidance on the 2017 CSR reconciliation. The manual provided information on the process for reconciling the cost-sharing reduction component of the advance payments that QHP issuers have been paid through the September 2017 payment cycle against the cost-sharing reduction amounts those issuers provided to eligible Exchange enrollees for the entire 2017 benefit year to determine any charges owed to CMS. As a result of this new guidance, our Cost Sharing Payable was reduced to $70,782,885. This was an adjustment of $43,086,030 which reduced claims expense. We had determined that this amount is immaterial to our 2017 statutory financial statements overall and did not adjust our statutory financial statements. We made the adjustments in the first quarter of 2018.

D. Business Interruption Insurance Recoveries

The Company had no business interruption recoveries recognized.

E. State Transferable and Non-transferable Tax Credits

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State in Total.

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Non-transferable Tax credits	NC	$20,669,878	$190,845,704
Total		$20,669,878	$190,845,704

(2) Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company recognized an impairment loss of $0 related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Non-admitted

	Total Admitted	Total Non-admitted
A. Transferable	$-	$-
B. Non-Transferable	$11,802,980	$8,866,898

F. Subprime-Mortgage-Related Risk Exposure

The Company did not have any subprime mortgage related risk.

G. Retained Assets

The Company did not have any retained assets.

H. Insurance-Linked Securities (ILS) Contracts

The Company did not have any ILS contracts.

22. Events Subsequent

Type I: Recognized Subsequent Events:

The Company has evaluated subsequent events through February 28, 2019, which is the date that the financial statements were available to be issued, for recognition or disclosure in our statutory financial statements. All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date,

including the estimates inherent in the process of preparing the consolidated financial statements, are recognized in the consolidated financial statements. The Company does not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

Type II: Non-recognized Subsequent Events:

On January 1, 2019, the Company would be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). However, Enacted on January 22, 2018, along with continuing resolution legislation, H.R. 195, Division D – Suspension of Certain Health-Related Taxes, § 4003, suspends collection of the health insurers tax for the 2019 calendar year only. This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2018.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subjected to Section 9010 of the Federal Affordable Care Act?	Yes	
B.	ACA fee assessment payable for the upcoming year	$0	$169,100,868
C.	ACA fee assessment paid	$166,584,392	$0
D.	Premium written subject to ACA 9010 assessment	$8,567,373,037	$8,342,998,225
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$3,416,546,681	
F.	Authorized Control Level before surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$3,416,546,681	
G.	Authorized Control level after surplus adjustment ((Five-Year Historical Line 15)	$328,386,076	
H.	Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level	No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
(X) No

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
(X) No

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
(X) No

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
(X) No

Section 3 – Ceded Reinsurance Report – Part B

1. What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
NONE

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
(X) No

B. Uncollectible Reinsurance

The Company does not have any uncollectible reinsurance balances due as of December 31, 2018 and 2017.

C. Commutation of Ceded Reinsurance

The Company had no commutation of reinsurance agreements during 2018 and 2017.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

1. Reporting Entity ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

The Company does not have certified reinsurer with a rating downgrade or a status subject to revocation.

a. Not applicable

b. Not applicable

2. Reporting Entity's certified Reinsurer Rating Downgraded or Status Subject to Revocation.

The Company does not have certified reinsurer with a rating downgraded rating or a status subject to revocation.

1. Not applicable

2. Not applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

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. Accrued Retrospective Premium Disclosure

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

C. Net Premiums Written Disclosure

The amount of net premiums written by the Company for the period ended December 31, 2018 that are subject to retrospective rating features was $8,567,373,037, that represented 94% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

		1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	-	-	-	-	-
(2)	Medical loss ratio rebates paid	-	-	-	-	-
(3)	Medical loss ratio rebates unpaid	-	-	-	-	-
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	$12,000,000	$1,500,000	-	$2,383,467	$15,883,467
(8)	Medical loss ratio rebates paid	-	-	-	-	-
(9)	Medical loss ratio rebates unpaid	$12,000,000	$1,500,000	-	$2,383,467	$15,883,467
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	$15,883,467

E. Risk-Sharing Provisions of the ACA

(1) In 2018, the Company did write accident and health insurance premium that is subject to the ACA risk-sharing provision.

(2) Impact of risk-sharing provision of the ACA on Admitted Assets, Liabilities and Revenue for the Current Year:

a Permanent Risk Adjustment Program
Assets
1. Premium adjustments receivable due to ACA Risk Adjustment $42,664,297

(including high risk pool payments)

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment $211,887
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments) $0

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk Adjustment $0
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) $801,284

b Transitional Reinsurance Program

Assets

1. Amounts recoverable for claims paid to ACA Reinsurance $534,711
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) $0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance $0

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium $15,734
5. Ceded reinsurance premiums payable due to ACA Reinsurance $0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance $0

Operations

7. Ceded reinsurance premiums due to ACA Reinsurance $0
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments $0
9. ACA Reinsurance contributions – not reported as ceded premium $0

c Temporary Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors $0

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA risk Corridors $0

Operations

3. Effect of ACA Risk Corridors on net premium income (paid/received) $1,289,239
4. Effect of ACA Risk Corridors on change in reserves for rate credits $0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balance, along with the reasons for adjustments to prior year balance.

	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	11
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1 Premium adjustments receivable	41,000,000	-	51,163,924	-	(10,163,924)	-	11,828,220	-	a	1,664,296	-
2 Premium adjustments (payable)	-	-	-	-	-	-	-	-		-	-
3 Subtotal ACA Permanent Risk Adjustment Program	**41,000,000**	**-**	**51,163,924**	**-**	**(10,163,924)**	**-**	**11,828,220**	**-**		**1,664,296**	**-**
b. Transitional ACA Reinsurance Program											
1 Amounts recoverable for claims paid	15,922,845	-	15,423,311	-	499,533	-	35,178	-	a	534,711	-
2 Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-		-	-
3 Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-		-	-
4 Liabilities for contributions payable due to ACA Reinsurane - not reported as ceded premium	-	-	-	-	-	-	-	-		-	-
5 Ceded reinsurance premiums payable	-		-	-	-	-	-	-		-	-
6 Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-		-	-
7 Subtotal ACA Transitional Reinsurance Program	**15,922,845**	**-**	**15,423,311**	**-**	**499,533**	**-**	**35,178**	**-**		**534,711**	**-**
c. Temporary ACA Risk Corridors Program											
1 Accrued retrospective premium	-	-	1,289,239	-	(1,289,240)		1,289,239	-	b	(0)	-
2 Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-		-	-
3 Subtotal ACA Risk Corridors Program	**-**	**-**	**1,289,239**	**-**	**(1,289,240)**	**-**	**1,289,239**	**-**		**(0)**	**-**
d **Total for ACA Risk Sharing Provisions**	**$56,922,845**	**$-**	**$67,876,474**	**$-**	**($10,953,630)**	**$-**	**$13,152,636**	**$-**		**$2,199,006**	**-**

Explanations of Adjustments:

a. Adjustment is based on updated data
b. Adjustment is based on updated data

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

						Differences		Adjustments		Unsettled Balances as of the Reporting Date	
		Accrued As of December 31 of the prior reporting year		Received or Paid as of the Current Period on business Written For the Risk Corridors Program Year		Accred Less Payments (Col 1 - 3)	Accred Less Payments (Col 2 - 4)	Balances	Balances	Cumulative Balance (Col 1-3+7)	Cumulative Balance (Col 2-4+8)
		1	2	3	4	5	6	7	8	9	10
Risk Corridors Program Year:		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
2014	Accrued Retrospective premium	0	-	1,289,239	-	(1,289,239)	-	1,289,239	-	(0)	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2015	Accrued Retrospective premium	-		-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2016	Accrued Retrospective premium	-	-	-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
2017	Accrued Retrospective premium	-	-	-	-	-	-	-	-	-	-
	Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
Total for Risk Corridors		$0	$0	$1,289,239	$0	($1,289,239)	$0	$1,289,239	$0	($0)	$0

(5) ACA Risk Corridors Receivable as of Reporting date:

	(A)	(B)	(C)	(D)=(A)-(B)-(C)	(E)	(F)=(D)-(E)
Risk Corridors Program Year	**Estimated Amount to be Filed or Final Amount Filed with CMS**	**Non-Accrued Amounts for Impairment or Other Reasons**	**Amounts received from CMS**	**Asset Balance (Gross of Non-admissions)**	**Non-admitted Amount**	**Net Admitted Asset**
2014	147,474,969	122,779,619	24,695,349	(0)	-	(0)
2015	215,313,094	215,313,094	-	-	-	-
2016	18,159,126	18,159,126	-	-	-	-
2017	-	-	-	-	-	-
Total	$380,947,189	$356,251,839	$24,695,349	-	-	-

25. Change in Incurred Claims and Claim Adjustment Expenses

A. Reserves as of December 31, 2017 were $680,670,568. As of December 31, 2018, $558,735,457 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years of $15,154,646 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive lines of business. Therefore, there has been a $106,780,465 favorable prior-year development since December 31, 2018 to December 31, 2017, primarily a result of cost sharing reduction impact and favorable claims development.

B. There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses as of December 31, 2018.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements recognized in December 31, 2018 and 2017.

27. Structured Settlements

Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company established $142,983,115 and $136,152,078 as pharmaceutical rebate receivables and admitted $69,081,220 and $59,698,398 at December 31, 2018 and 2017, respectively. The Company received a pharmaceutical rebate of $68,190,316 in the fourth quarter 2018 for receivables as of December of 2017 through June of 2018.

Quarter	Estimated Pharmacy Rebates Reported In Financials	Pharmacy Rebates Invoiced and Confirmed	Actual Rebates collected within 90 days	Actual Rebates collected within 91 to 180 days	Actual Rebates collected more than 180 days
12/31/2018	$70,415,023	$70,415,023	$-	$-	$-
9/30/2018	$66,790,882	$67,961,998	$-	$-	$-
6/30/2018	$66,899,668	$67,606,775	$-	$67,784,540	$52,107
3/31/2018	$62,946,973	$69,095,873	$-	$63,873,949	$385,959
12/31/2017	$61,715,422	$67,608,905	$-	$67,536,237	$72,668
9/30/2017	$58,423,970	$62,862,752	$-	$62,502,520	$360,232
6/30/2017	$56,319,307	$63,441,887	$-	$62,631,980	$809,907
3/31/2017	$51,042,967	$58,276,023	$-	$57,430,534	$845,490
12/31/2016	$49,465,474	$48,276,003	$-	$47,752,800	$523,203
9/30/2016	$54,714,231	$51,069,468	$-	$50,545,076	$524,392
6/30/2016	$47,392,545	$47,717,935	$-	$47,001,799	$716,137
3/31/2016	$44,789,555	$46,521,845	$-	$45,358,766	$1,163,079

B. Risk Share Receivables

The Company estimates our risk sharing receivables by consulting with a 3rd party vendor with internal validation and review. As of December 31, 2018, respectively, the Company reported a receivable in the amount of $41,000,001 and a payable of $48.

Calendar Year	Evaluation Period Year Ending	Risk Sharing receivable as Estimated in the Prior Year	Risk Sharing receivable as Estimated in the Current Year	Risk Sharing receivable Billed	Risk Sharing receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing amounts Received First Year Subsequent	Actual Risk Sharing amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
	2015	$43,460,329	$99,034,029	$83,326,072	-	$83,326,072	-	-	-
	2016	$99,034,029	$165,000,000	$170,492,731	-	$170,492,731	-	-	-
	2017	$165,000,000	$41,000,001	$52,828,220	$1,664,296	$51,163,924	-	-	-
	2018	$41,000,001	$41,000,001	-	$41,000,001	-	-	-	-

29. Participating Policies

The Company had no participating policies recognized in December 31, 2018 and 2017.

30. Premium Deficiency Reserves

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, *Individual and Group and Health Contracts*. Premium deficiency reserves as of both December 31, 2018 and December 31, 2017 was $0. Currently, we do not include anticipated investment income in the calculation, but the Company will evaluate and include it if the circumstances warranted us to do so.

1.	Liability carried for premium deficiency reserves	$ -
2.	Date of most recent evaluation of this liability	12/31/2018
3.	Was anticipated investment income utilized in the calculation?	No

31. Anticipated Salvage and Subrogation

No Change.

32. Contingency Reserve in Stockholders' Equity

Gross Premiums	
Total premiums, excluding reinsurance	$9,072,896,542
Add: Uncollected premiums PY	282,308,774
Less: Uncollected premiums CY	(330,233,219)
Premiums collected, excluding reinsurance	**$9,024,972,097**
Contingency Reserve Calculation	
First $200,000 @ 4%	$8,000
Second $200,000 @ 2%	4,000

Remaining amount @ 1%	90,245,721
Total	$90,257,721
Blue Cross NC Contingency Reserve @ 12/31/2017	1,023,818,425
Blue Cross NC **Contingency Reserve @ 12/31/2018**	**$1,114,076,146**

33. Premium and Premium Equivalent Reporting

The information below presents Blue Cross NC ratios based on premium and premium equivalents. Premium equivalents are administrative fees earned from the Company's ASO and ASC Plans plus claims processed for this self-funded business. Medical loss, operating expense and net income ratios based on premiums and premium equivalents represent more complete financial ratios, as they include the total activities associated with the Company's business. Cost containment expenses are included in the operating expense ratio and excluded from the medical loss ratio. Premium taxes are included in the operating expense ratio. Ratios and certain dollar amounts below were calculated based on amounts obtained from within the Annual Statement filing.

Medical loss ratio (with premium equivalents)	86.2%
Operating expense ratio (with premium equivalents)	10.8%
Net income ratio (with premium equivalents)	3.3%

Premium equivalent ratios above are calculated as a percentage of premiums and premium equivalents for medical loss and operating expense ratios, and a percentage of total revenue (premium, premium equivalents, other revenues, and net investment gains) for net income ratio.

Premium and Premium Equivalents in 2018 are as follows:

Premiums	
Net premium income	$9,069,391,728
Change in unearned premium reserves	$48,569,386
Total premium income	9,117,961,114
Claims processed for self funded business	
ASO Plan	2,442,121,920
ASC Plan	7,778,833,687
Total claims processed for self funded business	10,220,955,607
Administrative fees	
ASO Plan	78,556,836
ASC Plan	373,861,757
Total administrative fees	452,418,593
Premium equivalents	10,673,374,200
Total premiums and premium equivalents	$19,791,335,314
Other revenues (including BlueCard Access Fees)	$24,743,550
Net investment gains or (losses)	$163,968,262
Total revenues	$19,980,047,126
Claims	
Total hospital and medical	$6,849,335,394
Increase in reserves for life and accident and health contracts	($1,024,590)
Total claims	6,848,310,804
Claims processed for self funded business	
ASO Plan	2,442,121,920
ASC Plan	7,778,833,687
Total claims processed for self funded business	10,220,955,607
Total claims (insured and self funded)	$17,069,266,411
Operating Expenses	
Claims adjustment expenses	$546,531,926
General administrative expenses	$1,132,612,630
Total operating expenses	1,679,144,556
Operating expenses reimbursed through administrative fees	
ASO Plan	78,556,836
ASC Plan	373,861,757
Total operating expenses reimbursed through administrative fees	452,418,593
Total operating expenses (insured and self funded)	$2,131,563,149
Net Income	$650,382,086

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? If yes, complete Schedule Y, Parts 1, 1A and 2. — Yes [X] No [ ]

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? North Carolina

1.4 Is the reporting entity publicly traded or a member of publicly traded group? — Yes [ ] No [X]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? — Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. — 12/31/2016

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. — 12/31/2016

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). — 06/20/2018

3.4 By what department or departments?
North Carolina Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? — Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? — Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? — Yes [ ] No [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]

If the answer is YES, complete and file the merger history data file with the NAIC.

5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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 — %

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 with the Federal Reserve Board? — Yes [ ] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? — Yes [ ] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 4131 Parklake Avenue, Raleigh, NC 27612

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? — Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? — Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? — Yes [X] No [ ] N/A [ ]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Patrick K. Getzen, FSA, MAAA, SVP, Chief Data and Analytics Officer (Employee), Blue Cross and Blue Shield of North Carolina, 4705 University Drive, Durham, NC 27707-3346

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 [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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 [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Senior Officers adhere to the same Code of Conduct as all Blue Cross NC Employees. Revisions were made on 2/21/2018 and 8/21/2018.

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 subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers 0

20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting 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 [ ]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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]

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No [ ]

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

25.21	Subject to repurchase agreements	$ 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 sale – excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 500,004
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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ ] No [X]

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
Bank of America, NA	200 N. College St. Charlotte, NC

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)
Mellon Bank, NA	One Mellon Center, Pittsburgh, PA	Written to comply with provisions contained in the
		Model Custodian and Fiscal Agency agreement.
		Does not contain specific language cited by the
		Handbook, but has been reviewed and approved by NCDOI.

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Robert W. Baird & Co. Incorporated	U
Wellington Management Company	U
Madison Investment Advisors, LLC	U
Van Eck Securities Corporation	U
The Vanguard Group	U
Dodge & Cox Funds	U
NISA Investment Advisors, LLC	U
J.P. Morgan Investment Management INC.	U
Thompson Siegel & Walmsley LLC	U
Flaherty & Crumrine Inc	U

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 [X] No [ ]

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
8158	Robert W. Baird & Co. Incorporated	549300772UJAHRD6LO53	SEC	DS
106595	Wellington Management Company	549300YHP12TEZNLCX41	SEC	DS
110297	Madison Investment Advisors, LLC	254900V4G6P208GA3B11	SEC	DS
2269	Van Eck Securities Corporation	549300GEIRRGSDOHI251	SEC	DS
7452	The Vanguard Group	5493002789CX3L0CJP65	SEC	DS
104596	Dodge & Cox Funds	549300U7Z55TX3C0A512	SEC	DS
107313	NISA Investment Advisors, LLC	549300L1IG2JOW7XNY28	SEC	DS
107038	J.P. Morgan Investment Management INC.	7H6GLXDRUGQFU57RNE97	SEC	DS
105726	Thompson Siegel & Walmsley LLC	549300DQ5OUKYTQHD798	SEC	DS
105499	Flaherty & Crumrine Inc	2549000IWBOG75EEB694	SEC	DS

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
001421 58 5	INVESCO REAL ESTATE R6	$ 5,153
003021 71 4	ABERDEEN:EM MKT I	$ 37,589
02368A 20 8	AM BEACON:LCV INST	$ 3,540
256206 10 3	DODGE & COX INTL STOCK	$ 92,468,960
315792 23 4	FIDELITY ABERDEEN STREET TRUST	$ 466,300
315792 24 2	FIDELITY ABERDEEN STREET TRUST	$ 230,806
315910 28 1	FIDELITY DVSD INTL K	$ 13,380
315911 87 5	FIDELITY ITL IDX PR	$ 2,789
316200 85 6	FIDELITY GRO COMPANY K	$ 26,887
316345 80 0	FIDELITY LOW-PRCD STK K	$ 18,672
38141W 61 2	GOLDMAN:SM CAP VAL A	$ 9,309
413838 40 0	OAKMARK EQTY & INC INV	$ 435,034
55273W 47 5	MFS MID CAP VALUE R6	$ 3,092
57630A 59 2	MASSMUTUAL S:MCG I	$ 2,894
592905 76 4	MET WEST:TOTAL RETURN PL	$ 33,314
893509 22 4	TRANSAM:INTERNTL EQ I	$ 42,230,932
921937 60 3	VANGUARD TOT BD ADM	$ 90,488
922040 20 9	VANGUARD INSTL INDX INSP	$ 254,239,797
922908 39 7	VANGUARD SM-CP IDX INS+	$ 72,013,959
922908 64 5	VANGUARD MD-CP IDX ADM	$ 50,460
922908 68 6	VANGUARD SM-CP IDX ADM	$ 28,028
922908 71 0	VANGUARD 500 INDEX ADM	$ 350,435
29.2999 TOTAL		$ 462,761,818

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

1	2	3	4

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
INVESCO REAL ESTATE R6	AMERICAN TOWER CORP	$ 114,952	12/31/2018
	CROWN CASTLE INTL CORP	$ 87,849	12/31/2018
	SIMON PROPERTY GROUP INC	$ 67,556	12/31/2018
	PROLOGIS INC	$ 65,553	12/31/2018
	EQUINIX INC	$ 63,817	12/31/2018
ABERDEEN:EM MKT I	TENCENT HOLDINGS LTD	$ 34,684	12/31/2018
	SAMSUNG ELECTRONICS-PREF	$ 31,248	12/31/2018
	TAIWAN SEMICONDUCTOR MANUFAC	$ 27,322	12/31/2018
	HOUSING DEVELOPMENT FINANCE	$ 20,614	12/31/2018
	BANCO BRADESCO-ADR	$ 17,833	12/31/2018
AM BEACON:LCV INST	US GOVT MONEY MKT-RBC IS 1	$ 26,620	12/31/2018
	JPMORGAN CHASE & CO	$ 16,194	12/31/2018
	CITIGROUP INC	$ 13,643	12/31/2018
	WELLS FARGO & CO	$ 13,366	12/31/2018
	COMCAST CORP-CLASS A	$ 13,088	12/31/2018
DODGE & COX INTL STOCK	SANOFI	$ 178,973	12/31/2018
	ROCHE HOLDING AG-GENUSSCHEIN	$ 151,439	12/31/2018
	ICICI BANK LTD	$ 150,489	12/31/2018
	NASPERS LTD-N SHS	$ 143,368	12/31/2018
	ITAU UNIBANCO HOLDING S-PREF	$ 141,944	12/31/2018
FIDELITY FREEDOM K 2015	FIDELITY SER INVEST GRADE BD	$ 126,499	12/31/2018
	FIDELITY SER GOVT MMK	$ 44,946	12/31/2018
	FIDELITY SER EMERGING MKT OP	$ 29,008	12/31/2018
	FIDELITY SER INTL GROWTH	$ 24,275	12/31/2018
	FIDELITY SER INTL VALUE	$ 23,276	12/31/2018
FIDELITY FREEDOM K 2020	FIDELITY SER INVEST GRADE BD	$ 389,793	12/31/2018
	FIDELITY SER GOVT MMK	$ 115,110	12/31/2018
	FIDELITY SER EMERGING MKT OP	$ 106,041	12/31/2018
	FIDELITY SER INTL GROWTH	$ 91,707	12/31/2018
	FIDELITY SER INTL VALUE	$ 87,905	12/31/2018
FIDELITY DVSD INTL K	US DOLLAR	$ 87,035	12/31/2018
	SAP SE	$ 20,197	12/31/2018
	ROCHE HOLDING AG-GENUSSCHEIN	$ 20,065	12/31/2018
	AIA GROUP LTD	$ 18,736	12/31/2018
	HOYA CORP	$ 18,470	12/31/2018
FIDELITY ITL IDX PR	US DOLLAR	$ 102,388	12/31/2018
	NESTLE SA-REG	$ 40,529	12/31/2018
	NOVARTIS AG-REG	$ 30,077	12/31/2018
	ROCHE HOLDING AG-GENUSSCHEIN	$ 28,157	12/31/2018
	HSBC HOLDINGS PLC	$ 27,090	12/31/2018
FIDELITY GRO COMPANY K	AMAZON.COM INC	$ 248,068	12/31/2018
	APPLE INC	$ 189,911	12/31/2018
	NVIDIA CORP	$ 166,935	12/31/2018
	ALPHABET INC-CL A	$ 157,960	12/31/2018
	SALESFORCE.COM INC	$ 135,702	12/31/2018
FIDELITY LOW-PRCD STK K	UNITEDHEALTH GROUP INC	$ 208,742	12/31/2018
	US DOLLAR	$ 197,325	12/31/2018
	ROSS STORES INC	$ 97,784	12/31/2018
	METRO INC	$ 85,488	12/31/2018
	TWENTY-FIRST CENTURY FOX-A	$ 74,655	12/31/2018
GOLDMAN:SM CAP VAL A	ALLETE INC	$ 6,573	12/31/2018
	IDACORP INC	$ 6,145	12/31/2018
	CHESAPEAKE LODGING TRUST	$ 5,824	12/31/2018
	PEBBLEBROOK HOTEL TRUST	$ 5,718	12/31/2018
	NATL HEALTH INVESTORS INC	$ 5,450	12/31/2018
OAKMARK EQTY & INC INV	GENERAL MOTORS CO	$ 61,764	12/31/2018
	BANK OF AMERICA CORP	$ 59,879	12/31/2018
	TE CONNECTIVITY LTD	$ 49,034	12/31/2018
	TII 1 ¼ 07/15/20	$ 49,034	12/31/2018
	MASTERCARD INC - A	$ 38,780	12/31/2018
OAKMARK EQTY & INC INV	GENERAL MOTORS CO	$ 61,764	12/31/2018

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

	BANK OF AMERICA CORP	$ 59,879	12/31/2018
	TE CONNECTIVITY LTD	$ 49,034	12/31/2018
	TII 1 ¼ 07/15/20	$ 49,034	12/31/2018
	MASTERCARD INC - A	$ 38,780	12/31/2018
MFS MID CAP VALUE R6	US DOLLAR	$ 16,478	12/31/2018
	HARTFORD FINANCIAL SVCS GRP	$ 9,340	12/31/2018
	NASDAQ INC	$ 9,006	12/31/2018
	LIFE STORAGE INC	$ 8,406	12/31/2018
	FIDELITY NATIONAL INFO SERV	$ 8,206	12/31/2018
MASSMUTUAL S:MCG I	T ROWE PR GOVT RSRV INV FND	$ 20,074	12/31/2018
	TELEFLEX INC	$ 16,142	12/31/2018
	COOPER COS INC/THE	$ 14,831	12/31/2018
	BALL CORP	$ 12,348	12/31/2018
	WORLDPAY INC-CLASS A	$ 11,658	12/31/2018
MET WEST:TOTAL RETURN PL	T 3 ? 11/15/48	$ 404,081	12/31/2018
	T 3 ? 11/15/28	$ 155,565	12/31/2018
	T 2 ? 10/31/23	$ 123,290	12/31/2018
	US DOLLAR	$ 80,687	12/31/2018
	FG G67708	$ 76,814	12/31/2018
TRANSAM:INTERNTL EQ I	NOVARTIS AG-REG	$ 9,823	12/31/2018
	NESTLE SA-REG	$ 9,630	12/31/2018
	VIVENDI	$ 8,952	12/31/2018
	ENGIE	$ 8,613	12/31/2018
	SUMITOMO MITSUI FINANCIAL GR	$ 8,517	12/31/2018
VANGUARD TOT BD ADM	US DOLLAR	$ 198,987	12/31/2018
	T 2 ? 05/15/25	$ 78,234	12/31/2018
	T 2 ? 08/15/28	$ 76,534	12/31/2018
	T 1 ? 02/15/20	$ 69,731	12/31/2018
	T 2 ? 12/31/22	$ 69,731	12/31/2018
VANGUARD INSTL INDX INSP	MICROSOFT CORP	$ 744,740	12/31/2018
	APPLE INC	$ 674,671	12/31/2018
	AMAZON.COM INC	$ 584,581	12/31/2018
	BERKSHIRE HATHAWAY INC-CL B	$ 370,368	12/31/2018
	JOHNSON & JOHNSON	$ 328,326	12/31/2018
VANGUARD SM-CP IDX INS+	US DOLLAR	$ 125,726	12/31/2018
	BURLINGTON STORES INC	$ 20,858	12/31/2018
	NRG ENERGY INC	$ 20,278	12/31/2018
	WP CAREY INC	$ 19,699	12/31/2018
	ATMOS ENERGY CORP	$ 19,699	12/31/2018
VANGUARD MD-CP IDX ADM	EDWARDS LIFESCIENCES CORP	$ 58,073	12/31/2018
	RED HAT INC	$ 56,094	12/31/2018
	FISERV INC	$ 52,794	12/31/2018
	AUTODESK INC	$ 50,814	12/31/2018
	ROPER TECHNOLOGIES INC	$ 50,154	12/31/2018
VANGUARD SM-CP IDX ADM	US DOLLAR	$ 445,532	12/31/2018
	FIRST FINL BANKSHARES INC	$ 53,085	12/31/2018
	GREEN DOT CORP-CLASS A	$ 51,189	12/31/2018
	SPIRE INC	$ 51,189	12/31/2018
	SELECTIVE INSURANCE GROUP	$ 48,345	12/31/2018
VANGUARD 500 INDEX ADM	MICROSOFT CORP	$ 744,740	12/31/2018
	APPLE INC	$ 674,671	12/31/2018
	AMAZON.COM INC	$ 584,581	12/31/2018
	BERKSHIRE HATHAWAY INC-CL B	$ 370,368	12/31/2018
	JOHNSON & JOHNSON	$ 328,326	12/31/2018

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	$ 3,053,108,739	$ 3,045,006,978	$ (8,101,761)
30.2	Preferred Stocks	$ 190,278,407	$ 190,251,627	$ (26,780)
30.3	Totals	$ 3,243,387,146	$ 3,235,258,605	$ (8,128,541)

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

Pricing, when available, is obtained from the SVO database; otherwise, custodian pricing is used. The custodian utilizes IDC and other vendors to price the portfolio.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

---

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    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 5GI securities? Yes [ ] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
    a. The security was purchased prior to January 1, 2018.
    b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
    c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
    d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

    Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 4,725,467

35.2 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
Blue Cross and Blue Shield Association	$ 4,725,467

36.1 Amount of payments for legal expenses, if any? $ 5,536,458

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

1 Name	2 Amount Paid
Nelson Mullins Rilley	$ 1,067,514

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 413,680

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

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X] No [ ]
1.2	If yes, indicate premium earned on U.S. business only.	$	382,057,438
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.	$	293,246,530
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	$	53,648,014
1.62	Total incurred claims	$	43,445,049
1.63	Number of covered lives		35,790
	All years prior to most current three years:		
1.64	Total premium earned	$	328,409,424
1.65	Total incurred claims	$	249,801,481
1.66	Number of covered lives		125,634
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	$ 9,069,391,728	$ 8,813,973,311
2.2	Premium Denominator	$ 9,069,391,728	$ 8,813,973,311
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%
2.4	Reserve Numerator	$ 1,018,421,546	$ 1,062,034,002
2.5	Reserve Denominator	$ 1,018,421,546	$ 1,062,034,002
2.6	Reserve Ratio (2.4/2.5)	100.0%	100.0%

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 [ ]
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	$ 1,000,000
5.32	Medical Only	$ 0
5.33	Medicare Supplement	$ 0
5.34	Dental and 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:

NC Life and Guaranty Associations; appropriate provisions in provider agreements protecting members in case of insolvency, as required by law.

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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	60,163
8.2	Number of providers at end of reporting year	63,002

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [X] No [ ]

9.2 If yes, direct premium earned:

9.21	Business with rate guarantees 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 [X] No [ ]

10.2 If yes:

10.21	Maximum amount payable bonuses	0
10.22	Amount actually paid for year bonuses	35,852,555
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.
North Carolina

11.4 If yes, show the amount required. $ 1,114,076,146

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [X] No [ ]

11.6 If the amount is calculated, show the calculation
See FN#32

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
North Carolina

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, authorized reinsurers? Yes [ ] No [ ] N/A [X]

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		$	$	$	$

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
15.3	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)

16. Is the reporting entity licensed or charted, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [X]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	5,707,644,445	5,210,465,095	4,110,179,735	4,102,658,894	4,206,136,280
2. Total liabilities (Page 3, Line 24)	2,291,097,764	2,255,990,333	1,899,650,023	2,035,608,732	1,907,821,268
3. Statutory minimum capital and surplus requirement	1,114,076,146	1,023,826,825	936,116,044	863,861,427	789,097,678
4. Total capital and surplus (Page 3, Line 33)	3,416,546,681	2,954,474,762	2,210,529,712	2,067,050,162	2,298,315,012
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	9,140,687,129	8,732,113,039	7,189,035,950	7,457,050,299	7,351,796,416
6. Total medical and hospital expenses (Line 18)	6,849,335,394	6,696,751,804	5,865,422,264	6,505,480,537	6,483,983,831
7. Claims adjustment expenses (Line 20)	546,531,926	650,293,191	490,162,428	468,546,991	460,093,279
8. Total administrative expenses (Line 21)	1,132,612,630	795,005,963	748,553,883	795,147,111	776,568,491
9. Net underwriting gain (loss) (Line 24)	613,231,769	687,238,981	90,073,528	(308,559,786)	(363,960,993)
10. Net investment gain (loss) (Line 27)	196,180,013	135,574,903	145,943,087	214,737,214	169,187,702
11. Total other income (Lines 28 plus 29)	24,743,550	24,816,524	20,722,691	23,362,720	23,689,450
12. Net income or (loss) (Line 32)	650,382,086	699,576,306	272,019,840	(5,710,317)	(137,577,232)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	729,554,842	1,132,899,911	361,220,723	(169,746,111)	(276,173,986)
Risk-Based Capital Analysis					
14. Total adjusted capital	3,416,546,681	2,954,474,762	2,210,529,712	2,067,050,162	2,298,315,012
15. Authorized control level risk-based capital	328,388,651	311,195,958	263,761,161	285,108,826	291,744,856
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,580,203	1,634,287	1,540,903	1,773,115	1,859,662
17. Total member months (Column 6, Line 7)	19,311,234	20,382,745	19,334,113	21,719,849	22,427,397
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 (Line 18 plus Line 19).	75.1	76.8	81.7	87.6	88.3
20. Cost containment expenses	2.7	3.0	2.4	2.0	2.2
21. Other claims adjustment expenses	3.3	4.4	4.4	4.3	4.1
22. Total underwriting deductions (Line 23)	93.5	92.2	98.9	104.6	105.1
23. Total underwriting gain (loss) (Line 24)	6.7	7.9	1.3	(4.2)	(5.0)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	573,890,103	640,204,377	475,667,802	578,761,115	446,135,205
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	680,670,568	586,328,861	580,958,712	624,180,448	415,619,515
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	202,288,801	212,678,829	195,497,215	203,879,420	108,512,343
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	202,288,801	212,678,829	195,497,215	203,879,420	108,512,343
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 [X]

If no, please explain:

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....758 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,634,287	525,039	404,954	159,940	81,534	161,955	164,096	91,310		45,459
2. First quarter	1,632,887	548,940	400,621	159,653	84,486	159,327	162,612	73,828		43,420
3. Second quarter	1,602,548	516,177	403,239	159,878	85,776	158,750	162,327	73,201		43,200
4. Third quarter	1,585,167	493,460	403,389	160,491	88,175	161,541	162,675	72,472		42,964
5. Current year	1,580,203	474,467	414,032	161,424	90,953	161,249	163,269	72,042		42,767
6. Current year member months	19,311,234	6,219,601	4,850,809	1,923,003	1,041,869	1,926,366	1,953,880	877,785		517,921
Total Member Ambulatory Encounters for Year:										
7. Physician	8,413,397	1,787,063	1,614,643	3,726,819		2,510	89,754	1,192,608		
8. Non-physician	0									
9. Totals	8,413,397	1,787,063	1,614,643	3,726,819	0	2,510	89,754	1,192,608	0	0
10. Hospital patient days incurred	788,837	132,497	166,791	308,393			32,499	148,657		
11. Number of inpatient admissions	126,169	24,493	34,490	38,963			6,844	21,379		
12. Health premiums written (b)	9,072,896,543	4,446,335,964	2,048,545,592	382,057,437	8,273,893	70,610,523	1,145,004,027	792,362,296		179,706,811
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	9,121,465,930	4,446,335,964	2,048,545,593	382,057,437	8,273,893	70,610,523	1,193,573,413	792,362,296		179,706,811
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,845,102,471	3,050,134,711	1,645,123,872	287,471,903	5,212,022	47,623,226	1,031,606,857	652,020,143		125,909,737
18. Amount incurred for provision of health care services	6,853,504,307	3,076,129,898	1,574,193,174	293,246,529	5,271,028	48,364,264	1,075,662,543	648,021,799		132,615,072

30.GT

(a) For health business: number of persons insured under PPO managed care products.....1,069,259 and number of persons insured under indemnity only products.....204,191.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....848,573,038

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Blue Cross and Blue Shield of North Carolina 2. Durham, NC

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....758 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	1,634,287	525,039	404,954	159,940	81,534	161,955	164,096	91,310		45,459
2. First quarter	1,632,887	548,940	400,621	159,653	84,486	159,327	162,612	73,828		43,420
3. Second quarter	1,602,548	516,177	403,239	159,878	85,776	158,750	162,327	73,201		43,200
4. Third quarter	1,585,167	493,460	403,389	160,491	88,175	161,541	162,675	72,472		42,964
5. Current year	1,580,203	474,467	414,032	161,424	90,953	161,249	163,269	72,042		42,767
6. Current year member months	19,311,234	6,219,601	4,850,809	1,923,003	1,041,869	1,926,366	1,953,880	877,785		517,921
Total Member Ambulatory Encounters for Year:										
7. Physician	8,413,397	1,787,063	1,614,643	3,726,819		2,510	89,754	1,192,608		
8. Non-physician	0									
9. Totals	8,413,397	1,787,063	1,614,643	3,726,819	0	2,510	89,754	1,192,608	0	0
10. Hospital patient days incurred	788,837	132,497	166,791	308,393			32,499	148,657		
11. Number of inpatient admissions	126,169	24,493	34,490	38,963			6,844	21,379		
12. Health premiums written (b)	9,072,896,543	4,446,335,964	2,048,545,592	382,057,437	8,273,893	70,610,523	1,145,004,027	792,362,296		179,706,811
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	9,121,465,930	4,446,335,964	2,048,545,593	382,057,437	8,273,893	70,610,523	1,193,573,413	792,362,296		179,706,811
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	6,845,102,471	3,050,134,711	1,645,123,872	287,471,903	5,212,022	47,623,226	1,031,606,857	652,020,143		125,909,737
18. Amount incurred for provision of health care services	6,853,504,307	3,076,129,898	1,574,193,174	293,246,529	5,271,028	48,364,264	1,075,662,543	648,021,799		132,615,072

30.NC

(a) For health business: number of persons insured under PPO managed care products.....1,069,259 and number of persons insured under indemnity only products.....204,191.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....848,573,038

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Type of Business Assumed	8 Premiums	9 Unearned Premiums	10 Reserve Liability Other Than for Unearned Premiums	11 Reinsurance Payable on Paid and Unpaid Losses	12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
.....	AA-9990032...	01/01/2014	U.S. Department of Health and Human Services	DC	534,711	.....
69515.....	34-0977231....	12/01/2002	MedAmerica Insurance Co	MD	.....	3,489,945
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates				534,711	3,489,945
2199999.	Total - Accident and Health Non-Affiliates				534,711	3,489,945
2299999.	Total - Accident and Health				534,711	3,489,945
2399999.	Total U.S.				534,711	3,489,945
9999999.	Total				534,711	3,489,945

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (Estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
26921	22-2005057	.12/01/2002	Everest Reinsurance Company	DE	OTH/G	SLEL	2,635,311						
69515	34-0977231	.12/01/2002	MedAmerica Insurance Co	MD	OTH/G	LTC	869,503	187,683	11,747,761				
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						3,504,814	187,683	11,747,761	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						3,504,814	187,683	11,747,761	0	0	0	0
1199999.	Total - General Account - Authorized						3,504,814	187,683	11,747,761	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						3,504,814	187,683	11,747,761	0	0	0	0
6999999.	Total - U.S.						3,504,814	187,683	11,747,761	0	0	0	0
9999999.	Total						3,504,814	187,683	11,747,761	0	0	0	0

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

NONE

SCHEDULE S - PART 5

Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year ($000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

		1 2018	2 2017	3 2016	4 2015	5 2014
A.	**OPERATIONS ITEMS**					
1.	Premiums	3,505	11,034	20,725	31,618	9,192
2.	Title XVIII - Medicare					
3.	Title XIX - Medicaid					
4.	Commissions and reinsurance expense allowance	340	2,639	2,368	1,816	1,628
5.	Total hospital and medical expenses	4,169	21,753	71,060	254,553	4,406
B.	**BALANCE SHEET ITEMS**					
6.	Premiums receivable					
7.	Claims payable					
8.	Reinsurance recoverable on paid losses	535	15,923	87,971	211,063	247,785
9.	Experience rating refunds due or unpaid					
10.	Commissions and reinsurance expense allowances due					
11.	Unauthorized reinsurance offset					
12.	Offset for reinsurance with certified reinsurers					
C.	**UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
13.	Funds deposited by and withheld from (F)					
14.	Letters of credit (L)					
15.	Trust agreements (T)					
16.	Other (O)					
D.	**REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)**					
17.	Multiple beneficiary trust					
18.	Funds deposited by and withheld from (F)					
19.	Letters of credit (L)					
20.	Trust agreements (T)					
21.	Other (O)					

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	4,841,776,278		4,841,776,278
2.	Accident and health premiums due and unpaid (Line 15)	315,999,506		315,999,506
3.	Amounts recoverable from reinsurers (Line 16.1)	534,711		534,711
4.	Net credit for ceded reinsurance	XXX	15,425,389	15,425,389
5.	All other admitted assets (balance)	549,333,950		549,333,950
6.	Totals assets (Line 28)	5,707,644,445	15,425,389	5,723,069,834
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	763,433,967	3,489,945	766,923,912
8.	Accrued medical incentive pool and bonus payments (Line 2)	49,064,505		49,064,505
9.	Premiums received in advance (Line 8)	119,478,332		119,478,332
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	1,359,120,960	11,935,444	1,371,056,404
15.	Total liabilities (Line 24)	2,291,097,764	15,425,389	2,306,523,153
16.	Total capital and surplus (Line 33)	3,416,546,681	XXX	3,416,546,681
17.	Total liabilities, capital and surplus (Line 34)	5,707,644,445	15,425,389	5,723,069,834
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	3,489,945		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	3,489,945		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	(11,935,444)		
30.	Total ceded reinsurance payables/offsets	(11,935,444)		
31.	Total net credit for ceded reinsurance	15,425,389		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	L	7,081,950,533	792,362,296		1,145,004,027			9,019,316,856	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	53,579,687	0	0	0	0	0	53,579,687	0
59. Subtotal	XXX	7,135,530,220	792,362,296	0	1,145,004,027	0	0	9,072,896,543	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	XXX	7,135,530,220	792,362,296	0	1,145,004,027	0	0	9,072,896,543	0
DETAILS OF WRITE-INS									
58001. ACA Risk Adjustment		53,579,687						53,579,687	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998)		53,579,687	0	0	0	0	0	53,579,687	0

Explanation of basis of allocation by states, premiums by state, etc.

The Company only has business in the State of North Carolina

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state 0

R - Registered - Non-domiciled RRGs 0

Q - Qualified - Qualified or accredited reinsurer 0

N - None of the above - Not allowed to write business in the state 56

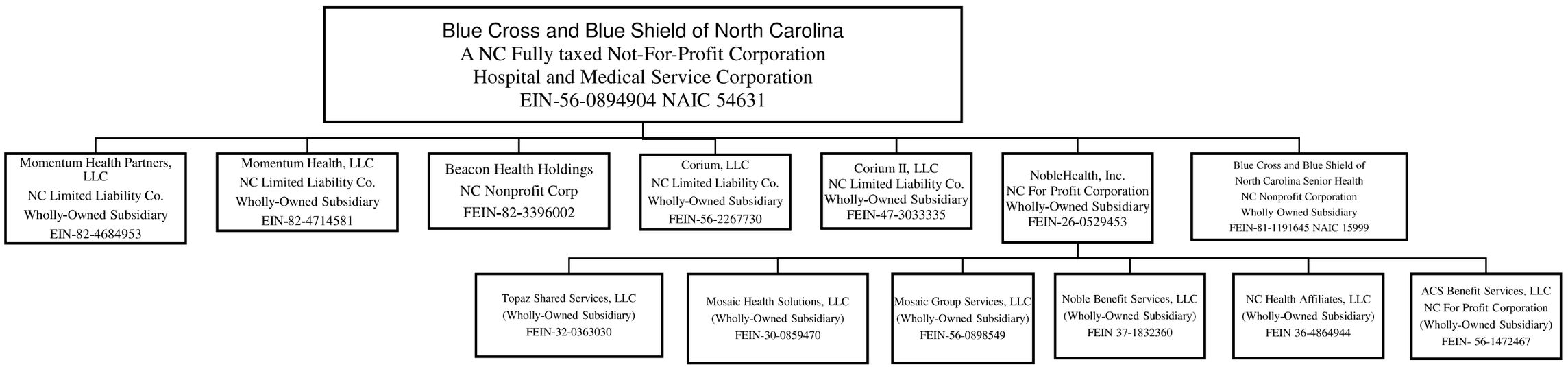
SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC				869,503		869,503
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	869,503	0	869,503

Corporate Structure
Blue Cross and Blue Shield of North Carolina



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
Members															
0758	BCBS of NC Grp	54631	56-0894904				Blue Cross and Blue Shield of North Carolina	NC	UDP	BCBSNC	Ownership	100.000	Board of Directors	N	
0758	BCBS of NC Grp	15999	81-1191645				Blue Cross and Blue Shield of North Carolina Senior Health	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			56-2267730				Corium, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			47-3033335				Corium II, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			82-4714581				Momentum Health, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			82-4684953				Momentum Health Partners, LLC	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			82-3396002				Beacon Health Holdings	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	N	
			26-0529453				NobleHealth, Inc	NC	DS	BCBSNC	Ownership	100.000	BCBSNC	Y	A
			32-0363030				Topaz Shared Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A
			56-0898549				Mosaic Group Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A
			37-1832360				Noble Benefit Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A
			36-4864944				NC Health Affiliates, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A
			30-0859470				Mosaic Health Solutions, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A
			56-1472467				ACS Benefit Services, LLC	NC	DS	NobleHealth, Inc	Ownership	100.000	BCBSNC	N	A

Aster	Explanation
A	BCBSNC has agreed to provide NobleHealth and its subsidiaries administrative services which include but are not limited to management duties, production of business, and servicing of the subsidiaries business.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
00000	56-0898549	Mosaic Group Services, LLC					(3,294,490)				(3,294,490)	
00000	56-1472467	ACS Benefit Services, Inc					4,623,468				4,623,468	
00000	26-0529453	NobleHealth, Inc					(72,525)				(72,525)	
00000	81-4352200	Echo Health Ventures, LLC					(192,067)				(192,067)	
00000	32-0363030	Topaz Shared Services, LLC					(85,700)				(85,700)	
00000	36-4864944	NC Health Affiliates, LLC					(19,250)				(19,250)	
00000	30-0859470	Mosaic Health Solutions, LLC					(44,400)				(44,400)	
54631	56-0894904	Blue Cross and Blue Shield Of North Carolina					(915,036)				(915,036)	
9999999	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

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

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	YES
14.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
15.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
17.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
18.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
20.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
21.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
22.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
23.	Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
24.	Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (if required) be filed with state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS: **BAR CODE:**

1.

2.

3.

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11.

12. The data for this supplement is not required to be filed.

13.

14. The data for this supplement is not required to be filed.

15. The data for this supplement is not required to be filed.

16.

17. The data for this supplement is not required to be filed.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20.

21.

22.

23.

24.

25.

26.

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Risk Adjustment Receivable	42,664,297		42,664,297	41,000,001
2505. Renewable Energy Credits	20,669,878	8,866,898	11,802,980	28,653,034
2506. Notes Receivable	11,710,000	11,710,000	0	
2507. Cash Surrender Value of Life Insurance	9,142,112		9,142,112	12,458,216
2508. AR- VEBA	1,625,313		1,625,313	2,619,596
2509. Mill Credit Note Receivable	367,628		367,628	367,628
2510. Automobiles	17,468	17,468	0	
2597. Summary of remaining write-ins for Line 25	86,196,696	20,594,366	65,602,330	85,098,475

Additional Write-ins for Liabilities:

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Non ACA Risk Adjustment Payable	48		48	1,890,396
2305. Unearned Rent			0	177,500
2397. Summary of remaining write-ins for Line 23	48	0	48	2,067,896

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Note Receivable	11,710,000		(11,710,000)
2505. Renewable Energy Credits	8,866,898	20,556,564	11,689,666
2506. Automobiles	17,468	31,442	13,974
2597. Summary of remaining write-ins for Line 25	20,594,366	20,588,006	(6,360)

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	290,851,242	6.0	290,851,242		290,851,242	6.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	76,740,037	1.6	76,740,037		76,740,037	1.6
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	101,480,829	2.1	101,480,829		101,480,829	2.1
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	195,357,631	4.0	195,357,631		195,357,631	4.0
1.43 Revenue and assessment obligations	779,732,781	16.1	779,732,781		779,732,781	16.1
1.44 Industrial development and similar obligations	57,746,551	1.2	57,746,551		57,746,551	1.2
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	26,504,049	0.5	26,504,049		26,504,049	0.5
1.512 Issued or guaranteed by FNMA and FHLMC	294,436,293	6.1	294,436,293		294,436,293	6.1
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	99,192,914	2.0	99,192,914		99,192,914	2.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other	146,284,352	3.0	146,284,352		146,284,352	3.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	640,431,322	13.2	640,431,322		640,431,322	13.2
2.2 Unaffiliated non-U.S. securities (including Canada)	343,952,292	7.1	343,952,292		343,952,292	7.1
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	462,761,819	9.6	462,761,819		462,761,819	9.6
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated	190,278,406	3.9	190,278,406		190,278,406	3.9
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	4,838,462	0.1	4,838,462		4,838,462	0.1
3.32 Unaffiliated	289,610,668	6.0	289,610,668		289,610,668	6.0
3.4 Other equity securities:						
3.41 Affiliated	197,450,339	4.1	197,450,339		197,450,339	4.1
3.42 Unaffiliated	2,814,646	0.1	2,562,743		2,562,743	0.1
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0			0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)		0.0			0	0.0
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	113,748,352	2.3	113,748,352		113,748,352	2.3
11. Other invested assets	527,815,201	10.9	527,815,201		527,815,201	10.9
12. Total invested assets	4,842,028,183	100.0	4,841,776,280	0	4,841,776,280	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year			5,102,981
2.	Cost of acquired:			
	2.1 Actual cost at time of acquisition (Part 2, Column 6)			
	2.2 Additional investment made after acquisition (Part 2, Column 9)	1,790,862		1,790,862
3.	Current year change in encumbrances:			
	3.1 Totals, Part 1, Column 13	3,673,624		
	3.2 Totals, Part 3, Column 11			3,673,624
4.	Total gain (loss) on disposals, Part 3, Column 18			(5,974,294)
5.	Deduct amounts received on disposals, Part 3, Column 15			
6.	Total foreign exchange change in book/adjusted carrying value:			
	6.1 Totals, Part 1, Column 15			
	6.2 Totals, Part 3, Column 13			0
7.	Deduct current year's other-than-temporary impairment recognized:			
	7.1 Totals, Part 1, Column 12			
	7.2 Totals, Part 3, Column 10			0
8.	Deduct current year's depreciation:			
	8.1 Totals, Part 1, Column 11	4,510,325		
	8.2 Totals, Part 3, Column 9	82,848		4,593,173
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)			(0)
10.	Deduct total nonadmitted amounts			
11.	Statement value at end of current period (Line 9 minus Line 10)			(0)

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year			
2.	Cost of acquired:			
	2.1 Actual cost at time of acquisition (Part 2, Column 7)			
	2.2 Additional investment made after acquisition (Part 2, Column 8)			0
3.	Capitalized deferred interest and other:			
	3.1 Totals, Part 1, Column 12			
	3.2 Totals, Part 3, Column 11			0
4.	Accrual of discount			
5.	Unrealized valuation increase (decrease):			
	5.1 Totals, Part 1, Column 9			
	5.2 Totals, Part 3, Column 8			0
6.	Total gain (loss) on disposals, Part 3, Column 18			
7.	Deduct amounts received on disposals, Part 3, Column 15			
8.	Deduct amortization of premium and mortgage interest points and commitment fees			
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:			
	9.1 Totals, Part 1, Column 13			
	9.2 Totals, Part 3, Column 13			0
10.	Deduct current year's other-than-temporary impairment recognized:			
	10.1 Totals, Part 1, Column 11			
	10.2 Totals, Part 3, Column 10			0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)			0
12.	Total valuation allowance			
13.	Subtotal (Line 11 plus Line 12)			0
14.	Deduct total nonadmitted amounts			
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14)			0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		473,161,322
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)	1,570,324	
	2.2 Additional investment made after acquisition (Part 2, Column 9)	68,873,149	70,443,473
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13	26,579,993	
	5.2 Totals, Part 3, Column 9		26,579,993
6.	Total gain (loss) on disposals, Part 3, Column 19		8,634,782
7.	Deduct amounts received on disposals, Part 3, Column 16		50,723,369
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
	9.1 Totals, Part 1, Column 17		
	9.2 Totals, Part 3, Column 14		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15	281,000	
	10.2 Totals, Part 3, Column 11		281,000
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		527,815,201
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		527,815,201

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		3,873,100,179
2.	Cost of bonds and stocks acquired, Part 3, Column 7		2,050,074,402
3.	Accrual of discount		2,014,079
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	(4,971,175)	
	4.2 Part 2, Section 1, Column 15	(12,673,428)	
	4.3 Part 2, Section 2, Column 13	(20,726,110)	
	4.4 Part 4, Column 11	(59,167,601)	(97,538,314)
5.	Total gain (loss) on disposals, Part 4, Column 19		32,982,222
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		1,642,485,690
7.	Deduct amortization of premium		17,174,098
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		0
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14		
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2, Column 14	560,992	
	9.4 Part 4, Column 13		560,992
10.	Total investment income recognized as a result of prepayment and/or acceleration fees, Note 5R, Line 5R(2)		52,847
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)		4,200,464,635
12.	Deduct total nonadmitted amounts		251,910
13.	Statement value at end of current period (Line 11 minus Line 12)		4,200,212,725

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	336,724,065	337,025,298	336,672,572	334,877,005
Governments (Including all obligations	2. Canada	998,180	991,830	995,900	1,000,000
guaranteed by governments)	3. Other Countries	75,741,857	73,352,244	77,051,769	70,920,917
	4. Totals	413,464,102	411,369,372	414,720,242	406,797,922
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	98,115,459	98,651,601	100,648,213	92,240,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	167,783,384	169,787,466	172,177,398	152,965,000
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	1,243,790,897	1,268,028,330	1,267,896,849	1,188,652,907
Industrial and Miscellaneous,	8. United States	786,715,675	761,877,201	794,259,310	660,129,739
SVO Identified Funds, Bank Loans	9. Canada	25,885,113	25,574,310	25,976,312	25,510,000
and Hybrid Securities (Unaffiliated)	10. Other Countries	316,955,665	309,718,738	319,340,292	316,745,306
	11. Totals	1,129,556,454	1,097,170,249	1,139,575,914	1,002,385,045
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	3,052,710,296	3,045,007,018	3,095,018,616	2,843,040,874
PREFERRED STOCKS	14. United States	190,278,407	190,251,627	202,372,281	
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	190,278,407	190,251,627	202,372,281	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	190,278,407	190,251,627	202,372,281	
COMMON STOCKS	20. United States	741,769,075	741,769,077	538,740,685	
Industrial and Miscellaneous (Unaffiliated)	21. Canada	527,561	527,561	391,917	
	22. Other Countries	12,890,494	12,890,494	12,667,773	
	23. Totals	755,187,131	755,187,133	551,800,375	
Parent, Subsidiaries and Affiliates	24. Totals	202,288,801	202,288,801	156,292,430	
	25. Total Common Stocks	957,475,932	957,475,934	708,092,805	
	26. Total Stocks	1,147,754,339	1,147,727,561	910,465,086	
	27. Total Bonds and Stocks	4,200,464,635	4,192,734,579	4,005,483,702	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. **U.S. Governments**												
1.1 NAIC 1	5,279,543	71,236,957	143,683,614	10,071,374	106,851,020	XXX	337,122,508	11.0	242,281,557	8.8	337,122,508	
1.2 NAIC 2						XXX	0	0.0		0.0		
1.3 NAIC 3						XXX	0	0.0		0.0		
1.4 NAIC 4						XXX	0	0.0		0.0		
1.5 NAIC 5						XXX	0	0.0		0.0		
1.6 NAIC 6						XXX	0	0.0		0.0		
1.7 Totals	5,279,543	71,236,957	143,683,614	10,071,374	106,851,020	XXX	337,122,508	11.0	242,281,557	8.8	337,122,508	0
2. **All Other Governments**												
2.1 NAIC 1		5,523,928	2,272,523		953,591	XXX	8,750,042	0.3	10,054,433	0.4	7,658,658	1,091,384
2.2 NAIC 2	1,007,891	12,590,573	17,123,014	11,570,460	15,257,488	XXX	57,549,425	1.9	62,789,273	2.3	55,674,018	1,875,408
2.3 NAIC 3	50,629	990,841	3,300,816		1,212,757	XXX	5,555,043	0.2	10,352,695	0.4	5,555,043	
2.4 NAIC 4	623,686	2,227,171	2,034,670			XXX	4,885,527	0.2	10,671,975	0.4	4,342,800	542,727
2.5 NAIC 5						XXX	0	0.0	439,787	0.0		
2.6 NAIC 6						XXX	0	0.0		0.0		
2.7 Totals	1,682,207	21,332,513	24,731,022	11,570,460	17,423,836	XXX	76,740,037	2.5	94,308,163	3.4	73,230,518	3,509,518
3. **U.S. States, Territories and Possessions, etc., Guaranteed**												
3.1 NAIC 1		37,689,364	56,526,991	1,345,212		XXX	95,561,568	3.1	111,734,327	4.0	95,561,568	
3.2 NAIC 2			2,553,891			XXX	2,553,891	0.1	2,562,643	0.1	2,553,891	
3.3 NAIC 3						XXX	0	0.0		0.0		
3.4 NAIC 4						XXX	0	0.0		0.0		
3.5 NAIC 5						XXX	0	0.0		0.0		
3.6 NAIC 6						XXX	0	0.0		0.0		
3.7 Totals	0	37,689,364	59,080,883	1,345,212	0	XXX	98,115,459	3.2	114,296,970	4.1	98,115,459	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 NAIC 1	300,000	46,019,559	118,618,304		2,845,519	XXX	167,783,383	5.5	226,593,693	8.2	167,783,383	
4.2 NAIC 2						XXX	0	0.0		0.0		
4.3 NAIC 3						XXX	0	0.0		0.0		
4.4 NAIC 4						XXX	0	0.0		0.0		
4.5 NAIC 5						XXX	0	0.0		0.0		
4.6 NAIC 6						XXX	0	0.0		0.0		
4.7 Totals	300,000	46,019,559	118,618,304	0	2,845,519	XXX	167,783,383	5.5	226,593,693	8.2	167,783,383	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 NAIC 1	87,563,498	409,874,756	548,354,113	146,390,289	34,242,740	XXX	1,226,425,397	40.2	1,234,532,806	44.7	1,226,425,397	
5.2 NAIC 2		7,428,080	4,891,489			XXX	12,319,569	0.4	21,144,681	0.8	12,319,569	
5.3 NAIC 3	5,045,928					XXX	5,045,928	0.2	5,016,291	0.2	5,045,928	
5.4 NAIC 4						XXX	0	0.0		0.0		
5.5 NAIC 5						XXX	0	0.0		0.0		
5.6 NAIC 6						XXX	0	0.0		0.0		
5.7 Totals	92,609,427	417,302,837	553,245,602	146,390,289	34,242,740	XXX	1,243,790,895	40.7	1,260,693,778	45.6	1,243,790,895	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 NAIC 1	35,230,644	308,818,896	165,384,034	17,732,727	24,673,103	XXX	551,839,404	18.1	365,974,623	13.3	347,510,858	204,328,546
6.2 NAIC 2	5,193,343	225,119,357	174,015,558	16,529,838	47,269,283	XXX	468,127,379	15.3	344,562,753	12.5	403,554,447	64,572,932
6.3 NAIC 3	798,550	4,886,516	6,727,641	287,530	3,226,249	XXX	15,926,485	0.5	19,347,658	0.7	9,963,631	5,962,853
6.4 NAIC 4	147,647	2,478,455	1,660,780	103,399		XXX	4,390,282	0.1	5,077,043	0.2	3,116,635	1,273,647
6.5 NAIC 5						XXX	0	0.0	925,449	0.0		
6.6 NAIC 6						XXX	0	0.0		0.0		
6.7 Totals	41,370,184	541,303,223	347,788,014	34,653,494	75,168,635	XXX	1,040,283,550	34.1	735,887,525	26.6	764,145,572	276,137,978
7. **Hybrid Securities**												
7.1 NAIC 1			368,976	2,023,477	1,463,755	XXX	3,856,208	0.1	4,034,728	0.1	3,257,627	598,580
7.2 NAIC 2		7,269,455	11,970,010		34,587,284	XXX	53,826,749	1.8	56,179,893	2.0	51,303,443	2,523,306
7.3 NAIC 3			2,700,290	2,444,735	25,313,779	XXX	30,458,804	1.0	27,547,538	1.0	27,178,397	3,280,407
7.4 NAIC 4						XXX	0	0.0		0.0		
7.5 NAIC 5						XXX	0	0.0		0.0		
7.6 NAIC 6						XXX	0	0.0		0.0		
7.7 Totals	0	7,269,455	15,039,276	4,468,212	61,364,818	XXX	88,141,761	2.9	87,762,159	3.2	81,739,467	6,402,294
8. **Parent, Subsidiaries and Affiliates**												
8.1 NAIC 1						XXX	0	0.0		0.0		
8.2 NAIC 2						XXX	0	0.0		0.0		
8.3 NAIC 3						XXX	0	0.0		0.0		
8.4 NAIC 4						XXX	0	0.0		0.0		
8.5 NAIC 5						XXX	0	0.0		0.0		
8.6 NAIC 6						XXX	0	0.0		0.0		
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. **SVO Identified Funds**												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0		0.0	1,131,141	
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.7 Totals	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0	0	0.0	1,131,141	0
10. **Bank Loans**												
10.1 NAIC 1						XXX	0	0.0	XXX	XXX		
10.2 NAIC 2						XXX	0	0.0	XXX	XXX		
10.3 NAIC 3						XXX	0	0.0	XXX	XXX		
10.4 NAIC 4						XXX	0	0.0	XXX	XXX		
10.5 NAIC 5						XXX	0	0.0	XXX	XXX		
10.6 NAIC 6						XXX	0	0.0	XXX	XXX		
10.7 Totals	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
11. **Total Bonds Current Year**												
11.1 NAIC 1	(d) 128,373,685	879,163,460	1,035,208,557	177,563,078	171,029,729	0	2,391,338,509	78.3	XXX	XXX	2,185,319,999	206,018,510
11.2 NAIC 2	(d) 6,201,234	252,407,465	210,553,963	28,100,298	97,114,055	1,131,141	595,508,155	19.5	XXX	XXX	526,536,509	68,971,646
11.3 NAIC 3	(d) 5,895,107	5,877,357	12,728,746	2,732,265	29,752,784	0	56,986,260	1.9	XXX	XXX	47,742,999	9,243,261
11.4 NAIC 4	(d) 771,334	4,705,626	3,695,450	103,399	0	0	9,275,809	0.3	XXX	XXX	7,459,435	1,816,374
11.5 NAIC 5	(d) 0	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
11.6 NAIC 6	(d) 0	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
11.7 Totals	141,241,360	1,142,153,908	1,262,186,716	208,499,040	297,896,568	1,131,141	(b) 3,053,108,733	100.0	XXX	XXX	2,767,058,943	286,049,790
11.8 Line 11.7 as a % of Col. 7	4.6	37.4	41.3	6.8	9.8	0.0	100.0	XXX	XXX	XXX	90.6	9.4
12. **Total Bonds Prior Year**												
12.1 NAIC 1	147,170,238	915,520,604	886,801,599	144,165,775	101,547,950		XXX	XXX	2,195,206,168	79.5	2,077,897,126	117,309,041
12.2 NAIC 2	25,341,486	175,748,091	206,143,301	26,576,638	53,429,725		XXX	XXX	487,239,242	17.6	427,604,200	59,635,043
12.3 NAIC 3	7,011,219	23,266,167	23,647,072	3,237,524	5,102,199		XXX	XXX	62,264,181	2.3	53,755,546	8,508,636
12.4 NAIC 4	967,057	7,635,410	5,681,568	309,983	1,155,001		XXX	XXX	15,749,019	0.6	10,720,121	5,028,897
12.5 NAIC 5	105,966	227,002	827,772	204,494			XXX	XXX	(c) 1,365,236	0.0	1,365,236	
12.6 NAIC 6							XXX	XXX	(c) 0	0.0		
12.7 Totals	180,595,967	1,122,397,275	1,123,101,312	174,494,415	161,234,876	0	XXX	XXX	(b) 2,761,823,846	100.0	2,571,342,228	190,481,617
12.8 Line 12.7 as a % of Col. 9	6.5	40.6	40.7	6.3	5.8	0.0	XXX	XXX	100.0	XXX	93.1	6.9
13. **Total Publicly Traded Bonds**												
13.1 NAIC 1	108,857,136	745,573,267	988,988,345	174,926,940	166,974,311		2,185,319,999	71.6	2,077,897,126	75.2	2,185,319,999	XXX
13.2 NAIC 2	5,562,165	223,505,157	180,338,895	25,660,745	90,338,406	1,131,141	526,536,509	17.2	427,604,200	15.5	526,536,509	XXX
13.3 NAIC 3	5,695,479	4,519,992	8,074,989	2,152,148	27,300,392		47,742,999	1.6	53,755,546	1.9	47,742,999	XXX
13.4 NAIC 4	771,334	3,784,289	2,800,413	103,399			7,459,435	0.2	10,720,121	0.4	7,459,435	XXX
13.5 NAIC 5							0	0.0	1,365,236	0.0	0	XXX
13.6 NAIC 6							0	0.0	0	0.0	0	XXX
13.7 Totals	120,886,114	977,382,705	1,180,202,642	202,843,232	284,613,109	1,131,141	2,767,058,943	90.6	2,571,342,228	93.1	2,767,058,943	XXX
13.8 Line 13.7 as a % of Col. 7	4.4	35.3	42.7	7.3	10.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11	4.0	32.0	38.7	6.6	9.3	0.0	90.6	XXX	XXX	XXX	90.6	XXX
14. **Total Privately Placed Bonds**												
14.1 NAIC 1	19,516,549	133,590,193	46,220,212	2,636,138	4,055,418		206,018,510	6.7	117,309,041	4.2	XXX	206,018,510
14.2 NAIC 2	639,069	28,902,308	30,215,068	2,439,553	6,775,649		68,971,646	2.3	59,635,043	2.2	XXX	68,971,646
14.3 NAIC 3	199,628	1,357,365	4,653,758	580,118	2,452,393		9,243,261	0.3	8,508,636	0.3	XXX	9,243,261
14.4 NAIC 4		921,337	895,037				1,816,374	0.1	5,028,897	0.2	XXX	1,816,374
14.5 NAIC 5							0	0.0	0	0.0	XXX	0
14.6 NAIC 6							0	0.0	0	0.0	XXX	0
14.7 Totals	20,355,246	164,771,203	81,984,074	5,655,808	13,283,459	0	286,049,790	9.4	190,481,617	6.9	XXX	286,049,790
14.8 Line 14.7 as a % of Col. 7	7.1	57.6	28.7	2.0	4.6	0.0	100.0	XXX	XXX	XXX	XXX	100.0
14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11	0.7	5.4	2.7	0.2	0.4	0.0	9.4	XXX	XXX	XXX	XXX	9.4

(a) Includes $.....285,850,162 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....10,669,078 current year of bonds with Z designations, $.....18,301,630 prior year of bonds with Z designations and $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes $.....0 current year of bonds with 5GI designations, $.....0 prior year of bonds with 5* or 5GI designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5GI" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....398,443; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. **U.S. Governments**												
1.1 Issuer Obligations	398,443	53,496,032	131,828,529		105,526,680	XXX	291,249,684	9.5	217,413,066	7.9	291,249,684	
1.2 Residential Mortgage-Backed Securities	3,957,510	15,476,948	11,533,605	10,071,374	1,324,339	XXX	42,363,776	1.4	21,279,018	0.8	42,363,776	
1.3 Commercial Mortgage-Backed Securities	923,590	2,263,978	321,480			XXX	3,509,047	0.1	3,589,473	0.1	3,509,047	
1.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
1.5 Totals	5,279,543	71,236,957	143,683,614	10,071,374	106,851,020	XXX	337,122,508	11.0	242,281,557	8.8	337,122,508	0
2. **All Other Governments**												
2.1 Issuer Obligations	1,682,207	21,332,513	24,731,022	11,570,460	17,423,836	XXX	76,740,037	2.5	94,308,163	3.4	73,230,518	3,509,518
2.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
2.5 Totals	1,682,207	21,332,513	24,731,022	11,570,460	17,423,836	XXX	76,740,037	2.5	94,308,163	3.4	73,230,518	3,509,518
3. **U.S. States, Territories and Possessions, Guaranteed**												
3.1 Issuer Obligations		37,689,364	59,080,883	1,345,212		XXX	98,115,459	3.2	114,296,970	4.1	98,115,459	
3.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
3.5 Totals	0	37,689,364	59,080,883	1,345,212	0	XXX	98,115,459	3.2	114,296,970	4.1	98,115,459	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 Issuer Obligations	300,000	46,019,559	118,618,304		2,845,519	XXX	167,783,383	5.5	226,593,693	8.2	167,783,383	
4.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
4.5 Totals	300,000	46,019,559	118,618,304	0	2,845,519	XXX	167,783,383	5.5	226,593,693	8.2	167,783,383	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 Issuer Obligations	50,374,759	265,040,786	417,901,868	64,045,961	14,420,537	XXX	811,783,912	26.6	882,231,820	31.9	811,783,912	
5.2 Residential Mortgage-Backed Securities	27,839,208	97,512,178	81,180,172	75,211,722	19,822,209	XXX	301,565,489	9.9	257,793,844	9.3	301,565,489	
5.3 Commercial Mortgage-Backed Securities	1,071,357	37,736,620	26,754,367	7,132,606		XXX	72,694,950	2.4	30,239,848	1.1	72,694,950	
5.4 Other Loan-Backed and Structured Securities	13,324,103	17,013,252	27,409,196			XXX	57,746,551	1.9	90,428,265	3.3	57,746,551	
5.5 Totals	92,609,427	417,302,837	553,245,602	146,390,289	34,242,746	XXX	1,243,790,901	40.7	1,260,693,778	45.6	1,243,790,901	0
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 Issuer Obligations	9,277,807	379,196,305	245,518,709	33,487,411	74,160,218	XXX	741,640,450	24.3	519,435,214	18.8	584,528,962	157,111,488
6.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
6.3 Commercial Mortgage-Backed Securities	17,480,757	55,573,631	71,435,767	785,779	1,008,417	XXX	146,284,352	4.8	76,938,025	2.8	123,364,990	22,919,362
6.4 Other Loan-Backed and Structured Securities	14,611,620	106,533,287	30,833,538	380,303		XXX	152,358,748	5.0	139,514,287	5.1	56,251,620	96,107,128
6.5 Totals	41,370,184	541,303,223	347,788,014	34,653,494	75,168,635	XXX	1,040,283,550	34.1	735,887,525	26.6	764,145,572	276,137,978
7. **Hybrid Securities**												
7.1 Issuer Obligations		7,269,455	15,039,276	4,468,212	61,364,818	XXX	88,141,761	2.9	87,762,159	3.2	81,739,467	6,402,294
7.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
7.5 Totals	0	7,269,455	15,039,276	4,468,212	61,364,818	XXX	88,141,761	2.9	87,762,159	3.2	81,739,467	6,402,294
8. **Parent, Subsidiaries and Affiliates**												
8.1 Issuer Obligations						XXX	0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total from Column 7 Prior Year	10 % from Col. 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. **SVO Identified Funds**												
9.1 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0		0.0	1,131,141	
9.2 Bond Mutual Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0		0.0		
9.3 Totals	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0	0	0.0	1,131,141	0
10. **Bank Loans**												
10.1 Bank Loans - Issued						XXX	0	0.0	XXX	XXX		
10.2 Bank Loans - Acquired						XXX	0	0.0	XXX	XXX		
10.3 Totals	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0
11. **Total Bonds Current Year**												
11.1 Issuer Obligations	62,033,215	810,044,013	1,012,718,592	114,917,256	275,741,609	XXX	2,275,454,685	74.5	XXX	XXX	2,108,431,385	167,023,300
11.2 Residential Mortgage-Backed Securities	31,796,718	112,989,126	92,713,777	85,283,095	21,146,548	XXX	343,929,265	11.3	XXX	XXX	343,929,265	0
11.3 Commercial Mortgage-Backed Securities	19,475,704	95,574,229	98,511,614	7,918,385	1,008,417	XXX	222,488,349	7.3	XXX	XXX	199,568,987	22,919,362
11.4 Other Loan-Backed and Structured Securities	27,935,723	123,546,539	58,242,733	380,303	0	XXX	210,105,299	6.9	XXX	XXX	113,998,171	96,107,128
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0	XXX	XXX	1,131,141	0
11.6 Bank Loans	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0
11.7 Totals	141,241,360	1,142,153,908	1,262,186,716	208,499,040	297,896,574	1,131,141	3,053,108,739	100.0	XXX	XXX	2,767,058,949	286,049,790
11.8 Line 11.7 as a % of Col. 7	4.6	37.4	41.3	6.8	9.8	0.0	100.0	XXX	XXX	XXX	90.6	9.4
12. **Total Bonds Prior Year**												
12.1 Issuer Obligations	116,685,491	846,084,099	907,548,399	118,806,247	152,916,849	XXX	XXX	XXX	2,142,041,085	77.6	2,040,213,983	101,827,102
12.2 Residential Mortgage-Backed Securities	30,785,358	106,420,159	81,215,828	53,138,589	7,512,927	XXX	XXX	XXX	279,072,862	10.1	279,072,862	
12.3 Commercial Mortgage-Backed Securities	3,038,435	31,197,958	74,297,814	1,428,040	805,100	XXX	XXX	XXX	110,767,346	4.0	108,187,346	2,580,000
12.4 Other Loan-Backed and Structured Securities	30,086,684	138,695,059	60,039,271	1,121,538		XXX	XXX	XXX	229,942,552	8.3	143,868,036	86,074,515
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		XXX	XXX	0	0.0		
12.6 Bank Loans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12.7 Totals	180,595,967	1,122,397,275	1,123,101,312	174,494,415	161,234,876	0	XXX	XXX	2,761,823,846	100.0	2,571,342,228	190,481,617
12.8 Line 12.7 as a % of Col. 9	6.5	40.6	40.7	6.3	5.8	0.0	XXX	XXX	100.0	XXX	93.1	6.9
13. **Total Publicly Traded Bonds**												
13.1 Issuer Obligations	61,560,010	713,625,035	961,526,742	109,261,448	262,458,150	XXX	2,108,431,385	69.1	2,040,213,983	73.9	2,108,431,385	XXX
13.2 Residential Mortgage-Backed Securities	31,796,718	112,989,126	92,713,777	85,283,095	21,146,548	XXX	343,929,265	11.3	279,072,862	10.1	343,929,265	XXX
13.3 Commercial Mortgage-Backed Securities	10,542,652	82,780,134	97,319,398	7,918,385	1,008,417	XXX	199,568,987	6.5	108,187,346	3.9	199,568,987	XXX
13.4 Other Loan-Backed and Structured Securities	16,986,733	67,988,410	28,642,725	380,303		XXX	113,998,171	3.7	143,868,036	5.2	113,998,171	XXX
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	1,131,141	1,131,141	0.0	0	0.0	1,131,141	XXX
13.6 Bank Loans						XXX	0	0.0	XXX	XXX	0	XXX
13.7 Totals	120,886,114	977,382,705	1,180,202,642	202,843,232	284,613,115	1,131,141	2,767,058,949	90.6	2,571,342,228	93.1	2,767,058,949	XXX
13.8 Line 13.7 as a % of Col. 7	4.4	35.3	42.7	7.3	10.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11	4.0	32.0	38.7	6.6	9.3	0.0	90.6	XXX	XXX	XXX	90.6	XXX
14. **Total Privately Placed Bonds**												
14.1 Issuer Obligations	473,204	96,418,978	51,191,850	5,655,808	13,283,459	XXX	167,023,300	5.5	101,827,102	3.7	XXX	167,023,300
14.2 Residential Mortgage-Backed Securities						XXX	0	0.0	0	0.0	XXX	0
14.3 Commercial Mortgage-Backed Securities	8,933,051	12,794,095	1,192,215			XXX	22,919,362	0.8	2,580,000	0.1	XXX	22,919,362
14.4 Other Loan-Backed and Structured Securities	10,948,990	55,558,129	29,600,009			XXX	96,107,128	3.1	86,074,515	3.1	XXX	96,107,128
14.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	0	0.0	XXX	0
14.6 Bank Loans						XXX	0	0.0	XXX	XXX	XXX	0
14.7 Totals	20,355,246	164,771,203	81,984,074	5,655,808	13,283,459	0	286,049,790	9.4	190,481,617	6.9	XXX	286,049,790
14.8 Line 14.7 as a % of Col. 7	7.1	57.6	28.7	2.0	4.6	0.0	100.0	XXX	XXX	XXX	XXX	100.0
14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11	0.7	5.4	2.7	0.2	0.4	0.0	9.4	XXX	XXX	XXX	XXX	9.4

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	479,787	479,787			
2. Cost of short-term investments acquired	4,767,563	4,767,563			
3. Accrual of discount	4,210	4,210			
4. Unrealized valuation increase (decrease)	2,927	2,927			
5. Total gain (loss) on disposals	(134)	(134)			
6. Deduct consideration received on disposals	4,853,195	4,853,195			
7. Deduct amortization of premium	2,714	2,714			
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	398,443	398,443	0	0	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	398,443	398,443	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)			
2.	Cost paid/(consideration received) on additions:			
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12			
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14			0
3.	Unrealized valuation increase/(decrease):			
3.1	Section 1, Column 17			
3.2	Section 2, Column 19			0
4.	Total gain (loss) on termination recognized, Section 2, Column 22			
5.	Considerations received/(paid) on terminations, Section 2, Column 15			
6.	Amortization:			
6.1	Section 1, Column 19			
6.2	Section 2, Column 21			0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:			
7.1	Section 1, Column 20			
7.2	Section 2, Column 23			0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:			
8.1	Section 1, Column 18			
8.2	Section 2, Column 20			0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)			0
10.	Deduct nonadmitted assets			
11.	Statement value at end of current period (Line 9 minus Line 10)			0

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)				
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)				
3.1	Add:				
	Change in variation margin on open contracts - highly effective hedges:				
3.11	Section 1, Column 15, current year minus				
3.12	Section 1, Column 15, prior year		0		
	Change in the valuation margin on open contracts - all other:				
3.13	Section 1, Column 18, current year minus				
3.14	Section 1, Column 18, prior year		0	0	
3.2	Add:				
	Change in adjustment to basis of hedged item:				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year		0		
	Change in amount recognized:				
3.23	Section 1, Column 19, current year to date minus				
3.24	Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)				
4.22	Amount recognized (Section 2, Column 16)		0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				0
7.	Deduct nonadmitted assets				
8.	Statement value at end of current period (Line 6 minus Line 7)				0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance	
3.	Total (Line 1 plus Line 2)	0
4.	Part D, Section 1, Column 5	
5.	Part D, Section 1, Column 6	
6.	Total (Line 3 minus Line 4 minus Line 5)	0

NONE

		Fair Value Check
7.	Part A, Section 1, Column 16	
8.	Part B, Section 1, Column 13	
9.	Total (Line 7 plus Line 8)	0
10.	Part D, Section 1, Column 8	
11.	Part D, Section 1, Column 9	
12.	Total (Line 9 minus Line 10 minus Line 11)	0

		Potential Exposure Check
13.	Part A, Section 1, Column 21	
14.	Part B, Section 1, Column 20	
15.	Part D, Section 1, Column 11	
16.	Total (Line 13 plus Line 14 minus Line 15)	0

SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Money Market Mutual Funds	4 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	69,978,704		69,978,704	
2. Cost of cash equivalents acquired	3,337,090,808	59,820,599	3,277,270,208	
3. Accrual of discount	179,401	179,401		
4. Unrealized valuation increase (decrease)	0			
5. Total gain (loss) on disposals	(504)		(504)	
6. Deduct consideration received on disposals	3,325,618,769	60,000,000	3,265,618,769	
7. Deduct amortization of premium	0			
8. Total foreign exchange change in book/adjusted carrying value	0			
9. Deduct current year's other-than-temporary impairment recognized	0			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	81,629,639	0	81,629,639	0
11. Deduct total nonadmitted amounts	0			
12. Statement value at end of current period (Line 10 minus Line 11)	81,629,639	0	81,629,639	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Health Care Delivery																
Building 100		Durham	NC	12/31/2009.	01/01/2014.	35,626,629	15,790,142			1,077,908		1,539,196	461,288		4,754,289	
Building 200 & 250		Durham	NC	12/31/2009.	01/01/2014.	38,586,024	17,687,719			786,047		2,208,722	1,422,675		5,149,213	
Parking Deck B		Durham	NC	12/31/2009.	01/01/2014.	6,735,186	3,125,015			285,014		285,013	(1)		898,794	
Building 450		Durham	NC	06/02/2013.	04/16/2016.	18,080,856	16,581,048			532,868		532,868	0		2,412,847	
Parking Deck E		Durham	NC	06/02/2013.	04/16/2016.	8,403,021	6,707,994			565,009		565,009	0		1,121,363	
Building 400		Durham	NC	06/02/2013.	04/16/2016.	8,099,732	7,400,222			233,170		233,170	0		1,080,890	
Building 500		Durham	NC	06/02/2013.	04/16/2016.	5,233,016	4,809,087			141,310		1,068,083	926,773		698,333	
Building 600		Durham	NC	03/07/2003.	04/06/2016.	11,855,938	8,330,030			561,185		(3,086,252)	(3,647,437)		1,582,146	
Building 700		Durham	NC	09/03/2013.	10/26/2016.	6,540,196	5,500,871			194,876		194,877	1		872,773	
Building 800		Durham	NC	12/31/2008.	10/26/2016.	7,707,602	3,482,023			132,938		132,938	0		1,028,561	
0199999. Properties Occupied by the Reporting Entity - Health Care Delivery						146,868,200	89,414,151	0	0	4,510,325	0	3,673,624	(836,701)	0	19,599,209	0
0399999. Total - Properties Occupied by the Reporting Entity						146,868,200	89,414,151	0	0	4,510,325	0	3,673,624	(836,701)	0	19,599,209	0
0699999. Totals						146,868,200	89,414,151	0	0	4,510,325	0	3,673,624	(836,701)	0	19,599,209	0

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by Purchase								
Building 200 & 250	Durham	NC	03/30/2018.	Various				160,500
Building 100	Durham	NC	06/30/2018.	Various				665,156
Building 100	Durham	NC	09/30/2018.	Various				129,685
Building 100	Durham	NC	12/31/2018.	Various				481,080
Building 200 & 250	Durham	NC	12/31/2018.	Various				354,442
0199999. Total - Acquired by Purchase					0	0	0	1,790,862
0399999. Totals					0	0	0	1,790,862

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
Property Disposed																			
Building 100	Durham	NC	12/31/2018.	Variuos	1,784,786						0		1,634,881			(1,634,881)	(1,634,881)		
Dukestreet	Durham	NC	05/30/2018.	Variuos	5,268,881			82,848			(82,848)		2,315,664			(2,315,664)	(2,315,664)		
Building 200 & 250	Durham	NC	06/30/2018.	Variuos	2,810,024						0		2,023,748			(2,023,749)	(2,023,749)		
0199999. Total - Property Disposed					9,863,691	0	0	82,848	0	0	(82,848)	0	5,974,293	0	0	(5,974,294)	(5,974,294)	0	0
0399999. Totals					9,863,691	0	0	82,848	0	0	(82,848)	0	5,974,293	0	0	(5,974,294)	(5,974,294)	0	0

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

NONE

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation and Admini-strative Symbol / Market Indicator	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP			USA	Adams Street Partners LLC		07/06/2012		15,108,834	22,349,358	22,349,358	3,631,091							3.170
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II			USA	Blue Cross Blue Shield Ventures II, Inc		06/24/2011		601,174	3,512,361	3,512,361	914,468					(1,555,117)		2.623
000000 00 0	BULLCITY VENTURE PARTNERS FUND III			USA	Bull City Fund III GP, LLC		02/13/2013		478,221	459,328	459,328	40,358							3.892
000000 00 0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P.			USA	Camden Partners Strategic V, LLC		04/03/2014		4,824,312	6,177,598	6,177,598	(81,432)							8.560
000000 00 0	C.B. HEALTHCARE FUND II, L.P			USA	Cain Brothers, LLC		04/24/2001		44,409	20,967	20,967	(11,957)							3.175
000000 00 0	EXCEL MEDICAL FUND I			USA	Excel Medical Ventures, LLC		03/18/2013		510,236	406,938	406,938	(130,900)		281,000					2.434
000000 00 0	EXCEL VENTURE FUND II			USA	Excel Ventures II GP, LLC		03/28/2013		1,655,158	1,734,327	1,734,327	(154,189)							2.050
000000 00 0	FLARE CAPITAL PARTNERS I, L.P			USA	Foundation Medical Managers IV, LLC		06/20/2014		1,895,273	1,945,466	1,945,466	47,416							1.701
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP			USA	HarbourVest Partners IX - Venture Associ		06/28/2012		9,095,142	12,301,022	12,301,022	514,157					(809,257)		1.220
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP			USA	HarbourVest Partners IX -Buyout Associat		06/28/2012		5,942,418	8,671,033	8,671,033	1,293,158					(182,784)		0.640
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P			USA	Hatteras Ventures Advisors IV, LLC		08/25/2011		930,033	2,958,351	2,958,351	907,237					(215,380)		1.370
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P			USA	HEP Associates II, LLC		07/10/2013		573,060	677,308	677,308	(28,000)					(136,098)		0.684
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P			USA	HEP Associates, LLC		03/30/2007		1,721,592	1,535,556	1,535,556	(740,032)					(240,767)		3.288
000000 00 0	NAUTIC PARTNERS VII-A, L.P			USA	Nautic Partners, LLC		10/27/2014		819,674	2,936,295	2,936,295	(794,669)					1,317,182		2.060
000000 00 0	NORO-MOSELEY PARTNERS VII, L.P			USA	Moseley and Company VII LLC		10/22/2014		2,661,136	3,630,199	3,630,199	478,268					51,818		6.214
000000 00 0	NORTHGATE VENTURE PARTNERS VII, L.P			USA	NCD Management VII, LLC		07/12/2012		8,800,000	10,052,263	10,052,263	1,374,673							8.240
000000 00 0	NORTHGATE VENTURE PARTNERS VI, LLC			USA	Northgate Venture VI, LLC		08/31/2012		17,575,603	24,252,331	24,252,331	3,848,515					(404,188)		7.820
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P			USA	So. Capital Tech. Fund II Mgmt Co		06/15/2006		236,964	386,773	386,773								3.300
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P			USA	Synergy Management, LLC		12/13/2007		541,733	1,661,473	1,661,473	905,746					(629,675)		2.084
000000 00 0	Welsh, Carson, Anderson & Stowe XII, L.P			USA	Wlsh Carson Anderson & Stowe		04/20/2015		5,906,444	7,980,822	7,980,822	971,164					(1)		0.290
000000 00 0	HLM Venture Partners IV, L.P			USA	HKN Venture Partners IV LP		09/16/2015		3,100,000	3,091,096	3,091,096	290,358							5.703
000000 00 0	COMVEST INVESTMENT PARTNERS V-A, LP			USA	Comvest Investment Partners V-A, LP		11/02/2015		2,770,984	2,590,122	2,590,122	(49,408)					(12,848)		1.229
000000 00 0	HATTERAS VENTURE PARTNERS V, LP			FRA	Hatteras Venture Partners V, LP		01/12/2016		2,799,515	2,536,154	2,536,154	(178,225)					99,894		3.707
000000 00 0	NORTHGATE VENTURE GROWTH III			USA	NCD Management III, LLC		03/29/2016		16,005,945	16,129,219	16,129,219	592,007					(1,464,367)		21.110
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES III			USA	Blue Cross Blue Shield Ventures III, Inc		03/29/2016		3,453,248	2,968,025	2,968,025	(99,609)							3.705
000000 00 0	NAUTIC PARTNERS VIII-A, L.P			USA	Nautic Partners, LLC		12/14/2016		1,340,412	2,063,432	2,063,432	572,534					(1)		4.080
000000 00 0	A.M. Pappas Life Science Ventures V, LP			USA	A.M. Pappas Life Science Ventures V, LP		11/05/2018		565,000	565,000	565,000						(23,120)		
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									109,956,520	143,592,817	143,592,817	14,112,729	0	281,000	0	0	(4,204,709)	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																			
000000 00 0	AEW REAL ESTATE TRUST			USA	AEW Capital Management LP		04/02/2012		55,375,416	70,265,051	70,265,051	2,350,747					2,643,764		1.150
000000 00 0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME			USA	I&G Manager, LLC		08/30/2016		62,313,024	87,624,474	87,624,474	3,835,708					2,948,014		3.000
000000 00 0	MORGAN STANLEY PRIME PROPERTY FUND			USA	Prime Property Fund LLC		09/30/2013		74,951,076	99,157,258	99,157,258	5,699,132					3,727,814		0.490
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									192,639,516	257,046,783	257,046,783	11,885,587	0	0	0	0	9,319,592	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	CRESCENT MEZZANINE PARTNERS VI			USA	Crescent Mezzanine VI, LLC		08/30/2013		16,706,189	14,757,409	14,757,409	(2,541,012)							2.260
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP			USA	KKR Associates EIGF LP		10/31/2013		23,143,868	30,121,262	30,121,262	3,843,299							2.410

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation and Admini-strative Symbol / Market Indicator	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership
000000 00 0	PRINCIPAL REAL ESTATE DEBT FUND, L.P.			USA	Principal Real Estate Debt Fund GP, LLC		05/07/2014		5,162,726	5,550,641	5,550,641	128,003					(1)		6.390
000000 00 0	CRESCENT MEZZANINE PARTNERS VII				Crescent Mezzanine Partners VII, L.P		01/19/2016		9,169,640	9,364,733	9,364,733	(291,229)							4.780
000000 00 0	Principal Real Estate Debt Fund II, LP			NC	Blue Cross and Blue Shield of North Caro		08/21/2017		17,192,913	17,296,328	17,296,328	(52,897)					189,851		5.460
000000 00 0	Adams Street Private Credit Fund-A LP			USA	Adams Street Private Credit Fund-A		12/26/2017		9,404,779	8,989,760	8,989,760	(338,606)					793,781		10.940
000000 00 0	LEAVITT EQUITY PARTNERS II, LP			USA	LEAVITT EQUITY PARTNERS II, LP		09/01/2018		953,918	863,981	863,981	(89,937)					(7,323)		
31424D 10 4	FEDERATED P&T FIN TENDER			PA	Federated Project & Trade Finance Tender		01/31/2017		40,346,161	40,231,486	40,231,486	(75,944)					1,796,234		67.660
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated.									122,080,194	127,175,600	127,175,600	581,677	0	0	0	0	2,772,542	0	XXX
4499999. Subtotal - Unaffiliated									424,676,230	527,815,200	527,815,200	26,579,993	0	281,000	0	0	7,887,425	0	XXX
4699999. Totals									424,676,230	527,815,200	527,815,200	26,579,993	0	281,000	0	0	7,887,425	0	XXX

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1			2	Location		5	6	7	8	9	10	11
				3	4							
CUSIP Identification			Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated												
000000	00	0	ADAMS STREET 2012 GLOABAL FUND LP		USA	ADAMS STREET 2012 GLOABAL FUND LP	07/06/2012.			1,800,000		3.170
000000	00	0	BLUE CROSS BLUE SHIELD VENTURES II		USA	BLUE CROSS BLUE SHIELD VENTURES II	06/24/2011.			504,898		2.623
000000	00	0	BULLCITY VENTURE PARTNERS FUND III		USA	BULLCITY VENTURE PARTNERS FUND III	02/13/2013.			100,946		3.892
000000	00	0	CAMDEN PARTNERS STRATEGIC FUND V - A, L.P.		USA	CAMDEN PARTNERS STRATEGIC FUND V - A, L	04/03/2014.			75,000		8.560
000000	00	0	EXCEL MEDICAL FUND I		USA	EXCEL MEDICAL FUND I	03/18/2013.			24,335		2.434
000000	00	0	EXCEL VENTURE FUND II		USA	EXCEL VENTURE FUND II	03/28/2013.			294,947		2.050
000000	00	0	FLARE CAPITAL PARTNERS I, L.P.		USA	FLARE CAPITAL PARTNERS I, L.P.	06/20/2014.			667,500		1.701
000000	00	0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP		USA	HARBOURVEST PARTNERS IX -BUYOUT FUND LP	06/28/2012.			1,400,000		1.220
000000	00	0	HARBOURVEST PARTNERS IX -VENTURE FUND LP		USA	HARBOURVEST PARTNERS IX -VENTURE FUND LP	06/28/2012.			598,886		0.640
000000	00	0	HATTERAS VENTURES PARTNERS IV, L.P.		USA	HATTERAS VENTURES PARTNERS IV, L.P.	08/25/2011.			135,000		1.370
000000	00	0	HEALTH ENTERPRISE PARTNERS II, L.P.		USA	HEALTH ENTERPRISE PARTNERS II, L.P.	07/10/2013.			47,354		0.684
000000	00	0	HEALTH ENTERPRISE PARTNERS, L.P.		USA	HEALTH ENTERPRISE PARTNERS, L.P.	03/30/2007.			10,807		3.288
000000	00	0	NAUTIC PARTNERS VII-A, L.P.		USA	NAUTIC PARTNERS VII-A, L.P.	10/27/2014.			195,038		2.060
000000	00	0	NORO-MOSELEY PARTNERS VII, L.P.		USA	NORO-MOSELEY PARTNERS VII, L.P.	10/22/2014.			300,000		6.214
000000	00	0	NORTHGATE VENTURE PARTNERS VII, L.P.		USA	NORTHGATE VENTURE PARTNERS VII, L.P.	07/12/2012.			2,400,000		8.240
000000	00	0	NORTHGATE VENTURE PARTNERS VI, LLC		USA	NORTHGATE VENTURE PARTNERS VI, LLC	08/31/2012.			1,000,000		7.820
000000	00	0	Welsh, Carson, Anderson & Stowe XII, L.P.		USA	Welsh, Carson, Anderson & Stowe XII, L.P.	04/20/2015.			2,661,308		0.290
000000	00	0	HLM Venture Partners IV, L.P.		USA	HLM Venture Partners IV, L.P.	09/16/2015.			1,000,000		5.703
000000	00	0	COMVEST INVESTMENT PARTNERS V-A, LP		USA	COMVEST INVESTMENT PARTNERS V-A, LP	11/02/2015.			1,723,092		1.229
000000	00	0	HATTERAS VENTURE PARTNERS V, LP		FRA	HATTERAS VENTURE PARTNERS V, LP	01/12/2016.			1,818,307		3.707
000000	00	0	NORTHGATE VENTURE GROWTH III		USA	NORTHGATE VENTURE GROWTH III	03/29/2016.			400,000		21.110
000000	00	0	BLUE CROSS BLUE SHIELD VENTURES III		USA	BLUE CROSS BLUE SHIELD VENTURES III	03/29/2016.			1,603,801		3.705
000000	00	0	NAUTIC PARTNERS VIII-A, L.P.		USA	NAUTIC PARTNERS VIII-A, L.P.	12/14/2016.			2,479,285		4.080
000000	00	0	A.M. Pappas Life Science Ventures V, LP		USA	A.M. Pappas Life Science Ventures V, LP	11/05/2018.		540,000	25,000		
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									540,000	21,265,504	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated												
000000	00	0	AEW REAL ESTATE TRUST		USA	AEW REAL ESTATE TRUST	04/02/2012.		632,354	2,011,410		1.150
000000	00	0	J.P. MORGAN US REAL ESTATE INCOME AND GROWTH DOME		USA	J.P. MORGAN US REAL ESTATE INCOME AND GR	01/02/2015.			2,948,014		3.000
000000	00	0	MORGAN STANLEY PRIME PROPERTY FUND		USA	MORGAN STANLEY PRIME PROPERTY FUND	09/30/2013.			3,727,814		0.490
1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated									632,354	8,687,238	0	XXX
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated												
000000	00	0	CRESCENT MEZZANINE PARTNERS VI		USA	CRESCENT MEZZANINE PARTNERS VI	08/30/2013.			1,411,504		2.260
000000	00	0	KKR ENERGY INCOME & GROWTH FUND LP		USA	KKR ENERGY INCOME & GROWTH FUND LP	10/31/2013.			9,258,843		2.410
000000	00	0	PRINCIPAL REAL ESTATE DEBT FUND, L.P.		USA	PRINCIPAL REAL ESTATE DEBT FUND, L.P.	05/07/2014.			153,879		6.390
000000	00	0	CRESCENT MEZZANINE PARTNERS VII			CRESCENT MEZZANINE PARTNERS VII	01/19/2016.			1,690,772		4.780
000000	00	0	Principal Real Estate Debt Fund II, LP		NC	Principal Real Estate Debt Fund II, LP	08/21/2017.			14,845,728		5.460
000000	00	0	Adams Street Private Credit Fund-A LP		USA	Adams Street Private Credit Fund-A LP	12/26/2017.			9,207,500		10.940
000000	00	0	LEAVITT EQUITY PARTNERS II, LP		USA	LEAVITT EQUITY PARTNERS II, LP	09/01/2018.		397,970	555,948		
31424D	10	4	FEDERATED P&T FIN TENDER		PA	FEDERATED P&T FIN TENDER	01/31/2017.			1,796,234		67.660
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated									397,970	38,920,408	0	XXX
4499999. Subtotal - Unaffiliated									1,570,324	68,873,150	0	XXX
4699999. Totals									1,570,324	68,873,150	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																			
000000 00 0	ADAMS STREET 2012 GLOABAL FUND LP		USA	Adams Street Partners LLC..	07/06/2012.	08/31/2018.	2,136,681					0		2,739,691	2,739,691			0	
000000 00 0	BLUE CROSS BLUE SHIELD VENTURES II		USA	Blue Cross Blue Shield Ventures II, Inc	06/24/2011.	11/16/2018.	1,097,161					0		1,553,362	1,566,189		12,827	12,827	1,549,870
000000 00 0	BULLCITY VENTURE PARTNERS FUND III		USA	Bull City Fund III GP, LLC....	02/13/2013.	03/14/2018.	156					0		156	156			0	
000000 00 0	EXCEL MEDICAL FUND I		USA	Excel Medical Ventures, LLC	03/18/2013.	05/23/2018.	599,129					0		260,872	260,872			0	
000000 00 0	FLARE CAPITAL PARTNERS I, L.P		USA	Foundation Medical Managers IV, LLC	06/20/2014.	09/27/2018.	(411,097)					0		58,287	178,489		120,202	120,202	
000000 00 0	HARBOURVEST PARTNERS IX -BUYOUT FUND LP		USA	HarbourVest Partners IX - Venture Associ	06/28/2012.	12/31/2018.	363,703					0		1,115,258	3,146,966		2,031,708	2,031,708	805,609
000000 00 0	HARBOURVEST PARTNERS IX -VENTURE FUND LP		USA	HarbourVest Partners IX - Buyout Associat	06/28/2012.	11/28/2018.	(374,630)					0		317,624	1,105,235		787,611	787,611	182,609
000000 00 0	HATTERAS VENTURES PARTNERS IV, L.P		USA	Hatteras Ventures Advisors IV, LLC	08/25/2011.	10/19/2018.	(420,769)					0		215,380	658,574		443,194	443,194	215,380
000000 00 0	HEALTH ENTERPRISE PARTNERS II, L.P		USA	HEP Associates II, LLC	07/10/2013.	08/23/2018.	85,267					0		136,098	398,189		262,091	262,091	136,098
000000 00 0	HEALTH ENTERPRISE PARTNERS, L.P		USA	HEP Associates, LLC	03/30/2007.	07/05/2018.	436,178					0		231,704	1,040,585		808,881	808,881	231,704
000000 00 0	NAUTIC PARTNERS VII-A, L.P		USA	Nautic Partners, LLC	10/27/2014.	12/31/2018.	1,091,109					0		33,626	993,200		959,574	959,574	33,626
000000 00 0	NORO-MOSELEY PARTNERS VII, L.P		USA	Moseley and Company VII LLC	10/22/2014.	11/19/2018.	37,377					0		38,864	233,182		194,318	194,318	38,864
000000 00 0	NORTHGATE VENTURE PARTNERS VI, LLC		USA	Northgate Venture VI, LLC....	08/31/2012.	11/16/2018.	362,838					0		404,188	404,188			0	404,188
000000 00 0	SOUTHERN CAPITAL TECHNOLOGY FUND II, L.P		USA	So. Capital Tech. Fund II Mgmt Co.	06/15/2006.	07/10/2018.						0			217,608		217,608	217,608	
000000 00 0	SYNERGY LIFE SCIENCE PARTNERS, L.P		USA	Synergy Management, LLC...	12/13/2007.	10/17/2018.	44,743					0		629,675	629,675			0	629,675
000000 00 0	Welsh, Carson, Anderson & Stowe XII, L.P		USA	Wlsh Carson Anderson & Stowe	04/20/2015.	12/14/2018.	(2,018,340)					0		645,915	1,084,007		438,092	438,092	72,204
000000 00 0	COMVEST INVESTMENT PARTNERS V-A, LP		USA	Comvest Investment Partners V-A, LP	11/02/2015.	07/13/2018.	(943,732)					0		16,671	16,671			0	12,848
000000 00 0	HATTERAS VENTURE PARTNERS V, LP		FRA	Hatteras Venture Partners V, LP	01/12/2016.	02/09/2018.	(54,636)					0		91,292	177,099		85,807	85,807	
000000 00 0	NORTHGATE VENTURE GROWTH III		USA	NCD Management III, LLC....	03/29/2016.	12/11/2018.	1,388,418					0		1,678,741	1,678,741			0	1,464,367
000000 00 0	NAUTIC PARTNERS VIII-A, L.P		USA	Nautic Partners, LLC	12/14/2016.	12/21/2018.	2,139,905					0		3,678,724	3,678,724			0	350,685
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated							5,559,461	0	0	0	0	0	0	13,846,128	20,208,041	0	6,361,913	6,361,913	6,127,727
Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated																			
000000 00 0	CRESCENT MEZZANINE PARTNERS VI		USA	Crescent Mezzanine VI, LLC.	08/30/2013.	10/23/2018.	1,545,788					0		3,645,681	5,305,140		1,659,460	1,659,460	1,111,705
000000 00 0	KKR ENERGY INCOME & GROWTH FUND LP		USA	KKR Associates EIGF LP.....	10/31/2013.	12/10/2018.	(5,175,377)					0		4,231,867	4,685,338		453,471	453,471	324,296
000000 00 0	PRINCIPAL REAL ESTATE DEBT FUND, L.P		USA	Principal Real Estate Debt Fund GP, LLC	05/07/2014.	12/31/2018.	11,828,196					0		14,517,606	14,517,606			0	934,385
000000 00 0	CRESCENT MEZZANINE PARTNERS VII			Crescent Mezzanine Partners VII, L.P.	01/19/2016.	11/30/2018.	3,066,719					0		1,249,192	1,409,130		159,938	159,938	584,032
000000 00 0	Principal Real Estate Debt Fund II, LP		NC..	Blue Cross and Blue Shield of North Caro	08/21/2017.	12/31/2018.	(4,124,482)					0		3,545,393	3,545,393			0	678,841

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
000000 00 0	Adams Street Private Credit Fund-A LP		USA	Adams Street Private Credit Fund-A	12/26/2017.	10/12/2018.	(239,246)					0		1,052,721	1,052,721			0	5,732
2199999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated							6,901,598	0	0	0	0	0	0	28,242,460	30,515,328	0	2,272,869	2,272,869	3,638,991
4499999. Subtotal - Unaffiliated							12,461,059	0	0	0	0	0	0	42,088,588	50,723,369	0	8,634,782	8,634,782	9,766,718
4699999. Totals							12,461,059	0	0	0	0	0	0	42,088,588	50,723,369	0	8,634,782	8,634,782	9,766,718

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. Government - Issuer Obligations																					
912810 FB 9	UNITED STATES TREASURY				1	12,502,617	127.178	12,590,622	9,900,000	12,421,929		(80,688)			6.130	2.854	MN	78,728	303,188	08/30/2018.	11/15/2027.
912810 FE 3	UNITED STATES TREASURY				1	2,513,652	123.645	2,534,723	2,050,000	2,500,556		(13,096)			5.500	2.870	FA	42,588		08/30/2018.	08/15/2028.
912810 FF 0	UNITED STATES TREASURY				1	12,514,605	121.911	12,617,789	10,350,000	12,455,097		(59,508)			5.250	2.869	MN	70,549	271,688	08/30/2018.	11/15/2028.
912810 QA 9	UNITED STATES TREASURY				1	29,569,321	109.580	28,216,850	25,750,000	29,187,273		(125,551)			3.500	2.640	FA	340,418	848,750	04/09/2018.	02/15/2039.
912810 RB 6	UNITED STATES TREASURY				1	34,743,643	97.841	34,048,668	34,800,000	34,744,596		306			2.880	2.883	MN	129,899	961,688	06/29/2018.	05/15/2043.
912810 RK 6	UNITED STATES TREASURY				1	14,721,851	90.828	15,236,397	16,775,000	14,751,117		20,146			2.500	3.182	FA	158,405	114,375	10/31/2018.	02/15/2045.
912810 RQ 3	UNITED STATES TREASURY				1	2,881,360	90.481	2,963,253	3,275,000	2,899,106		8,695			2.500	3.131	FA	30,926	81,875	12/05/2016.	02/15/2046.
912810 SA 7	UNITED STATES TREASURY				1	23,939,429	99.672	24,150,526	24,230,000	23,944,589		5,160			3.000	3.061	FA	274,563	363,450	03/16/2018.	02/15/2048.
912828 3F 5	UNITED STATES TREASURY				1	17,021,295	96.700	17,309,300	17,900,000	17,050,366		29,071			2.250	2.859	MN	52,968	140,063	12/31/2018.	11/15/2027.
912828 4F 4	UNITED STATES TREASURY				1	4,200,195	100.337	4,264,323	4,250,000	4,202,511		2,316			2.630	2.821	MS	28,504	55,781	08/30/2018.	03/31/2025.
912828 G3 8	UNITED STATES TREASURY				1	12,606,775	98.316	12,805,659	13,025,000	12,627,263		20,488			2.250	2.818	MN	38,050	146,531	08/30/2018.	11/15/2024.
912828 J2 7	UNITED STATES TREASURY				1	12,680,611	96.780	12,895,935	13,325,000	12,710,351		29,739			2.000	2.826	FA	100,662		08/30/2018.	02/15/2025.
912828 J7 6	UNITED STATES TREASURY				1	22,379,330	97.779	22,415,836	22,925,000	22,476,614		95,115			1.750	2.379	MS	102,501	287,438	05/31/2018.	03/31/2022.
912828 M5 6	UNITED STATES TREASURY				1	24,461,039	97.864	24,955,320	25,500,000	24,519,684		58,645			2.250	2.870	MN	74,492	323,438	11/30/2018.	11/15/2025.
912828 U2 4	UNITED STATES TREASURY				1	8,608,801	95.556	8,767,263	9,175,000	8,644,927		36,126			2.000	2.823	MN	23,825	162,750	09/19/2018.	11/15/2026.
912828 W8 9	UNITED STATES TREASURY				1	30,917,762	98.146	31,112,282	31,700,000	31,019,418		101,656			1.880	2.569	MS	151,860	329,531	08/31/2018.	03/31/2022.
912828 WJ 5	UNITED STATES TREASURY				1	12,038,541	99.844	12,180,968	12,200,000	12,059,096		20,555			2.500	2.733	MN	39,599	305,000	02/28/2018.	05/15/2024.
912828 XB 1	UNITED STATES TREASURY				1	12,611,460	97.367	12,828,102	13,175,000	12,636,748		25,288			2.130	2.830	MN	36,350	139,984	08/30/2018.	05/15/2025.
0199999. U.S. Government - Issuer Obligations						290,912,287	XXX	291,893,816	290,305,000	290,851,241	0	174,463	0	0	XXX	XXX	XXX	1,774,887	4,835,530	XXX	XXX
U.S. Government - Residential Mortgage-Backed Securities																					
36176W 7E 5	GN 778793 - RMBS			4	1	3,324,131	101.192	3,234,136	3,196,039	3,327,088		2,039			3.500	2.837	MON	9,322	113,343	11/20/2017.	01/15/2042.
36179M NH 9	G2 MA0392 - RMBS			4	1	2,372,329	101.139	2,316,114	2,290,031	2,373,872		4,232			3.500	2.921	MON	6,679	81,267	07/08/2014.	09/20/2042.
36179M X4 7	G2 MA0699 - RMBS			4	1	2,935,891	101.139	2,798,368	2,766,853	2,954,862		8,759			3.500	2.459	MON	8,070	98,137	04/15/2016.	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS			4	1	2,750,335	100.831	2,611,021	2,589,502	2,792,422		18,869			3.500	2.388	MON	7,553	92,188	08/05/2016.	03/20/2045.
36179R 7K 9	G2 MA3598 - RMBS			4	1	2,371,730	102.599	2,306,683	2,248,251	2,383,629		6,778			4.000	2.902	MON	7,494	91,472	06/23/2017.	04/20/2046.
36179R F9 5	G2 MA2892 - RMBS			4	1	2,153,385	100.831	2,085,888	2,068,697	2,162,257		8,235			3.500	2.843	MON	6,034	73,600	07/28/2015.	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS			4	1	1,745,190	102.906	1,683,825	1,636,275	1,775,644		13,686			4.000	2.614	MON	5,454	66,657	09/09/2015.	08/20/2045.
36179R Q2 8	G2 MA3173 - RMBS			4	1	4,761,148	100.831	4,737,790	4,698,743	4,762,707		1,559			3.500	3.296	MON	13,705	111,276	04/02/2018.	10/20/2045.
36179T CZ 6	G2 MA4588 - RMBS			4	1	3,968,508	103.543	3,960,590	3,825,068	3,971,568		3,060			4.500	3.782	MON	14,344	102,135	04/24/2018.	07/20/2047.
36225C NZ 5	G2 080407 - RMBS			4,5	1		103.565								1.750		MON	1		06/15/2000.	05/20/2030.
38380Y CR 4	GNR 18112C PA - CMO/RMBS			4	1	15,864,867	101.701	16,015,227	15,747,441	15,859,727		(5,141)			3.500	3.358	MON	45,930	138,308	08/30/2018.	07/20/2047.
0299999. U.S. Government - Residential Mortgage-Backed Securities						42,247,514	XXX	41,749,642	41,066,900	42,363,776	0	62,076	0	0	XXX	XXX	XXX	124,586	968,383	XXX	XXX
U.S. Government - Commercial Mortgage-Backed Securities																					
38379R G5 6	GNR 17109 A - CMBS			4	1	3,512,770	96.483	3,381,842	3,505,103	3,509,047		(2,579)			2.330	2.251	MON	6,806	81,818	08/18/2017.	09/16/2045.
0399999. U.S. Government - Commercial Mortgage-Backed Securities						3,512,770	XXX	3,381,842	3,505,103	3,509,047	0	(2,579)	0	0	XXX	XXX	XXX	6,806	81,818	XXX	XXX
0599999. Total - U.S. Government						336,672,571	XXX	337,025,300	334,877,003	336,724,064	0	233,960	0	0	XXX	XXX	XXX	1,906,279	5,885,731	XXX	XXX
All Other Governments - Issuer Obligations																					
03845E AA 0	ARAB PETROLEUM INVESTMENTS CORP		C		1FE	595,099	100.138	595,821	595,000	595,093		(5)			4.130	4.121	MS	7,022		09/12/2018.	09/18/2023.
085209 AF 1	BERMUDA, GOVERNMENT OF (GOVERNMENT)		C	1,2	1FE	496,275	102.000	510,000	500,000	496,291		16			4.750	4.844	FA	2,705		11/15/2018.	02/15/2029.
168863 CE 6	CHILE, REPUBLIC OF (GOVERNMENT)		C		1FE	375,400	93.550	374,200	400,000	375,408		8			3.860	4.234	JD	429		12/21/2018.	06/21/2047.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
195325 BN 4	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1	2FE	427,960	101.675	406,700	400,000	418,777		(7,110)			4.380	2.450	JJ	8,215	17,500	09/12/2017.	07/12/2021.
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	2,499,599	95.450	2,386,250	2,500,000	2,499,715		123			5.000	5.000	JD	5,556	125,000	05/09/2018.	06/15/2045.
195325 DL 6	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	1,421,739	95.625	1,338,750	1,400,000	1,418,842		(1,991)			3.880	3.679	AO	9,946	54,250	07/13/2017.	04/25/2027.
279158 AJ 8	ECOPETROL SA		C	1	2FE	217,930	94.654	210,132	222,000	218,032		60			5.880	6.011	MN	1,196	13,043	09/13/2017.	05/28/2045.
29245J AL 6	EMPRESA NACIONAL DEL PETROLEO		C	1,2	2FE	669,431	101.914	682,824	670,000	669,437		6			5.250	5.260	MN	5,374		10/30/2018.	11/06/2029.
445545 AF 3	HUNGARY, REPUBLIC OF (GOVERNMENT)		C		2FE	599,835	140.512	562,048	400,000	592,094		(5,103)			7.630	4.262	MS	7,794	30,500	07/14/2017.	03/29/2041.
445545 AJ 5	HUNGARY, REPUBLIC OF (GOVERNMENT)		C		2FE	1,937,330	108.295	1,841,015	1,700,000	1,889,648		(33,231)			5.750	3.262	MN	10,590	97,750	04/13/2018.	11/22/2023.
48669D AA 0	NK KAZAKHSTAN TEMIR ZHOLY AO		C		2FE	582,279	96.771	561,272	580,000	582,073		(184)			4.850	4.800	MN	3,438	28,130	11/13/2017.	11/17/2027.
60937G AD 8	MONGOLIA (GOVERNMENT)		C		4FE	345,750	110.490	331,470	300,000	331,470	(4,013)	(10,267)			10.880	5.255	AO	7,703	16,313	04/16/2018.	04/06/2021.
65412J AJ 2	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT		C		4FE	290,000	96.823	280,787	290,000	280,787	(9,213)				7.630	7.625	MN	2,518		11/14/2018.	11/21/2025.
69370T AB 9	PELABUHAN INDONESIA III (PERSERO) PT		C		2FE	623,064	98.306	619,328	630,000	623,898		834			4.500	4.750	MN	4,646	14,175	04/24/2018.	05/02/2023.
698299 AD 6	PANAMA (REPUBLIC OF)		C		2FE	863,040	133.000	798,000	600,000	829,211		(21,821)			8.880	3.717	MS	13,460	53,250	06/05/2017.	09/30/2027.
698299 AK 0	PANAMA (REPUBLIC OF)		C		2FE	2,100,810	140.000	1,960,000	1,400,000	2,030,439		(48,983)			9.380	3.980	AO	32,813	131,250	09/12/2017.	04/01/2029.
698299 AW 4	PANAMA (REPUBLIC OF)		C		2FE	1,175,990	122.500	1,102,500	900,000	1,159,106		(11,104)			6.700	4.214	JJ	25,963	60,300	07/13/2017.	01/26/2036.
698299 BB 9	PANAMA, REPUBLIC OF (GOVERNMENT)		C	1	2FE	186,750	93.226	186,452	200,000	186,858		108			4.300	4.692	AO	1,481	4,300	05/07/2018.	04/29/2053.
698299 BD 5	PANAMA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	403,000	101.101	404,404	400,000	402,985		(15)			4.000	3.847	MS	4,400		12/17/2018.	09/22/2024.
715638 AP 7	PERU (THE REPUBLIC OF)		C		2FE	2,662,590	147.500	2,507,500	1,700,000	2,599,307		(43,493)			8.750	3.999	MN	16,528	148,750	09/12/2017.	11/21/2033.
71654Q AX 0	PETROLEOS MEXICANOS		C	1	2FE	1,129,150	99.776	1,097,536	1,100,000	1,123,614		(5,537)			5.500	4.395	JJ	26,889	30,250	06/25/2018.	01/21/2021.
71654Q CC 4	PETROLEOS MEXICANOS		C	1	2FE	1,261,264	82.939	1,042,543	1,257,000	1,261,153		(58)			6.750	6.722	MS	23,569	61,223	07/11/2018.	09/21/2047.
71654Q CF 7	PETROLEOS MEXICANOS		C	9	2FE	1,182,785	100.500	1,105,500	1,100,000	1,166,214		(13,398)			6.420	4.476	MJSD	4,120	41,705	06/26/2018.	03/11/2022.
71654Q CG 5	PETROLEOS MEXICANOS		C	1	2FE	489,757	94.250	451,458	479,000	488,605		(811)			6.500	6.180	MS	9,341	19,760	06/15/2018.	03/13/2027.
71654Q CK 6	PETROLEOS MEXICANOS		C	1	2FE	926,388	87.500	813,750	930,000	926,625		237			5.350	5.400	FA	19,211	24,878	04/18/2018.	02/12/2028.
71654Q CP 5	PETROLEOS MEXICANOS		C	1	2FE	760,158	93.425	747,400	800,000	760,183		25			6.500	7.200	JJ	9,822		12/21/2018.	01/23/2029.
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)		C		2FE	1,552,600	147.440	1,474,400	1,000,000	1,514,834		(24,664)			9.500	3.770	FA	39,319	57,000	12/10/2018.	02/02/2030.
718286 BZ 9	PHILIPPINES, REPUBLIC OF THE (GOVERNMENT		C		2FE	1,552,250	98.212	1,571,392	1,600,000	1,552,335		85			3.950	4.164	JJ	28,264		12/21/2018.	01/20/2040.
731011 AT 9	POLAND, REPUBLIC OF (GOVERNMENT)		C		1FE	1,130,455	98.848	1,087,328	1,100,000	1,123,036		(5,136)			3.000	2.473	MS	9,533	33,000	09/12/2017.	03/17/2023.
748149 AG 6	QUEBEC, PROVINCE OF		C		1FE	995,900	99.183	991,830	1,000,000	998,180		413			2.630	2.672	FA	10,063	26,250	02/06/2013.	02/13/2023.
760942 BB 7	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN		C		2FE	1,287,000	100.353	1,204,236	1,200,000	1,275,046		(8,225)			4.380	3.456	AO	9,333	52,500	09/12/2017.	10/27/2027.
760942 BD 3	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN		C		2FE	1,266,396	95.351	1,258,633	1,320,000	1,266,493		98			4.980	5.224	AO	12,952	15,423	12/17/2018.	04/20/2055.
77586T AA 4	ROMANIA, REPUBLIC OF (GOVERNMENT)		D		2FE	550,720	107.685	538,425	500,000	544,653		(6,067)			6.750	3.675	FA	13,500	6,750	09/27/2018.	02/07/2022.
77586T AD 8	ROMANIA, REPUBLIC OF (GOVERNMENT)		D		2FE	989,650	102.877	925,893	900,000	970,433		(12,645)			4.880	3.187	JJ	19,378	43,875	07/14/2017.	01/22/2024.
77586T AE 6	ROMANIA, REPUBLIC OF (GOVERNMENT)		D		2FE	254,777	111.218	222,436	200,000	253,176		(1,150)			6.130	4.369	JJ	5,410	12,250	11/27/2017.	01/22/2044.
857524 AC 6	POLAND, REPUBLIC OF (GOVERNMENT)		C		1FE	1,178,265	102.523	1,138,005	1,110,000	1,168,221		(10,044)			4.000	2.878	JJ	19,610	44,400	01/17/2018.	01/22/2024.
903724 BW 1	UKRAINE (GOVERNMENT)		C		4FE	280,000	93.550	261,940	280,000	261,940	(18,060)				8.990	9.000	FA	4,197		10/25/2018.	02/01/2024.
91086Q AZ 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	309,420	94.375	283,125	300,000	309,440		(3)			5.750	5.573	AO	3,785	17,250	06/05/2017.	10/12/2110.
91086Q BC 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	99,875	99.658	99,658	100,000	99,880		5			4.000	4.028	AO	989		10/22/2018.	10/02/2023.
91086Q BF 4	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	345,450	88.925	311,238	350,000	345,536		86			4.600	4.684	JJ	7,066	16,100	01/05/2018.	01/23/2046.
91087B AD 2	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	1,112,000	89.062	1,068,744	1,200,000	1,112,217		217			4.600	5.083	FA	21,620		12/21/2018.	02/10/2048.
91087B AE 0	MEXICO (UNITED MEXICAN STATES) (GOVERNME		C	1	2FE	466,000	93.776	468,880	500,000	466,579		579			3.750	4.666	JJ	8,854		10/22/2018.	01/11/2028.
917288 BA 9	URUGUAY (THE REPUBLIC OF)		C		2FE	2,782,960	131.856	2,637,120	2,000,000	2,729,981		(37,071)			7.880	4.367	JJ	72,625	157,500	09/12/2017.	01/15/2033.
G10367 AA 1	BERMUDA (GOVERNMENT)		C	1	1FE	632,280	101.617	609,702	600,000	623,913		(5,528)			4.140	3.073	JJ	12,276	24,828	07/13/2017.	01/03/2023.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
G10367 AD 5	BERMUDA, GOVERNMENT OF (GOVERNMENT)		C	1,2	1FE	609,220	95.117	570,702	600,000	608,012		(874)			3.720	3.520	JJ	9,664	22,302	09/12/2017.	01/25/2027.
M0208J AF 1	AFRICAN EXPORT IMPORT BANK		D		2FE	715,680	100.028	690,193	690,000	697,241		(12,298)			4.750	2.899	JJ	13,838	32,775	07/17/2017.	07/29/2019.
M0R08Q AA 9	AFRICAN EXPORT IMPORT BANK		D		2FE	391,160	93.935	375,740	400,000	392,063		903			4.130	4.539	JD	504	16,500	04/18/2018.	06/20/2024.
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)		D		4FE	199,000	95.131	190,262	200,000	190,262	(8,845)	107			6.750	6.877	MS	4,201	6,752	07/13/2018.	03/09/2023.
M6320U AB 5	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)		D		1FE	386,960	96.255	385,020	400,000	387,117		157			2.380	3.587	AO	1,715		12/17/2018.	10/26/2021.
M6320U AJ 8	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)		D		1FE	578,141	96.261	577,566	600,000	578,184		42			5.000	5.241	AO	6,167		12/14/2018.	04/17/2049.
M6S21B AG 8	LEBANON, REPUBLIC OF (GOVERNMENT)		D		4FE	123,620	84.803	118,724	140,000	118,724	(6,147)	1,251			6.000	9.246	JJ	3,593		08/01/2018.	01/27/2023.
M75242 AW 3	OMAN, SULTANATE OF (GOVERNMENT)		D		3FE	2,089,700	86.819	1,910,018	2,200,000	1,910,018	(169,611)	6,277			4.750	5.524	JD	4,644	121,125	06/11/2018.	06/15/2026.
M75242 BH 5	OMAN, SULTANATE OF (GOVERNMENT)		D		3FE	982,191	82.500	907,500	1,100,000	907,500	(74,885)	195			6.750	7.674	JJ	33,825		12/03/2018.	01/17/2048.
M8489S AF 4	QATAR, STATE OF (GOVERNMENT)		D	1	1FE	1,397,200	101.292	1,418,088	1,400,000	1,397,530		330			3.880	3.920	AO	10,247	27,125	06/22/2018.	04/23/2023.
M87883 DN 7	LEBANON, REPUBLIC OF (GOVERNMENT)		D		4FE	184,408	83.882	188,735	225,000	184,349	(281)	222			6.650	11.224	AO	2,868		12/20/2018.	04/22/2024.
N6497T AA 6	NORTHERN LIGHTS III BV		D		4FE	48,609	100.529	47,123	46,875	47,123	(409)	(734)			7.000	1.693	FMAN	410	4,061	06/05/2017.	08/16/2019.
P01012 AQ 9	EL SALVADOR, REPUBLIC OF (GOVERNMENT)		C		4FE	361,088	100.750	352,625	350,000	352,012	(4,088)	(4,987)			7.380	5.392	JD	2,151	20,281	10/19/2018.	12/01/2019.
P19110 AG 3	BUENOS AIRES, PROVINCE OF		D		4FE	523,909	94.375	430,390	456,042	430,390	(65,270)	(18,876)			9.950	5.198	JD	2,773	45,376	07/13/2017.	06/09/2021.
P29595 AB 4	COMISION FEDERAL DE ELECTRICIDAD CFE		C	1	2FE	422,960	94.501	378,004	400,000	420,298		(2,068)			4.750	4.013	FA	6,756	19,000	09/12/2017.	02/23/2027.
P30179 AM 0	COMISION FEDERAL DE ELECTRICIDAD		C	1	2FE	403,200	97.876	391,504	400,000	402,947		(253)			4.880	4.709	JJ	8,992	9,750	06/26/2018.	01/15/2024.
P31389 AY 8	CORPORACION FINANCIERA DE DESARROLLO SAC		C	1	2FE	406,000	101.375	405,500	400,000	405,221		(779)			4.750	4.296	FA	7,547	9,500	06/26/2018.	02/08/2022.
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)		C		3FE	212,320	104.250	208,500	200,000	208,500	(3,756)	(64)			7.450	6.933	AO	2,525	7,450	06/26/2018.	04/30/2044.
P3579E BE 6	DOMINICAN REPUBLIC (GOVERNMENT)		C		3FE	96,750	98.750	98,750	100,000	96,757		7			6.850	7.125	JJ	2,930		12/12/2018.	01/27/2045.
P37110 AK 2	EMPRESA NACIONAL DEL PETROLEO		C	1,2	2FE	990,475	93.595	926,591	990,000	990,413		(48)			3.750	3.743	FA	15,056	37,125	07/17/2017.	08/05/2026.
P3772N HK 1	COLOMBIA, REPUBLIC OF (GOVERNMENT)		C	1,2	2FE	976,412	94.087	940,870	1,000,000	979,903		2,261			2.630	3.136	MS	7,729	21,000	12/17/2018.	03/15/2023.
P3R94G AK 5	CORPORACION FINANCIERA DE DESARROLLO SA		C	1	2FE	645,460	99.625	597,750	600,000	638,117		(5,076)			4.750	3.649	JJ	13,142	28,500	09/12/2017.	07/15/2025.
P5178R AA 6	HONDURAS, REPUBLIC OF		D		3FE	215,000	105.477	210,954	200,000	210,954	(2,338)	(1,708)			7.500	5.690	MS	4,417	7,500	05/16/2018.	03/15/2024.
P5178R AB 4	HONDURAS, REPUBLIC OF		D		3FE	458,360	106.637	426,548	400,000	426,548	(7,003)	(16,129)			8.750	4.234	JD	1,458	35,000	06/05/2017.	12/16/2020.
P5178R AC 2	HONDURAS, REPUBLIC OF (GOVERNMENT)		C		3FE	200,400	99.260	198,520	200,000	198,520	(1,891)	11			6.250	6.217	JJ	5,625		10/19/2018.	01/19/2027.
P56226 AC 0	INSTITUTO COSTARRICENSE DE ELECTRICIDAD		C	1	4FE	219,500	95.250	190,500	200,000	190,500	(21,313)	(4,187)			6.950	4.493	MN	1,969	13,900	06/05/2017.	11/10/2021.
P75744 AE 5	PARAGUAY, REPUBLIC OF (GOVERNMENT)		D		3FE	931,200	99.250	893,250	900,000	893,250	(33,903)	(2,701)			4.700	4.262	MS	11,045	42,300	07/13/2017.	03/27/2027.
P7808B AA 5	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	703,955	96.250	673,750	700,000	702,921		(809)			4.750	4.701	JD	1,108	14,250	12/17/2018.	06/19/2032.
P7808B AB 3	PETROLEOS DEL PERU PETROPERU SA		C	1	2FE	637,008	98.050	588,300	600,000	636,340		(549)			5.630	5.214	JD	1,125	33,750	09/12/2017.	06/19/2047.
V50249 AB 3	KENYA, REPUBLIC OF (GOVERNMENT)		D		4FE	373,500	89.652	358,608	400,000	358,608	(15,444)	552			7.250	8.274	FA	9,908		09/19/2018.	02/28/2028.
V5311V AB 6	MOROCCO, KINGDOM OF (GOVERNMENT)		D		2FE	271,250	102.600	256,500	250,000	270,879		(371)			5.500	4.903	JD	793	13,750	02/16/2018.	12/11/2042.
V6713E AA 8	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT		D		4FE	422,000	101.417	405,668	400,000	405,668	(10,753)	(5,579)			6.750	4.649	JJ	11,475	13,500	04/04/2018.	01/28/2021.
V6745W AA 0	ETHIOPIA, FEDERAL DEMOCRATIC REPUBLIC OF		D		4FE	401,000	95.920	383,680	400,000	383,680	(17,326)	6			6.630	6.573	JD	1,472	13,250	08/29/2018.	12/11/2024.
V73789 AD 7	COTE D'IVOIRE, REPUBLIC OF (GOVERNMENT)		D		4FE	395,000	89.990	359,960	400,000	359,960	(35,341)	301			6.380	6.562	MS	8,358	12,750	05/31/2018.	03/03/2028.
X51770 AA 7	MFB MAGYAR FEJLESZTESI BANK ZRT		D		2FE	866,976	103.949	831,592	800,000	841,572		(17,984)			6.250	3.254	AO	9,722	37,500	06/26/2018.	10/21/2020.
X5S005 UE 9	UKRAINE, REPUBLIC OF (GOVERMENT)		D		4FE	637,978	96.684	580,104	600,000	580,104	(42,478)	(12,232)			7.750	5.212	MS	15,500	38,750	04/06/2018.	09/01/2020.
X5S73N AC 8	MAGYAR EXPORT IMPORT BANK ZRT		D		2FE	824,346	100.327	802,616	800,000	810,399		(9,262)			4.000	2.767	JJ	13,422	28,000	06/26/2018.	01/30/2020.
X7344W AK 9	BELARUS, REPUBLIC OF (GOVERNMENT)		D		4FE	224,400	102.673	205,346	200,000	205,346	(15,719)	(1,935)			7.630	5.960	JD	85	15,250	09/12/2017.	06/29/2027.
X7344W AL 7	BELARUS, REPUBLIC OF (GOVERNMENT)		D		4FE	213,000	102.302	204,604	200,000	204,604	(6,651)	(1,745)			6.880	5.347	FA	4,698	6,875	04/03/2018.	02/28/2023.
X7360W AV 4	ROMANIA (GOVERNMENT)		D		2FE	492,497	96.626	483,130	500,000	492,568		71			5.130	5.224	JD	1,139	12,813	09/27/2018.	06/15/2048.
X74344 DR 4	RUSSIA, FEDERATION OF (GOVERNMENT)		D		2FE	1,220,400	101.372	1,216,464	1,200,000	1,220,276		(124)			4.500	3.940	AO	13,050		12/20/2018.	04/04/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
X74351	BC	4	RUSSIAN FEDERATION (GOVERNMENT)		D		2FE	407,500	101.672	406,688	400,000	407,380		(120)			5.000	3.559	AO	3,444		12/20/2018.	04/29/2020.
X74359	AC	8	RUSSIAN FEDERATION (GOVERNMENT)		D		2FE	2,178,750	105.599	2,111,980	2,000,000	2,176,783		(1,967)			5.880	5.233	MS	34,271	58,750	09/07/2018.	09/16/2043.
X7435H	AE	6	RUSSIAN FEDERATION (THE)		D		2FE	1,337,000	158.368	1,266,944	800,000	1,305,818		(31,182)			12.750	4.487	JD	1,983	102,000	04/03/2018.	06/24/2028.
X77765	BQ	1	SERBIA, REPUBLIC OF (GOVERNMENT)		D		3FE	410,596	100.992	403,968	400,000	403,968	(2,679)	(3,949)			4.880	3.388	FA	6,825	9,750	04/13/2018.	02/25/2020.
X7S904	BF	7	LATVIA, REPUBLIC OF (GOVERNMENT)		D		1FE	398,600	99.554	398,216	400,000	399,058		458			2.750	2.984	JJ	5,164	5,500	06/26/2018.	01/12/2020.
Y20721	AJ	8	INDONESIA, REPUBLIC OF (GOVERNMENT)		D		2FE	749,340	116.122	696,732	600,000	742,071		(4,895)			6.630	4.674	FA	14,796	39,750	07/14/2017.	02/17/2037.
Y20721	AU	3	INDONESIA, REPUBLIC OF (GOVERNMENT)		D		2FE	431,280	102.336	409,344	400,000	419,148		(7,811)			4.880	2.750	MN	3,033	19,500	06/05/2017.	05/05/2021.
Y20721	BC	2	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	397,000	99.182	396,728	400,000	397,391		391			3.750	3.962	AO	2,750	7,500	06/26/2018.	04/25/2022.
Y20721	BJ	7	INDONESIA, REPUBLIC OF (GOVERNMENT)		D		2FE	915,600	106.773	854,184	800,000	890,677		(16,235)			5.880	3.407	JJ	21,672	47,000	06/05/2017.	01/15/2024.
Y20721	BK	4	INDONESIA, REPUBLIC OF (GOVERNMENT)		D		2FE	1,335,600	119.182	1,191,820	1,000,000	1,326,125		(6,881)			6.750	4.553	JJ	31,125	67,500	10/13/2017.	01/15/2044.
Y20721	BN	8	INDONESIA, REPUBLIC OF (GOVERNMENT)		D		2FE	545,710	101.528	507,640	500,000	539,222		(4,862)			4.750	3.479	JJ	11,413	23,750	09/12/2017.	01/08/2026.
Y20721	BQ	1	INDONESIA, REPUBLIC OF (GOVERNMENT)		C		2FE	1,260,160	99.056	1,188,672	1,200,000	1,253,466		(5,386)			4.350	3.701	JJ	25,085	43,500	04/13/2018.	01/08/2027.
Y3972R	AN	1	LEMBAGA PEMBIAYAAN EKSPOR INDONESIA		D		2FE	945,140	94.983	883,342	930,000	942,090		(2,053)			3.880	3.601	AO	8,509	36,038	07/17/2017.	04/06/2024.
Y6S3DC	CM	3	AZERBAIJAN, REPUBLIC OF (GOVERNMENT)		D		3FE	299,625	99.676	299,028	300,000	299,028	(649)	52			4.750	4.774	MS	4,077	7,125	04/30/2018.	03/18/2024.
Y7136Y	AA	8	PERUSAHAAN GAS NEGARA PERSERO TBK PT		D		2FE	564,014	100.166	530,880	530,000	559,227		(4,225)			5.130	3.972	MN	3,395	27,163	04/18/2018.	05/16/2024.
Y7276L	DC	9	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	1,538,570	100.674	1,510,110	1,500,000	1,531,591		(4,862)			3.880	3.469	AO	12,432	58,125	09/12/2017.	10/14/2024.
Y7276L	DD	7	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	629,103	99.440	596,640	600,000	628,478		(557)			4.880	4.560	AO	6,256	29,250	11/13/2017.	10/14/2044.
Y7276L	DF	2	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT)		D		2FE	242,480	120.143	240,286	200,000	241,381		(727)			6.500	5.073	JJ	5,778	13,000	06/05/2017.	07/21/2045.
0699999. All Other Governments - Issuer Obligations								78,047,672	XXX	74,344,076	71,920,917	76,740,038	(578,066)	(514,234)	0	0	XXX	XXX	XXX	1,043,157	2,842,414	XXX	XXX
1099999. Total - All Other Governments								78,047,672	XXX	74,344,076	71,920,917	76,740,038	(578,066)	(514,234)	0	0	XXX	XXX	XXX	1,043,157	2,842,414	XXX	XXX
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																							
011770	3N	2	ALASKA ST		..		2	2,349,620	112.747	2,254,940	2,000,000	2,255,090		(34,740)			5.000	2.861	FA	41,667	100,000	03/10/2016.	08/01/2035.
13063B	FV	9	CALIFORNIA ST		..		1,2	9,179,171	105.599	8,553,519	8,100,000	8,498,746		(290,644)			7.950	3.576	MS	214,650	524,700	04/17/2018.	03/01/2036.
13063B	JB	9	CALIFORNIA ST		..		1,2	302,178	108.219	324,657	300,000	300,696		(342)			7.700	7.562	MN	3,850	23,100	11/19/2010.	11/01/2030.
13063C	6S	4	CALIFORNIA ST		..		2	625,790	115.073	638,655	555,000	613,888		(6,701)			5.000	3.401	FA	11,563	27,750	03/08/2017.	08/01/2035.
13063C	6W	5	CALIFORNIA ST		..		2	5,366,850	105.068	5,253,400	5,000,000	5,319,436		(36,885)			4.000	3.050	FA	83,333	200,000	09/13/2017.	08/01/2037.
13063D	CL	0	CALIFORNIA ST		..		2	2,164,400	105.555	2,111,100	2,000,000	2,146,001		(14,205)			4.000	3.051	MN	13,333	80,000	09/13/2017.	11/01/2037.
13063D	GD	4	CALIFORNIA ST		..		2	13,625,937	104.843	13,550,958	12,925,000	13,590,939		(34,998)			4.500	3.833	AO	145,406	252,038	08/21/2018.	04/01/2033.
13063D	GE	2	CALIFORNIA ST		..		2	6,270,780	103.290	6,197,400	6,000,000	6,263,621		(7,159)			4.600	4.026	AO	69,000	119,600	09/07/2018.	04/01/2038.
20772J	G3	0	CONNECTICUT ST		..		2	2,872,400	109.742	2,743,550	2,500,000	2,752,831		(34,684)			5.000	3.250	JD	5,556	125,000	05/13/2015.	06/15/2029.
20772J	RC	8	CONNECTICUT ST		..		2	3,434,280	109.546	3,286,380	3,000,000	3,230,896		(43,919)			5.000	3.250	AO	31,667	150,000	01/22/2014.	10/15/2026.
25476F	NT	1	DISTRICT COLUMBIA		..		2	1,679,370	110.920	1,663,800	1,500,000	1,638,700		(23,162)			5.000	3.130	JD	6,250	75,000	03/16/2017.	06/01/2038.
25476F	UH	9	DISTRICT COLUMBIA		..		2	1,177,360	115.815	1,158,150	1,000,000	1,152,572		(15,766)			5.000	2.940	JD	4,167	50,000	05/18/2017.	06/01/2035.
25476F	UJ	5	DISTRICT COLUMBIA		..		2	1,174,510	115.330	1,153,300	1,000,000	1,150,152		(15,493)			5.000	2.970	JD	4,167	50,000	05/18/2017.	06/01/2036.
25476F	UL	0	DISTRICT COLUMBIA		..		2	1,170,740	114.848	1,148,480	1,000,000	1,146,950		(15,134)			5.000	3.010	JD	4,167	50,000	05/18/2017.	06/01/2037.
25476F	VK	1	DISTRICT COLUMBIA		..		2	1,173,290	113.574	1,135,740	1,000,000	1,156,573		(16,230)			5.000	2.890	JD	4,167	47,222	12/14/2017.	06/01/2042.
452152	XY	2	ILLINOIS ST		..		2	2,581,875	104.214	2,605,350	2,500,000	2,553,891		(8,751)			5.000	4.540	MN	20,833	125,000	08/06/2015.	05/01/2029.
546415	K9	0	LOUISIANA ST		..		2	3,139,080	105.572	3,167,160	3,000,000	3,119,496		(19,584)			4.000	3.020	MN	15,333	120,000	03/20/2018.	05/15/2030.
57582P	M3	1	MASSACHUSETTS ST		..		2	2,086,900	100.700	2,014,000	2,000,000	2,039,639		(16,790)			4.000	3.080	AO	20,000	80,000	02/03/2016.	04/01/2042.
57582R	GV	2	MASSACHUSETTS ST		..		2	4,847,200	109.945	4,397,800	4,000,000	4,585,789		(106,677)			5.000	2.000	MS	66,667	200,000	07/01/2016.	03/01/2046.
57582R	JF	4	MASSACHUSETTS ST		..		2	1,145,470	105.186	1,051,860	1,000,000	1,106,322		(15,728)			4.000	2.171	AO	10,000	40,000	06/16/2016.	04/01/2033.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
604129	YU	4	MINNESOTA ST			2	1FE	5,000,000	104.006	5,200,300	5,000,000	5,000,000					4.000	4.000	AO	50,000	200,000	09/28/2011.	10/01/2031.
605581	GY	7	MISSISSIPPI ST			2	1FE	3,530,070	115.260	3,457,800	3,000,000	3,381,769		(49,793)			5.000	2.931	MN	25,000	150,000	11/19/2015.	11/01/2031.
605581	HY	6	MISSISSIPPI ST			2	1FE	2,691,089	115.129	2,734,314	2,375,000	2,635,616		(28,245)			5.000	3.406	JD	9,896	118,750	12/07/2016.	12/01/2035.
70914P	PQ	9	PENNSYLVANIA (COMMONWEALTH OF)			2	1FE	3,675,945	103.885	3,635,975	3,500,000	3,627,422		(48,523)			5.850	3.401	JJ	94,413	102,375	05/18/2018.	07/15/2030.
70914P	RD	6	PENNSYLVANIA (COMMONWEALTH OF)			2	1FE	3,219,180	104.376	3,131,280	3,000,000	3,162,213		(54,291)			4.000	2.050	MN	15,333	120,000	12/12/2017.	11/15/2028.
76222R	KJ	0	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			2	1FE	2,186,940	109.225	2,184,500	2,000,000	2,056,553		(20,264)			5.500	4.331	FA	45,833	110,000	08/24/2011.	08/01/2031.
76222R	KK	7	RHODE ISLAND ST & PROVIDENCE PLANTATIONS			2	1FE	2,202,200	109.225	2,184,500	2,000,000	2,060,992		(21,889)			5.500	4.241	FA	45,833	110,000	08/24/2011.	08/01/2030.
93974C	Q2	9	WASHINGTON ST			2	1FE	4,157,240	104.084	4,163,360	4,000,000	4,055,578		(16,777)			4.000	3.521	FA	66,667	160,000	04/24/2012.	02/01/2031.
93974D	SW	9	WASHINGTON ST			2	1FE	1,726,298	111.983	1,662,948	1,485,000	1,683,996		(27,205)			5.000	2.760	FA	30,938	74,250	06/01/2017.	08/01/2039.
93974D	YQ	5	WASHINGTON ST			2	1FE	1,698,930	113.247	1,698,705	1,500,000	1,664,536		(18,764)			5.000	3.350	FA	31,250	75,000	02/15/2017.	08/01/2039.
97705L	2M	8	WISCONSIN ST			2	1FE	4,193,120	104.693	4,187,720	4,000,000	4,164,556		(28,564)			4.000	2.700	MN	26,667	80,000	05/18/2018.	05/01/2031.
1199999. U.S. States, Territories & Possessions - Issuer Obligations								100,648,213	XXX	98,651,601	92,240,000	98,115,459	0	(1,071,907)	0	0	XXX	XXX	XXX	1,217,606	3,739,785	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)								100,648,213	XXX	98,651,601	92,240,000	98,115,459	0	(1,071,907)	0	0	XXX	XXX	XXX	1,217,606	3,739,785	XXX	XXX
U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																							
005518	WV	3	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,205,060	116.044	1,160,440	1,000,000	1,182,058		(17,765)			5.000	2.689	JD	4,167	60,694	09/07/2017.	12/01/2036.
005518	WW	1	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,322,299	115.619	1,271,809	1,100,000	1,297,401		(19,231)			5.000	2.719	JD	4,583	66,764	09/07/2017.	12/01/2037.
005518	WX	9	ADAMS & WELD CNTYS COLO SCH DIST NO 027J			2	1FE	1,798,695	115.197	1,727,955	1,500,000	1,765,290		(25,803)			5.000	2.749	JD	6,250	91,042	09/07/2017.	12/01/2038.
018106	PT	5	ALLEN TEX INDPT SCH DIST			2	1FE	5,838,000	112.183	5,609,150	5,000,000	5,705,845		(88,317)			5.000	2.800	FA	94,444	282,639	06/20/2017.	02/15/2042.
033161	7C	8	ANCHORAGE ALASKA			2	1FE	1,956,526	115.844	1,923,010	1,660,000	1,942,775		(13,751)			5.000	2.959	MS	45,419		06/01/2018.	09/01/2037.
038663	GW	4	ARAPAHOE CNTY COLO SCH DIST NO 001 ENGLE			2	1FE	1,990,229	114.065	1,984,731	1,740,000	1,954,146		(23,017)			5.000	3.226	JD	7,250	130,500	05/05/2017.	12/01/2038.
072887	V8	2	BAYONNE N J			2	1FE	1,153,660	111.276	1,112,760	1,000,000	1,117,690		(13,667)			5.000	3.221	JJ	25,000	50,000	03/23/2016.	07/01/2034.
072887	V9	0	BAYONNE N J			2	1FE	1,148,970	111.136	1,111,360	1,000,000	1,114,165		(13,229)			5.000	3.271	JJ	25,000	50,000	03/23/2016.	07/01/2035.
097552	TR	4	BOLINGBROOK ILL			2	1FE	833,100	110.838	831,285	750,000	827,599		(5,501)			5.000	3.641	JJ	18,750	9,688	03/15/2018.	01/01/2038.
101565	VW	6	BOULDER LARIMER & WELD CNTYS COLO ST VRA				1FE	5,617,900	106.601	5,330,050	5,000,000	5,104,870		(50,552)			5.250	4.121	JD	11,667	262,500	03/22/2006.	12/15/2020.
108151	4F	5	BRIDGEPORT CONN				1FE	3,632,803	109.404	3,413,405	3,120,000	3,377,445		(64,499)			5.000	2.671	AO	39,000	156,000	11/07/2014.	10/01/2022.
108151	5H	0	BRIDGEPORT CONN			2	1FE	1,294,048	110.937	1,242,494	1,120,000	1,252,927		(15,153)			5.000	3.231	FA	21,156	56,000	03/04/2016.	08/15/2033.
108151	5J	6	BRIDGEPORT CONN			2	1FE	1,507,325	110.512	1,447,707	1,310,000	1,460,797		(17,153)			5.000	3.281	FA	24,744	65,500	03/04/2016.	08/15/2034.
167560	TK	7	CHICAGO ILL MET WTR RECLAMATION DIST GTR			2	1FE	2,062,672	113.763	1,973,788	1,735,000	2,025,716		(32,622)			5.000	2.640	JD	7,229	86,750	11/09/2017.	12/01/2031.
172252	A8	1	CINCINNATI OHIO CITY SCH DIST				1FE	5,672,450	123.191	6,159,550	5,000,000	5,371,614		(33,666)			5.250	4.240	JD	21,875	262,500	01/24/2008.	12/01/2027.
179093	JM	2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH			2	1FE	1,726,455	115.313	1,729,695	1,500,000	1,691,633		(19,399)			5.000	3.259	JD	3,333	75,000	02/01/2017.	06/15/2037.
181059	YM	2	CLARK CNTY NEV SCH DIST			2	1FE	1,168,230	114.918	1,149,180	1,000,000	1,152,616		(14,619)			5.000	3.040	JD	2,222	51,111	12/01/2017.	06/15/2032.
181211	FB	4	CLARK CNTY WASH SCH DIST NO 101 LA CTR			2	1FE	1,178,263	116.916	1,186,697	1,015,000	1,170,622		(7,641)			5.000	3.107	JD	27,772		05/25/2018.	12/01/2035.
213185	JQ	5	COOK CNTY ILL			2	1FE	2,615,044	105.224	2,446,458	2,325,000	2,484,606		(52,761)			5.240	2.736	MN	15,567	121,830	06/20/2016.	11/15/2025.
213185	KM	2	COOK CNTY ILL			1,2	1FE	1,194,240	110.378	1,103,780	1,000,000	1,152,830		(17,118)			5.000	2.821	MN	6,389	50,000	06/15/2016.	11/15/2031.
213185	LH	2	COOK CNTY ILL			2	1FE	1,124,670	109.370	1,093,700	1,000,000	1,113,220		(11,450)			5.000	3.351	MN	6,389	39,444	01/19/2018.	11/15/2034.
215457	BZ	4	COOK CNTY ILL HIGH SCH DIST NO 201 J STE			1	1FE	1,924,629	104.653	1,936,081	1,850,000	1,923,401		(1,228)			4.850	4.564	JD	7,469	89,633	04/02/2018.	12/01/2041.
223832	EW	2	COWLITZ CNTY WASH SCH DIST NO 402 KALAMA			2	1FE	1,148,170	115.580	1,155,800	1,000,000	1,141,084		(7,086)			5.000	3.246	JD	28,333		05/17/2018.	12/01/2037.
223832	EY	8	COWLITZ CNTY WASH SCH DIST NO 402 KALAMA			2	1FE	1,304,730	114.350	1,303,590	1,140,000	1,296,876		(7,854)			5.000	3.286	JD	32,300		05/17/2018.	12/01/2039.
234667	JL	8	DALLAS CNTY TEX HOSP DIST			1	1FE	941,963	121.349	910,118	750,000	922,119		(3,711)			5.620	4.157	FA	15,926	42,158	02/01/2013.	08/15/2044.
235308	RA	3	DALLAS TEX INDPT SCH DIST			2	1FE	5,484,480	106.868	5,343,400	5,000,000	5,365,459		(119,021)			6.450	2.874	FA	121,833	161,250	04/10/2018.	02/15/2035.
239864	AP	6	DAYTON OHIO METRO LIBR			2	1FE	3,728,480	107.617	3,766,595	3,500,000	3,593,435		(29,645)			5.000	4.020	JD	14,583	175,000	01/24/2014.	12/01/2038.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
287299	LQ	2	ELK GROVE VILLAGE ILL			2	1FE	1,155,630	112.308	1,123,080	1,000,000	1,136,127		(14,582)			5.000	3.068	JJ	25,000	41,944	08/16/2017.	01/01/2034.
287299	LS	8	ELK GROVE VILLAGE ILL			2	1FE	1,148,620	112.084	1,120,840	1,000,000	1,130,071		(13,872)			5.000	3.148	JJ	25,000	41,944	08/16/2017.	01/01/2036.
34153P	U2	2	FLORIDA ST BRD ED PUB ED			2	1FE	4,195,960	104.373	4,174,920	4,000,000	4,172,488		(23,472)			4.000	2.670	JD	13,333	80,000	07/02/2018.	06/01/2032.
368347	CW	8	GEARY CNTY KANS UNI SCH DIST NO 475			2	1FE	5,708,150	113.411	5,670,550	5,000,000	5,624,034		(81,655)			5.000	2.923	MS	256,944		11/21/2017.	09/01/2041.
416415	FV	4	HARTFORD CONN			2	1FE	3,594,270	111.426	3,342,780	3,000,000	3,365,168		(57,997)			5.000	2.699	AO	37,500	150,000	10/17/2014.	10/01/2028.
442403	PH	8	HOUSTON TEX INDPT SCH DIST			2	1FE	2,348,412	115.501	2,333,120	2,020,000	2,333,192		(15,220)			5.000	3.041	FA	38,156	13,467	06/07/2018.	02/15/2038.
442403	PK	1	HOUSTON TEX INDPT SCH DIST			2	1FE	3,946,225	114.814	3,909,417	3,405,000	3,921,184		(25,040)			5.000	3.081	FA	64,317	22,700	06/07/2018.	02/15/2040.
447025	F5	1	HUNTSVILLE ALA			2	1	2,587,468	107.142	2,544,623	2,375,000	2,434,880		(24,104)			5.000	3.858	MN	19,792	118,750	11/09/2011.	05/01/2033.
447025	F7	7	HUNTSVILLE ALA			2	1FE	626,440	106.458	612,134	575,000	589,497		(5,836)			5.000	3.858	MN	4,792	28,750	11/09/2011.	05/01/2033.
447025	XJ	1	HUNTSVILLE ALA			2	1	2,233,393	107.142	2,196,411	2,050,000	2,101,638		(20,786)			5.000	3.859	MN	17,083	102,500	11/09/2011.	05/01/2033.
468312	HL	0	JACKSON MICH PUB SCHS			2	1FE	1,141,890	114.760	1,147,600	1,000,000	1,135,487		(6,403)			5.000	3.301	MN	8,333	17,361	06/06/2018.	05/01/2036.
468312	HM	8	JACKSON MICH PUB SCHS			2	1FE	2,280,160	114.239	2,284,780	2,000,000	2,267,527		(12,633)			5.000	3.321	MN	16,667	34,722	06/06/2018.	05/01/2037.
468312	HN	6	JACKSON MICH PUB SCHS			2	1FE	1,434,233	113.894	1,435,064	1,260,000	1,426,383		(7,850)			5.000	3.341	MN	10,500	21,875	06/06/2018.	05/01/2038.
478718	R5	0	JOHNSON CNTY KANS UNI SCH DIST NO 233			2	1FE	1,647,855	104.372	1,565,580	1,500,000	1,608,249		(17,514)			4.000	2.620	MS	20,000	60,000	08/11/2016.	09/01/2036.
503462	UB	7	LA JOYA TEX INDPT SCH DIST			2	1FE	6,183,500	118.297	5,914,850	5,000,000	5,789,523		(74,192)			5.000	3.008	FA	94,444	250,000	04/17/2013.	02/15/2031.
581664	HJ	1	MC KINNEY TEX INDPT SCH DIST			2	1FE	4,765,840	115.478	4,619,120	4,000,000	4,669,972		(72,940)			5.000	2.690	FA	75,556	188,333	08/03/2017.	02/15/2035.
584002	QB	8	MECKLENBURG CNTY N C			1,2	1FE	2,092,000	103.987	2,079,740	2,000,000	2,081,599		(10,401)			4.350	2.795	AO	21,745	43,490	08/16/2018.	10/01/2030.
586145	WZ	3	MEMPHIS TENN			2	1FE	2,756,500	104.592	2,614,800	2,500,000	2,544,802		(28,507)			5.000	3.760	JJ	62,500	125,000	06/22/2010.	07/01/2023.
642713	6D	8	NEW BRITAIN CONN				1FE	300,000	99.966	299,898	300,000	300,000					2.780	2.779	FA	3,473	8,334	04/01/2015.	02/01/2019.
642713	7T	2	NEW BRITAIN CONN			2	1FE	1,144,220	116.902	1,169,020	1,000,000	1,121,506		(12,782)			5.000	3.290	MS	16,667	50,000	02/10/2017.	03/01/2029.
64966J	AS	5	NEW YORK N Y			2	1FE	1,000,000	106.530	1,065,300	1,000,000	1,000,000					6.650	6.646	JD	5,538	66,460	12/15/2010.	12/01/2031.
64966L	Q4	6	NEW YORK N Y			2	1FE	3,382,099	112.514	3,347,292	2,975,000	3,252,561		(38,158)			5.000	3.370	JD	12,396	148,750	06/03/2015.	06/01/2035.
64966M	EB	1	NEW YORK N Y			1,2	1FE	2,307,000	92.740	2,318,500	2,500,000	2,322,340		15,340			2.520	3.485	FA	26,250	31,500	02/14/2018.	08/01/2027.
64966M	HG	7	NEW YORK N Y			2	1FE	1,240,525	114.824	1,263,064	1,100,000	1,215,559		(12,487)			5.000	3.471	JD	4,583	55,000	12/07/2016.	12/01/2034.
64966M	RA	9	NEW YORK N Y			2	1FE	1,783,065	114.204	1,713,060	1,500,000	1,751,889		(25,065)			5.000	2.820	AO	18,750	74,583	09/15/2017.	10/01/2038.
64966M	WL	9	NEW YORK N Y			1	1FE	3,555,000	101.277	3,600,397	3,555,000	3,555,000					3.380	3.375	MS	39,994	55,991	02/23/2018.	03/01/2025.
64966M	ZS	1	NEW YORK N Y			2	1FE	2,819,111	115.339	2,796,971	2,425,000	2,794,977		(24,134)			5.000	3.090	AO	30,313	54,563	04/12/2018.	04/01/2037.
673475	CV	9	OAKLAND MICH SCHS INTER SCH DIST			2	1FE	1,182,780	113.205	1,132,050	1,000,000	1,137,798		(16,643)			5.000	2.900	MN	8,333	50,000	03/11/2016.	05/01/2036.
717883	VC	3	PHILADELPHIA PA SCH DIST			2	1FE	555,535	112.115	560,575	500,000	552,360		(3,175)			5.000	3.701	MS	8,333	9,236	03/23/2018.	09/01/2035.
717883	VD	1	PHILADELPHIA PA SCH DIST			2	1FE	555,080	111.507	557,535	500,000	551,932		(3,148)			5.000	3.711	MS	8,333	9,236	03/23/2018.	09/01/2036.
717883	VE	9	PHILADELPHIA PA SCH DIST			2	1FE	553,715	110.989	554,945	500,000	550,649		(3,066)			5.000	3.741	MS	8,333	9,236	03/23/2018.	09/01/2037.
718814	J2	3	PHOENIX ARIZ			2	1FE	6,169,496	103.934	6,184,073	5,950,000	6,035,439		(22,535)			4.000	3.560	JJ	119,000	238,000	05/24/2012.	07/01/2033.
755638	ZH	9	READING PA SCH DIST			2	1FE	1,704,375	112.072	1,681,080	1,500,000	1,679,264		(18,818)			5.000	3.317	MS	25,000	75,208	07/31/2017.	03/01/2038.
796237	C9	4	SAN ANTONIO TEX			2	1FE	5,330,100	108.194	5,409,700	5,000,000	5,133,401		(39,823)			5.000	4.071	FA	104,167	250,000	07/16/2013.	02/01/2033.
796269	ZY	7	SAN ANTONIO TEX INDPT SCH DIST			2	1FE	4,476,400	111.664	4,466,560	4,000,000	4,452,184		(24,216)			5.000	3.098	FA	116,667		08/02/2018.	08/15/2043.
833715	EZ	4	SOCORRO TEX INDPT SCH DIST			2	1FE	5,863,106	113.462	5,673,100	5,000,000	5,788,620		(74,486)			5.000	2.813	FA	250,000		01/05/2018.	08/15/2040.
901561	GS	3	TWIN FALLS CNTY IDAHO SCH DIST NO 411			2	1FE	2,189,080	109.431	2,188,620	2,000,000	2,113,238		(17,572)			4.750	3.641	MS	27,972	95,000	05/16/2014.	09/15/2037.
938395	RV	4	WASHINGTON & CLACKAMAS CNTYS ORE SCH DIS			2	1FE	1,708,050	115.313	1,729,695	1,500,000	1,677,452		(17,859)			5.000	3.379	JD	3,333	75,000	03/09/2017.	06/15/2037.
938429	U8	8	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV			2	1FE	4,544,627	115.962	4,696,461	4,050,000	4,637,782		62,017			5.000	3.040	JD	9,000	322,875	07/13/2017.	06/15/2035.
938429	U9	6	WASHINGTON CNTY ORE SCH DIST NO 48J BEAV			2	1FE	1,136,100	115.475	1,154,750	1,000,000	1,155,617		13,523			5.000	2.910	JD	2,222	25,000	08/03/2017.	06/15/2036.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
941247	3U	0	WATERBURY CONN			2	1FE	1,204,084	115.130	1,168,570	1,015,000	1,185,806		(16,723)			5.000	2.840	MN	6,485	48,917	11/17/2017.	11/15/2030.
941247	3X	4	WATERBURY CONN			2	1FE	1,475,636	114.128	1,438,013	1,260,000	1,454,942		(18,934)			5.000	3.000	MN	8,050	60,725	11/17/2017.	11/15/2033.
941247	4C	9	WATERBURY CONN			2	1FE	2,336,017	110.943	2,257,690	2,035,000	2,307,454		(26,135)			5.000	3.250	MN	13,001	98,076	11/17/2017.	11/15/2042.
962506	SA	0	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN			2	1FE	1,204,460	117.069	1,170,690	1,000,000	1,181,070		(17,741)			5.000	2.701	JD	4,167	50,000	08/17/2017.	12/01/2034.
986812	SJ	5	YORK PA				1FE	2,038,100	103.793	2,075,860	2,000,000	2,034,484		(3,616)			4.120	3.827	MN	10,516	82,300	02/21/2018.	11/15/2025.
1899999. U.S. Political Subdivisions of States, Territories & Possessions - Issuer Obligations				XXX			XXX	172,177,398	XXX	169,787,466	152,965,000	167,783,384	0	(1,584,699)	0	0	XXX	XXX	XXX	2,341,188	5,820,829	XXX	XXX
2499999. Total - U.S. Political Subdivisions of States, Territories & Possessions				XXX			XXX	172,177,398	XXX	169,787,466	152,965,000	167,783,384	0	(1,584,699)	0	0	XXX	XXX	XXX	2,341,188	5,820,829	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																							
010268	BA	7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R			2	1FE	3,476,220	115.071	3,452,130	3,000,000	3,401,410		(45,891)			5.000	3.030	MS	50,000	150,000	05/04/2017.	09/01/2036.
010268	BX	7	ALABAMA FED AID HWY FIN AUTH SPL OBLIG R			2	1FE	2,522,016	115.812	2,455,214	2,120,000	2,469,306		(35,102)			5.000	2.841	MS	35,333	106,000	06/21/2017.	06/01/2037.
011798	LB	9	ALASKA MUN BD BK ALASKA MUN BD BK AUTH			2	1FE	5,369,700	107.581	5,379,050	5,000,000	5,186,649		(41,288)			5.000	4.000	FA	104,167	250,000	03/18/2014.	02/01/2043.
02765U	EK	6	AMERICAN MUN PWR OHIO INC REV			1	1FE	408,477	159.369	478,107	300,000	403,257		(1,187)			8.080	5.707	FA	9,162	24,252	02/04/2014.	02/15/2050.
02765U	GJ	7	AMERICAN MUN PWR OHIO INC REV			2	1FE	5,491,050	109.617	5,480,850	5,000,000	5,368,241		(64,734)			5.000	3.420	FA	94,444	250,000	01/24/2017.	02/15/2039.
02765U	MK	7	AMERICAN MUN PWR OHIO INC REV			2	1FE	1,772,864	110.768	1,772,288	1,600,000	1,759,646		(13,218)			5.000	3.410	FA	30,222	40,000	04/25/2018.	02/15/2037.
040484	PY	7	ARIZONA BRD REGENTS UNIV ARIZ SYS REV			2	1FE	5,275,217	103.039	5,012,847	4,865,000	5,192,935		(38,978)			4.000	2.980	JD	16,217	194,600	10/05/2016.	06/01/2040.
047681	QG	9	ATLANTA & FULTON CNTY GA REC AUTH REV			1	1FE	981,720	101.050	1,010,500	1,000,000	983,002		1,282			3.530	3.735	JD	1,568	35,388	02/07/2018.	12/15/2028.
047870	CY	4	ATLANTA GA WTR & WASTEWTR REV				1FE	4,527,840	120.155	4,806,200	4,000,000	4,337,344		(30,752)			5.500	4.340	MN	36,667	220,000	12/15/2011.	11/01/2027.
047870	FC	9	ATLANTA GA WTR & WASTEWTR REV				1FE	5,463,100	131.534	6,576,700	5,000,000	5,331,841		(20,148)			5.750	5.000	MN	47,917	287,500	05/10/2011.	11/01/2030.
051595	BA	3	AURORA COLO WTR REV			2	1FE	2,796,975	114.265	2,570,963	2,250,000	2,677,425		(51,116)			5.000	2.260	FA	46,875	112,500	07/22/2016.	08/01/2036.
088281	UE	8	BEXAR CNTY TEX			2	1FE	2,812,551	110.408	2,704,996	2,450,000	2,749,782		(50,571)			5.000	2.580	JD	5,444	122,500	09/29/2017.	06/15/2040.
100216	FR	6	BOSSIER CITY LA UTILS REV			2	1FE	2,259,480	113.239	2,264,780	2,000,000	2,162,233		(25,132)			5.000	3.433	AO	25,000	100,000	10/01/2014.	10/01/2036.
100216	FS	4	BOSSIER CITY LA UTILS REV			2	1FE	1,126,140	112.954	1,129,540	1,000,000	1,078,946		(12,213)			5.000	3.473	AO	12,500	50,000	10/01/2014.	10/01/2037.
114894	XQ	6	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,771,245	112.736	1,691,040	1,500,000	1,744,228		(24,296)			5.000	2.881	AO	18,750	64,583	11/08/2017.	10/01/2035.
114894	XR	4	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,230,038	112.251	1,173,023	1,045,000	1,211,639		(16,546)			5.000	2.921	AO	13,063	44,993	11/08/2017.	10/01/2036.
114894	XS	2	BROWARD CNTY FLA ARPT SYS REV			2	1FE	1,176,130	111.850	1,118,500	1,000,000	1,158,625		(15,742)			5.000	2.931	AO	12,500	43,056	11/08/2017.	10/01/2037.
121342	PB	9	BURKE CNTY GA DEV AUTH POLLUTN CTL REV				1FE	1,953,000	96.685	1,933,700	2,000,000	1,970,019		11,717			1.650	2.280	MN	5,500	33,000	07/12/2017.	11/01/2048.
12677R	BY	2	CABARRUS CNTY N C LTD OBLIG			2	1FE	4,351,433	114.472	4,224,017	3,690,000	4,187,615		(60,821)			5.000	2.922	AO	46,125	184,500	03/11/2016.	04/01/2034.
13034P	ZW	0	CALIFORNIA HSG FIN AGY REV			2	1FE	3,125,000	99.487	3,108,969	3,125,000	3,125,000					3.660	3.656	FA	47,604	124,406	06/21/2017.	02/01/2029.
160131	DB	1	CHARLESTON EDL EXCELLENCE FING CORP S C			2	1FE	4,648,640	111.926	4,477,040	4,000,000	4,328,805		(60,890)			5.000	3.180	JD	16,667	200,000	04/04/2013.	12/01/2030.
167505	DB	9	CHICAGO ILL BRD ED				3FE	5,457,655	102.095	5,104,750	5,000,000	5,045,928		(48,279)			5.250	4.215	JD	21,875	262,500	04/25/2008.	12/01/2019.
167510	AL	0	CHICAGO ILL BRD ED DEDICATED CAP IMPT			2	2FE	1,497,755	106.021	1,463,090	1,380,000	1,486,028		(10,779)			5.000	3.901	AO	17,250	57,692	11/16/2017.	04/01/2042.
16753Q	BB	2	CHICAGO ILL HSG AUTH			1	1FE	2,940,000	102.590	3,016,146	2,940,000	2,940,000					3.970	3.973	JJ	31,140		09/14/2018.	01/01/2028.
16753Q	BD	8	CHICAGO ILL HSG AUTH			1	1FE	2,605,000	102.451	2,668,849	2,605,000	2,605,000					4.170	4.173	JJ	28,981		09/14/2018.	01/01/2030.
167562	NN	3	CHICAGO ILL MIDWAY ARPT REV			2	1FE	3,431,610	110.679	3,320,370	3,000,000	3,252,354		(45,884)			5.000	3.168	JJ	75,000	150,000	11/14/2014.	01/01/2025.
167593	QJ	4	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,789,110	111.130	1,666,950	1,500,000	1,707,732		(31,710)			5.000	2.500	JJ	37,500	75,000	05/17/2016.	01/01/2028.
167593	QQ	8	CHICAGO ILL O HARE INTL ARPT REV			2	1FE	1,076,350	109.007	1,090,070	1,000,000	1,052,790		(7,642)			5.000	4.002	JJ	25,000	50,000	10/08/2015.	01/01/2034.
167725	AB	6	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	570,779	105.749	560,470	530,000	558,040		(8,841)			6.300	4.347	JD	2,783	38,273	07/13/2017.	12/01/2021.
167725	AC	4	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	5,221,634	128.004	5,120,160	4,000,000	5,198,380		(23,254)			6.900	4.695	JD	22,997	275,960	03/26/2018.	12/01/2040.
167725	AE	0	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	193,993	105.749	190,348	180,000	189,606		(3,029)			6.300	4.331	JD	945	12,915	07/11/2017.	12/01/2021.
167727	UG	9	CHICAGO ILL WASTEWATER TRANSMISSION REV			2	1FE	3,030,480	100.617	3,018,510	3,000,000	3,014,315		(4,421)			4.000	3.830	JJ	60,000	120,000	02/10/2015.	01/01/2034.
167736	YU	5	CHICAGO ILL WTR REV			1	1FE	114,267	130.108	130,108	100,000	112,981		(294)			6.740	5.696	MN	1,124	6,742	02/04/2014.	11/01/2040.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
18085P	LL	6	CLARK CNTY NEV ARPT REV			1,2	1FE	5,133,400	101.879	5,093,950	5,000,000	5,094,320		(39,080)			6.880	3.051	JJ	172,025		10/11/2018.	07/01/2042.
18610R	BA	1	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	7,505,850	118.778	8,908,350	7,500,000	7,505,079		(234)			5.000	4.993	JJ	187,500	375,000	09/09/2013.	07/01/2033.
18610R	BB	9	CLEVELAND-CUYAHOGA CNTY OHIO PORT AUTH L				1FE	5,140,000	119.310	5,965,500	5,000,000	5,121,697		(4,013)			5.000	4.800	JJ	125,000	250,000	12/17/2013.	07/01/2037.
19464V	CT	5	COLLIER CNTY FLA SPL OBLIG REV			2	1FE	5,134,800	103.657	5,182,850	5,000,000	5,058,943		(14,426)			4.000	3.660	AO	50,000	200,000	04/11/2013.	10/01/2032.
196479	B9	9	COLORADO HSG & FIN AUTH			2	1FE	2,165,000	94.834	2,053,156	2,165,000	2,165,000					3.050	3.050	MN	11,005	76,933	06/28/2017.	11/01/2044.
196479	E6	2	COLORADO HSG & FIN AUTH			2	1FE	3,295,373	104.807	3,180,892	3,035,000	3,268,765		(22,705)			4.000	3.009	MN	20,233	126,756	10/06/2017.	05/01/2048.
196632	A2	9	COLORADO SPRINGS COLO UTILS REV			2	1FE	2,370,260	114.461	2,289,220	2,000,000	2,329,826		(32,078)			5.000	2.880	MN	12,778	113,333	09/14/2017.	11/15/2042.
196707	KW	2	COLORADO ST BRD GOVERNORS UNIV ENTERPRIS				1FE	5,829,468	119.118	5,943,988	4,990,000	5,675,729		(30,111)			5.000	3.850	MS	83,167	249,500	06/04/2013.	03/01/2035.
20774Y	Z9	1	CONNECTICUT ST HEALTH & EDL FACS AUTH RE			2	1FE	1,167,660	111.953	1,119,530	1,000,000	1,150,634		(15,358)			5.000	2.981	JJ	25,000	30,417	11/08/2017.	07/01/2035.
20775C	XL	3	CONNECTICUT ST HSG FIN AUTH HSG MTG FIN			2	1FE	1,988,593	105.167	1,919,298	1,825,000	1,971,362		(15,234)			4.000	2.913	MN	9,328	74,136	11/02/2017.	05/15/2047.
215615	DW	2	COOK CNTY ILL HIGH SCH DIST NO 212 LEYDE			2	1FE	2,575,012	111.560	2,454,320	2,200,000	2,472,247		(41,883)			5.000	2.721	JD	9,167	110,000	06/03/2016.	12/01/2028.
230593	AA	3	CUMBERLAND CNTY N C LTD OBLIG			1,2	1FE	1,000,000	107.129	1,071,290	1,000,000	1,000,000					6.100	6.101	MN	10,167	61,000	01/12/2011.	11/01/2025.
240523	UK	4	DEKALB CNTY GA WTR & SEW REV			2	1FE	12,954,860	118.785	13,066,350	11,000,000	12,132,544		(124,145)			5.250	3.708	AO	144,375	577,500	01/25/2012.	10/01/2032.
246343	LA	3	DELAWARE RIV JT TOLL BRDG COMMN PA BRDG			2	1FE	810,754	117.106	819,742	700,000	793,626		(9,449)			5.000	3.191	JJ	17,500	35,000	02/15/2017.	07/01/2030.
25484J	DB	3	DISTRICT COLUMBIA UNIV REV			2	1FE	2,273,820	113.881	2,277,620	2,000,000	2,228,259		(23,609)			5.000	3.401	AO	25,000	100,000	01/06/2017.	04/01/2035.
266780	AV	7	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	3,061,978	105.075	3,141,743	2,990,000	3,018,448		(7,680)			4.000	3.701	JD	9,967	119,600	07/31/2013.	06/01/2029.
266780	BW	4	DURHAM N C CAP FING CORP LTD OBLIG			2	1FE	9,637,640	110.114	9,359,690	8,500,000	9,042,533		(111,997)			5.000	3.430	JD	35,417	425,000	03/14/2013.	06/01/2038.
29508R	KS	4	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	1,437,372	116.145	1,393,740	1,200,000	1,410,179		(21,015)			5.000	2.717	MS	20,000	57,833	08/25/2017.	09/01/2036.
29508R	KU	9	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	1,553,396	115.647	1,503,411	1,300,000	1,524,415		(22,398)			5.000	2.747	MS	21,667	62,653	08/25/2017.	09/01/2037.
29508R	KV	7	ERIE CNTY N Y FISCAL STABILITY AUTH			2	1FE	2,384,060	115.151	2,303,020	2,000,000	2,340,208		(33,893)			5.000	2.777	MS	33,333	96,389	08/25/2017.	09/01/2038.
302716	AM	7	FYI PPTYS WASH LEASE REV			2	1FE	3,098,172	101.350	3,040,500	3,000,000	3,007,169		(16,762)			5.250	4.661	JD	13,125	157,500	08/05/2009.	06/01/2023.
302716	AP	0	FYI PPTYS WASH LEASE REV			2	1FE	4,388,838	101.330	4,357,190	4,300,000	4,304,665		(10,884)			5.250	4.982	JD	18,813	225,750	08/05/2009.	06/01/2025.
341271	AA	2	FLORIDA ST BRD ADMIN FIN CORP REV			1	1FE	2,600,000	99.720	2,592,720	2,600,000	2,600,000					2.160	2.163	JJ	28,119	56,238	02/23/2016.	07/01/2019.
353187	CN	5	FRANKLIN CNTY OHIO HOSP REV			2	1FE	5,352,145	111.203	5,343,304	4,805,000	5,178,936		(51,329)			5.000	3.621	MN	30,699	240,250	06/04/2015.	05/15/2034.
359900	5Q	6	FULTON CNTY GA DEV AUTH REV			2	1FE	2,211,920	111.549	2,230,980	2,000,000	2,124,733		(20,804)			5.000	3.700	MN	16,667	100,000	07/09/2014.	05/01/2039.
368497	JM	6	GEISINGER AUTH PA HEALTH SYS REV			2	1FE	1,985,620	111.939	1,958,933	1,750,000	1,951,041		(21,189)			5.000	3.371	FA	33,056	87,500	04/19/2017.	02/15/2039.
38611T	BM	8	GRAND PARKWAY TRANSN CORP TEX SYS TOLL R			2	1FE	4,038,074	115.601	4,069,155	3,520,000	4,011,261		(26,813)			5.000	3.241	AO	44,000	59,156	05/17/2018.	10/01/2036.
387883	VS	7	GRANT CNTY WASH PUB UTIL DIST NO 2 PRIES			2	1FE	2,595,241	112.596	2,482,742	2,205,000	2,441,740		(39,191)			5.000	2.876	JJ	55,125	110,250	11/01/2014.	01/01/2027.
392274	R4	0	GREATER ORLANDO AVIATION AUTH ORLANDO FL			2	1FE	1,134,265	110.737	1,135,054	1,025,000	1,115,458		(9,924)			5.000	3.680	AO	12,813	51,250	01/24/2017.	10/01/2039.
392274	X2	7	GREATER ORLANDO AVIATION AUTH ORLANDO FL			2	1FE	5,629,300	112.091	5,604,550	5,000,000	5,584,796		(44,504)			5.000	3.440	AO	62,500	248,611	03/15/2018.	10/01/2037.
414004	3W	9	HARRIS CNTY TEX			1	1FE	4,939,335	122.412	5,508,540	4,500,000	4,768,651		(25,117)			5.250	4.410	FA	89,250	236,250	02/17/2011.	08/15/2027.
42806K	AS	2	HESPERIA CALIF CMNTY REDEV AGY SUCCESSOR				1FE	2,759,484	100.270	2,807,560	2,800,000	2,761,369		1,885			3.130	3.448	MS	21,632		09/12/2018.	09/01/2023.
42806K	AT	0	HESPERIA CALIF CMNTY REDEV AGY SUCCESSOR				1FE	2,480,611	100.328	2,533,282	2,525,000	2,482,288		1,677			3.250	3.583	MS	20,288		09/12/2018.	09/01/2024.
45203H	X5	6	ILLINOIS FIN AUTH REV			2	2FE	1,686,390	112.365	1,685,475	1,500,000	1,627,233		(16,766)			5.000	3.551	FA	28,333	75,000	03/18/2015.	08/15/2026.
45204E	YE	2	ILLINOIS FIN AUTH REV			2	1FE	1,178,140	114.658	1,146,580	1,000,000	1,155,854		(17,147)			5.000	2.811	JJ	25,000	40,139	08/30/2017.	07/01/2035.
45204E	YF	9	ILLINOIS FIN AUTH REV			2	1FE	2,350,900	114.275	2,285,500	2,000,000	2,307,053		(33,735)			5.000	2.841	JJ	50,000	80,278	08/30/2017.	07/01/2036.
45204E	YG	7	ILLINOIS FIN AUTH REV			2	1FE	2,933,735	113.970	2,849,250	2,500,000	2,879,585		(41,663)			5.000	2.863	JJ	62,500	100,347	09/05/2017.	07/01/2037.
452252	LQ	0	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	2,430,387	113.478	2,331,973	2,055,000	2,380,250		(38,700)			5.000	2.658	JJ	51,375	102,750	09/08/2017.	01/01/2032.
452252	LR	8	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	1,951,664	113.119	1,809,904	1,600,000	1,870,817		(32,430)			5.000	2.510	JJ	40,000	80,000	05/19/2016.	01/01/2033.
452252	LS	6	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R			2	1FE	2,930,975	112.691	2,817,275	2,500,000	2,873,689		(44,234)			5.000	2.778	JJ	62,500	125,000	09/08/2017.	01/01/2034.
45470R	DT	0	INDIANA FIN AUTH HWY REV			2	1FE	5,409,180	116.470	5,241,150	4,500,000	5,307,533		(78,673)			5.000	2.719	JD	18,750	272,500	08/24/2017.	06/01/2036.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
454898	TX	5	INDIANA MUN PWR AGY PWR SUPPLY SYS REV			2	1FE	3,409,239	111.698	3,306,261	2,960,000	3,342,227		(44,698)			5.000	3.060	JJ	74,000	148,000	06/22/2017.	01/01/2042.
45506D	F6	7	INDIANA ST FIN AUTH REV			2	1FE	1,144,530	111.131	1,111,310	1,000,000	1,126,529		(12,279)			5.000	3.321	AO	12,500	50,000	06/07/2017.	10/01/2038.
45528U	AP	6	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	4,821,968	106.517	4,910,434	4,610,000	4,663,246		(23,797)			5.250	4.662	FA	100,844	242,025	03/17/2011.	02/01/2027.
45528U	BV	2	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	3,508,002	106.517	3,562,994	3,345,000	3,386,281		(18,461)			5.250	4.622	FA	73,172	175,613	04/26/2011.	02/01/2027.
45528U	XS	5	INDIANAPOLIS IND LOC PUB IMPT BD BK			2	1FE	4,638,440	112.888	4,515,520	4,000,000	4,582,742		(55,096)			5.000	3.130	JJ	100,000	101,667	12/20/2017.	01/01/2040.
46246K	Y4	8	IOWA FIN AUTH REV			2	1FE	5,180,550	105.782	5,289,100	5,000,000	5,090,183		(17,806)			4.000	3.570	FA	83,333	200,000	05/31/2013.	08/01/2033.
46613S	GL	8	JEA FLA ELEC SYS REV			1,2	1FE	5,244,300	112.979	5,084,055	4,500,000	5,199,072		(45,228)			5.000	2.970	AO	56,250	112,500	05/03/2018.	10/01/2032.
469487	GB	2	JACKSONVILLE FLA SPL REV			2	1FE	2,281,862	109.555	2,410,210	2,200,000	2,241,060		(9,863)			5.000	4.454	AO	27,500	110,000	07/19/2013.	10/01/2032.
469487	MN	9	JACKSONVILLE FLA SPL REV			2	1FE	2,643,660	113.549	2,554,853	2,250,000	2,599,538		(34,510)			5.000	2.970	AO	28,125	115,938	08/23/2017.	10/01/2037.
479354	AP	7	JOHNSTON CNTY N C LTD OBLIG			2	1FE	2,083,558	105.625	2,107,219	1,995,000	2,014,133		(10,085)			5.000	4.435	AO	21,058	99,750	11/19/2010.	10/15/2025.
48503S	EJ	4	KANSAS CITY MO INDL DEV AUTH REV			2	1FE	2,433,343	108.508	2,273,243	2,095,000	2,234,545		(49,730)			5.500	2.883	MS	38,408	115,225	08/05/2014.	09/01/2027.
486296	LM	6	KAUKAUNA WIS ELEC SYS REV			2	1FE	3,965,559	109.071	4,253,769	3,900,000	3,931,955		(7,184)			5.000	4.770	JD	8,667	195,000	10/22/2013.	12/15/2035.
490278	5C	8	KENT CNTY MICH			2	1FE	6,395,410	105.674	6,240,050	5,905,000	6,220,184		(47,236)			4.000	3.021	JJ	118,100	236,200	01/23/2015.	01/01/2033.
49126P	EC	0	KENTUCKY ECONOMIC DEV FIN AUTH REV				2FE	3,500,000	100.436	3,515,260	3,500,000	3,500,000					2.700	2.700	MN	15,750	94,500	11/06/2014.	05/01/2039.
517840	6B	5	LAS VEGAS VALLEY NEV WTR DIST			2	1FE	4,496,840	111.848	4,473,920	4,000,000	4,389,674		(58,995)			5.000	3.180	JD	16,667	200,000	02/23/2017.	06/01/2039.
517845	AX	1	LAS VEGAS VY NEV WTR DIST			2	1FE	4,604,760	111.580	4,463,200	4,000,000	4,460,793		(54,164)			5.000	3.240	JD	16,667	200,000	03/11/2016.	06/01/2046.
542269	CE	3	LONE STAR COLLEGE SYS TEX REV FING SYS R			2	1FE	2,244,480	105.821	2,116,420	2,000,000	2,108,695		(49,384)			5.000	2.359	FA	37,778	100,000	03/04/2016.	02/15/2043.
544445	CA	5	LOS ANGELES CALIF DEPT ARPTS ARPT REV			2	1FE	1,455,174	112.214	1,470,003	1,310,000	1,428,562		(13,823)			5.000	3.591	MN	8,369	65,500	01/06/2017.	05/15/2036.
544712	2F	8	LOS ANGELES CNTY CALIF MET TRANSN AUTH S			1	1FE	1,687,284	106.013	1,908,234	1,800,000	1,758,723		10,766			4.530	5.273	JD	6,795	81,540	02/17/2011.	06/01/2022.
54473E	NT	7	LOS ANGELES CNTY CALIF PUB WKS FING AUTH			1	1FE	243,717	131.118	262,236	200,000	236,708		(1,590)			7.490	5.627	FA	6,240	14,976	02/04/2014.	08/01/2033.
545909	CG	6	LOUDOUN CNTY VA INDL DEV AUTH LEASE REV			2	1FE	8,464,750	106.709	8,536,720	8,000,000	8,131,544		(50,676)			5.000	4.276	JD	33,333	400,000	06/27/2011.	06/01/2031.
546540	HT	5	LOUISIANA ST UNIV & AGRIC & MECHANICAL C			2	1FE	3,227,640	104.652	3,139,560	3,000,000	3,040,199		(25,481)			5.000	4.070	JJ	75,000	150,000	06/10/2010.	07/01/2023.
54811B	RX	1	LOWER COLO RIV AUTH TEX TRANSMISSION CON			2	1FE	3,699,365	113.857	3,671,888	3,225,000	3,677,609		(21,757)			5.000	3.250	MN	20,604	64,500	06/07/2018.	05/15/2037.
558459	RK	1	MADISON WIS CMNTY DEV AUTH REV			2	1FE	5,108,441	102.330	4,696,947	4,590,000	4,636,521		(60,433)			5.000	3.611	AO	57,375	229,500	01/12/2010.	10/01/2024.
56042R	PE	6	MAINE HEALTH & HIGHER EDL FACS AUTH REV			2	1FE	7,301,363	101.424	7,074,324	6,975,000	6,995,950		(40,561)			5.000	4.386	JJ	174,375	348,750	12/08/2009.	07/01/2026.
560459	R9	2	MAINE MUN BD BK			2	1FE	1,467,250	102.632	1,395,795	1,360,000	1,370,991		(12,766)			5.000	4.001	MN	11,333	68,000	05/27/2009.	11/01/2027.
56052F	JS	5	MAINE ST HSG AUTH MTG PUR			2	1FE	1,067,953	103.100	1,025,845	995,000	1,059,366		(7,264)			3.500	2.586	MN	4,450	37,015	09/20/2017.	11/15/2047.
575579	PZ	4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	5,953,229	124.646	6,905,388	5,540,000	5,805,941		(21,855)			5.250	4.620	JJ	145,425	290,850	02/15/2011.	07/01/2028.
575579	QC	4	MASSACHUSETTS BAY TRANSN AUTH MASS SALE			1	1FE	11,652,630	127.379	14,011,690	11,000,000	11,471,748		(27,025)			5.250	4.790	JJ	288,750	577,500	02/16/2011.	07/01/2031.
57584X	UQ	2	MASSACHUSETTS ST DEV FIN AGY REV			2	1FE	1,232,440	114.245	1,142,450	1,000,000	1,182,750		(21,224)			5.000	2.401	AO	12,500	50,000	08/03/2016.	10/01/2034.
576000	UA	9	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED			2	1FE	2,866,550	111.798	2,794,950	2,500,000	2,801,718		(38,937)			5.000	3.040	MN	15,972	125,000	04/21/2017.	11/15/2045.
576000	VB	6	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED			2	1FE	5,498,050	112.872	5,643,600	5,000,000	5,486,767		(11,284)			5.000	3.570	MN	31,944	125,000	10/11/2018.	11/15/2046.
576000	WK	5	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED			2	1FE	2,017,120	101.058	2,021,160	2,000,000	2,016,997		(123)			4.000	3.815	FA	33,333		12/11/2018.	02/15/2043.
576002	BP	3	MASSACHUSETTS ST SPL OBLIG DEDICATED TAX				1FE	5,316,350	127.303	6,365,150	5,000,000	5,258,588		(11,347)			5.500	5.006	JJ	137,500	275,000	08/28/2013.	01/01/2034.
576051	BN	5	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,042,280	104.906	2,098,120	2,000,000	2,008,445		(5,021)			5.000	4.720	FA	41,667	100,000	02/10/2011.	08/01/2028.
576051	FP	6	MASSACHUSETTS ST WTR RES AUTH			2	1FE	2,311,380	108.611	2,172,220	2,000,000	2,181,136		(47,894)			5.000	2.350	FA	41,667	100,000	03/16/2016.	08/01/2037.
576528	DQ	3	MATAGORDA CNTY TEX NAV DIST NO 1 POLLUTN			2	1FE	2,511,180	102.729	3,081,870	3,000,000	2,622,249		23,262			4.000	5.500	JD	10,000	120,000	08/23/2013.	06/01/2030.
587843	KE	2	MERCER CNTY N J IMPT AUTH LEASE REV			2	1FE	1,539,495	103.141	1,547,115	1,500,000	1,533,148		(6,347)			4.010	3.150	MS	17,711	30,075	06/13/2018.	09/15/2023.
590545	TJ	8	MESA ARIZ UTIL SYS REV			2	1FE	4,232,880	105.627	4,225,080	4,000,000	4,214,421		(18,459)			5.050	3.410	JJ	100,960		08/30/2018.	07/01/2035.
59259N	8D	8	METROPOLITAN TRANSN AUTH N Y DEDICATED T			2	1FE	4,113,825	116.397	4,085,535	3,510,000	4,032,475		(50,532)			5.000	3.070	MN	22,425	175,500	05/11/2017.	11/15/2035.
59259N	ZH	9	METROPOLITAN TRANSN AUTH N Y DEDICATED T			1	1FE	2,100,000	142.294	2,988,174	2,100,000	2,100,000					7.340	7.336	MN	19,685	154,056	04/23/2009.	11/15/2039.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
59259Y	RE	1	METROPOLITAN TRANSN AUTH N Y REV			2	1FE	5,199,750	107.588	5,379,400	5,000,000	5,093,197		(21,605)			5.000	4.470	MN	31,944	250,000	07/17/2013.	11/15/2032.
59261A	PG	6	METROPOLITAN TRANSN AUTH N Y REV	@			1FE	1,252,399	69.622	1,256,677	1,805,000	1,293,269		39,055				3.090	N/A			11/22/2017.	11/15/2029.
59333A	GH	8	MIAMI-DADE CNTY FLA EDL FACS AUTH REV			1	1FE	5,236,550	104.022	5,201,100	5,000,000	5,031,096		(23,683)			5.250	4.730	AO	65,625	262,500	03/11/2008.	04/01/2020.
59333P	L2	2	MIAMI-DADE CNTY FLA AVIATION REV			2	1FE	5,568,550	109.647	5,482,350	5,000,000	5,358,047		(55,135)			5.000	3.609	AO	62,500	250,000	12/03/2014.	10/01/2032.
59333T	EC	0	MIAMI-DADE CNTY FLA PUB FACS REV			2	1FE	6,309,418	111.583	6,416,023	5,750,000	6,135,816		(52,171)			5.000	3.811	JD	23,958	287,500	06/25/2015.	06/01/2033.
59334D	HH	0	MIAMI-DADE CNTY FLA WTR & SWR REV			2	1FE	1,951,950	107.876	1,887,830	1,750,000	1,866,431		(28,873)			5.000	3.105	AO	21,875	87,500	12/08/2015.	10/01/2042.
593464	AA	8	MIAMI FLA RENT REV				1FE	70,279	102.669	66,735	65,000	65,256		(484)			8.650	7.830	JJ	2,811	8,218	01/04/2000.	07/01/2019.
59447P	7Q	8	MICHIGAN FIN AUTH REV			2	1FE	2,993,940	108.089	2,891,381	2,675,000	2,833,882		(43,412)			5.000	3.151	JD	11,146	133,750	02/12/2015.	12/01/2030.
59447P	L3	3	MICHIGAN FIN AUTH REV			2	1FE	3,591,189	111.090	3,499,335	3,150,000	3,424,908		(42,751)			5.000	3.319	AO	39,375	157,500	10/23/2014.	10/01/2031.
594654	BE	4	MICHIGAN ST HSG DEV AUTH SINGLE FAMILY M			2	1FE	3,023,131	103.212	2,926,060	2,835,000	3,001,484		(18,615)			3.500	2.672	JD	8,269	110,184	10/13/2017.	06/01/2048.
602248	KA	3	MILWAUKEE CNTY WIS ARPT REV			2	1FE	2,479,174	109.738	2,386,802	2,175,000	2,351,897		(32,741)			5.000	3.198	JD	9,063	108,750	10/23/2014.	12/01/2029.
60416H	4Y	7	MINNESOTA ST HIGHER ED FACS AUTH REV			2	1FE	2,308,360	109.553	2,191,060	2,000,000	2,276,109		(26,912)			5.000	3.179	AO	25,000	106,667	10/17/2017.	10/01/2047.
60534T	FR	1	MISSISSIPPI DEV BK SPL OBLIG			2	1FE	5,094,400	107.927	5,396,350	5,000,000	5,043,227		(10,572)			5.000	4.740	MS	83,333	250,000	08/22/2013.	09/01/2030.
625914	HG	4	MUNICIPAL ENERGY AGY OF NEB PWR SUPPLY S			2	1FE	3,555,840	108.326	3,249,780	3,000,000	3,213,089		(61,987)			5.000	2.700	AO	37,500	150,000	02/04/2013.	04/01/2027.
626207	K8	6	MUNICIPAL ELEC AUTH GA IAM COML PAPER NT			2	1FE	1,145,180	107.879	1,078,790	1,000,000	1,100,997		(15,072)			5.000	3.140	JJ	25,000	50,000	12/10/2015.	01/01/2035.
626207	ZR	8	MUNICIPAL ELEC AUTH GA			2	1FE	4,310,640	104.418	4,218,487	4,040,000	4,096,350		(29,023)			5.000	4.200	MN	33,667	202,000	05/20/2010.	11/01/2027.
626207	ZS	6	MUNICIPAL ELEC AUTH GA			2	1FE	2,678,861	104.345	2,645,146	2,535,000	2,565,007		(15,430)			5.000	4.320	MN	21,125	126,750	05/10/2010.	11/01/2028.
63968A	YL	3	NEBRASKA PUB PWR DIST REV			2	1FE	1,113,130	107.439	1,074,390	1,000,000	1,051,417		(16,083)			5.000	3.189	JJ	25,000	50,000	11/05/2014.	01/01/2034.
64465P	TT	5	NEW HAMPSHIRE MUN BD BK			2	1FE	1,817,370	110.562	1,658,430	1,500,000	1,628,950		(33,606)			5.000	2.502	FA	28,333	75,000	04/18/2012.	08/15/2024.
645790	LL	8	NEW JERSEY HEALTH CARE FACS FING AUTH RE			2	1FE	1,909,936	112.899	1,868,478	1,655,000	1,879,003		(22,629)			5.000	3.171	JJ	41,375	72,176	08/04/2017.	07/01/2035.
646139	6T	7	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,134,120	114.199	1,141,990	1,000,000	1,113,380		(12,157)			5.000	3.371	JJ	25,000	50,000	03/30/2017.	01/01/2035.
646139	7M	1	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,165,990	113.303	1,133,030	1,000,000	1,146,477		(13,896)			5.000	3.121	JJ	25,000	45,556	07/19/2017.	01/01/2040.
646139	W3	5	NEW JERSEY ST TPK AUTH TPK REV			1	1FE	1,700,000	141.233	2,400,961	1,700,000	1,700,000					7.410	7.415	JJ	63,019	126,038	04/20/2009.	01/01/2040.
646140	CA	9	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	2,005,472	117.647	1,988,234	1,690,000	1,976,646		(27,474)			5.000	2.850	JJ	42,250	46,240	12/01/2017.	01/01/2031.
646140	CB	7	NEW JERSEY ST TPK AUTH TPK REV			2	1FE	1,181,880	116.866	1,168,660	1,000,000	1,165,300		(15,802)			5.000	2.900	JJ	25,000	27,361	12/01/2017.	01/01/2032.
647200	6Y	5	NEW MEXICO MTG FIN AUTH			2	1FE	2,470,292	104.342	2,389,432	2,290,000	2,450,703		(17,375)			3.750	2.783	MS	28,625	69,433	10/04/2017.	03/01/2048.
647429	Y6	0	NEW MEXICO ST UNIV REVS			2	1FE	3,194,038	111.872	3,087,667	2,760,000	3,138,851		(39,745)			5.000	3.101	AO	34,500	138,000	08/07/2017.	04/01/2042.
64971M	5F	5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	2,292,370	103.107	2,062,140	2,000,000	2,103,801		(35,013)			4.330	2.417	MN	14,417	86,500	04/17/2013.	11/01/2021.
64971Q	6R	9	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	3,214,320	108.564	3,256,920	3,000,000	3,112,154		(23,247)			5.000	4.050	MN	25,000	150,000	04/03/2014.	05/01/2042.
64971Q	T9	4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1	73,095	101.111	70,778	70,000	70,182		(535)			5.000	4.200	MN	583	3,500	12/19/2012.	05/01/2023.
64971Q	XW	8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	5,372,200	109.451	5,472,550	5,000,000	5,175,926		(41,702)			5.000	4.000	MN	41,667	250,000	11/21/2013.	11/01/2031.
64971W	UD	0	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	4,439,080	110.100	4,404,000	4,000,000	4,399,809		(39,271)			5.000	3.180	FA	83,333	100,000	04/26/2018.	02/01/2041.
64971W	V2	3	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	1,150,640	115.996	1,159,960	1,000,000	1,127,609		(13,147)			5.000	3.240	MN	8,333	50,000	03/09/2017.	11/01/2033.
64971X	AS	7	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	1,925,950	114.699	1,863,859	1,625,000	1,889,323		(26,824)			5.000	2.850	FA	33,854	77,639	08/09/2017.	08/01/2037.
64971X	ER	5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1,2	1FE	5,044,850	101.793	5,089,650	5,000,000	5,043,603		(1,247)			3.960	3.850	FA	77,550		08/24/2018.	08/01/2032.
64972F	Y2	6	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			1,2	1FE	3,205,890	105.754	3,172,620	3,000,000	3,172,510		(33,380)			6.280	3.220	JD	8,376	94,230	08/08/2018.	06/15/2042.
64972G	KE	3	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &			2	1FE	2,399,580	114.584	2,291,680	2,000,000	2,307,008		(33,969)			5.000	2.831	JD	4,444	100,000	03/01/2016.	06/15/2036.
64972H	N8	1	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			1	1FE	2,955,990	100.260	3,007,800	3,000,000	2,958,308		2,318			3.110	3.443	JJ	40,171		09/21/2018.	07/15/2023.
64972H	VS	8	NEW YORK N Y CITY TRANSITIONAL FIN AUTH			2	1FE	9,237,600	110.323	8,825,840	8,000,000	9,047,349		(157,979)			5.000	2.640	JJ	184,444	400,000	10/12/2017.	07/15/2040.
64983S	FU	4	NEW YORK ST DORM AUTH REVS ST SUPPORTED				1FE	3,263,081	122.031	3,148,400	2,580,000	3,075,685		(30,956)			5.500	3.580	JJ	70,950	141,900	04/19/2012.	07/01/2031.
649883	2J	3	NEW YORK ST MTG AGY HOMEOWNER MTG REV			2	1FE	3,413,808	104.581	3,283,843	3,140,000	3,382,646		(27,678)			4.000	2.880	AO	33,271	112,688	10/11/2017.	04/01/2040.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV			2	1FE	1,074,560	101.609	1,031,331	1,015,000	1,051,168		(6,322)			3.500	2.766	AO	10,253	41,346	02/11/2015.	10/01/2034.
64990A BF 1	NEW YORK ST DORM AUTH SALES TAX REV ST S			2	1FE	11,035,000	109.237	10,923,700	10,000,000	10,886,861		(148,139)			5.000	2.750	MS	147,222	250,000	03/28/2018.	03/15/2043.
64990C 7P 0	NEW YORK ST DORM AUTH REVS NON ST SUPPOR			2	1FE	1,165,840	115.080	1,150,800	1,000,000	1,157,112		(8,728)			5.000	3.080	JJ	31,111		05/04/2018.	07/01/2040.
64990E D8 7	NEW YORK ST DORM AUTH ST PERS INCOME TAX			2	1FE	5,509,280	110.626	5,475,987	4,950,000	5,460,171		(49,108)			5.000	3.136	FA	93,500	123,750	05/03/2018.	02/15/2043.
64990E W8 6	NEW YORK ST DORM AUTH ST PERS INCOME TAX			2	1FE	5,690,400	113.547	5,677,350	5,000,000	5,488,370		(63,978)			5.000	3.360	MS	73,611	250,000	09/17/2015.	03/15/2034.
650035 4V 7	NEW YORK ST URBAN DEV CORP REV			1	1FE	3,857,261	99.292	3,857,494	3,885,000	3,860,504		3,243			3.120	3.233	MS	35,690	121,212	02/07/2018.	03/15/2025.
650035 5X 2	NEW YORK ST URBAN DEV CORP REV			2	1FE	1,578,011	97.824	1,555,402	1,590,000	1,578,940		928			3.270	3.359	MS	15,309	38,128	01/23/2018.	03/15/2028.
658203 5C 4	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA			2	1FE	1,652,427	100.225	1,733,893	1,730,000	1,676,066		3,519			5.000	5.379	JJ	43,250	86,500	01/13/2011.	01/01/2030.
65820A AJ 7	NORTH CAROLINA CAP FACS FIN AGY SOLID WA			2	1FE	10,448,000	103.247	10,840,935	10,500,000	10,463,653		2,721			4.380	4.411	AO	114,844	459,375	08/09/2011.	10/01/2031.
65821D FW 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,553,715	105.023	1,575,345	1,500,000	1,511,723		(6,009)			5.000	4.550	MN	12,500	75,000	10/22/2010.	11/01/2030.
65821D LH 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	9,165,865	109.324	9,292,540	8,500,000	8,806,051		(82,512)			5.000	3.863	JD	35,417	425,000	06/27/2013.	06/01/2032.
65821D NE 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	5,327,000	103.775	5,188,750	5,000,000	5,142,385		(33,609)			4.000	3.220	JD	16,667	200,000	01/15/2013.	12/01/2033.
65821D SM 4	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	3,558,060	108.365	3,250,950	3,000,000	3,422,858		(59,836)			5.000	2.600	JD	12,500	150,000	09/09/2016.	06/01/2040.
65821D SN 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	8,194,200	108.008	8,100,600	7,500,000	8,110,238		(56,961)			5.000	3.567	JD	31,250	275,000	10/16/2018.	06/01/2045.
65821D VJ 7	NORTH CAROLINA MED CARE COMMN HEALTH CAR			2	1FE	1,114,950	104.969	1,049,690	1,000,000	1,089,577		(10,793)			4.000	2.661	JD	3,333	40,000	08/04/2016.	06/01/2036.
65887P RB 3	NORTH DAKOTA PUB FIN AUTH			2	1FE	1,801,441	112.017	1,747,465	1,560,000	1,722,617		(22,508)			5.000	3.190	JD	6,500	78,000	04/24/2015.	06/01/2032.
66285W LS 3	NORTH TEX TWY AUTH REV			2	1FE	3,481,691	110.876	3,464,875	3,125,000	3,335,803		(37,928)			5.000	3.517	JJ	78,125	156,250	11/06/2014.	01/01/2030.
664754 Y5 1	NORTHERN ARIZ UNIV REVS			2	1FE	3,061,543	110.612	3,063,952	2,770,000	2,915,791		(28,649)			5.000	3.740	FA	57,708	138,500	06/05/2013.	08/01/2029.
677521 BD 7	OHIO STATE				1FE	3,692,098	107.945	3,508,213	3,250,000	3,365,370		(41,913)			5.000	3.550	FA	67,708	162,500	01/22/2010.	08/01/2021.
677632 PA 3	OHIO ST UNIV GEN RCPTS			1	1FE	1,484,895	110.034	1,650,510	1,500,000	1,484,881		9			4.800	4.849	JD	6,000	72,000	10/20/2011.	06/01/2111.
679111 WR 1	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	146,595	113.141	147,083	130,000	143,450		(1,680)			5.000	3.331	JJ	3,250	6,500	02/01/2017.	01/01/2037.
679111 XB 5	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	292,760	112.803	293,288	260,000	286,556		(3,314)			5.000	3.351	JJ	6,500	13,000	02/01/2017.	01/01/2038.
679111 XU 3	OKLAHOMA ST TPK AUTH TPK REV			2	1FE	1,798,680	114.888	1,723,320	1,500,000	1,767,971		(29,877)			5.000	2.520	JJ	37,500	39,583	12/07/2017.	01/01/2036.
682004 DW 3	OMAHA PUB PWR DIST NEB SEPARATE ELEC REV			2	1FE	2,351,240	114.135	2,282,700	2,000,000	2,227,895		(33,737)			5.000	2.941	FA	41,667	100,000	02/27/2015.	02/01/2028.
684618 AN 1	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,135,640	108.473	1,084,730	1,000,000	1,041,878		(14,314)			5.000	3.390	AO	12,500	50,000	09/14/2011.	10/01/2024.
684618 AP 6	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	1,123,000	108.473	1,084,730	1,000,000	1,038,151		(13,007)			5.000	3.530	AO	12,500	50,000	09/14/2011.	10/01/2025.
684618 AQ 4	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,226,380	108.473	2,169,460	2,000,000	2,070,472		(23,977)			5.000	3.640	AO	25,000	100,000	09/14/2011.	10/01/2026.
684618 BH 3	ORANGE CNTY PUB FACS CO LTD OBLIG N C			2	1FE	2,748,900	110.366	2,759,150	2,500,000	2,599,891		(24,483)			4.750	3.600	AO	29,688	118,750	03/30/2012.	10/01/2032.
702285 EK 9	PASADENA CALIF WTR REV			1,2	1FE	2,215,100	108.056	2,161,120	2,000,000	2,159,015		(56,085)			7.200	2.900	JD	12,000	144,000	04/17/2018.	06/01/2035.
70870J AW 8	PENNSYLVANIA ECONOMIC DEV FING AUTH UPMC			2	1FE	1,042,180	103.317	1,033,170	1,000,000	1,037,847		(3,551)			4.000	3.500	MN	5,111	43,778	09/28/2017.	11/15/2035.
70917S R7 0	PENNSYLVANIA ST HIGHER EDL FACS AUTH REV			2	1FE	1,665,944	115.742	1,643,536	1,420,000	1,642,403		(22,396)			5.000	2.931	FA	26,822	47,728	11/29/2017.	08/15/2031.
70917S XR 9	PENNSYLVANIA ST HIGHER EDL FACS AUTH REV			2	1FE	3,079,615	111.740	3,072,850	2,750,000	3,055,969		(23,646)			5.000	3.280	MN	22,917	68,750	05/07/2018.	05/01/2034.
709221 VH 5	PENNSYLVANIA ST TPK COMMN OIL FRANCHISE			2	1FE	2,077,102	111.934	2,059,586	1,840,000	2,066,228		(10,875)			5.000	3.520	JD	7,667	44,978	05/17/2018.	12/01/2039.
709224 D4 8	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	2,972,325	114.274	2,856,850	2,500,000	2,929,015		(41,829)			5.000	2.810	JD	10,417	118,750	12/05/2017.	12/01/2030.
709224 D5 5	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,184,160	113.857	1,138,570	1,000,000	1,167,312		(16,272)			5.000	2.860	JD	4,167	47,500	12/05/2017.	12/01/2031.
709224 D6 3	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,769,115	113.525	1,702,875	1,500,000	1,744,550		(23,725)			5.000	2.910	JD	6,250	71,250	12/05/2017.	12/01/2032.
709224 KY 4	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,115,320	111.144	1,111,440	1,000,000	1,092,696		(11,669)			5.000	3.480	JD	4,167	50,000	01/06/2017.	12/01/2035.
709224 QF 9	PENNSYLVANIA ST TPK COMMN TPK REV			2	1FE	1,844,011	109.237	1,813,334	1,660,000	1,829,333		(14,678)			5.000	3.430	JD	6,917	83,000	04/02/2018.	12/01/2041.
717817 UH 1	PHILADELPHIA PA ARPT REV			2	1FE	1,153,950	112.110	1,121,100	1,000,000	1,139,419		(14,070)			5.000	3.120	JJ	25,000	26,528	12/15/2017.	07/01/2035.
717893 YU 9	PHILADELPHIA PA WTR & WASTEWTR REV			2	1FE	10,310,000	109.320	10,932,000	10,000,000	10,182,383		(28,513)			5.000	4.621	JJ	250,000	500,000	02/11/2014.	07/01/2043.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
71884A YY 9	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX			2	1FE	1,168,880	113.936	1,139,360	1,000,000	1,114,204		(15,660)			5.000	3.050	JJ	25,000	50,000	04/22/2015.	07/01/2032.
720175 XD 5	PIEDMONT MUN PWR AGY S C ELEC REV			2	1FE	5,065,600	108.266	5,413,300	5,000,000	5,019,315		(7,012)			5.750	5.582	JJ	143,750	287,500	02/24/2011.	01/01/2034.
725304 SL 4	PITTSBURGH PA WTR & SWR AUTH WTR & SWR S			2	1FE	3,632,685	110.329	3,861,515	3,500,000	3,571,200		(13,438)			5.000	4.511	MS	58,333	175,000	01/07/2014.	09/01/2031.
73209M AJ 6	POMONA CALIF REDEV AGY SUCCESSOR AGY TAX				1FE	2,000,000	103.283	2,065,660	2,000,000	2,000,000					3.980	3.981	FA	17,689		09/27/2018.	02/01/2027.
73358W S9 6	PORT AUTH N Y & N J			2	1FE	5,848,200	114.242	5,712,100	5,000,000	5,781,093		(67,107)			5.000	3.041	MS	73,611	155,556	01/24/2018.	09/15/2035.
74444Y AW 4	PUBLIC FIN AUTH WIS LEASE DEV REV			2	1FE	4,450,563	108.961	4,358,440	4,000,000	4,377,185		(45,596)			5.000	3.500	MS	66,667	200,000	05/11/2017.	03/01/2046.
74445M AB 5	PUBLIC FIN AUTH WIS SOLID WASTE DISP REV			2	1FE	285,000	97.281	277,251	285,000	285,000					2.880	2.875	MN	1,366	8,194	05/05/2016.	05/01/2027.
746507 AV 4	PUTNAM CNTY FLA DEV AUTH POLLUTN CTL REV			2	1FE	2,351,988	110.670	2,368,338	2,140,000	2,340,150		(11,838)			5.000	3.800	MN	17,833	53,500	04/26/2018.	03/15/2042.
751120 BD 7	RALEIGH N C LTD OBLIG			2	1FE	3,085,560	110.832	3,324,960	3,000,000	3,045,511		(8,390)			5.000	4.640	AO	37,500	150,000	09/19/2013.	10/01/2038.
759861 DS 3	RENO NEV SALES TAX REV			2	1FE	886,862	112.468	888,497	790,000	882,883		(3,979)			5.000	3.581	JD	3,292	16,788	06/12/2018.	06/01/2048.
759911 2B 5	REGIONAL TRANSN AUTH ILL			2	1FE	3,990,597	112.916	3,816,561	3,380,000	3,843,139		(55,164)			5.000	2.930	JD	14,083	169,000	03/31/2016.	06/01/2034.
76221U ER 3	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			2	1FE	2,027,826	105.291	1,895,238	1,800,000	1,844,764		(24,434)			5.000	3.519	AO	22,500	90,000	06/10/2010.	10/01/2023.
76221U FB 7	RHODE ISLAND CLEAN WTR FIN AGY WTR POLLU			2	1FE	112,657	105.309	105,309	100,000	102,487		(1,357)			5.000	3.519	AO	1,250	5,000	06/10/2010.	10/01/2023.
764791 BA 6	RICHMOND IND HOSP AUTH REV			2	1FE	1,683,405	109.291	1,639,365	1,500,000	1,619,042		(17,528)			5.000	3.521	JJ	37,500	75,000	02/11/2015.	01/01/2035.
79165T UA 7	ST LOUIS MO MUN FIN CORP LEASEHOLD REV			2	1FE	2,874,475	111.210	2,780,250	2,500,000	2,834,893		(32,582)			5.000	3.230	AO	31,250	131,250	10/11/2017.	10/01/2038.
792905 DG 3	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	1,704,072	111.410	1,715,714	1,540,000	1,652,893		(15,091)			5.000	3.720	JJ	38,500	77,000	05/29/2015.	07/01/2032.
792905 DH 1	ST PAUL MINN HSG & REDEV AUTH HEALTH CAR			2	1FE	375,020	110.913	377,104	340,000	364,112		(3,218)			5.000	3.760	JJ	8,500	17,000	05/29/2015.	07/01/2033.
796253 7G 1	SAN ANTONIO TEX ELEC & GAS REV			2	1FE	2,830,357	116.174	2,735,898	2,355,000	2,773,353		(42,828)			5.000	2.670	FA	49,063	108,265	08/10/2017.	02/01/2035.
796253 7H 9	SAN ANTONIO TEX ELEC & GAS REV			2	1FE	2,300,141	115.680	2,221,056	1,920,000	2,254,634		(34,191)			5.000	2.711	FA	40,000	88,267	08/10/2017.	02/01/2036.
79739G GK 6	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	577,745	113.375	566,875	500,000	568,083		(6,881)			5.000	3.161	JJ	12,500	22,778	07/19/2017.	07/01/2035.
79739G GL 4	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	864,548	112.899	846,743	750,000	850,330		(10,126)			5.000	3.191	JJ	18,750	34,167	07/19/2017.	07/01/2036.
79739G GM 2	SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT			2	1FE	863,175	112.425	843,188	750,000	849,140		(9,996)			5.000	3.211	JJ	18,750	34,167	07/19/2017.	07/01/2037.
79765R SU 4	SAN FRANCISCO CALIF CITY & CNTY PUB UTIL			1	1FE	1,740,546	110.630	1,991,340	1,800,000	1,766,232		3,922			5.500	5.837	MN	16,500	99,000	02/17/2011.	11/01/2025.
798111 GG 9	SAN JOAQUIN HILLS CALIF TRANSN CORRIDOR			2	2FE	1,526,153	111.487	1,527,372	1,370,000	1,469,740		(14,519)			5.000	3.646	JJ	31,586	68,500	10/23/2014.	01/15/2029.
800618 AD 2	SANFORD N C ENTERPRISE SYS REV			2	1FE	3,820,000	104.659	3,997,974	3,820,000	3,820,000					5.920	5.920	JD	18,845	226,144	12/08/2010.	06/01/2024.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG			2	1FE	2,177,860	103.596	2,071,920	2,000,000	2,108,802		(17,984)			4.000	2.922	JJ	42,300	86,233	12/01/2014.	07/01/2041.
837151 FV 6	SOUTH CAROLINA ST PUB SVC AUTH REV			1	1FE	3,934,760	100.246	4,009,840	4,000,000	3,935,953		1,193			4.550	4.728	JD	15,170	91,020	10/03/2018.	12/01/2030.
837151 HZ 5	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	1,721,025	105.327	1,579,905	1,500,000	1,645,473		(27,188)			5.000	2.870	JD	6,250	75,000	02/19/2016.	12/01/2038.
837151 KQ 1	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	2,146,820	107.447	2,148,940	2,000,000	2,116,275		(17,173)			5.000	3.890	JD	8,333	100,000	03/06/2017.	12/01/2034.
837151 PT 0	SOUTH CAROLINA ST PUB SVC AUTH REV			2	1FE	3,203,910	108.087	3,242,610	3,000,000	3,171,112		(19,385)			5.000	4.100	JD	12,500	150,000	04/06/2017.	12/01/2037.
837545 LY 6	SOUTH DAKOTA CONSERVANCY DIST REV			2	1FE	1,562,860	116.339	1,512,407	1,300,000	1,530,948		(23,643)			5.000	2.670	FA	27,083	61,028	08/04/2017.	08/01/2036.
83755V XD 1	SOUTH DAKOTA ST HEALTH & EDL FACS AUTH R			2	1FE	3,473,250	109.608	3,288,240	3,000,000	3,296,136		(45,611)			5.000	3.134	MN	25,000	150,000	10/16/2014.	11/01/2034.
83756C TC 9	SOUTH DAKOTA HSG DEV AUTH			2	1FE	3,080,437	105.117	2,969,555	2,825,000	3,054,677		(24,107)			4.000	2.895	MN	18,833	102,186	11/07/2017.	11/01/2047.
85732P BZ 2	STATE PUB SCH BLDG AUTH PA REV			1	1FE	3,243,300	109.745	3,292,350	3,000,000	3,230,827		(12,473)			5.000	3.947	MS	44,167	75,000	06/04/2018.	09/15/2027.
860820 DM 8	STILLWATER OKLA UTILS AUTH UTIL SYS & SA			2	1FE	2,831,354	113.583	2,828,217	2,490,000	2,711,331		(34,454)			5.000	3.290	AO	31,125	124,500	07/29/2014.	10/01/2032.
870487 CG 8	SWEETWATER CNTY WYO POLLUTION CTL REV			2	1FE	13,000,000	101.994	13,259,220	13,000,000	13,000,000					5.250	5.250	FA	284,375	682,500	12/16/2010.	07/15/2026.
880558 JR 3	TENNESSEE ST SCH BD AUTH			2	1FE	3,618,690	116.927	3,507,810	3,000,000	3,549,103		(54,483)			5.000	2.661	MN	25,000	150,000	09/14/2017.	11/01/2036.
88283L GW 0	TEXAS TRANSN COMMN ST HWY FD REV				1FE	11,338,011	115.885	12,179,514	10,510,000	10,859,362		(57,774)			5.250	4.531	AO	137,944	551,775	07/25/2008.	04/01/2024.
913366 DF 4	UNIV CALIF REGTS MED CTR POOLED REV			1	1FE	2,000,000	132.613	2,652,260	2,000,000	2,000,000					6.580	6.582	MN	16,823	131,660	12/04/2009.	05/15/2049.
914072 PK 3	UNIVERSITY ARK UNIV REV			2	1FE	4,589,600	111.252	4,450,080	4,000,000	4,297,581		(55,908)			5.000	3.320	MN	33,333	200,000	04/18/2013.	11/01/2037.
91412F 7X 9	UNIVERSITY CALIF REVS			1,2	1FE	999,290	101.317	1,013,170	1,000,000	999,966		285			6.270	6.280	MN	8,012	62,700	08/19/2009.	05/15/2031.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
914460	QE	3	UNIVERSITY MINN			2	1FE	1,205,820	116.311	1,163,110	1,000,000	1,182,482		(18,537)			5.000	2.630	MS	16,667	46,250	09/14/2017.	09/01/2036.
914460	QF	0	UNIVERSITY MINN			2	1FE	1,502,438	115.729	1,446,613	1,250,000	1,473,864		(22,696)			5.000	2.670	MS	20,833	57,813	09/14/2017.	09/01/2037.
914460	QG	8	UNIVERSITY MINN			2	1FE	1,199,050	115.151	1,151,510	1,000,000	1,176,549		(17,873)			5.000	2.701	MS	16,667	46,250	09/14/2017.	09/01/2038.
914460	QH	6	UNIVERSITY MINN			2	1FE	1,196,160	114.822	1,148,220	1,000,000	1,174,015		(17,590)			5.000	2.731	MS	16,667	46,250	09/14/2017.	09/01/2039.
914714	CN	8	UNIVERSITY N C CHAPEL HILL UNIV N C HOSP			1,2	1FE	2,500,000	107.753	2,693,825	2,500,000	2,500,000					6.330	6.330	FA	65,927	158,225	11/10/2010.	02/01/2031.
914720	YH	4	UNIVERSITY N C SYS POOL REV			2	1FE	1,600,644	104.110	1,509,595	1,450,000	1,477,473		(21,161)			5.250	3.680	AO	19,031	76,125	07/31/2013.	04/01/2022.
917565	ET	6	UTAH TRAN AUTH SALES TAX REV				1FE	5,783,450	123.922	6,196,100	5,000,000	5,523,898		(39,638)			5.250	4.013	JD	11,667	262,500	07/27/2011.	06/15/2029.
917565	GR	8	UTAH TRAN AUTH SALES TAX REV			1	1FE	3,182,850	121.148	3,634,440	3,000,000	3,141,803		(8,335)			5.000	4.500	JD	6,667	150,000	07/17/2013.	06/15/2031.
924190	KZ	3	VERMONT HSG FIN AGY			2	1FE	1,072,443	104.089	1,020,072	980,000	1,051,015		(9,301)			4.000	2.826	MN	6,533	41,625	07/15/2016.	11/01/2046.
924190	PA	3	VERMONT HSG FIN AGY			2	1FE	1,257,069	104.634	1,213,754	1,160,000	1,245,737		(9,672)			4.000	2.937	MN	7,733	49,329	10/20/2017.	05/01/2048.
927781	VQ	4	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R			1	1FE	2,004,400	101.937	2,038,740	2,000,000	2,000,853		(487)			4.000	3.973	MS	26,667	80,000	10/28/2010.	09/01/2020.
927793	WM	7	VIRGINIA COMWLTH TRANSN BRD TRANSN REV			2	1FE	5,129,700	103.534	5,176,700	5,000,000	5,058,516		(16,046)			4.000	3.628	MN	25,556	200,000	06/05/2012.	05/15/2034.
92818M	CM	0	VIRGINIA ST RES AUTH INFRASTRUCTURE REV			2	1FE	4,094,067	111.390	4,249,529	3,815,000	3,949,314		(29,610)			5.000	3.999	MN	31,792	177,250	01/29/2014.	11/01/2042.
92818M	DA	5	VIRGINIA ST RES AUTH CLEAN WTR REV			2	1FE	1,271,683	109.682	1,299,732	1,185,000	1,226,720		(9,890)			5.000	4.000	MN	9,875	59,250	01/29/2014.	11/01/2042.
930868	BX	1	WAKE CNTY N C INDL FACS & POLLUTION CTL			2	1FE	3,997,000	101.005	4,040,200	4,000,000	3,997,319		73			4.000	4.005	JD	13,333	160,000	06/02/2014.	06/01/2041.
930876	BB	2	WAKE CNTY N C LTD OBLIG			2	1FE	1,179,722	101.365	1,115,015	1,100,000	1,106,230		(14,666)			5.000	3.610	JD	4,583	55,000	07/31/2013.	06/01/2024.
930876	BY	2	WAKE CNTY N C LTD OBLIG			2	1FE	6,556,794	103.200	6,093,960	5,905,000	5,981,422		(73,686)			5.000	3.670	JJ	147,625	295,250	12/11/2009.	01/01/2025.
93978H	LE	3	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	4,621,922	112.126	4,529,890	4,040,000	4,412,498		(53,613)			5.000	3.332	MS	67,333	202,000	10/23/2014.	03/01/2030.
93978H	QT	5	WASHINGTON ST HEALTH CARE FACS AUTH REV			2	1FE	1,617,300	110.975	1,664,625	1,500,000	1,581,579		(10,773)			5.000	4.040	JJ	37,500	75,000	06/24/2015.	01/01/2033.
944514	MN	5	WAYNE CNTY MICH ARPT AUTH REV			2	1FE	4,051,019	107.852	3,941,991	3,655,000	3,849,171		(62,740)			5.000	3.080	JD	15,229	182,750	08/27/2015.	12/01/2022.
95648V	AS	8	WEST VIRGINIA ECONOMIC DEV AUTH SOLID WA			2	2FE	3,333,360	105.043	3,151,290	3,000,000	3,125,055		(65,207)			5.380	3.010	JD	13,438	161,250	10/20/2015.	12/01/2038.
958697	JV	7	WESTERN MINN MUN PWR AGY MINN PWR SUPPLY			2	1FE	3,333,420	109.699	3,290,970	3,000,000	3,196,344		(35,281)			5.000	3.560	JJ	75,000	150,000	07/02/2014.	01/01/2040.
967338	UB	8	WICHITA KANS WTR & SWR UTIL REV			2	1FE	3,642,963	107.914	3,458,644	3,205,000	3,360,211		(53,293)			5.000	3.146	AO	40,063	160,250	11/15/2011.	10/01/2025.
967338	UC	6	WICHITA KANS WTR & SWR UTIL REV			2	1FE	4,819,840	107.858	4,583,965	4,250,000	4,428,270		(60,938)			5.000	3.388	AO	53,125	212,500	11/02/2011.	10/01/2026.
971697	BN	6	WILMINGTON N C LTD OBLIG REV			2	1FE	585,785	109.739	548,695	500,000	532,387		(8,881)			5.000	2.990	JD	2,083	25,000	06/12/2012.	06/01/2024.
975700	HV	0	WINSTON-SALEM N C			2	1FE	422,800	100.937	403,748	400,000	401,514		(3,577)			4.000	3.073	JD	1,333	16,000	06/07/2010.	06/01/2022.
975706	GT	3	WINSTON SALEM ST UNIV N C REV			2	1FE	1,120,470	113.304	1,133,040	1,000,000	1,103,446		(9,895)			5.000	3.610	AO	12,500	50,000	03/31/2017.	10/01/2042.
97689Q	FK	7	WISCONSIN HSG & ECONOMIC DEV AUTH HOME O			2	1FE	2,728,121	104.713	2,633,532	2,515,000	2,704,060		(20,236)			4.000	2.957	MS	33,533	88,066	10/06/2017.	03/01/2048.
97712D	QR	0	WISCONSIN ST HEALTH & EDL FACS AUTH REV			2	1FE	2,072,540	101.722	2,034,440	2,000,000	2,064,452		(7,517)			4.000	3.500	MN	10,222	80,000	11/30/2017.	11/15/2039.
982674	GW	7	WYANDOTTE CNTY KANS CITY KANS UNI GOVT U			2	1FE	5,780,900	109.094	5,454,700	5,000,000	5,317,550		(80,578)			5.000	3.150	MS	83,333	250,000	10/03/2012.	09/01/2032.
P14517	AA	7	BANCO NACIONAL DE COMERCIO EXTERIOR SNC		C	1	2FE	310,125	95.750	287,250	300,000	308,487		(1,074)			4.380	3.896	AO	2,807	13,125	06/05/2017.	10/14/2025.
P42009	AA	1	FONDO MIVIVIENDA SA		C	1	2FE	805,260	96.401	771,208	800,000	803,026		(1,371)			3.500	3.395	JJ	11,744	24,500	06/26/2018.	01/31/2023.
2599999.	U.S. Special Revenue & Assessment Obligations - Issuer Obligations			XXX	XXX	XXX	XXX	833,792,872	XXX	838,581,265	762,635,000	811,783,914	0	(6,683,143)	0	0	XXX	XXX	XXX	10,310,882	33,816,831	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Residential Mortgage-Backed Securities																							
3128MA	BS	7	FH G07849 - RMBS			4	1	2,490,829	100.742	2,377,437	2,359,927	2,493,017		3,119			3.500	2.675	MON	6,883	83,525	05/18/2016.	05/01/2044.
3128MA	GC	7	FH G07995 - RMBS			4	1	1,274,150	107.843	1,214,657	1,126,320	1,281,774		(739)			5.500	2.410	MON	5,162	62,989	02/22/2016.	01/01/2039.
3128ME	6K	2	FH G16074 - RMBS			4	1	4,282,907	99.665	4,138,775	4,152,687	4,273,054		(6,164)			3.000	2.328	MON	10,382	126,145	07/28/2017.	02/01/2032.
3128MJ	3D	0	FH G08795 - RMBS			4	1	13,108,150	97.488	13,149,286	13,488,107	13,112,985		4,836			3.000	3.360	MON	33,720	101,625	08/30/2018.	01/01/2048.
3128MJ	3H	1	FH G08799 - RMBS			4	1	14,624,767	97.474	14,660,661	15,040,586	14,630,241		5,475			3.000	3.352	MON	37,601	113,278	08/30/2018.	02/01/2048.
3128MJ	S6	8	FH G08540 - RMBS			4	1	1,869,003	98.241	1,858,781	1,892,063	1,869,900		(369)			3.000	3.170	MON	4,730	57,281	07/28/2014.	08/01/2043.
3128MJ	T6	7	FH G08572 - RMBS			4	1	4,812,677	100.700	4,840,316	4,806,669	4,764,890		(47,788)			3.500	3.485	MON	14,019	42,441	08/27/2018.	02/01/2044.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3128MJ TA 8	FH G08544 - RMBS				1	1,909,155	98.241	1,912,021	1,946,256	1,911,420		(284)			3.000	3.260	MON	4,866	58,881	07/16/2014.	09/01/2043.
3128MJ UV 0	FH G08595 - RMBS				1	4,035,689	102.213	3,905,036	3,820,488	4,059,244		17,956			4.000	3.011	MON	12,735	154,925	07/18/2014.	07/01/2044.
3128MJ XL 9	FH G08682 - RMBS				1	2,028,573	102.090	2,042,251	2,000,441	2,028,682		109			4.000	3.776	MON	6,668		12/13/2018.	12/01/2045.
3128MJ Y5 3	FH G08731 - RMBS				1	8,240,586	94.482	8,338,281	8,825,259	8,244,537		3,951			2.500	3.383	MON	18,386	111,053	06/15/2018.	11/01/2046.
3128MJ YC 8	FH G08706 - RMBS				1	5,696,435	100.288	5,529,670	5,513,790	5,704,363		5,971			3.500	3.019	MON	16,082	195,342	08/08/2017.	05/01/2046.
3128MJ YW 4	FH G08724 - RMBS				1	3,629,770	94.482	3,637,775	3,850,231	3,630,763		994			2.500	3.258	MON	8,021	40,374	06/29/2018.	09/01/2046.
3128P7 TC 7	FH C91447 - RMBS				1	1,664,251	101.820	1,587,392	1,559,018	1,657,080		(2,547)			3.500	2.048	MON	4,547	55,284	06/28/2016.	05/01/2032.
3128P8 EX 5	FH C91950 - RMBS				1	3,426,923	101.267	3,313,470	3,272,014	3,414,344		(8,080)			3.500	2.668	MON	9,543	115,539	09/07/2017.	09/01/2037.
312936 6F 9	FH A89870 - RMBS				1	2,837,769	104.620	2,744,193	2,623,010	2,888,264		15,664			4.500	2.743	MON	9,836	119,975	07/08/2014.	11/01/2039.
312943 UJ 0	FH A95085 - RMBS				1	4,379,552	102.894	4,268,210	4,148,162	4,388,045		10,517			4.000	3.037	MON	13,827	168,091	07/08/2014.	11/01/2040.
3132HN H4 4	FH Q12051 - RMBS				1	4,462,629	100.742	4,459,508	4,426,662	4,462,109		(520)			3.500	3.381	MON	12,911	104,291	04/05/2018.	10/01/2042.
3132HR MY 3	FH Q14875 - RMBS				1	1,805,892	98.280	1,708,365	1,738,263	1,810,932		1,244			3.000	2.423	MON	4,346	52,752	07/19/2016.	01/01/2043.
3132J7 TM 4	FH Q16455 - RMBS				1	1,697,367	98.269	1,696,346	1,726,227	1,696,788		(24)			3.000	3.250	MON	4,316	52,209	03/09/2017.	03/01/2043.
3132L7 F9 5	FH V81992 - RMBS				1	2,980,682	102.098	2,885,206	2,825,919	2,990,978		8,034			4.000	3.086	MON	9,420	114,787	09/26/2017.	10/01/2045.
3132XC R9 8	FH G67712 - RMBS				1	3,637,260	102.818	3,703,876	3,602,362	3,605,848		(31,412)			4.000	3.858	MON	12,008	12,089	10/18/2018.	06/01/2048.
3132XC RW 7	FH G67701 - RMBS				1	6,612,023	97.722	6,663,258	6,818,586	6,610,459		(1,564)			3.000	3.428	MON	17,046	80,099	08/14/2018.	10/01/2046.
3132XV 4U 4	FH Q53534 - RMBS				1	16,092,450	97.473	16,115,746	16,533,549	16,095,958		3,508			3.000	3.342	MON	41,334	124,615	08/30/2018.	01/01/2048.
31335A CA 4	FH G60065 - RMBS				1	1,795,444	102.891	1,754,160	1,704,872	1,797,939		2,414			4.000	3.086	MON	5,683	69,115	03/23/2017.	09/01/2043.
31335A MN 5	FH G60365 - RMBS				1	3,531,510	106.176	3,456,365	3,255,316	3,531,791		281			5.000	3.153	MON	13,564	137,850	01/30/2018.	02/01/2038.
31335A NJ 3	FH G60393 - RMBS				1	2,990,501	100.339	2,855,201	2,845,555	2,982,216		5,124			3.500	2.833	MON	8,300	100,704	02/23/2016.	01/01/2046.
31335A PZ 5	FH G60440 - RMBS				1	1,893,251	100.432	1,901,430	1,893,251	1,893,251					3.500	3.505	MON	5,522	39,086	04/30/2018.	03/01/2046.
31335A WL 8	FH G60651 - RMBS				1	3,656,770	102.196	3,552,244	3,475,913	3,660,978		4,992			4.000	3.165	MON	11,586	140,840	11/09/2017.	06/01/2046.
31335B C7 9	FH G60994 - RMBS				1	4,304,643	100.742	4,329,143	4,297,257	4,304,381		(262)			3.500	3.479	MON	12,534	76,067	06/25/2018.	01/01/2045.
31335B CZ 7	FH G60988 - RMBS				1	4,043,110	97.628	3,905,105	3,999,985	4,041,987		(761)			3.000	2.862	MON	10,000	120,984	09/15/2017.	05/01/2047.
31335B Z4 1	FH G61663 - RMBS				1	10,135,472	93.193	10,103,835	10,841,889	10,134,835		(637)			2.500	3.351	MON	22,587		12/10/2018.	12/01/2046.
3136AK 5X 7	FNR 1467A PL - CMO/RMBS				1	3,972,983	99.918	3,968,671	3,971,929	3,972,394		(589)			3.000	2.960	MON	9,930	30,106	08/30/2018.	04/25/2043.
3136B3 BA 7	FNR 1880B GD - CMO/RMBS				1	3,156,443	101.150	3,225,369	3,188,704	3,156,796		352			3.500	3.704	MON	9,300	28,087	09/21/2018.	12/25/2047.
3138AM UJ 2	FN AI7784 - RMBS				1	1,058,724	104.740	1,029,148	982,574	1,066,779		5,814			4.500	3.030	MON	3,685	45,006	03/29/2017.	07/01/2041.
3138E0 RA 9	FN AJ7680 - RMBS				1	4,051,698	100.781	3,975,567	3,944,758	4,042,817		1,586			3.500	3.112	MON	11,506	139,520	07/10/2014.	12/01/2041.
3138EH B8 4	FN AL0962 - RMBS				1	444,082	104.744	423,163	403,998	445,741		906			4.500	2.750	MON	1,515	18,350	05/27/2016.	10/01/2041.
3138EP EP 5	FN AL6441 - RMBS				1	1,212,713	102.412	1,164,967	1,137,529	1,210,984		5,279			4.000	2.975	MON	3,792	46,125	07/09/2015.	02/01/2045.
3138EP N9 1	FN AL6715 - RMBS				1	4,507,056	102.160	4,492,106	4,397,128	4,433,948		(73,108)			4.000	3.581	MON	14,657	44,469	08/24/2018.	02/01/2045.
3138EQ 5E 8	FN AL8044 - RMBS				1	2,111,591	104.691	2,051,049	1,959,145	2,126,619		9,350			4.500	3.035	MON	7,347	89,587	03/29/2017.	11/01/2042.
3138EQ RG 9	FN AL7686 - RMBS				1	3,160,916	100.067	3,020,053	3,018,031	3,130,923		(5,407)			3.000	2.067	MON	7,545	91,796	02/18/2016.	12/01/2030.
3138EQ TZ 5	FN AL7767 - RMBS				1	2,122,856	104.739	2,059,354	1,966,177	2,136,466		8,875			4.500	3.009	MON	7,373	89,744	01/06/2017.	06/01/2044.
3138EQ VQ 2	FN AL7822 - RMBS				1	1,822,650	102.823	1,736,789	1,689,105	1,828,839		4,125			4.000	2.665	MON	5,630	68,408	11/04/2016.	07/01/2043.
3138ES B6 4	FN AL9960 - RMBS				1	4,101,000	98.373	4,002,383	4,068,579	4,099,847		(688)			3.000	2.879	MON	10,171	123,318	05/19/2017.	02/01/2044.
3138LY 5E 3	FN AO8044 - RMBS				1	6,265,178	100.781	6,408,738	6,359,073	6,265,383		205			3.500	3.722	MON	18,547	18,731	10/11/2018.	07/01/2042.
3138W7 GD 0	FN AR9195 - RMBS				1	2,656,868	98.328	2,583,382	2,627,310	2,656,960		31			3.000	2.829	MON	6,568	79,771	06/28/2017.	03/01/2043.
3138WF AD 8	FN AS5403 - RMBS				1	1,255,763	97.916	1,217,607	1,243,522	1,251,966		(799)			2.500	2.308	MON	2,591	31,494	07/13/2015.	07/01/2030.
3138WF HA 7	FN AS5624 - RMBS				1	1,323,692	100.067	1,271,628	1,270,776	1,310,159		(2,230)			3.000	2.208	MON	3,177	38,631	08/11/2015.	08/01/2030.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3138WH	NY	4	FN AS7606 - RMBS			4	1	2,098,225	97.698	2,113,323	2,163,118	2,097,951		(274)			2.500	3.164	MON	4,507		12/07/2018.	07/01/2031.
3138WN	5P	0	FN AT1753 - RMBS			4	1	3,973,292	102.332	3,963,447	3,873,135	3,973,581		290			4.000	3.570	MON	12,910		12/10/2018.	04/01/2043.
3138WQ	AW	2	FN AT2720 - RMBS			4	1	4,369,445	98.304	4,216,507	4,289,252	4,370,848		976			3.000	2.722	MON	10,723	130,209	06/28/2017.	05/01/2043.
3138WQ	AX	0	FN AT2721 - RMBS			4	1	1,224,684	98.386	1,201,351	1,221,059	1,224,414		(286)			3.000	2.951	MON	3,053	37,048	11/10/2017.	05/01/2043.
3138WT	RW	8	FN AT5900 - RMBS			4	1	5,686,464	98.269	5,659,661	5,759,356	5,683,763		(2,167)			3.000	3.178	MON	14,398	174,461	07/18/2014.	06/01/2043.
3138X0	Y3	6	FN AU1629 - RMBS			4	1	1,769,945	98.309	1,762,878	1,793,201	1,769,688		(577)			3.000	3.178	MON	4,483	54,313	07/22/2014.	07/01/2043.
3138Y6	4A	9	FN AX5316 - RMBS			4	1	1,026,875	104.741	987,317	942,627	1,038,492		4,938			4.500	2.778	MON	3,535	42,995	12/11/2014.	01/01/2042.
31402R	RN	1	FN 735893 - RMBS			4	1	2,382,315	106.194	2,296,625	2,162,669	2,387,547		2,606			5.000	2.812	MON	9,011	109,897	08/08/2017.	10/01/2035.
3140E2	TX	9	FN AZ9565 - RMBS			4	1	2,670,846	100.229	2,590,740	2,584,820	2,669,106		(990)			3.500	3.034	MON	7,539	91,156	05/30/2017.	12/01/2045.
3140EV	TB	3	FN BC1445 - RMBS			4	1	2,433,317	97.745	2,375,848	2,430,659	2,432,349		(534)			3.000	2.982	MON	6,077	73,574	04/27/2017.	07/01/2046.
3140FQ	TZ	0	FN BE5067 - RMBS			4	1	3,618,987	100.352	3,535,064	3,522,664	3,616,128		(1,003)			3.500	3.111	MON	10,274	124,286	04/25/2017.	11/01/2046.
3140J5	5P	0	FN BM1753 - RMBS			4	1	3,758,656	103.050	3,746,273	3,635,394	3,754,169		(4,487)			4.000	3.279	MON	12,118	110,376	03/07/2018.	05/01/2037.
3140J5	EV	7	FN BM1047 - RMBS			4	1	4,001,879	102.824	3,881,687	3,775,079	4,009,803		6,398			4.000	2.996	MON	12,584	152,871	05/19/2017.	02/01/2045.
3140J5	SS	9	FN BM1428 - RMBS			4	1	5,127,225	100.928	5,008,886	4,962,831	5,128,697		649			3.500	2.994	MON	14,475	175,687	10/19/2017.	09/01/2043.
3140J7	N2	7	FN BM3108 - RMBS			4	1	2,088,303	104.107	2,032,434	1,952,255	2,097,987		8,909			4.500	3.227	MON	7,321	89,415	12/13/2017.	08/01/2046.
31410K	HA	5	FN 889525 - RMBS			4	1	386,566	106.178	366,676	345,341	395,647		2,310			5.000	2.035	MON	1,439	17,606	04/29/2015.	05/01/2036.
31417F	SA	7	FN AB8612 - RMBS			4	1	4,737,917	98.260	4,625,120	4,707,022	4,736,031		(1,388)			3.000	2.903	MON	11,768	142,430	09/26/2017.	03/01/2043.
31418A	AV	0	FN MA0919 - RMBS			4	1	1,754,432	101.858	1,682,652	1,651,959	1,749,319		(2,837)			3.500	2.087	MON	4,818	58,616	06/15/2016.	12/01/2031.
31418A	BT	4	FN MA0949 - RMBS			4	1	3,650,481	101.859	3,587,457	3,521,984	3,643,792		(7,412)			3.500	2.643	MON	10,272	124,900	12/12/2017.	01/01/2032.
31418A	CM	8	FN MA0975 - RMBS			4	1	2,792,854	100.779	2,693,004	2,672,188	2,800,431		2,062			3.500	2.765	MON	7,794	94,609	03/22/2016.	02/01/2042.
31418A	M3	9	FN MA1277 - RMBS			4	1	3,454,300	98.660	3,359,199	3,404,823	3,437,511		(3,091)			2.500	2.166	MON	7,093	86,747	07/15/2014.	12/01/2027.
31418C	EP	5	FN MA2841 - RMBS			4	1	2,109,237	96.095	2,042,510	2,125,511	2,109,621		165			2.500	2.616	MON	4,428	53,562	08/04/2017.	12/01/2036.
31418C	P9	9	FN MA3147 - RMBS			4	1	9,425,218	97.527	9,453,693	9,693,411	9,428,054		2,836			3.000	3.347	MON	24,234	121,843	06/29/2018.	10/01/2047.
31418C	Q9	8	FN MA3179 - RMBS			4	1	9,476,779	97.527	9,491,448	9,732,123	9,481,087		4,309			3.000	3.325	MON	24,330	122,196	06/29/2018.	11/01/2047.
31418C	RD	8	FN MA3183 - RMBS			4	1	5,624,013	101.960	5,585,869	5,478,491	5,620,792		(3,221)			4.000	3.589	MON	18,262	147,405	04/11/2018.	11/01/2047.
31418C	U6	9	FN MA3304 - RMBS			4	1	12,566,074	97.497	12,620,546	12,944,548	12,571,308		5,234			3.000	3.369	MON	32,361	97,419	08/30/2018.	03/01/2048.
31418M	GG	1	FN AD0198 - RMBS			4	1	2,940,593	107.686	2,833,653	2,631,403	2,961,965		7,785			5.500	2.750	MON	12,061	147,323	07/22/2014.	09/01/2038.
31418U	EL	4	FN AD6438 - RMBS			4	1	1,794,628	106.152	1,717,697	1,618,148	1,831,461		11,575			5.000	2.613	MON	6,742	82,122	07/08/2014.	06/01/2040.
31419B	CT	0	FN AE0981 - RMBS			4	1	1,430,306	100.781	1,373,243	1,362,601	1,434,264		831			3.500	2.668	MON	3,974	48,215	03/29/2016.	03/01/2041.
2699999. U.S. Special Revenue - Residential Mortgage-Backed Securities								301,548,259	XXX	298,042,782	299,596,644	301,565,480	0	(19,654)	0	0	XXX	XXX	XXX	834,083	6,526,660	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Commercial Mortgage-Backed Securities																							
3136AT	TD	6	FNA 16M09A FA - CMBS			4	1	2,028,824	100.146	2,026,715	2,023,765	2,033,580		4,756			2.870	3.759	MON	4,844	10,693	10/11/2018.	09/25/2023.
3137A7	NU	0	FHMS K011 A2 - CMBS			4	1	2,774,130	102.081	2,571,491	2,519,074	2,627,401		(62,082)			4.080	1.511	MON	8,573	102,984	09/09/2016.	11/25/2020.
3137B2	HN	3	FHMS K028 A2 - CMBS			4	1	3,807,808	100.687	3,649,910	3,625,000	3,762,824		(34,713)			3.110	2.073	MON	9,398	112,774	09/08/2017.	02/25/2023.
3137B3	6J	2	FHMS K029 A2 - CMBS			4	1	1,474,320	101.447	1,420,251	1,400,000	1,455,722		(13,632)			3.320	2.246	MON	3,873	46,480	08/16/2017.	02/25/2023.
3137BF	E9	8	FHMS K041 A2 - CMBS			4	1	4,536,387	100.759	4,534,155	4,500,000	4,531,415		(4,972)			3.170	3.017	MON	11,891	95,130	03/29/2018.	10/25/2024.
3137BJ	PH	0	FHMS KF08 A - CMBS			4	1	6,078,766	99.595	6,045,652	6,070,229	6,078,436		(330)			2.610	2.336	MON	3,077	27,624	11/08/2018.	01/25/2022.
3137BL	AC	2	FHMS K048 A2 - CMBS			4	1	3,659,688	101.083	3,537,906	3,500,000	3,630,141		(19,970)			3.280	2.622	MON	9,578	114,940	06/29/2017.	06/25/2025.
3137BL	W9	5	FHMS K050 A2 - CMBS			4	1	2,953,891	101.321	2,862,324	2,825,000	2,927,836		(15,230)			3.330	2.703	MON	7,849	94,185	04/05/2017.	08/25/2025.
3137BV	Z8	2	FHMS K063 A2 - CMBS			4	1	2,874,715	101.464	2,891,724	2,850,000	2,873,531		(1,184)			3.430	3.301	MON	8,146	32,585	08/21/2018.	01/25/2027.
3137BY	PQ	7	FHMS K726 A2 - CMBS			4	1	2,343,234	99.575	2,265,331	2,275,000	2,327,640		(10,419)			2.910	2.397	MON	5,507	66,089	06/21/2017.	04/25/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3137F2 3E 4	FHMS KF32 A - CMBS				1	1,623,370	99.469	1,612,478	1,621,090	1,623,657		287			2.680	2.701	MON	844	10,860	10/16/2018.	05/25/2024.
3137FB BX 3	FHMS K068 A2 - CMBS				1	2,909,657	99.840	2,820,480	2,825,000	2,899,826		(8,379)			3.240	2.884	MON	7,637	91,643	10/18/2017.	08/25/2027.
3137FB U7 9	FHMS K069 A2 - CMBS				1	3,218,563	99.310	3,103,438	3,125,000	3,208,371		(9,194)			3.190	2.830	MON	8,299	99,594	11/08/2017.	09/25/2027.
3137FB UV 6	FHMS KP04 AG1 - CMBS				1	2,500,098	99.940	2,498,496	2,500,000	2,500,778		680			2.530	2.721	MON	1,228	10,604	11/02/2018.	07/25/2020.
3137FG ZN 8	FHMS KI02 A - CMBS				1	1,999,510	99.894	1,998,019	2,000,135	1,999,966		456			2.510	2.569	MON	975	8,805	11/19/2018.	02/25/2023.
3137FJ XN 4	FHMS KI03 A - CMBS				1	10,879,008	99.723	10,849,862	10,880,000	10,879,522		514			2.560	2.817	MON	4,636	36,729	11/27/2018.	02/25/2023.
3137FJ Y7 8	FHMS K1508 A3 - CMBS				1	1,593,777	102.333	1,662,913	1,625,000	1,593,930		153			3.900	4.084	MON	5,281	5,281	11/07/2018.	10/25/2033.
3138L1 WL 9	FN AM1550 - CMBS/RMBS				1	2,901,969	98.602	2,846,611	2,886,970	2,896,487		(3,610)			2.440	2.307	MON	6,066	71,538	06/12/2017.	12/01/2023.
3138LD 5G 4	FN AN1746 - CMBS/RMBS				1	2,971,406	96.599	2,897,970	3,000,000	2,976,228		3,122			2.150	2.279	MON	5,554	65,396	06/12/2017.	09/01/2023.
3138LG X9 2	FN AN4303 - CMBS/RMBS				1	3,686,895	99.123	3,469,305	3,500,000	3,665,618		(16,760)			3.320	2.732	MON	10,006	117,814	09/06/2017.	01/01/2029.
3138LH Q5 6	FN AN4975 - CMBS/RMBS				1	6,210,009	98.268	6,063,136	6,170,000	6,202,042		(10,938)			3.210	3.135	MON	17,055	200,808	02/28/2017.	03/01/2029.
2799999. U.S. Special Revenue - Commercial Mortgage-Backed Securities						73,026,025	XXX	71,628,167	71,721,263	72,694,951	0	(201,445)	0	0	XXX	XXX	XXX	140,317	1,422,556	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Other Loan-Backed and Structured Securities																					
010047 CZ 9	AKRON OHIO CTFS PARTN			2	1FE	1,015,788	104.807	953,744	910,000	947,062		(18,590)			5.000	2.800	JD	3,792	46,625	02/24/2015.	12/01/2030.
04048P JN 1	ARIZONA BRD REGENTS CTFS PARTN			2	1FE	4,707,672	108.704	4,815,587	4,430,000	4,551,545		(32,505)			5.000	4.130	JD	18,458	221,500	10/02/2013.	06/01/2028.
040588 XP 5	ARIZONA ST CTFS PARTN			2	1FE	5,058,750	102.454	5,122,700	5,000,000	5,006,142		(7,884)			5.250	5.080	AO	65,625	262,500	01/18/2011.	10/01/2021.
040588 XV 2	ARIZONA ST CTFS PARTN			2	1FE	1,957,410	102.158	1,787,765	1,750,000	1,785,692		(46,892)			5.000	2.230	AO	21,875	87,500	03/18/2015.	10/01/2029.
051556 JA 7	AURORA COLO CTFS PARTN			2	1FE	2,817,575	110.721	2,768,025	2,500,000	2,770,065		(29,238)			5.000	3.430	JD	10,417	125,000	05/04/2017.	12/01/2042.
161037 E3 6	CHARLOTTE N C CTFS PARTN			2	1FE	6,067,080	100.492	6,029,520	6,000,000	6,029,599		(37,481)			3.000	1.800	JD	15,000	90,000	06/19/2018.	06/01/2022.
161037 YK 6	CHARLOTTE N C CTFS PARTN			2	1FE	552,775	101.323	506,615	500,000	502,671		(6,284)			5.000	3.689	JD	2,083	25,000	09/30/2009.	06/01/2024.
19668Q GC 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT			2	1FE	1,055,030	103.552	1,035,520	1,000,000	1,021,144		(6,165)			4.000	3.298	MS	11,778	40,000	01/04/2013.	03/15/2032.
19668Q HP 3	COLORADO ST BLDG EXCELLENT SCHS TODAY CT			2	1FE	5,799,550	113.738	5,686,900	5,000,000	5,717,864		(76,410)			5.000	3.011	MS	73,611	193,056	11/22/2017.	03/15/2037.
24919P HT 4	DENVER COLO CITY & CNTY SCH DIST NO 001			2	1FE	5,639,595	111.128	5,517,505	4,965,000	5,310,339		(62,884)			5.000	3.460	JD	11,033	248,250	04/25/2013.	12/15/2033.
403715 CM 5	GWINNETT CNTY GA DEV AUTH CTFS PARTN				1FE	7,011,716	117.348	7,627,620	6,500,000	6,737,885		(33,776)			5.250	4.546	JJ	170,625	341,250	09/11/2008.	01/01/2025.
59333M U6 0	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN			2	1FE	2,226,184	111.653	2,233,060	2,000,000	2,166,740		(20,280)			5.000	3.654	FA	41,667	100,000	11/17/2015.	02/01/2034.
59333M V6 9	MIAMI-DADE CNTY FLA SCH BRD CTFS PARTN			2	1FE	2,350,855	112.463	2,294,245	2,040,000	2,273,681		(28,979)			5.000	3.181	FA	42,500	102,000	03/03/2016.	02/01/2032.
664751 DJ 0	NORTHERN ARIZ UNIV CTFS PARTN			2	1FE	1,146,080	112.499	1,124,990	1,000,000	1,094,104		(14,947)			5.000	3.171	MS	16,667	50,000	04/16/2015.	09/01/2028.
684517 RW 7	ORANGE CNTY FLA SCH BRD CTFS PARTN			2	1FE	3,387,480	114.338	3,430,140	3,000,000	3,320,595		(36,498)			5.000	3.390	FA	62,500	150,000	02/15/2017.	08/01/2033.
684517 RX 5	ORANGE CNTY FLA SCH BRD CTFS PARTN			2	1FE	1,165,160	114.119	1,141,190	1,000,000	1,126,734		(14,605)			5.000	3.111	FA	20,833	50,000	03/16/2016.	08/01/2034.
721664 FD 7	PIMA CNTY ARIZ CTFS PARTN			2	1FE	1,089,873	100.400	1,109,420	1,105,000	1,091,129		1,256			3.480	3.659	JD	3,200	38,399	03/07/2018.	12/01/2026.
75913T HV 9	REGIONAL TRANSN DIST COLO CTFS PARTN			2	1FE	5,317,700	108.980	5,449,000	5,000,000	5,183,162		(37,146)			5.000	4.085	JD	20,833	250,000	06/12/2014.	06/01/2039.
90341U DJ 8	USF FING CORP FLA CTFS PARTN			2	1FE	1,163,420	114.257	1,142,570	1,000,000	1,110,399		(15,103)			5.000	3.111	JJ	25,000	50,000	04/17/2015.	07/01/2028.
2899999. U.S. Special Revenue - Other Loan-Backed and Structured Securities						59,529,693	XXX	59,776,116	54,700,000	57,746,552	0	(524,411)	0	0	XXX	XXX	XXX	637,497	2,471,080	XXX	XXX
3199999. Total - U.S. Special Revenue & Special Assessment Obligations						1,267,896,849	XXX	1,268,028,330	1,188,652,907	1,243,790,897	0	(7,428,653)	0	0	XXX	XXX	XXX	11,922,779	44,237,127	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00080Q AF 2	ABN AMRO BANK NV		C		2FE	2,800,257	99.694	2,628,931	2,637,000	2,773,515		(17,931)			4.750	3.851	JJ	53,234	125,258	06/23/2017.	07/28/2025.
00182E BH 1	ANZ NEW ZEALAND (INTL) LTD (LONDON BRANC		C		1FE	3,291,072	98.976	3,295,901	3,330,000	3,300,999		9,927			2.750	3.191	JJ	40,446	45,533	04/05/2018.	01/22/2021.
00185A AH 7	AON PLC		C	1,2	2FE	3,289,530	98.616	2,958,480	3,000,000	3,280,835		(5,962)			4.750	4.156	MN	18,208	142,500	06/28/2017.	05/15/2045.
00206R DF 6	AT&AMP T INC			1,2	2FE	1,695,945	102.398	1,535,970	1,500,000	1,692,439		(3,506)			6.000	5.015	FA	34,000	45,000	04/05/2018.	08/15/2040.
00206R DK 5	AT&T INC			1,2	2FE	1,271,543	86.524	1,120,486	1,295,000	1,272,393		338			4.550	4.658	MS	18,331	58,923	09/08/2016.	03/09/2049.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
00206R GL 0	AT&T INC			1,2	2FE	6,603,609	96.375	6,505,313	6,750,000	6,605,138		1,529			4.100	4.386	FA	104,550	70,725	12/17/2018.	02/15/2028.
00206R GQ 9	AT&T INC			1,2	2FE	2,732,446	94.767	2,670,534	2,818,000	2,745,200		5,050			4.300	4.599	FA	45,777	85,495	07/10/2014.	02/15/2030.
00216L AA 1	ASB BANK LTD		C		1FE	4,674,808	100.475	4,722,325	4,700,000	4,677,348		2,540			3.750	3.869	JD	8,323	88,125	06/07/2018.	06/14/2023.
00401M AB 2	ABU DHABI CRUDE OIL PIPELINE LLC		C	1	1FE	242,000	97.899	236,916	242,000	242,000					4.600	4.600	JD	31	12,925	10/26/2017.	11/02/2047.
00507U AF 8	ACTAVIS FUNDING SCS		C	1,2	2FE	3,291,584	98.742	3,283,172	3,325,000	3,295,311		3,727			3.850	4.034	JD	5,689	128,013	04/02/2018.	06/15/2024.
00653M AA 9	ADCB FINANCE (CAYMAN) LTD		C		1FE	423,513	98.726	419,586	425,000	423,720		207			4.000	4.078	MS	4,344	8,500	03/22/2018.	03/29/2023.
00774M AA 3	AERCAP IRELAND CAPITAL DESIGNATED ACTIVI		C	1,2	2FE	2,691,252	97.027	2,619,729	2,700,000	2,694,174		1,584			3.500	3.568	MN	9,188	94,500	01/23/2017.	05/26/2022.
00787C AC 6	AEROPUERTO INTERNACIONAL DE TOCUMEN SA		C	1,2	2FE	437,414	99.620	448,290	450,000	437,438		25			6.000	6.207	MN	3,225	14,175	11/07/2018.	11/18/2048.
00928Q AR 2	AIRCASTLE LTD			1,2	2FE	2,640,530	98.449	2,603,976	2,645,000	2,640,749		219			4.400	4.438	MS	31,035		09/20/2018.	09/25/2023.
02665W BH 3	AMERICAN HONDA FINANCE CORP		C	1	1FE	613,143	91.265	561,280	615,000	613,535		172			2.300	2.334	MS	4,401	14,145	09/06/2016.	09/09/2026.
03027X AD 2	AMERICAN TOWER CORP			1	2FE	2,572,152	103.553	2,485,272	2,400,000	2,512,864		(19,504)			5.000	3.976	FA	45,333	120,000	10/22/2015.	02/15/2024.
03522A AD 2	ANHEUSER-BUSCH COMPANIES LLC		C	1,2	2FE	995,600	94.611	946,110	1,000,000	996,011		411			3.650	3.714	FA	15,208	19,250	04/13/2018.	02/01/2026.
03523T BP 2	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1	2FE	1,625,208	95.553	1,672,178	1,750,000	1,695,016		14,373			2.500	3.451	JJ	20,174	43,750	10/10/2013.	07/15/2022.
035240 AL 4	ANHEUSER-BUSCH INBEV WORLDWIDE INC		C	1,2	2FE	1,250,122	95.893	1,208,252	1,260,000	1,250,739		617			4.000	4.096	AO	10,920	26,460	03/20/2018.	04/13/2028.
036752 AC 7	ANTHEM INC			1,2	2FE	3,998,720	97.541	3,901,640	4,000,000	3,998,931		186			3.350	3.355	JD	11,167	137,722	11/14/2017.	12/01/2024.
037833 AR 1	APPLE INC			1	1FE	748,155	100.097	750,728	750,000	749,353		263			2.850	2.888	MN	3,266	21,375	04/29/2014.	05/06/2021.
03965P AC 5	ARCOR SAIC		C	1,2	3FE	203,469	92.490	175,731	190,000	175,731	(23,886)	(2,496)			6.000	4.418	JJ	5,542	11,400	06/15/2017.	07/06/2023.
046353 AK 4	ASTRAZENECA PLC		C	1	2FE	3,787,423	98.266	3,783,241	3,850,000	3,796,560		9,137			2.380	3.144	MN	11,430	45,719	09/04/2018.	11/16/2020.
04650N AB 0	AT&T INC			1	2FE	128,638	97.687	122,109	125,000	128,290		(81)			5.350	5.147	MS	2,229	6,688	03/25/2014.	09/01/2040.
05369A AD 3	AVIATION CAPITAL GROUP LLC			1,2	1FE	1,874,103	97.223	1,847,237	1,900,000	1,875,435		1,332			4.130	4.353	FA	32,656		07/25/2018.	08/01/2025.
05502J AA 8	AZURE POWER ENERGY LTD		C	1,2	3FE	462,430	94.074	430,859	458,000	430,859	(30,363)	(747)			5.500	5.275	MN	4,058	31,488	09/15/2017.	11/03/2022.
05523U AP 5	BAE SYSTEMS HOLDINGS INC		C	1,2	2FE	548,451	99.339	551,331	555,000	550,188		590			3.850	3.994	JD	950	21,368	12/03/2015.	12/15/2025.
05565E AF 2	BMW US CAPITAL LLC		C	1,2	1FE	3,106,144	97.020	3,104,640	3,200,000	3,117,878		11,734			2.000	3.179	AO	14,222	32,000	08/29/2018.	04/11/2021.
05565Q CS 5	BP CAPITAL MARKETS PLC		C	1	1FE	1,275,000	99.192	1,264,698	1,275,000	1,275,000					3.540	3.535	MN	7,136	45,071	10/30/2014.	11/04/2024.
05578Q AA 1	BPCE SA		C		2FE	2,754,875	103.730	2,593,250	2,500,000	2,644,674		(26,535)			5.700	4.352	AO	27,313	142,500	07/08/2014.	10/22/2023.
05579H AJ 1	BNZ INTERNATIONAL FUNDING LIMITED (LONDO		C	9	1FE	4,176,102	98.828	4,150,776	4,200,000	4,179,860		3,758			2.920	3.040	MS	47,250	70,875	02/22/2018.	03/01/2023.
05583J AC 6	BPCE SA		C		1FE	3,487,120	91.370	3,197,950	3,500,000	3,488,430		1,102			3.500	3.544	AO	23,139	122,500	10/16/2017.	10/23/2027.
05890M AA 1	BANCO DE CREDITO E INVERSIONES		C	1	1FE	928,429	90.187	847,758	940,000	929,630		986			3.500	3.648	AO	7,220	39,900	10/05/2017.	10/12/2027.
05964H AJ 4	BANCO SANTANDER SA		C		1FE	1,600,000	93.601	1,497,616	1,600,000	1,600,000					4.380	4.379	AO	15,375	35,032	04/09/2018.	04/12/2028.
05968A AA 4	BANCO DEL ESTADO DE CHILE		C	1	1FE	619,335	99.749	598,494	600,000	613,274		(4,044)			3.880	3.118	FA	9,235	19,375	06/26/2018.	02/08/2022.
06034L AA 8	BANISTMO SA		C	1	3FE	339,245	95.375	324,275	340,000	324,275	(12,467)	142			3.650	3.699	MS	3,516	12,410	09/12/2017.	09/19/2022.
06050T JZ 6	BANK OF AMERICA, N.A.				1FE	1,771,077	115.707	1,967,019	1,700,000	1,755,381		(1,762)			6.000	5.706	AO	21,533	102,000	12/26/2006.	10/15/2036.
06051G EN 5	BANK OF AMERICA CORPBACYUSUS				1FE	1,636,233	116.535	1,537,097	1,319,000	1,630,192		(6,041)			5.880	4.260	FA	30,997	38,746	03/16/2018.	02/07/2042.
06051G FB 0	BANK OF AMERICA CORP				1FE	5,119,003	101.424	5,071,200	5,000,000	5,111,547		(7,456)			4.130	3.638	JJ	91,094		08/15/2018.	01/22/2024.
06051G FF 1	BANK OF AMERICA CORP				1FE	538,971	100.618	544,343	541,000	539,835		196			4.000	4.046	AO	5,410	21,640	03/27/2014.	04/01/2024.
06051G FX 2	BANK OF AMERICA CORP			1	1FE	2,864,596	96.404	2,699,312	2,800,000	2,856,537		(6,777)			3.500	3.188	AO	19,600	98,000	10/19/2017.	04/19/2026.
06051G HD 4	BANK OF AMERICA CORP			1,2,5	1FE	483,382	93.576	454,779	486,000	483,598		210			3.420	3.479	JD	508	16,616	12/20/2017.	12/20/2028.
06051G HL 6	BANK OF AMERICA CORP			1,2,5	1FE	2,500,000	99.817	2,495,425	2,500,000	2,500,000					3.860	3.865	JJ	42,397		07/18/2018.	07/23/2024.
06367T 4W 7	BANK OF MONTREAL		C		1FE	4,494,735	99.978	4,499,010	4,500,000	4,495,955		1,220			3.100	3.141	AO	30,225	69,750	04/10/2018.	04/13/2021.
06675F AK 3	BANQUE FEDERATIVE DU CREDIT MUTUEL SA		C		1FE	3,844,572	98.171	3,779,584	3,850,000	3,847,153		1,791			2.200	2.249	JJ	37,880	84,700	07/11/2017.	07/20/2020.
06675F AM 9	BANQUE FEDERATIVE DU CREDIT MUTUEL SA		C		1FE	778,176	96.935	775,480	800,000	781,651		3,475			2.700	3.391	JJ	9,660	10,800	04/11/2018.	07/20/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
06738E AQ 8	BARCLAYS PLC		C		2FE	2,748,240	97.204	2,673,110	2,750,000	2,749,047		345			3.200	3.214	FA	34,467	88,000	08/03/2016.	08/10/2021.
06738E AS 4	BARCLAYS PLC		C	1,2	2FE	3,886,907	96.168	3,702,468	3,850,000	3,876,021		(8,074)			3.680	3.446	JJ	67,371	141,834	09/28/2017.	01/10/2023.
07274N AJ 2	BAYER US FINANCE II LLC		C	1,2	2FE	3,493,385	97.516	3,413,060	3,500,000	3,493,742		357			4.250	4.280	JD	6,611	70,243	06/18/2018.	12/15/2025.
07330N AJ 4	BRANCH BANKING AND TRUST CO			2	1FE	2,997,480	99.242	2,977,260	3,000,000	2,999,162		356			2.850	2.863	AO	21,375	85,500	02/27/2014.	04/01/2021.
075887 BV 0	BECTON DICKINSON AND CO			1,2	2FE	3,000,000	96.158	2,884,740	3,000,000	3,000,000					3.360	3.363	JD	7,006	100,890	05/22/2017.	06/06/2024.
09659W 2E 3	BNP PARIBAS SA		C		1FE	4,395,105	97.038	4,366,710	4,500,000	4,401,326		6,221			3.500	4.078	MS	52,500		09/18/2018.	03/01/2023.
096630 AE 8	BOARDWALK PIPELINES LP			1,2	2FE	1,122,660	103.514	1,035,140	1,000,000	1,106,909		(12,536)			5.950	4.207	JD	4,958	59,500	09/21/2017.	06/01/2026.
120568 AZ 3	BUNGE LIMITED FINANCE CORP			1,2	2FE	3,789,968	89.141	3,387,358	3,800,000	3,791,045		851			3.750	3.782	MS	38,000	142,500	09/18/2017.	09/25/2027.
12189L AH 4	BURLINGTON NORTHERN SANTA FE LLC			1,2	1FE	997,500	99.919	999,190	1,000,000	999,121		257			3.050	3.079	MS	8,981	30,500	02/28/2012.	03/15/2022.
12189L AT 8	BURLINGTON NORTHERN SANTA FE LLC			1,2	1FE	3,800,608	100.184	3,806,992	3,800,000	3,800,595		(13)			3.400	3.397	MS	43,067		09/05/2018.	09/01/2024.
12517M AA 0	CEMIG GERACAO E TRANSMISSAO SA		C	2	4FE	197,486	106.800	213,600	200,000	197,774		269			9.250	9.500	JD	1,336	18,500	11/30/2017.	12/05/2024.
12572Q AE 5	CME GROUP INC			1	1FE	1,484,370	99.716	1,495,740	1,500,000	1,492,662		1,842			3.000	3.141	MS	13,250	45,000	03/25/2014.	09/15/2022.
125896 BP 4	CMS ENERGY CORP			1,2	2FE	2,217,947	98.503	2,191,692	2,225,000	2,219,904		642			3.600	3.638	MN	10,235	80,100	11/04/2015.	11/15/2025.
126117 AE 0	CNA FINANCIAL CORPORATION				2FE	2,087,067	113.533	1,981,151	1,745,000	1,986,210		(43,965)			7.250	4.089	MN	16,165	126,513	09/19/2017.	11/15/2023.
126650 CX 6	CVS HEALTH CORP			1,2	2FE	7,961,466	98.103	7,921,817	8,075,000	7,969,099		7,634			4.300	4.475	MS	92,593	189,045	03/06/2018.	03/25/2028.
126650 CZ 1	CVS HEALTH CORP			1,2	2FE	825,760	97.756	782,048	800,000	825,545		(215)			5.050	4.843	MS	10,773	21,996	04/19/2018.	03/25/2048.
13034V AA 2	CALIFORNIA INSTITUTE OF TECHNOLOGY			1	1FE	1,783,530	106.227	1,912,086	1,800,000	1,783,514		10			4.700	4.744	MN	14,100	84,600	11/29/2011.	11/01/2111.
136385 AT 8	CANADIAN NATURAL RESOURCES LTD		C	1,2	2FE	1,785,730	98.722	1,732,571	1,755,000	1,779,004		(4,275)			3.800	3.502	AO	14,079	66,690	05/23/2017.	04/15/2024.
14040H BU 8	CAPITAL ONE FINANCIAL CORP			2	2FE	2,996,430	97.398	2,921,940	3,000,000	2,997,046		616			3.200	3.226	JJ	40,267	48,000	01/25/2018.	01/30/2023.
141781 BG 8	CARGILL INC			1	1FE	1,997,520	99.899	1,997,980	2,000,000	1,997,908		388			3.250	3.277	MS	21,667	32,500	02/26/2018.	03/01/2023.
142339 AH 3	CARLISLE COMPANIES INC			1,2	2FE	3,984,040	94.968	3,798,720	4,000,000	3,985,603		1,382			3.750	3.798	JD	12,500	156,250	11/13/2017.	12/01/2027.
151020 AF 1	CELGENE CORP			1	2FE	2,733,079	107.285	2,387,091	2,225,000	2,702,702		(13,223)			5.700	4.188	AO	26,774	126,825	08/15/2016.	10/15/2040.
161175 AY 0	CHARTER COMMUNICATIONS INC			1,2	2FE	3,510,000	99.528	3,493,433	3,510,000	3,510,000					4.910	4.907	JJ	75,608	172,271	07/09/2015.	07/23/2025.
166764 AG 5	CHEVRON CORP			1,2	1FE	753,371	99.418	745,635	750,000	750,826		(571)			2.430	2.347	JD	354	18,203	04/24/2014.	06/24/2020.
16892D AC 2	CHINA SOUTHERN POWER GRID INTERNATIONAL		C	1	1FE	495,686	96.067	470,728	490,000	494,970		(509)			3.500	3.360	MN	2,525	17,150	09/13/2017.	05/08/2027.
172967 LM 1	CITIGROUP INC			1,2,5	2FE	3,000,000	96.824	2,904,720	3,000,000	3,000,000					2.880	2.877	JJ	37,628	86,280	07/17/2017.	07/24/2023.
198280 AF 6	COLUMBIA PIPELINE GROUP INC		C	1,2	2FE	808,785	100.896	802,123	795,000	807,572		(1,214)			4.500	4.207	JD	2,981	35,775	04/12/2018.	06/01/2025.
198280 AH 2	COLUMBIA PIPELINE GROUP INC		C	1,2	2FE	2,211,546	107.730	2,127,668	1,975,000	2,209,921		(1,625)			5.800	4.978	JD	9,546	57,275	08/03/2018.	06/01/2045.
20030N CJ 8	COMCAST CORP			1,2	1FE	2,830,507	92.861	2,731,042	2,941,000	2,833,538		3,031			3.900	4.179	MS	38,233	64,677	03/16/2018.	03/01/2038.
20030N CL 3	COMCAST CORP			1,2	1FE	2,498,350	101.285	2,532,125	2,500,000	2,498,379		29			4.600	4.605	AO	27,472		10/02/2018.	10/15/2038.
200340 AP 2	COMERICA INC			2	1FE	1,000,000	99.555	995,550	1,000,000	1,000,000					2.130	2.125	MN	2,243	21,250	05/20/2014.	05/23/2019.
20039F AA 7	COMETA ENERGIA SA DE CV		C	1,2	2FE	947,520	92.875	880,009	947,520	947,520					6.380	6.373	AO	11,242	30,600	04/19/2018.	04/24/2035.
202795 HV 5	COMMONWEALTH EDISON CO			1,2	1FE	1,342,597	101.423	1,267,788	1,250,000	1,271,847		(15,852)			4.000	2.660	FA	20,833	50,000	04/21/2014.	08/01/2020.
20449E BT 2	COMPASS BANK		C		2FE	2,550,912	102.241	2,453,784	2,400,000	2,451,462		(39,622)			5.500	3.723	AO	33,000	132,000	05/25/2016.	04/01/2020.
20453K AB 1	COMPASS BANK		C	2	2FE	1,845,274	95.896	1,774,076	1,850,000	1,846,521		933			2.880	2.932	JD	295	53,188	09/27/2017.	06/29/2022.
21240B AD 3	CONTROLADORA MABE SA DE CV		C	1,2	2FE	288,402	94.100	272,890	290,000	288,425		23			5.600	5.673	AO	3,068		10/18/2018.	10/23/2028.
21684A AA 4	RABOBANK NEDERLAND		C		2FE	2,635,100	101.497	2,537,425	2,500,000	2,602,812		(18,746)			4.630	3.702	JD	9,635	115,625	03/28/2017.	12/01/2023.
21688A AF 9	RABOBANK NEDERLAND (NEW YORK BRANCH)		C		1FE	2,569,232	98.375	2,533,156	2,575,000	2,572,548		1,151			2.500	2.548	JJ	28,969	64,375	01/11/2016.	01/19/2021.
224044 CE 5	COX COMMUNICATIONS INC			1,2	2FE	2,031,460	98.691	1,973,820	2,000,000	2,025,748		(3,887)			3.850	3.604	FA	32,083	77,000	06/28/2017.	02/01/2025.
224044 CG 0	COX COMMUNICATIONS INC			1,2	2FE	1,141,272	92.462	1,109,544	1,200,000	1,146,284		5,012			3.350	4.032	MS	11,837	40,200	02/22/2018.	09/15/2026.
22535W AB 3	CREDIT AGRICOLE SA (LONDON BRANCH)		C		1FE	3,788,161	96.643	3,744,916	3,875,000	3,791,565		3,404			4.130	4.447	JJ	75,926		08/10/2018.	01/10/2027.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
225401 AB 4	CREDIT SUISSE GROUP AG		C	1,2	2FE	3,711,800	97.637	3,612,569	3,700,000	3,708,484		(3,482)			3.570	3.470	JJ	63,180	132,238	09/14/2017.	01/09/2023.
23355L AC 0	DXC TECHNOLOGY COMPANY			1,2	2FE	1,870,452	98.505	1,773,090	1,800,000	1,855,696		(9,736)			4.250	3.584	AO	16,150	76,500	06/13/2017.	04/15/2024.
23355L AD 8	DXC TECHNOLOGY CO			1,2	2FE	1,831,121	100.570	1,709,690	1,700,000	1,815,477		(12,091)			4.750	3.763	AO	17,047	80,750	09/08/2017.	04/15/2027.
233851 CA 0	DAIMLER FINANCE NORTH AMERICA LLC		C	1	1FE	3,808,189	98.745	3,801,683	3,850,000	3,815,289		7,100			2.700	3.287	FA	42,735		08/29/2018.	08/03/2020.
244199 BE 4	DEERE & CO			2	1FE	1,166,007	97.914	1,174,968	1,200,000	1,184,643		4,186			2.600	2.995	JD	1,993	31,200	04/16/2014.	06/08/2022.
251526 BX 6	DEUTSCHE BANK AG (NEW YORK BRANCH)		C		2FE	4,099,180	97.834	3,913,360	4,000,000	4,070,777		(22,388)			4.250	3.572	AO	36,361	120,875	05/22/2018.	10/14/2021.
25156P AC 7	DEUTSCHE TELEKOM INTERNATIONAL FINANCE B		C	9	2FE	752,175	130.761	719,186	550,000	744,082		(8,092)			8.750	4.725	JD	2,139	48,125	05/08/2018.	06/15/2030.
25470D AJ 8	DISCOVERY COMMUNICATIONS LLC			1	2FE	1,979,274	88.881	1,846,947	2,078,000	1,980,860		1,586			4.880	5.217	AO	25,326	101,303	03/16/2018.	04/01/2043.
26078J AB 6	DOWDUPONT INC			1,2	2FE	3,775,000	102.359	3,864,052	3,775,000	3,775,000					4.210	4.205	MN	14,551		11/14/2018.	11/15/2023.
26444H AA 9	DUKE ENERGY FLORIDA LLC			1,2	1FE	2,734,545	86.659	2,383,123	2,750,000	2,735,308		313			3.400	3.430	AO	23,375	93,500	09/06/2016.	10/01/2046.
26884T AR 3	ERAC USA FINANCE LLC			1,2	2FE	1,594,784	94.199	1,507,184	1,600,000	1,595,915		444			3.300	3.337	JD	4,400	52,800	05/23/2016.	12/01/2026.
279158 AC 3	ECOPETROL SA		C	1	2FE	211,750	104.500	209,000	200,000	211,672		(78)			5.880	4.485	MS	3,362		12/17/2018.	09/18/2023.
279158 AE 9	ECOPETROL SA		C	1	2FE	1,206,924	110.501	1,215,511	1,100,000	1,205,073		(1,351)			7.380	6.586	MS	23,211	67,113	10/22/2018.	09/18/2043.
279158 AK 5	ECOPETROL SA		C	1	2FE	663,475	95.125	637,338	670,000	664,635		763			4.130	4.277	JJ	12,667	27,638	07/17/2017.	01/16/2025.
279158 AL 3	ECOPETROL SA		C	1,2	2FE	1,684,301	100.875	1,640,228	1,626,000	1,676,852		(4,947)			5.380	4.857	JD	1,214	74,229	10/22/2018.	06/26/2026.
28368E AD 8	EL PASO ENERGY CORPORATION			1	2FE	3,006,919	120.334	2,827,849	2,350,000	2,963,891		(34,329)			7.800	4.981	FA	76,375	183,300	09/21/2017.	08/01/2031.
29266M AF 6	ENERGY EAST CORP		C	1	2FE	1,006,159	119.116	923,149	775,000	994,759		(8,162)			6.750	4.411	JJ	24,122	52,313	07/31/2017.	07/15/2036.
29268B AF 8	ENEL FINANCE INTERNATIONAL SA		C	1	2FE	1,850,741	99.528	1,566,571	1,574,000	1,844,811		(5,930)			6.000	4.694	AO	22,036	94,440	03/16/2018.	10/07/2039.
29278G AC 2	ENEL FINANCE INTERNATIONAL NV		C	1	2FE	3,120,031	85.320	2,666,250	3,125,000	3,120,157		79			4.750	4.760	MN	14,844	148,438	05/22/2017.	05/25/2047.
293791 AT 6	ENTERPRISE PRODUCTS OPERATING L.P			1	2FE	2,000,443	106.033	1,882,086	1,775,000	1,994,065		(6,378)			5.750	4.655	MS	34,021	51,031	04/11/2018.	03/01/2035.
29379V AZ 6	ENTERPRISE PRODUCTS OPERATING LLC			1,2	2FE	1,563,883	98.724	1,579,584	1,600,000	1,582,263		3,807			3.350	3.635	MS	15,782	53,600	10/15/2013.	03/15/2023.
302508 AQ 9	FMR CORP			1	1FE	2,699,639	130.685	2,548,358	1,950,000	2,521,356		(43,015)			7.570	4.096	JD	6,561	147,615	07/18/2014.	06/15/2029.
31446Y AB 8	FENIX POWER PERU SA		C	1,2	2FE	926,152	94.715	923,889	975,441	928,334		2,183			4.320	5.239	MS	11,814	23,921	06/29/2018.	09/20/2027.
316044 AB 2	FIDELITY BANK PLC		C		4FE	200,085	100.528	203,067	202,000	200,463		314			10.500	10.750	AO	4,419	21,210	10/11/2017.	10/16/2022.
31620M AR 7	FIDELITY NATIONAL INFORMATION SERVICES I			1,2	2FE	755,826	104.212	724,273	695,000	742,811		(6,328)			5.000	3.802	AO	7,336	34,750	11/21/2016.	10/15/2025.
31620M AU 0	FIDELITY NATIONAL INFORMATION SERVICES I			1,2	2FE	3,070,140	91.411	2,742,330	3,000,000	3,068,844		(1,222)			4.500	4.355	FA	51,000	135,000	11/10/2017.	08/15/2046.
344419 AA 4	FOMENTO ECONOMICO MEXICANO SAB DE CV		C	1	1FE	490,100	95.569	496,959	520,000	491,025		925			2.880	4.291	MN	2,118	7,475	11/05/2018.	05/10/2023.
345397 VU 4	FORD MOTOR CREDIT CO LLC				2FE	2,520,540	102.613	2,308,793	2,250,000	2,349,366		(35,737)			5.880	4.059	FA	54,711	132,188	10/10/2013.	08/02/2021.
345397 YQ 0	FORD MOTOR CREDIT COMPANY LLC			2	2FE	1,003,070	92.321	923,210	1,000,000	1,002,296		(605)			2.980	2.910	FA	12,247	29,790	09/07/2017.	08/03/2022.
35671D AU 9	FREEPORT-MCMORAN COPPER & GOLD INC			1,2	3FE	1,983,420	94.875	1,897,500	2,000,000	1,897,500	(87,168)	2,168			3.550	3.675	MS	23,667	71,000	07/08/2014.	03/01/2022.
36164Q MS 4	GE CAPITAL INTERNATIONAL FUNDING CO			1	2FE	2,077,917	96.545	2,006,205	2,078,000	2,077,987		7			2.340	2.342	MN	6,219	48,667	10/26/2015.	11/15/2020.
36962G 2T 0	GENERAL ELECTRIC CO				2FE	832,493	101.732	728,401	716,000	744,363		(20,568)			5.550	2.523	MN	6,292	39,738	07/08/2014.	05/04/2020.
370334 CF 9	GENERAL MILLS INC			1,2	2FE	2,997,090	98.592	2,957,760	3,000,000	2,997,350		260			4.000	4.016	AO	24,667	60,000	04/03/2018.	04/17/2025.
37045X BS 4	GENERAL MOTORS FINANCIAL COMPANY INC			1,2	2FE	2,530,050	96.967	2,424,175	2,500,000	2,519,411		(6,163)			3.450	3.173	JJ	40,010	86,250	03/23/2017.	01/14/2022.
373298 CF 3	GEORGIA-PACIFIC CORPORATION			1	1FE	969,915	120.129	900,968	750,000	870,409		(20,912)			8.000	4.411	JJ	27,667	60,000	10/10/2013.	01/15/2024.
378272 AF 5	GLENCORE FUNDING LLC		C	1	2FE	2,510,075	98.280	2,457,000	2,500,000	2,505,498		(1,116)			4.130	4.070	MN	8,880	103,125	07/07/2014.	05/30/2023.
38141G ES 9	GOLDMAN SACHS GROUP INC			1	2FE	1,309,801	105.521	1,213,492	1,150,000	1,277,007		(12,971)			5.950	4.310	JJ	31,552	68,425	05/19/2016.	01/15/2027.
38141G GM 0	GOLDMAN SACHS GROUP INC				1FE	1,975,852	114.398	1,786,897	1,562,000	1,967,569		(8,283)			6.250	4.400	FA	40,677	48,813	03/16/2018.	02/01/2041.
38141G VR 2	GOLDMAN SACHS GROUP INC				2FE	829,155	95.889	800,673	835,000	830,760		526			4.250	4.337	AO	6,900	35,488	10/16/2015.	10/21/2025.
38141G WQ 3	GOLDMAN SACHS GROUP INC			1,2,5	1FE	2,000,000	93.802	1,876,040	2,000,000	2,000,000					3.270	3.273	MS	16,724	65,440	09/26/2017.	09/29/2025.
39530L AB 6	GREENKO DUTCH BV		C	1,2	3FE	284,000	90.000	255,600	284,000	255,600	(28,400)				5.250	5.250	JJ	6,502	14,910	07/17/2017.	07/24/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
40052C AC 0	GRUPO KUO SAB DE CV		C	2	3FE	450,000	90.900	409,050	450,000	409,050	(40,950)				5.750	5.750	JJ	12,506	25,875	06/29/2017.	07/07/2027.
40139L AE 3	GUARDIAN LIFE GLOBAL FUNDING				1FE	4,494,645	99.678	4,485,510	4,500,000	4,495,329		684			3.400	3.426	AO	28,050	76,500	04/18/2018.	04/25/2023.
404280 BJ 7	HSBC HOLDINGS PLC		C	2,5	1FE	2,074,968	97.905	2,056,005	2,100,000	2,078,505		3,537			3.260	3.528	MS	20,551	34,251	04/04/2018.	03/13/2023.
40573L AU 0	HALFMOON PARENT INC			1,2	2FE	1,597,424	99.472	1,591,552	1,600,000	1,597,401		(23)			4.800	4.813	FA	22,187		09/06/2018.	08/15/2038.
41754W AS 0	HARVEST OPERATIONS CORP		C	2	1FE	2,298,137	102.741	2,363,043	2,300,000	2,298,445		308			4.200	4.217	JD	8,050	56,350	04/24/2018.	06/01/2023.
42953L AA 0	HIDROVIAS INTERNATIONAL FINANCE SARL		C	1,2	3FE	200,000	91.376	182,752	200,000	182,752	(17,248)				5.950	5.950	JJ	5,190	5,950	01/17/2018.	01/24/2025.
44841C AB 0	HUTCHISON WHAMPOA LTD		C		1FE	1,584,630	103.342	1,550,130	1,500,000	1,565,630		(19,000)			4.630	3.102	JJ	32,375	34,688	01/23/2018.	01/13/2022.
45167R AF 1	IDEX CORP			1,2	2FE	1,496,235	101.526	1,522,890	1,500,000	1,498,722		398			4.200	4.231	JD	2,800	63,000	12/08/2011.	12/15/2021.
456837 AK 9	ING GROEP NV		C		1FE	4,598,988	100.039	4,601,794	4,600,000	4,599,034		46			4.100	4.105	AO	46,626		09/25/2018.	10/02/2023.
46132F AA 8	INVESCO FINANCE PLC		C	1	1FE	1,732,773	98.097	1,741,222	1,775,000	1,734,490		1,717			3.130	3.758	MN	4,776	27,734	10/25/2018.	11/30/2022.
46132F AB 6	INVESCO FINANCE PLC		C	1	1FE	2,817,500	99.945	2,798,460	2,800,000	2,816,113		(1,387)			4.000	3.874	JJ	46,978	56,000	06/22/2018.	01/30/2024.
465077 AL 9	ISRAEL ELECTRIC CORP LTD		D	1	2FE	282,326	95.230	271,406	285,000	282,508		182			4.250	4.362	FA	4,609	6,124	02/08/2018.	08/14/2028.
465685 AK 1	ITC HOLDINGS CORP		C	1,2	2FE	644,129	94.289	608,164	645,000	644,319		79			3.250	3.266	JD	58	31,444	06/29/2016.	06/30/2026.
46590P AB 9	JSL EUROPE SA		C	1,2	3FE	347,680	92.376	323,316	350,000	323,316	(24,742)	269			7.750	7.875	JJ	11,679	27,125	07/19/2017.	07/26/2024.
46625H HV 5	JPMORGAN CHASE & CO				1FE	2,008,869	111.112	1,877,793	1,690,000	2,002,123		(6,746)			5.500	4.198	AO	19,623	92,950	03/16/2018.	10/15/2040.
46625H JT 8	JPMORGAN CHASE & CO				1FE	1,508,730	100.317	1,504,755	1,500,000	1,504,948		(867)			3.880	3.803	FA	24,219	58,125	03/25/2014.	02/01/2024.
46625H JY 7	JPMORGAN CHASE & CO				1FE	2,920,885	98.658	2,713,095	2,750,000	2,875,544		(19,963)			3.880	2.996	MS	32,857	106,563	09/06/2016.	09/10/2024.
46849L TD 3	JACKSON NATIONAL LIFE GLOBAL FUNDING		D	9	1FE	3,750,000	99.049	3,714,338	3,750,000	3,750,000					2.740	2.776	JAJO	22,233		10/10/2018.	10/15/2020.
47215P AB 2	JD.COM INC		C	1	2FE	913,549	96.800	880,880	910,000	912,204		(903)			3.130	3.016	AO	4,898	28,438	07/17/2017.	04/29/2021.
47233J AG 3	JEFFERIES GROUP LLC			1	2FE	3,165,840	95.764	2,872,920	3,000,000	3,143,135		(14,728)			4.850	4.146	JJ	67,092	145,500	06/02/2017.	01/15/2027.
49306S AA 4	KEYBANK NATIONAL ASSOCIATION				1FE	1,634,448	99.650	1,594,400	1,600,000	1,625,861		(7,196)			3.180	2.678	MN	5,512	50,880	10/18/2017.	10/15/2027.
49327V 2A 1	KEYBANK NA				2FE	2,319,327	96.067	2,233,558	2,325,000	2,320,631		512			3.400	3.429	MN	9,003	79,050	05/17/2016.	05/20/2026.
49338L AB 9	KEYSIGHT TECHNOLOGIES INC			1,2	2FE	3,447,659	102.121	3,395,523	3,325,000	3,433,145		(14,514)			4.550	3.896	AO	25,635	151,288	02/21/2018.	10/30/2024.
494550 BV 7	KINDER MORGAN ENERGY PARTNERS LP			1,2	2FE	1,830,345	99.713	1,769,906	1,775,000	1,815,727		(6,649)			4.250	3.778	MS	25,146	75,438	09/27/2016.	09/01/2024.
49456B AM 3	KINDER MORGAN INC			1,2	2FE	1,794,477	97.112	1,748,016	1,800,000	1,795,681		988			3.150	3.214	JJ	26,145	52,763	11/20/2017.	01/15/2023.
5006EP AJ 0	KOREA EAST WEST POWER CO LTD		C		1FE	825,900	101.302	840,807	830,000	826,238		338			3.880	3.985	JJ	14,473		07/12/2018.	07/19/2023.
50076Q AE 6	KRAFT FOODS GROUP INC				2FE	2,136,995	89.825	1,928,543	2,147,000	2,137,324		329			5.000	5.033	JD	8,051	107,350	03/16/2018.	06/04/2042.
514666 AM 8	LAND O LAKES INC			9	3FE	1,047,513	97.250	987,088	1,015,000	987,088	(59,617)	(808)			7.250	6.752	MJSD	3,271	31,991	09/18/2018.	12/31/2049.
514666 AN 6	LAND O LAKES INC				3FE	1,500,000	97.687	1,465,305	1,500,000	1,465,305	(34,695)				7.000	7.000	MJSD	4,667	25,375	09/13/2018.	12/29/2049.
53117C AS 1	LIBERTY PROPERTY LP			1,2	2FE	897,416	93.585	846,944	905,000	898,934		675			3.250	3.349	AO	7,353	29,413	09/13/2016.	10/01/2026.
53227Q AA 6	LIGHT SERVICOS DE ELETRICIDADE SA		C	2	3FE	198,970	95.876	191,752	200,000	191,752	(7,336)	118			7.250	7.375	MN	2,336	7,290	04/25/2018.	05/03/2023.
536333 AA 5	LIQUID TELECOMMUNICATIONS FINANCING PLC		C	1,2	4FE	204,000	101.065	206,173	204,000	204,000					8.500	8.500	JJ	8,092	17,340	07/06/2017.	07/13/2022.
539439 AK 5	LLOYDS BANKING GROUP PLC		C		1FE	1,249,075	98.143	1,226,788	1,250,000	1,249,517		182			3.100	3.116	JJ	18,837	38,750	06/30/2016.	07/06/2021.
539439 AQ 2	LLOYDS BANKING GROUP PLC		C	2,5	1FE	2,750,000	89.168	2,452,120	2,750,000	2,750,000					3.570	3.575	MN	14,743	98,285	10/31/2017.	11/07/2028.
539439 AS 8	LLOYDS BANKING GROUP PLC		C		1FE	899,757	98.889	890,001	900,000	899,774		17			4.050	4.056	FA	13,669		08/09/2018.	08/16/2023.
539830 BH 1	LOCKHEED MARTIN CORP			1,2	2FE	1,800,988	99.430	1,804,655	1,815,000	1,804,826		1,247			3.550	3.641	JJ	29,711	64,433	11/16/2015.	01/15/2026.
55336V AM 2	MPLX LP			1,2	2FE	2,155,273	87.698	1,948,650	2,222,000	2,157,264		1,991			4.500	4.732	AO	21,109	68,604	03/16/2018.	04/15/2038.
55608J AC 2	MACQUARIE GROUP LTD		C		2FE	3,255,240	102.667	3,080,010	3,000,000	3,115,444		(109,061)			6.000	2.219	JJ	83,500	180,000	09/14/2017.	01/14/2020.
55608J AH 1	MACQUARIE GROUP LTD		C	2,5	1FE	1,000,000	96.290	962,900	1,000,000	1,000,000					3.190	3.190	MN	2,923	31,890	11/20/2017.	11/28/2023.
56501R AC 0	MANULIFE FINANCIAL CORP		C	1	1FE	3,754,871	101.140	3,742,180	3,700,000	3,752,740		(2,131)			4.150	3.920	MS	49,904	76,775	08/29/2018.	03/04/2026.
56585A AG 7	MARATHON PETROLEUM CORP			1,2	2FE	2,342,810	97.420	2,432,577	2,497,000	2,385,314		16,822			3.630	4.524	MS	26,652	90,516	05/18/2016.	09/15/2024.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
571748	AK	8	MARSH & MCLENNAN COMPANIES, INC				1FE	3,170,744	117.228	2,960,007	2,525,000	3,132,244		(30,831)			5.880	3.723	FA	61,810	148,344	09/26/2017.	08/01/2033.
58013M	FE	9	MCDONALD'S CORP			1,2	2FE	1,129,571	99.586	1,125,322	1,130,000	1,129,646		75			3.350	3.358	AO	9,464	20,505	03/14/2018.	04/01/2023.
582839	AJ	5	MEAD JOHNSON NUTRITION CO		C	1	1FE	1,521,819	99.714	1,521,636	1,526,000	1,522,474		656			3.000	3.128	MN	5,850	22,890	08/29/2018.	11/15/2020.
58406H	AA	8	MEDCO PLATINUM ROAD PTE LTD		C	1,2	4FE	199,054	85.769	171,538	200,000	171,538	(27,617)	101			6.750	6.836	JJ	5,663	6,750	01/24/2018.	01/30/2025.
585055	AQ	9	MEDTRONIC INC		C	1	1FE	427,503	127.274	381,822	300,000	418,514		(3,886)			6.500	3.705	MS	5,742	19,500	08/15/2016.	03/15/2039.
585055	AV	8	MEDTRONIC INC		C	1,2	1FE	2,983,710	102.124	3,063,720	3,000,000	2,995,815		1,779			4.130	4.192	MS	36,438	123,750	03/10/2011.	03/15/2021.
58933Y	AF	2	MERCK & CO INC			1	1FE	3,767,357	98.707	3,775,543	3,825,000	3,771,109		3,752			2.800	3.147	MN	12,793	53,550	09/05/2018.	05/18/2023.
591555	AE	7	METINVEST BV		C	1,2	4FE	197,166	90.386	180,772	200,000	180,772	(16,571)	177			8.500	8.750	AO	3,211	8,500	04/04/2018.	04/23/2026.
59156R	AX	6	METLIFE INC			1	1FE	502,707	103.194	465,405	451,000	467,948		(7,708)			4.750	2.895	FA	8,509	67,227	03/25/2014.	02/08/2021.
59217G	CL	1	METROPOLITAN LIFE GLOBAL FUNDING I				1FE	3,810,404	98.487	3,816,371	3,875,000	3,818,962		8,559			2.400	3.145	JJ	44,692		09/05/2018.	01/08/2021.
595017	AL	8	MICROCHIP TECHNOLOGY INC			1,2	2FE	1,760,000	97.632	1,718,323	1,760,000	1,760,000					4.330	4.333	JD	6,355	38,554	05/23/2018.	06/01/2023.
59523U	AM	9	MID AMERICA APARTMENTS LP			1,2	2FE	722,627	99.821	728,693	730,000	724,632		663			4.000	4.124	MN	3,731	29,200	11/02/2015.	11/15/2025.
595620	AJ	4	MIDAMERICAN ENERGY CO			1,2	1FE	756,683	99.894	749,205	750,000	750,177		(1,432)			2.400	2.205	MS	5,300	18,000	03/31/2014.	03/15/2019.
59562V	BD	8	BERKSHIRE HATHAWAY ENERGY CO			1,2	1FE	2,036,561	107.082	2,002,433	1,870,000	2,035,657		(904)			5.150	4.545	MN	12,306	48,153	09/20/2018.	11/15/2043.
602736	AA	8	MINEJESA CAPITAL BV		C	1	2FE	831,110	89.508	751,867	840,000	831,396		350			4.630	4.739	FA	15,216	29,600	04/18/2018.	08/10/2030.
602736	AB	6	MINEJESA CAPITAL BV		C	1	2FE	699,500	88.008	616,056	700,000	699,497		25			5.630	5.631	FA	15,422	28,125	04/18/2018.	08/10/2037.
606822	AL	8	MITSUBISHI UFJ FINANCIAL GROUP INC		C		1FE	3,202,504	98.639	3,201,822	3,246,000	3,210,407		7,904			3.000	3.369	FA	34,871	48,658	04/04/2018.	02/22/2022.
60687Y	AH	2	MIZUHO FINANCIAL GROUP INC		C		1FE	4,136,160	98.076	4,119,192	4,200,000	4,149,447		13,287			2.950	3.348	FA	42,376	124,026	02/15/2018.	02/28/2022.
60871R	AH	3	MOLSON COORS BREWING CO			1,2	2FE	2,657,800	83.504	2,233,732	2,675,000	2,658,574		310			4.200	4.238	JJ	51,806	112,350	06/28/2016.	07/15/2046.
617446	7X	1	MORGAN STANLEY				2FE	3,086,683	102.160	2,809,400	2,750,000	3,011,852		(33,126)			5.000	3.437	MN	14,132	137,500	09/06/2016.	11/24/2025.
61744Y	AP	3	MORGAN STANLEY			1,2,5	1FE	2,425,000	95.842	2,324,169	2,425,000	2,425,000					3.770	3.773	JJ	39,892	45,990	01/18/2018.	01/24/2029.
617482	V9	2	MORGAN STANLEY				1FE	3,270,398	122.930	3,428,518	2,789,000	3,248,330		(8,722)			6.380	5.143	JJ	77,540	144,681	03/16/2018.	07/24/2042.
61761J	VL	0	MORGAN STANLEY			1	1FE	3,483,340	98.407	3,444,245	3,500,000	3,484,396		1,056			3.700	3.786	AO	24,461	64,750	08/13/2018.	10/23/2024.
62854A	AN	4	MYLAN NV			1,2	2FE	4,089,937	91.474	3,887,645	4,250,000	4,097,064		5,760			3.950	4.521	JD	7,461	109,613	09/13/2018.	06/15/2026.
62947Q	AZ	1	NXP BV		C	1,2	2FE	2,149,377	100.564	2,162,126	2,150,000	2,149,338		(38)			4.880	4.883	MS	6,988		12/03/2018.	03/01/2024.
63859W	AE	9	NATIONWIDE BUILDING SOCIETY		C		2FE	3,266,340	91.215	3,010,095	3,300,000	3,271,085		3,131			4.000	4.134	MS	39,233	132,000	07/05/2017.	09/14/2026.
64952W	DA	8	NEW YORK LIFE GLOBAL FUNDING				1FE	3,809,538	100.160	3,806,080	3,800,000	3,808,534		(1,004)			3.250	3.159	FA	49,743		08/29/2018.	08/06/2021.
65473P	AD	7	NISOURCE INC			1,2	2FE	3,777,945	100.263	3,784,928	3,775,000	3,777,923		(22)			3.650	3.631	JD	6,124	70,425	09/05/2018.	06/15/2023.
65540J	AD	0	NONGHYUP BANK		C		1FE	615,660	101.701	630,546	620,000	615,994		334			3.880	4.031	JJ	10,077		07/23/2018.	07/30/2023.
66978C	AB	8	NOSTRUM OIL AND GAS BV		C	1,2	4FE	200,000	68.161	136,322	200,000	136,322	(63,678)				8.000	8.000	JJ	6,933	16,000	07/17/2017.	07/25/2022.
67021C	AG	2	NSTAR ELECTRIC CO			1,2	1FE	997,260	96.482	964,820	1,000,000	998,885		278			2.380	2.406	AO	5,014	23,750	10/08/2012.	10/15/2022.
67078A	AD	5	NVENT FINANCE SARL		C	1,2	2FE	2,495,525	98.217	2,455,425	2,500,000	2,495,878		353			4.550	4.572	AO	24,014	62,878	03/12/2018.	04/15/2028.
67778M	2D	1	OIL AND GAS HOLDING CO BSC CLOSED		C		3FE	200,000	102.241	204,482	200,000	200,000					8.380	8.375	MN	2,513		10/31/2018.	11/07/2028.
682680	AR	4	ONEOK INC			1,2	2FE	2,653,288	113.729	2,502,038	2,200,000	2,562,901		(74,843)			7.500	3.440	MS	55,000	165,000	10/12/2017.	09/01/2023.
686514	AE	0	ORLANDO HEALTH INC			1,2	1FE	1,055,000	100.678	1,062,153	1,055,000	1,055,000					3.780	3.777	AO	9,962	26,011	01/30/2018.	10/01/2028.
693476	BJ	1	PNC FUNDING CORP				1FE	1,959,738	102.117	1,787,048	1,750,000	1,789,581		(34,781)			5.130	3.024	FA	35,626	89,688	10/10/2013.	02/08/2020.
69370R	AA	5	PERTAMINA PERSERO PT		D		2FE	235,010	104.765	209,530	200,000	234,162		(634)			6.450	5.228	MN	1,111	12,900	08/09/2017.	05/30/2044.
694308	GT	8	PACIFIC GAS AND ELECTRIC CO			1,2	2FE	1,799,384	95.771	1,771,764	1,850,000	1,839,631		5,636			3.500	3.835	AO	16,188	64,750	11/15/2010.	10/01/2020.
694308	HE	0	PACIFIC GAS AND ELECTRIC CO			1,2	2FE	1,996,380	89.990	1,799,800	2,000,000	1,998,069		354			3.850	3.872	MN	9,839	77,000	11/06/2013.	11/15/2023.
694308	HL	4	PACIFIC GAS AND ELECTRIC CO			1,2	2FE	621,094	79.863	508,727	637,000	621,343		249			4.300	4.460	MS	8,065	13,696	03/16/2018.	03/15/2045.
694308	HN	0	PACIFIC GAS AND ELECTRIC CO			1,2	2FE	725,218	78.359	509,334	650,000	721,672		(1,576)			4.250	3.604	MS	8,134	27,625	09/09/2016.	03/15/2046.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
695114 CK 2	PACIFICORP			1	1FE	2,121,392	100.080	1,901,520	1,900,000	1,901,230		(31,975)			5.500	3.767	JJ	48,186	104,500	03/11/2011.	01/15/2019.
714295 AC 6	PERRIGO CO		C	1,2	2FE	2,509,544	92.650	2,385,738	2,575,000	2,529,626		6,572			3.900	4.238	JD	4,463	100,425	10/22/2015.	12/15/2024.
71568Q AD 9	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT		C		2FE	416,880	90.050	360,200	400,000	416,571		(262)			5.250	4.976	MN	2,683	21,000	09/12/2017.	05/15/2047.
71638Y AA 4	PETKIM PETROKIMYA HOLDING AS		C	1,2	4FE	198,934	91.389	182,778	200,000	182,778	(16,332)	176			5.880	6.000	JJ	5,059	5,875	01/19/2018.	01/26/2023.
71647N AV 1	PETROBRAS GLOBAL FINANCE BV		C	1	3FE	85,950	95.750	86,175	90,000	86,054		104			5.300	6.176	JJ	2,040		10/24/2018.	01/27/2025.
71647N AY 5	PETROBRAS GLOBAL FINANCE BV		C	1	3FE	277,280	94.401	273,763	290,000	273,763	(3,709)	192			6.000	6.640	JJ	7,442		11/01/2018.	01/27/2028.
718549 AD 0	PHILLIPS 66 PARTNERS LP			1,2	2FE	978,150	93.670	936,700	1,000,000	981,316		2,036			3.550	3.831	AO	8,875	35,500	06/09/2017.	10/01/2026.
723787 AB 3	PIONEER NATURAL RESOURCES COMPANY			1	2FE	733,859	121.778	712,401	585,000	709,620		(11,055)			7.200	4.327	JJ	19,422	42,120	09/26/2016.	01/15/2028.
723787 AM 9	PIONEER NATURAL RESOURCES CO			1,2	2FE	2,731,401	101.304	2,532,600	2,500,000	2,680,485		(23,387)			4.450	3.257	JJ	51,299	111,250	10/07/2016.	01/15/2026.
737679 DD 9	POTOMAC ELECTRIC POWER CO			1	1FE	1,759,749	98.327	1,760,053	1,790,000	1,762,340		2,591			3.050	3.558	AO	13,649	27,298	09/05/2018.	04/01/2022.
74153W CN 7	PRICOA GLOBAL FUNDING I				1FE	6,103,707	96.692	5,907,881	6,110,000	6,105,248		1,206			2.450	2.472	MS	41,582	149,695	09/14/2017.	09/21/2022.
74432Q CA 1	PRUDENTIAL FINANCIAL INC			1	1FE	1,218,522	99.978	1,147,747	1,148,000	1,217,393		(1,129)			4.600	4.210	MN	6,748	52,808	03/16/2018.	05/15/2044.
74445P AB 8	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT		C		2FE	1,099,841	101.904	1,120,944	1,100,000	1,099,984		143			5.710	5.707	MN	8,026		12/17/2018.	11/15/2023.
74445P AC 6	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT		C		2FE	405,208	105.137	420,548	400,000	405,227		19			6.530	6.342	MN	3,338		12/17/2018.	11/15/2028.
74445P AD 4	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT		C		2FE	547,588	102.753	585,692	570,000	547,621		33			6.760	7.071	MN	4,921		12/17/2018.	11/15/2048.
744533 BK 5	PUBLIC SERVICE CO OF OKLAHOMA			1	2FE	997,170	101.863	1,018,630	1,000,000	999,682		331			5.150	5.186	JD	4,292	51,500	11/09/2009.	12/01/2019.
747525 AT 0	QUALCOMM INC			1,2	1FE	2,841,792	95.282	2,715,537	2,850,000	2,843,520		1,095			2.900	2.946	MN	9,413	82,650	05/19/2017.	05/20/2024.
74977R DE 1	COOPERATIEVE RABOBANK UA		C		1FE	1,994,600	100.404	2,008,080	2,000,000	1,994,865		265			3.880	3.935	MS	20,451		09/19/2018.	09/26/2023.
754730 AE 9	RAYMOND JAMES FINANCIAL INC			1	2FE	1,996,820	94.442	1,888,840	2,000,000	1,997,609		265			3.630	3.643	MS	21,347	72,500	07/07/2016.	09/15/2026.
756109 AN 4	REALTY INCOME CORP			1,2	1FE	2,030,197	99.107	2,031,694	2,050,000	2,031,764		1,567			3.250	3.503	AO	14,065	33,313	08/29/2018.	10/15/2022.
75886A AQ 1	REGENCY ENERGY PARTNERS LP			1,2	2FE	2,866,185	102.129	2,757,483	2,700,000	2,814,078		(29,988)			5.000	3.702	AO	33,750	135,000	03/23/2017.	10/01/2022.
77634P AA 4	RONESANS GAYRIMENKUL YATIRIM AS		C	1	3FE	198,970	84.999	169,998	200,000	169,998	(29,092)	120			7.250	7.375	AO	2,618	7,250	04/19/2018.	04/26/2023.
78012K KU 0	ROYAL BANK OF CANADA		C		1FE	2,572,116	98.879	2,546,134	2,575,000	2,573,774		576			2.500	2.524	JJ	28,969	64,375	01/11/2016.	01/19/2021.
78386F AD 8	SACI FALABELLA		C	1,2	2FE	346,402	90.500	316,750	350,000	346,757		303			3.750	3.875	AO	2,224	13,125	10/23/2017.	10/30/2027.
78440P AE 8	SK TELECOM CO LTD		C		1FE	3,592,188	100.350	3,612,600	3,600,000	3,593,214		1,026			3.750	3.798	AO	28,125	67,500	04/09/2018.	04/16/2023.
784710 AB 1	SSM HEALTH CARE CORP			1,2	1FE	1,996,776	100.990	2,014,751	1,995,000	1,996,754		(21)			3.690	3.666	JD	6,131	36,788	09/24/2018.	06/01/2023.
785592 AV 8	SABINE PASS LIQUEFACTION LLC			1,2	2FE	3,935,120	106.079	3,712,765	3,500,000	3,879,309		(45,976)			5.880	4.079	JD	571	308,438	10/05/2017.	06/30/2026.
80007R AC 9	SANDS CHINA LTD			1,2	2FE	199,826	99.198	198,396	200,000	200,000		174			5.130	5.125	FA	4,043		08/02/2018.	08/08/2025.
80283L AA 1	SANTANDER UK PLC		C		2FE	2,978,079	97.863	2,789,096	2,850,000	2,947,408		(17,762)			5.000	4.213	MN	21,375	142,500	03/23/2017.	11/07/2023.
80386W AA 3	SASOL FINANCING USA LLC		C	1,2	2FE	559,171	99.893	559,401	560,000	559,206		34			5.880	5.907	MS	8,591		09/20/2018.	03/27/2024.
808513 AD 7	CHARLES SCHWAB CORP			1	1FE	3,799,641	102.208	3,781,696	3,700,000	3,782,477		(17,164)			4.450	2.974	JJ	72,720		08/29/2018.	07/22/2020.
808513 AG 0	CHARLES SCHWAB CORP			1	1FE	900,638	100.094	900,846	900,000	900,312		(79)			3.230	3.215	MS	9,675	29,025	04/16/2014.	09/01/2022.
81373P AA 1	SECURIAN FINANCIAL GROUP INC			1	1FE	996,830	99.485	994,850	1,000,000	996,882		52			4.800	4.820	AO	10,133	25,333	04/02/2018.	04/15/2048.
816851 AY 5	SEMPRA ENERGY			1,2	2FE	2,518,132	96.643	2,440,236	2,525,000	2,520,007		626			3.750	3.783	MN	12,099	94,688	11/12/2015.	11/15/2025.
82620K AL 7	SIEMENS FINANCIERINGSMAATSCHAPPIJ NV		C	1	1FE	2,742,108	91.252	2,509,430	2,750,000	2,743,774		720			2.350	2.382	AO	13,643	64,625	09/06/2016.	10/15/2026.
82938B AB 6	SINOPEC GROUP OVERSEAS DEVELOPMENT 2015		C	1	1FE	622,163	98.782	617,388	625,000	623,390		1,194			2.500	2.700	AO	2,734	15,625	12/20/2017.	04/28/2020.
82938N AF 1	SINOPEC GROUP OVERSEAS DEVELOPMENT (2017		C	1	1FE	2,871,838	98.204	2,823,365	2,875,000	2,873,186		1,037			2.250	2.288	MS	19,406	64,688	09/06/2017.	09/13/2020.
83367T BR 9	SOCIETE GENERALE SA		C		2FE	2,590,172	98.970	2,573,220	2,600,000	2,592,742		869			4.750	4.798	MN	12,693	123,500	11/17/2015.	11/24/2025.
83368R AJ 1	SOCIETE GENERALE SA		C		2FE	1,695,716	97.968	1,665,456	1,700,000	1,697,321		827			3.250	3.305	JJ	25,937	55,250	01/05/2017.	01/12/2022.
834423 AB 1	SOLVAY FINANCE AMERICA LLC		C	1,2	2FE	917,325	99.353	894,177	900,000	916,573		(752)			4.450	4.132	JD	3,115	20,025	08/15/2018.	12/03/2025.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
835495 AK 8	SONOCO PRODUCTS CO			1,2	2FE	2,762,396	101.764	2,645,864	2,600,000	2,664,388		(23,454)			4.380	3.367	MN	18,958	113,750	07/17/2014.	11/01/2021.
84265V AG 0	SOUTHERN COPPER CORP		C	1	2FE	764,027	95.468	725,557	760,000	763,946		(82)			5.250	5.212	MN	5,874	39,900	07/17/2017.	11/08/2042.
84265V AJ 4	SOUTHERN COPPER CORP		C	1	2FE	635,902	102.632	605,529	590,000	634,790		(767)			5.880	5.335	AO	6,547	34,663	06/15/2017.	04/23/2045.
860630 AD 4	STIFEL FINANCIAL CORP			1	2FE	2,183,940	101.244	2,227,368	2,200,000	2,185,517		1,577			4.250	4.385	JJ	42,335	46,750	05/09/2018.	07/18/2024.
86562M AQ 3	SUMITOMO MITSUI FINANCIAL GROUP INC		C		1FE	3,500,000	97.484	3,411,940	3,500,000	3,500,000					2.780	2.784	JJ	45,743	97,440	07/06/2017.	07/12/2022.
86562M AU 4	SUMITOMO MITSUI FINANCIAL GROUP INC		C		1FE	500,000	97.141	485,705	500,000	500,000					2.780	2.778	AO	2,817	13,890	10/11/2017.	10/18/2022.
86765B AQ 2	SUNOCO LOGISTICS PARTNERS LP			1,2	2FE	1,213,245	88.909	1,146,037	1,289,000	1,214,284		1,039			5.350	5.781	MN	8,812	68,962	03/16/2018.	05/15/2045.
86765B AS 8	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	1,801,844	104.478	1,619,409	1,550,000	1,745,991		(25,393)			5.950	3.786	JD	7,685	92,225	09/27/2016.	12/01/2025.
86765B AT 6	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	383,830	92.590	356,472	385,000	384,079		103			3.900	3.937	JJ	6,924	15,015	07/07/2016.	07/15/2026.
86765B AV 1	SUNOCO LOGISTICS PARTNERS OPERATIONS LP			1,2	2FE	823,400	90.003	742,525	825,000	823,445		30			5.400	5.413	AO	11,138	45,788	09/19/2017.	10/01/2047.
86787E AY 3	SUNTRUST BANK			2,5	1FE	2,284,590	99.659	2,292,157	2,300,000	2,285,265		675			3.690	3.819	FA	36,531		09/27/2018.	08/02/2024.
86787G AJ 1	SUNTRUST BANK			2	2FE	2,516,062	94.903	2,396,301	2,525,000	2,518,127		810			3.300	3.342	MN	10,647	83,325	05/26/2016.	05/15/2026.
86964W AB 8	SUZANO PAPEL E CELULOSE SA		C	1	2FE	234,237	102.850	236,555	230,000	234,241		4			7.000	6.850	MS	4,696		11/06/2018.	03/16/2047.
86964W AC 6	SUZANO AUSTRIA GMBH		C	1,2	2FE	397,228	102.300	409,200	400,000	397,248		20			6.000	6.093	JJ	6,733		09/18/2018.	01/15/2029.
87165B AD 5	SYNCHRONY FINANCIAL			1,2	2FE	2,766,094	91.949	2,413,661	2,625,000	2,727,270		(17,031)			4.250	3.450	FA	42,146	111,563	08/29/2016.	08/15/2024.
87165B AM 5	SYNCHRONY FINANCIAL			1,2	2FE	4,113,203	84.427	3,482,614	4,125,000	4,114,270		985			3.950	3.985	JD	13,578	162,938	11/28/2017.	12/01/2027.
87233Q AB 4	TC PIPELINES LP			1,2	2FE	1,660,960	99.917	1,598,672	1,600,000	1,649,470		(7,277)			4.380	3.790	MS	21,000	70,000	05/19/2017.	03/13/2025.
87305Q CM 1	TTX CO			1,2	1FE	2,447,452	96.350	2,360,575	2,450,000	2,447,521		47			4.200	4.206	JJ	51,450	102,900	06/06/2016.	07/01/2046.
87876T AE 4	TECPETROL INTERNATIONAL S.A.		C	1,2	3FE	70,000	92.500	64,750	70,000	64,750	(5,250)				4.880	4.875	JD	180	3,413	12/05/2017.	12/12/2022.
88163V AD 1	TEVA PHARMACEUTICAL FINANCE CO LLC		C	1	3FE	347,286	89.853	287,530	320,000	287,530	(58,620)	(907)			6.150	5.411	FA	8,200	19,680	09/15/2017.	02/01/2036.
88167A AE 1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS		C	1	3FE	5,005,623	76.485	4,228,856	5,529,000	4,228,856	(833,657)	48,603			3.150	4.442	AO	43,541	174,164	01/10/2018.	10/01/2026.
88167A AF 8	TEVA PHARMACEUTICAL FINANCE NETHERLANDS		C	1	3FE	118,908	66.405	92,967	140,000	92,967	(26,408)	333			4.100	5.098	AO	1,435	5,740	08/07/2017.	10/01/2046.
887317 AZ 8	TIME WARNER INC			1,2	2FE	2,548,751	95.699	2,440,325	2,550,000	2,549,220		95			3.880	3.880	JJ	45,564	98,813	11/17/2015.	01/15/2026.
891906 AC 3	TOTAL SYSTEM SERVICES INC			1,2	2FE	3,821,318	100.973	3,836,974	3,800,000	3,821,228		(90)			4.800	4.705	AO	45,600		12/11/2018.	04/01/2026.
89352H AT 6	TRANSCANADA PIPELINES LTD		C	1,2	1FE	1,970,344	103.633	1,943,119	1,875,000	1,966,528		(3,816)			4.880	4.046	JJ	42,148		08/29/2018.	01/15/2026.
89387Y AC 5	TRANSPORTADORA DE GAS INTERNACIONAL SA E		C	1	2FE	390,000	101.375	395,363	390,000	390,000					5.550	5.550	MN	3,608		10/17/2018.	11/01/2028.
89641U AC 5	TRINITY ACQUISITION PLC		C	1,2	2FE	2,773,062	99.571	2,688,417	2,700,000	2,760,311		(7,364)			4.400	4.029	MS	34,980	118,800	03/23/2017.	03/15/2026.
90131H AX 3	21ST CENTURY FOX AMERICA INC				2FE	2,471,504	123.274	2,366,861	1,920,000	2,319,843		(49,695)			7.700	4.164	AO	25,051	147,840	10/22/2015.	10/30/2025.
90352J AC 7	UBS GROUP FUNDING SWITZERLAND AG		C	2	1FE	2,650,000	98.758	2,617,087	2,650,000	2,650,000					4.250	4.253	MS	30,681	112,705	03/16/2017.	03/23/2028.
90352J AE 3	UBS GROUP FUNDING SWITZERLAND AG		C	2,5	1FE	1,934,300	96.222	1,924,440	2,000,000	1,942,680		8,380			2.860	3.538	FA	21,601	28,590	04/04/2018.	08/15/2023.
908906 AC 4	MUFG AMERICAS HOLDINGS CORP		C	1	1FE	760,155	100.282	752,115	750,000	754,623		(1,241)			3.500	3.310	JD	948	26,250	03/25/2014.	06/18/2022.
91832C AA 4	VM HOLDING SA		C	1,2	3FE	611,580	97.125	582,750	600,000	582,750	(27,545)	(1,022)			5.380	5.111	MN	5,106	32,250	09/13/2017.	05/04/2027.
91911T AH 6	VALE OVERSEAS LTD		C	1	2FE	1,706,532	114.850	1,773,284	1,544,000	1,688,957		(4,425)			6.880	6.011	MN	11,794	109,182	06/08/2017.	11/21/2036.
91911T AP 8	VALE OVERSEAS LTD		C	1	2FE	420,815	108.250	422,175	390,000	420,336		(479)			6.250	5.007	FA	9,547		11/05/2018.	08/10/2026.
91914J AA 0	VALERO ENERGY PARTNERS LP			1,2	2FE	3,891,420	98.550	3,843,450	3,900,000	3,892,217		797			4.380	4.405	JD	7,583	170,625	04/09/2018.	12/15/2026.
92189F 49 4	VNECK VCTRS:JPM EM LC BD			2		115,375,332	33.000	105,429,522		115,375,332							N/A	581,779	1,127,457	10/05/2018.	
92343V DR 2	VERIZON COMMUNICATIONS INC			1	2FE	7,644,806	98.691	7,638,683	7,740,000	7,650,807		2,653			4.810	4.902	MS	109,665	290,067	03/16/2018.	03/15/2039.
928668 AN 2	VOLKSWAGEN GROUP OF AMERICA FINANCE LLC		C	1	2FE	2,238,298	100.513	2,251,491	2,240,000	2,238,412		114			3.390	3.479	FMAN	10,330		11/07/2018.	11/13/2020.
931142 DH 3	WAL MART STORES INC			2	1FE	955,319	97.546	975,460	1,000,000	977,163		4,921			2.550	3.125	AO	5,667	25,500	04/16/2014.	04/11/2023.
94974B EV 8	WELLS FARGO & CO				1FE	1,630,395	102.431	1,536,465	1,500,000	1,542,640		(18,004)			4.600	3.277	AO	17,250	69,000	10/09/2013.	04/01/2021.
94974B FC 9	WELLS FARGO & CO				1FE	1,781,450	99.707	1,744,873	1,750,000	1,763,509		(3,973)			3.500	3.243	MS	19,226	61,250	03/25/2014.	03/08/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
94974B	FP	0	WELLS FARGO & CO				1FE	2,741,083	104.703	2,586,164	2,470,000	2,736,782		(4,300)			5.380	4.638	MN	21,758	132,763	03/16/2018.	11/02/2043.
960386	AL	4	WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP			1,2	2FE	1,950,540	90.080	1,801,600	2,000,000	1,958,446		4,461			3.450	3.757	MN	8,817	69,000	03/23/2017.	11/15/2026.
G0066R	AA	2	ABQ FINANCE LTD		D		1FE	446,225	98.000	441,000	450,000	447,682		955			3.630	3.863	AO	3,534	16,313	07/17/2017.	04/13/2021.
G0066R	AB	0	ABQ FINANCE LTD		D		1FE	1,314,401	95.815	1,283,921	1,340,000	1,322,228		5,211			3.500	3.953	FA	16,806	46,900	07/17/2017.	02/22/2022.
G0719W	AB	0	AVI FUNDING COMPANY LTD		D		1FE	207,594	99.254	198,508	200,000	206,322		(831)			3.800	3.271	MS	2,217	7,600	06/05/2017.	09/16/2025.
G0755V	AC	5	AZURE ORBIT IV INTERNATIONAL FINANCE LTD		D		1FE	293,001	97.887	293,661	300,000	293,955		954			3.750	4.296	JJ	4,875	5,625	04/18/2018.	01/25/2023.
G1064F	AD	2	BESTGAIN REAL ESTATE LYRA LTD		D		2FE	923,700	100.198	901,782	900,000	909,436		(9,410)			3.950	2.852	JD	790	35,550	07/17/2017.	12/23/2019.
G13629	AD	5	BLUESTAR FINANCE HOLDINGS LTD		D	1	2FE	526,358	97.984	509,517	520,000	524,366		(1,500)			3.500	3.178	MS	4,601	18,200	09/13/2017.	09/30/2021.
G1990L	AA	4	CEMENTOS PROGRESO TRUST		D	1,2	3FE	213,310	103.250	206,500	200,000	205,582		(4,019)			7.130	5.750	MN	2,177	14,250	06/20/2017.	11/06/2023.
G21169	AA	8	CHOUZHOU INTERNATIONAL INVESTMENT LTD		D		2FE	568,222	95.802	546,071	570,000	568,791		569			4.000	4.116	JD	1,647	22,800	01/31/2018.	12/05/2020.
G28288	AA	9	DP WORLD CRESCENT LTD		D		2FE	440,000	98.350	422,905	430,000	437,649		(1,578)			3.910	3.470	MN	1,447	16,804	07/17/2017.	05/31/2023.
G3066L	AD	3	ENN ENERGY HOLDINGS LTD		D		2FE	646,446	97.292	622,669	640,000	644,817		(1,260)			3.250	3.026	JJ	9,071	20,800	09/13/2017.	07/24/2022.
G3641T	AA	6	FORTUNE STAR (BVI) LTD			1,2	3FE	494,030	90.489	443,396	490,000	443,396	(42,553)	(793)			5.250	5.054	MS	7,003	25,725	09/13/2017.	03/23/2022.
G371E2	AA	6	FRESNILLO PLC		D	1	2FE	318,570	102.000	306,000	300,000	316,473		(2,097)			5.500	4.239	MN	2,200	16,500	04/18/2018.	11/13/2023.
G3775G	AC	8	GCL NEW ENERGY HOLDINGS LTD		D		4FE	177,990	85.620	171,240	200,000	171,240	(8,368)	1,618			7.100	12.841	JJ	5,956		10/23/2018.	01/30/2021.
G3946K	AA	7	GOHL CAPITAL LTD		D	1	2FE	363,003	94.073	329,256	350,000	361,388		(1,188)			4.250	3.778	JJ	6,487	14,875	09/13/2017.	01/24/2027.
G4586A	AF	1	HONGKONG ELECTRIC FINANCE LTD		D		1FE	396,847	92.809	380,517	410,000	398,885		1,319			2.880	3.294	MN	1,899	11,788	06/09/2017.	05/03/2026.
G463PC	AC	3	HUARONG FINANCE II CO LTD		D		2FE	605,041	100.345	592,036	590,000	604,145		(896)			5.500	5.035	JJ	14,873		07/18/2018.	01/16/2025.
G463PC	AG	4	HUARONG FINANCE II CO LTD		D		2FE	815,930	99.458	815,556	820,000	818,897		2,571			2.750	3.075	JD	1,754	22,550	11/28/2017.	06/03/2019.
G4694R	AA	4	IBQ FINANCE LTD		D		1FE	742,048	98.865	731,601	740,000	741,166		(586)			3.500	3.413	MN	2,590	25,900	07/17/2017.	11/25/2020.
G5257R	AA	0	KING POWER CAPITAL LTD		D		2FE	1,188,358	105.894	1,122,476	1,060,000	1,164,469		(15,748)			5.630	3.730	MN	9,606	59,625	07/17/2017.	11/03/2024.
G5278K	AA	0	EZDAN SUKUK COMPANY LTD		D		4FE	381,480	82.103	328,412	400,000	328,412	(41,753)	4,613			4.380	5.752	MN	2,090	17,500	09/13/2017.	05/18/2021.
G5332X	AE	8	KUWAIT PROJECTS CO (CAYMAN)		D		2FE	927,242	106.463	830,411	780,000	857,876		(48,947)			9.380	2.703	JJ	33,719	73,133	09/13/2017.	07/15/2020.
G5332X	AG	3	KUWAIT PROJECTS CO CAYMAN		D		2FE	1,105,572	98.279	1,022,102	1,040,000	1,089,492		(10,684)			5.000	3.764	MS	15,311	52,000	07/17/2017.	03/15/2023.
G5635P	AE	9	LONGFOR PROPERTIES CO LTD		D	1	2FE	567,017	95.744	536,166	560,000	565,405		(1,408)			3.880	3.582	JJ	10,127	21,700	11/01/2017.	07/13/2022.
G6389W	AF	7	NAN FUNG TREASURY LTD				2FE	1,041,398	89.125	998,200	1,120,000	1,046,824		5,426			3.880	4.798	AO	10,609	43,400	03/07/2018.	10/03/2027.
G6S79L	AC	3	MINMETALS BOUNTEOUS FINANCE (BVI) LTD				2FE	208,766	97.566	195,132	200,000	207,656		(864)			4.200	3.617	JJ	3,593	8,400	09/13/2017.	07/27/2026.
G7302V	DY	7	QNB FINANCE LTD		D		1FE	1,107,632	95.381	1,096,882	1,150,000	1,121,535		10,041			2.130	3.095	MS	7,739	24,438	09/13/2017.	09/07/2021.
G7303Z	AG	9	OOREDOO INTERNATIONAL FINANCE LTD		D		1FE	368,613	95.933	354,952	370,000	368,787		109			3.880	3.918	JJ	6,014	14,338	06/23/2017.	01/31/2028.
G7304Z	AB	9	QIB SUKUK LTD		D		1FE	683,130	97.379	681,653	700,000	690,626		4,909			2.750	3.521	AO	3,427	19,278	06/15/2017.	10/27/2020.
G7366T	AA	0	RAKFUNDING CAYMAN LTD		D		2FE	1,197,545	99.613	1,175,433	1,180,000	1,184,274		(8,783)			3.250	2.483	JD	746	38,350	07/17/2017.	06/24/2019.
G781A6	AD	5	SAUDI ELECTRICITY GLOBAL SUKUK CO 3		D		1FE	433,400	101.298	405,192	400,000	432,466		(637)			5.500	4.934	AO	5,072	22,000	06/15/2017.	04/08/2044.
G8185T	AA	7	SINOCHEM OVERSEAS CAPITAL CO LTD		D	1	1FE	211,560	101.455	202,910	200,000	206,412		(3,314)			4.500	2.722	MN	1,225	9,000	06/05/2017.	11/12/2020.
G87602	AA	9	TENGIZCHEVROIL FINANCE COMPANY INTERNATI				2FE	746,620	92.562	703,471	760,000	748,506		1,253			4.000	4.234	FA	11,484	30,400	07/17/2017.	08/15/2026.
G8763J	AB	7	TEWOO GROUP FINANCE NO 3 LTD				2FE	981,863	89.456	871,301	974,000	978,795		(3,069)			4.630	4.220	AO	10,636	45,048	03/02/2018.	04/06/2020.
G8850L	AA	8	THREE GORGES FINANCE I (CAYMAN ISLANDS)		C	1	1FE	206,660	98.642	197,284	200,000	205,496		(757)			3.700	3.224	JD	432	7,400	06/05/2017.	06/10/2025.
G9328D	AJ	9	VEDANTA RESOURCES PLC		C	1	4FE	209,250	90.175	180,350	200,000	180,350	(26,829)	(1,376)			7.130	6.183	JD	1,108	14,250	06/15/2017.	05/31/2023.
G9600G	AA	0	WTT INVESTMENT LTD		D	2	3FE	198,600	97.821	195,642	200,000	195,642	(3,026)	68			5.500	5.694	MN	1,222	5,500	10/22/2018.	11/21/2022.
L0178W	AG	7	ALTICE FINANCING SA		C	1,2	4FE	662,280	91.500	549,000	600,000	549,000	(81,664)	(9,836)			7.500	5.365	JJ	20,750	45,000	09/13/2017.	05/15/2026.
M0152V	AB	9	ABU DHABI NATIONAL ENERGY CO		D		1FE	122,990	119.068	119,068	100,000	121,815		(770)			6.500	4.681	AO	1,156	6,500	06/09/2017.	10/27/2036.
M0152V	AG	8	ABU DHABI NATIONAL ENERGY CO		D		1FE	553,330	97.920	538,560	550,000	552,484		(564)			3.630	3.504	JJ	9,360	19,938	07/17/2017.	01/12/2023.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
M0375Y AK 4	AKBANK INTERNATIONAL NV		D		4FE	181,750	93.933	187,866	200,000	182,453		703			5.000	7.702	AO	1,861		10/25/2018.	10/24/2022.
M1838H AA 2	BURGAN SENIOR SPC LTD		D		1FE	341,700	97.134	330,256	340,000	341,110		(389)			3.130	2.998	MS	3,158	10,625	06/09/2017.	09/14/2021.
M2851H AA 2	DP WORLD LTD		D		2FE	275,011	111.289	255,965	230,000	272,958		(1,347)			6.850	5.259	JJ	7,834	15,755	06/08/2017.	07/02/2037.
M5318P AM 8	IDBI BANK (DUBAI BRANCH)		D		3FE	401,206	99.851	399,404	400,000	399,404	(651)	(828)			3.750	3.537	JJ	6,500	15,000	09/12/2017.	01/25/2019.
M5753L AB 3	OZTEL HOLDINGS SPC LTD		D		2FE	407,200	92.000	377,200	410,000	407,342		142			6.630	6.720	AO	5,055	13,581	07/31/2018.	04/24/2028.
M60170 AV 5	ISRAEL ELECTRIC CORP LTD		D	1	2FE	1,094,531	100.728	1,034,477	1,027,000	1,083,709		(7,752)			5.000	3.935	MN	6,989	51,350	04/18/2018.	11/12/2024.
M6263A AA 0	KUWAIT PROJECTS CO SPC LTD		D		2FE	187,850	88.706	177,412	200,000	188,268		418			4.500	5.400	FA	3,200	4,500	08/16/2018.	02/23/2027.
M63751 AB 3	KOC HOLDING AS		D	1,2	3FE	525,001	93.805	469,025	500,000	469,025	(49,539)	(4,225)			5.250	4.221	MS	7,729	26,250	07/17/2017.	03/15/2023.
M6S73Y AB 6	KT KIRA SERTIFIKALARI VARLIK KIRALAMA AS		D		3FE	207,800	99.759	199,518	200,000	199,518	(2,380)	(3,836)			5.160	3.168	JD	143	10,324	06/09/2017.	06/26/2019.
M7120L AA 7	NATIONAL BANK OF OMAN SAOG		D		2FE	200,480	98.081	196,162	200,000	200,164		(209)			3.130	3.016	AO	1,458	6,250	06/09/2017.	10/07/2019.
M7120L AC 3	NATIONAL BANK OF OMAN SAOG		D		2FE	626,850	96.860	610,218	630,000	626,941		91			5.630	5.742	MS	9,450		11/12/2018.	09/25/2023.
M87717 AD 2	TF VARLIK KIRALAMA AS		D		3FE	206,880	99.814	199,628	200,000	199,628	(1,546)	(3,711)			5.380	3.451	AO	2,001	10,752	06/09/2017.	04/24/2019.
M9396C AG 7	UNION NATIONAL BANK PJSC		D		1FE	894,166	96.385	877,104	910,000	899,641		3,539			2.750	3.185	AO	5,978	25,025	06/09/2017.	10/05/2021.
N4826L AD 4	KAZAKHSTAN TEMIR ZHOLY FINANCE BV		D		3FE	499,818	104.975	482,885	460,000	482,885	(15,893)	(712)			6.950	6.260	JJ	15,186	31,970	07/17/2017.	07/10/2042.
N4960Z AC 1	NK KAZMUNAYGAZ AO		D		2FE	397,360	98.314	393,256	400,000	397,798		438			3.880	4.055	AO	3,100	15,504	04/13/2018.	04/19/2022.
N4960Z AD 9	NK KAZMUNAYGAZ AO		D		2FE	793,370	95.200	761,600	800,000	793,468		74			5.750	5.809	AO	9,200	46,000	03/26/2018.	04/19/2047.
N4960Z AE 7	NK KAZMUNAYGAZ AO		D		2FE	706,822	97.246	680,722	700,000	705,957		(587)			4.750	4.624	AO	6,650	33,250	07/14/2017.	04/19/2027.
N5S29Q GV 9	MDC GMTN BV		D		1FE	568,439	95.355	543,524	570,000	568,620		108			3.750	3.779	AO	4,275	21,375	07/17/2017.	04/19/2029.
P09646 AE 3	BANCO DE CREDITO DEL PERU (PANAMA BRANCH		C	1,2,5	2FE	609,675	104.575	575,163	550,000	592,265		(12,760)			6.130	3.582	AO	6,270	33,688	08/17/2017.	04/24/2027.
P1265V AD 4	BANCO GNB SUDAMERIS SA		C	2	4FE	77,588	98.250	73,688	75,000	73,688	(3,149)	(501)			6.500	5.662	AO	1,192	4,875	06/15/2017.	04/03/2027.
P3143N AH 7	CORPORACION NACIONAL DEL CORBRE DE CHILE		C		1FE	700,240	116.492	698,952	600,000	698,929		(1,311)			6.150	4.765	AO	6,868	12,300	12/17/2018.	10/24/2036.
P37110 AG 1	EMPRESA NACIONAL DEL PETROLEO ENAP		D		2FE	1,049,980	100.919	1,009,190	1,000,000	1,035,294		(10,119)			4.750	3.470	JD	3,299	38,000	06/26/2018.	12/06/2021.
P37115 AF 2	EMPRESA NACIONAL DE TELECOMUNICACIONES S		D	1,2	2FE	493,876	94.350	500,055	530,000	494,098		222			4.750	5.935	FA	10,490		12/12/2018.	08/01/2026.
P3713L AA 6	ELEMENTIA SA DE CV		D	1,2	3FE	204,830	92.750	185,500	200,000	185,500	(18,501)	(553)			5.500	5.111	JJ	5,072	11,000	06/15/2017.	01/15/2025.
P3713Q AA 5	EMPRESA ELECTRICA ANGAMOS SA			1	2FE	338,390	95.620	324,760	339,636	338,165		(96)			4.880	4.968	MN	1,656	37,856	04/18/2018.	05/25/2029.
P3716X AA 7	EMPRESA NACIONAL DE AUTOPISTA SA (ENA)		C	1	2FE	410,832	100.575	401,744	399,448	408,040		(1,913)			4.950	4.014	JAJO	3,625	20,307	06/08/2017.	04/25/2028.
P37466 AJ 1	EMPRESA DE TRANSPORTE DE PASAJEROS METRO		D	1	1FE	410,080	101.824	407,296	400,000	409,270		(810)			4.750	4.239	FA	7,758	9,500	06/26/2018.	02/04/2024.
P4909L AA 8	GNL QUINTERO SA		D	1	2FE	712,660	96.875	658,750	680,000	707,192		(3,630)			4.630	3.927	JJ	13,217	31,511	07/17/2017.	07/31/2029.
P57908 AE 8	MEXICHEM SAB DE CV		C	1	2FE	217,796	100.750	201,500	200,000	217,327		(322)			6.750	6.057	MS	3,825	13,500	06/08/2017.	09/19/2042.
P57908 AF 5	MEXICHEM SAB DE CV		D	1	2FE	462,378	90.435	416,001	460,000	462,366		(39)			5.880	5.836	MS	7,807	27,025	07/17/2017.	09/17/2044.
P57908 AH 1	MEXICHEM SAB DE CV		D	1,2	2FE	620,432	86.000	584,800	680,000	620,630		198			5.500	6.148	JJ	17,246		10/22/2018.	01/15/2048.
P66208 AA 0	MEXICO GENERADORA DE ENERGIA S DE RL		C	1	2FE	530,656	96.000	487,493	507,806	529,108		(1,031)			5.500	5.076	JD	1,940	28,540	06/15/2017.	12/06/2032.
P7464E AA 4	PAMPA ENERGIA SA		C	1,2	4FE	375,315	84.270	294,945	350,000	294,945	(76,938)	(2,519)			7.500	6.349	JJ	11,448	26,250	09/13/2017.	01/24/2027.
P7873P AE 6	PETROBRAS ARGENTINA SA		C	1,2	4FE	152,358	90.320	129,158	143,000	129,158	(21,273)	(1,283)			7.380	6.118	JJ	4,687	10,546	06/15/2017.	07/21/2023.
P82290 AG 5	SACI FALABELLA		C	1,2	2FE	197,400	97.820	195,640	200,000	197,498		98			4.380	4.613	JJ	3,743		09/27/2018.	01/27/2025.
P9451Y AC 7	UNION ANDINA DE CEMENTOS SAA		D	1,2	3FE	128,253	102.000	124,440	122,000	124,440	299	(2,281)			5.880	4.296	AO	1,214	7,990	09/13/2017.	10/30/2021.
P98088 AA 8	VOTORANTIM CIMENTOS BRASIL SA		C	1	3FE	197,920	102.625	205,250	200,000	198,004		35			7.250	7.342	AO	3,464	14,500	06/15/2017.	04/05/2041.
P989MJ BG 5	YPF SA		C	1	4FE	215,080	98.750	187,625	190,000	187,625	(17,657)	(6,383)			8.500	4.649	MS	4,396	16,150	06/05/2017.	03/23/2021.
U75888 AC 8	RELIANCE HOLDING USA INC		C	1	2FE	1,120,735	103.627	1,056,995	1,020,000	1,088,950		(20,739)			5.400	3.109	FA	20,961	55,080	06/09/2017.	02/14/2022.
V6560A AC 6	OCP SA		D		2FE	542,180	102.707	513,535	500,000	534,113		(5,625)			5.630	4.179	AO	5,156	28,125	09/13/2017.	04/25/2024.
V6560A AD 4	OCP SA		D		2FE	1,953,604	104.285	1,814,559	1,740,000	1,949,097		(3,271)			6.880	5.950	AO	21,931	119,625	04/18/2018.	04/25/2044.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1			2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
				3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification			Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
V96177	AB	2	UPL CORPORATION LTD		D	1	2FE	1,225,087	91.497	1,180,311	1,290,000	1,228,371		3,284			4.500	5.160	MS	18,221	29,025	05/17/2018.	03/08/2028.
Y06942	UF	4	BANK OF EAST ASIA LTD		D	2	2FE	200,520	98.280	196,560	200,000	200,352	661	(115)			4.000	3.932	MN	1,289	8,000	06/15/2017.	11/03/2026.
Y0963B	AA	1	BPRL INTERNATIONAL SINGAPORE PTE LTD		D		2FE	541,024	94.490	491,348	520,000	538,195		(1,895)			4.380	3.865	JJ	10,301	22,750	07/17/2017.	01/18/2027.
Y1670Y	AB	1	CNAC HK FINBRIDGE CO LTD		D	1	2FE	189,350	94.581	189,162	200,000	189,770		420			4.130	4.863	JJ	3,713		07/20/2018.	07/19/2027.
Y1670Y	AC	9	CNAC HK FINBRIDGE CO LTD		D	1	2FE	194,040	97.520	195,040	200,000	194,956		916			3.500	4.273	JJ	3,150	3,500	04/18/2018.	07/19/2022.
Y1R03H	AV	3	CHINA MINMETALS CORP		D	2	2FE	798,087	90.330	731,673	810,000	798,308		222			3.750	3.830	MN	4,050	30,375	01/08/2018.	11/13/2049.
Y1R396	FU	2	CHINA CONSTRUCTION BANK CORP		D	2,5	2FE	958,430	99.405	934,407	940,000	948,739		(6,405)			3.880	3.172	MN	4,857	36,425	07/17/2017.	05/13/2025.
Y2982G	AB	1	HAINAN AIRLINES (HONG KONG) CO LTD		D	1	1FE	570,855	99.711	568,353	570,000	570,474		(381)			3.630	3.547	FA	8,265	20,663	01/24/2018.	02/07/2020.
Y34267	AF	4	HONGKONG INTERNATIONAL QINGDAO CO LTD		D		2FE	559,384	91.227	510,871	560,000	559,514		130			4.250	4.274	JD	1,785	23,800	01/18/2018.	12/04/2022.
Y374AK	AA	4	IOI INVESTMENT BHD		D		2FE	1,102,846	100.453	1,064,802	1,060,000	1,090,925		(8,012)			4.380	3.478	JD	515	47,665	04/18/2018.	06/27/2022.
Y39428	AB	6	INDIAN RAILWAY FINANCE CORP LTD		D		2FE	205,592	100.054	200,108	200,000	200,507		(3,302)			3.920	2.233	FA	2,720	7,834	06/05/2017.	02/26/2019.
Y3R559	AB	8	ICBCIL FINANCE CO LTD		D		1FE	563,852	99.560	557,536	560,000	562,067		(1,608)			3.250	2.941	SEP	5,258	18,424	11/21/2017.	03/17/2020.
Y44680	GC	7	JSW STEEL LTD		D		3FE	203,750	96.783	193,566	200,000	193,566	(9,089)	(731)			5.250	4.808	AO	2,275	10,500	06/15/2017.	04/13/2022.
Y48585	DU	7	KEB HANA BANK		D		2FE	665,842	99.497	636,781	640,000	661,222		(3,246)			4.250	3.609	AO	5,818	27,200	09/14/2017.	10/14/2024.
Y6421X	BY	3	NTPC LTD		D		2FE	331,939	95.738	306,362	320,000	330,096		(1,210)			4.250	3.743	FA	4,722	13,600	06/09/2017.	02/26/2026.
Y7133M	AC	3	PELABUHAN INDONESIA II (PERSERO) PT		D		2FE	704,807	94.500	652,050	690,000	702,297		(1,677)			4.250	3.930	MN	4,562	29,325	07/17/2017.	05/05/2025.
Y7138A	AE	0	PERTAMINA (PERSERO) PT		C		2FE	197,500	98.736	197,472	200,000	197,519		19			4.300	4.615	MN	979		12/17/2018.	05/20/2023.
Y7T47W	HN	4	SHINHAN BANK		D	2	2FE	954,287	99.127	934,768	943,000	951,764		(2,436)			3.880	3.538	JD	2,436	36,541	03/02/2018.	12/07/2026.
Y8564S	AC	6	THETA CAPITAL PTE LTD		D	1,2	4FE	210,860	74.491	148,982	200,000	148,982	(52,449)	(3,849)			7.000	5.094	AO	3,111	14,000	06/15/2017.	04/11/2022.
Y8850A	AB	0	TNB GLOBAL VENTURES CAPITAL BHD		D		2FE	413,018	101.681	416,892	410,000	413,010		(8)			4.850	4.756	MN	3,315		12/13/2018.	11/01/2028.
Y95910	M6	2	WING LUNG BANK LTD		D	2	2FE	604,832	96.002	585,612	610,000	605,343		511			3.750	3.852	MN	2,478	22,875	01/08/2018.	11/22/2027.
Y97284	AE	6	YANGZHOU URBAN CONSTRUCTION STATE-OWNED		D		2FE	786,318	97.112	757,474	780,000	784,469		(1,849)			4.380	4.068	JD	1,138	34,125	02/14/2018.	12/19/2020.
3299999.	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							746,466,450	XXX	714,660,357	618,534,851	741,640,452	(1,947,649)	(1,187,360)	0	0	XXX	XXX	XXX	7,180,395	20,541,243	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																							
054967	AA	2	BAMLL 18DSNY A - CMBS		..	4	1FE	6,300,000	99.654	6,278,202	6,300,000	6,300,000					3.200	3.328	MON	9,520	21,504	11/01/2018.	09/15/2034.
05552E	AA	8	BBCMS 17DELC A - CMBS		..	4	1FM	2,545,795	99.999	2,544,975	2,545,000	2,546,186		391			3.310	3.238	MON	3,972	13,555	10/25/2018.	08/15/2036.
056059	AA	6	BX 18IND A - CMBS		..	4	1FE	4,053,951	99.491	4,033,316	4,053,951	4,053,951					3.030	3.074	MON	5,801	15,461	10/22/2018.	11/15/2035.
05607A	AA	1	BX 18MCSF A - CMBS		..	4	1FE	3,101,373	98.240	3,074,912	3,130,000	3,109,225		7,852			3.030	3.128	MON	4,481	56,056	04/06/2018.	04/16/2035.
06540R	AE	4	BANK 17BNK9 A4 - CMBS		..	4	1FE	2,684,379	99.585	2,763,484	2,775,000	2,685,702		1,323			3.540	3.983	MON	8,182	8,182	10/30/2018.	11/18/2054.
06650A	AE	7	BANK 17BNK8 A4 - CMBS		..	4	1FM	2,059,926	99.232	1,984,640	2,000,000	2,053,665		(6,136)			3.490	3.141	MON	5,813	69,760	10/27/2017.	11/18/2050.
12591U	AF	0	COMM 14UBS2 A5 - CMBS		..	4	1FM	5,304,297	102.645	5,132,250	5,000,000	5,190,899		(35,306)			3.960	3.143	MON	16,504	198,050	09/01/2015.	03/12/2047.
12595X	AV	5	CSAIL 18CX12 XA - CMBS		..	3,6	1FE	1,041,142	4.620	1,003,960		1,003,448		(37,719)			0.620	3.093	MON	11,303	51,075	08/09/2018.	08/17/2051.
12596G	BB	4	CSAIL 18C14 XA - CMBS		..	3,6	1FE	2,603,791	4.318	2,603,791		2,579,976		(23,815)			0.570	5.384	MON	28,711	28,721	11/26/2018.	11/17/2051.
12624K	AD	8	COMM 12CRE2 A4 - CMBS		..	4	1FM	2,917,364	99.700	2,816,525	2,825,000	2,892,895		(19,811)			3.150	2.391	MON	7,409	88,903	10/03/2017.	08/15/2045.
12626B	AC	8	COMM 13CC10 A3 - CMBS		..	4	1FM	3,193,359	102.786	3,083,580	3,000,000	3,103,725		(22,777)			3.920	3.073	MON	9,808	117,690	11/13/2014.	08/10/2046.
17320D	AG	3	CGCMT 13GJ11 A4 - CMBS		..	4	1FM	2,352,738	99.333	2,284,659	2,300,000	2,338,254		(9,107)			3.090	2.662	MON	5,928	71,139	05/19/2017.	04/12/2046.
17323C	AE	7	CGCMT 15GC27 A5 - CMBS		..	4	1FM	3,081,246	98.463	2,978,506	3,025,000	3,072,471		(7,688)			3.140	2.851	MON	7,908	94,894	11/07/2017.	02/12/2048.
17323V	AZ	8	CGCMT 15GC29 A4 - CMBS		..	4	1FM	6,129,639	98.405	6,150,313	6,250,000	6,140,995		11,356			3.190	3.516	MON	16,625	149,625	03/20/2018.	04/10/2048.
36191Y	BB	3	GSMS 11GC5 A4 - CMBS		..	4	1FM	4,357,816	101.323	4,383,620	4,326,382	4,355,458		(2,358)			3.710	3.380	MON	13,365	26,730	10/22/2018.	08/12/2044.
36250H	AB	9	GSMS 14GC26 A2 - CMBS		..	4	1FE	2,663,652	99.788	2,664,354	2,670,014	2,663,826		174			2.900	3.132	MON	6,457	14,322	10/22/2018.	11/13/2047.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
36250H AD 5	GSMS 14GC26 A4 - CMBS			4	1FM	6,227,051	100.353	6,272,063	6,250,000	6,228,922		1,872			3.360	3.439	MON	17,521	157,687	03/20/2018.	11/13/2047.
36251X AR 8	GSMS 16GS4 A4 - CMBS			4	1FM	1,349,298	98.972	1,296,533	1,310,000	1,341,672		(3,713)			3.440	3.099	MON	3,758	45,090	11/16/2016.	11/15/2049.
36252A AG 1	GSMS 15GS1 AS - CMBS			4	1FM	2,961,073	102.449	2,945,409	2,875,000	2,936,637		(8,207)			4.040	3.694	MON	9,672	116,064	11/16/2015.	11/13/2048.
36253B AU 7	GSMS 14GC22 A5 - CMBS			4	1FM	993,526	102.346	936,466	915,000	969,567		(9,524)			3.860	2.662	MON	2,945	35,337	06/02/2016.	06/12/2047.
36253X AA 3	GSMS 17500K A - CMBS			4	1FM	2,580,000	99.072	2,556,058	2,580,000	2,580,000					3.160	3.176	MON	3,844	68,850	07/26/2017.	07/15/2032.
46590K AE 4	JPMCC 15JP1 A5 - CMBS			4	1FM	3,735,840	102.445	3,585,575	3,500,000	3,685,159		(24,622)			3.910	3.057	MON	11,416	136,990	11/22/2016.	01/15/2049.
46636V AD 8	JPMCC 11C5 ASB - CMBS			4	1FM	1,160,659	100.701	1,165,381	1,157,269	1,160,355		(304)			3.680	3.344	MON	3,547	25,525	10/22/2018.	08/17/2046.
46639Y AQ 0	JPMCC 13LC11 A5 - CMBS			4	1FM	4,929,688	98.524	4,926,200	5,000,000	4,599,234		81,754			2.960	5.088	MON	12,333	147,995	07/08/2014.	04/17/2046.
46640U AC 6	JPMBB 13C17 A3 - CMBS			4	1FM	642,516	102.251	620,363	606,706	639,664		246			3.930	2.664	MON	1,986	63,195	07/06/2017.	01/17/2047.
46641W AV 9	JPMBB 14C19 A4 - CMBS			4	1FM	6,183,516	102.791	6,167,460	6,000,000	6,160,219		(23,297)			4.000	3.421	MON	19,983	179,843	03/20/2018.	04/17/2047.
46643P BF 6	JPMBB 14C25 ASB - CMBS			4	1FM	3,089,994	100.225	3,006,750	3,000,000	3,040,252		(12,633)			3.410	2.956	MON	8,519	102,222	11/04/2014.	11/18/2047.
46643T BJ 0	JPMBB 14C26 A4 - CMBS			4	1FM	3,700,703	100.265	3,509,275	3,500,000	3,642,821		(22,921)			3.490	2.734	MON	10,192	122,301	05/31/2016.	01/17/2048.
55358P AA 4	MSCCG 18SELF A - CMBS			4	1FE	2,200,000	98.945	2,176,790	2,200,000	2,200,000					3.180	3.229	N/A	3,307	8,989	10/09/2018.	10/15/2037.
61690V AW 8	MSBAM 15C26 ASB - CMBS			4	1FM	2,778,182	100.778	2,695,812	2,675,000	2,737,028		(15,053)			3.320	2.704	MON	7,408	88,890	09/02/2016.	10/15/2048.
61760V AP 8	MSC 12C4 A4 - CMBS			4	1FM	3,507,107	99.814	3,528,425	3,535,000	3,508,418		1,312			3.240	3.493	MON	9,556	19,113	10/22/2018.	03/17/2045.
61761D AD 4	MSBAM 12C6 A4 - CMBS			4	1FM	1,723,937	98.612	1,710,851	1,734,932	1,728,428		932			2.860	2.959	MON	4,132	50,097	12/01/2014.	11/17/2045.
61763M AE 0	MSBAM 14C16 A4 - CMBS			4	1FM	3,638,735	101.022	3,662,048	3,625,000	3,636,763		(1,972)			3.600	3.525	MON	10,875	76,125	05/14/2018.	06/17/2047.
61763U AZ 5	MSBAM 14C17 A5 - CMBS			4	1FM	6,619,590	101.573	6,602,245	6,500,000	6,604,972		(14,617)			3.740	3.409	MON	20,264	182,374	03/26/2018.	08/15/2047.
61764P BR 2	MSBAM 14C19 A2 - CMBS			4	1FM	4,996,680	99.992	4,999,600	5,000,000	4,996,130		(550)			3.100	3.061	MON	12,921	25,842	10/22/2018.	12/17/2047.
90205F AA 8	PRK 17280P A - CMBS			4	1FM	2,130,000	99.152	2,111,938	2,130,000	2,130,000					3.270	3.358	MON	3,286	11,463	10/31/2018.	09/15/2034.
92936J BB 9	WFRBS 11C5 A4 - CMBS			4	1FM	5,025,932	101.088	5,054,400	5,000,000	5,023,787		(2,145)			3.670	3.441	MON	15,279	30,558	10/22/2018.	11/18/2044.
92936Q AG 3	WFRBS 12C6 A4 - CMBS			4	1FM	5,193,359	100.551	5,027,550	5,000,000	5,071,863		(28,696)			3.440	2.834	MON	14,333	172,000	07/09/2014.	04/17/2045.
92937E AZ 7	WFRBS 13C11 A5 - CMBS			4	1FM	2,661,326	99.298	2,571,818	2,590,000	2,644,770		(13,770)			3.070	2.492	MON	6,628	79,539	10/13/2017.	03/17/2045.
92939F AU 3	WFRBS 14C21 A5 - CMBS			4	1FM	5,149,695	101.631	5,081,550	5,000,000	5,086,030		(15,271)			3.680	3.331	MON	15,325	183,900	07/18/2014.	08/16/2047.
94989H AQ 3	WFCM 15NXS1 A5 - CMBS			4	1FM	6,142,822	98.364	6,147,750	6,250,000	6,152,590		9,768			3.150	3.432	MON	16,396	147,562	03/22/2018.	05/15/2048.
95000G AY 0	WFCM 16BNK1 A3 - CMBS			4	1FM	3,713,042	94.075	3,391,404	3,605,000	3,688,392		(10,559)			2.650	2.313	MON	7,967	95,605	08/04/2016.	08/17/2049.
3499999. Industrial & Miscellaneous - Commercial Mortgage-Backed Securities						147,424,739	XXX	145,530,801	141,739,254	146,284,349	0	(255,591)	0	0	XXX	XXX	XXX	415,180	3,398,823	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
00162L CN 5	ALM 16R2 AA2 - CDO		C	4	1FE	1,250,000	98.979	1,237,238	1,250,000	1,250,000					3.340	3.352	JAJO	9,036	12,152	06/20/2018.	07/16/2027.
04964K AL 5	ATRM 9R AR - CDO		D	4	1FE	3,532,900	99.728	3,490,480	3,500,000	3,553,807		21,480			3.950	3.600	FMAN	13,046	115,686	08/31/2017.	05/30/2030.
05363U AS 2	AVERY 4R AR - CDO		C	4	1FE	2,439,018	99.883	2,425,251	2,428,092	2,440,425		3,035			3.590	2.790	JAJO	16,465	83,708	09/08/2017.	04/27/2026.
06761C AA 7	BABSN 162R AR - CDO		C	4	1FE	4,270,000	99.892	4,265,388	4,270,000	4,270,000					3.820	3.873	JAJO	4,982		12/07/2018.	07/20/2028.
09626Q BC 0	BLUEM 142RR BR2 - CDO			4	1FE	4,200,000	97.669	4,102,098	4,200,000	4,200,000					4.220	4.161	JAJO	34,947		09/06/2018.	10/21/2030.
09629E AE 1	BLUEM 2 A2 - CDO		C	4	1FE	2,830,000	97.641	2,763,240	2,830,000	2,830,000					4.070	4.087	JAJO	22,716	107,642	08/21/2017.	10/21/2030.
12548R AC 8	CIFC 142RR A2 - CDO		C	4	1FE	4,000,000	97.179	3,887,160	4,000,000	4,000,000					4.090	4.110	JAJO	31,337	65,876	05/04/2018.	04/24/2030.
12550T AA 3	CIFC 154 A1A - CDO		C	4	1FE	4,866,225	100.000	4,875,000	4,875,000	4,924,852		41,581			3.910	3.437	JAJO	37,583	168,648	07/25/2016.	10/20/2027.
12550T AN 5	CIFC A1R - CDO		C	4,5	1FE	4,875,000	100.000	4,875,000	4,875,000	4,875,000					3.940	4.600	MON			12/14/2018.	10/20/2027.
126650 BQ 2	CVSPAS 07 CTF - ABS			1	4AM	899,038	111.205	914,231	822,113	870,783		(3,894)			6.940	5.762	MON	3,330	57,348	02/14/2011.	01/10/2030.
126650 BV 1	CVSPAS 10B CTF - ABS			4	2FE	3,014,087	105.249	2,830,285	2,689,132	2,984,355		(29,732)			5.770	4.152	MON	9,056	142,926	01/10/2018.	01/10/2033.
14312Q AC 0	CARMX 164 A3 - ABS			4	1FE	3,834,653	98.854	3,819,353	3,863,630	3,852,390		11,145			1.400	1.805	MON	2,404	55,288	07/12/2017.	08/16/2021.
14314J AE 0	CARMX 171 B - ABS			4	1FE	504,004	98.920	494,600	500,000	502,800		(964)			2.540	2.344	MON	564	12,700	09/27/2017.	09/15/2022.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
14314R AE 2	CARMX 174 B - ABS			4	1FE	874,923	98.353	860,589	875,000	874,942		16			2.460	2.475	MON	957	21,525	10/17/2017.	08/15/2023.
14314W AD 3	CARMX 173 A3 - ABS			4	1FE	1,309,745	98.932	1,296,009	1,310,000	1,309,876		92			1.970	1.985	MON	1,147	25,807	07/18/2017.	04/15/2022.
165183 AT 1	CFII 173 B - ABS			4	1FE	1,524,790	98.509	1,502,262	1,525,000	1,524,906		898			2.570	2.589	MON	1,742	39,192	08/01/2017.	08/15/2029.
17305E GF 6	CCCIT 17A7 A7 - ABS			4	1FE	5,012,109	99.815	4,990,750	5,000,000	5,038,188		24,762			2.760	2.552	MON	8,424	116,666	08/21/2017.	08/08/2024.
17305E GG 4	CCCIT 17A8 A8 - ABS			4	1FE	4,499,479	98.403	4,428,135	4,500,000	4,499,718		(75)			1.860	1.864	FA	33,480	83,468	08/01/2017.	08/08/2022.
17305E GK 5	CCCIT 18A1 A1 - ABS			4	1FE	3,649,495	99.232	3,621,968	3,650,000	3,649,638		143			2.490	2.494	JJ	40,646	42,918	01/25/2018.	01/20/2023.
24704A AD 8	DEFT 181 A3 - ABS			4	1FE	4,623,555	100.074	4,628,423	4,625,000	4,623,772		217			3.180	3.219	MON	3,677	49,025	09/19/2018.	06/22/2023.
26244G AE 5	DRSLF 40R AR - CDO			4	1FE	4,000,000	100.000	4,000,000	4,000,000	4,000,000					3.720	3.732	FMAN	19,406	35,053	08/10/2018.	08/15/2031.
26244K AQ 9	DRSLF 41R BR - CDO			4	1FE	3,455,000	95.331	3,293,686	3,455,000	3,455,000					3.740	3.754	JAJO	27,969	73,371	02/21/2018.	04/15/2031.
26250U AQ 8	DRSLF 26R AR - CDO			4	1FE	4,192,440	98.802	4,149,684	4,200,000	4,194,410		1,970			3.340	3.397	JAJO	30,360	68,868	08/30/2018.	04/16/2029.
29372E BV 9	EFF 171 A2 - ABS			4	1FE	1,151,834	99.421	1,140,265	1,146,906	1,149,049		(1,536)			2.130	1.871	MON	746	25,707	07/19/2017.	07/20/2022.
34528Q FJ 8	FORDF 171 A1 - ABS			4	1FE	5,024,023	98.685	4,934,250	5,000,000	5,012,231		(8,740)			2.070	1.901	MON	4,600	103,500	08/21/2017.	05/15/2022.
34530U AA 9	FORDR 16REV1 A - ABS			4	1FE	1,738,889	98.676	1,712,029	1,735,000	1,736,828		(837)			2.310	2.270	MON	1,781	40,079	06/17/2016.	08/15/2027.
34532R AA 4	FORDR 18REV1 A - ABS			4	1FE	1,793,531	99.369	1,788,642	1,800,000	1,794,235		704			3.190	3.271	MON	2,552	47,850	03/01/2018.	07/15/2031.
36159L CS 3	GEDFT 152 A - ABS			4	1FE	4,345,019	100.232	4,319,999	4,310,000	4,344,206		1,514			3.120	2.379	MON	4,483	113,308	07/12/2017.	01/20/2022.
361886 AY 0	GFORT 172 B - ABS			4	1FE	2,464,963	98.829	2,436,135	2,465,000	2,464,979		13			2.440	2.453	MON	2,673	60,146	08/15/2017.	07/15/2022.
361886 BM 5	GFORT 182 B - ABS			4	1FE	1,579,603	100.359	1,585,672	1,580,000	1,579,628		24			3.240	3.277	MON	2,275	36,545	03/21/2018.	03/15/2023.
36254M AF 5	GMCAR 173 B - ABS			4	1FE	1,324,970	98.512	1,305,284	1,325,000	1,324,978		80			2.330	2.342	MON	1,286	30,873	10/03/2017.	03/16/2023.
38013R AF 2	GMCAR 182 B - ABS			4	1FE	3,754,662	100.425	3,770,959	3,755,000	3,754,710		48			3.120	3.142	MON	4,882	77,128	04/11/2018.	12/18/2023.
380881 CP 5	GCCT 152A A - ABS		A	4	1FE	3,336,433	98.753	3,293,413	3,335,000	3,335,681		(518)			2.020	2.012	MON	2,994	67,367	07/12/2017.	04/15/2022.
44891E AE 9	HART 16B B - ABS			4	1FE	2,084,854	98.065	2,064,268	2,105,000	2,092,868		5,557			1.820	2.108	MON	1,703	38,311	07/17/2017.	11/15/2022.
44891G AD 6	HALST 17B A3 - ABS			4	1FE	2,049,873	99.467	2,034,100	2,045,000	2,046,267		(2,457)			1.970	1.852	MON	1,791	40,287	07/19/2017.	07/15/2020.
44891K AF 2	HART 18A B - ABS			4	1FE	4,499,627	100.542	4,524,390	4,500,000	4,499,686		59			3.140	3.163	MON	6,280	93,023	04/10/2018.	06/17/2024.
50189P AC 6	LCM 25 A - CDO		C	4	1FE	3,485,000	99.987	3,484,547	3,485,000	3,485,000					3.680	3.693	JAJO	25,286	127,738	07/10/2017.	07/20/2030.
55315X AE 1	MMAF 17A A5 - ABS			4	1FE	1,229,195	98.537	1,212,005	1,230,000	1,229,447		149			2.680	2.709	MON	1,374	32,964	04/25/2017.	07/16/2027.
55819Y AC 4	MDPK 26R BR - CDO			4	1FE	3,245,000	97.384	3,160,111	3,245,000	3,245,000					4.110	4.141	JAJO	23,699	127,100	09/05/2017.	07/29/2030.
55952Y AP 2	MAGNE 8RR AR2 - CDO		C	4	1FE	1,435,000	98.694	1,416,259	1,435,000	1,435,000					3.420	3.433	JAJO	10,622	19,754	04/20/2018.	04/15/2031.
55953B AK 2	MAGNE 9R A2R - CDO		D	4	1FE	1,655,000	99.483	1,646,444	1,655,000	1,655,000					3.990	4.030	JAJO	12,473	57,922	05/26/2017.	07/27/2026.
69335P CL 7	PFSFC 17D A - ABS			4	1FE	2,324,409	98.678	2,294,264	2,325,000	2,324,638		194			2.400	2.421	MON	2,480	55,800	10/17/2017.	10/17/2022.
78447A AA 2	SLMA 123 A - ABS			4	1FE	2,323,176	99.957	2,308,829	2,309,822	2,320,904		(1,586)			3.160	3.061	MON	1,215	61,906	07/24/2017.	12/26/2025.
81376N AE 5	SSTRT 172 A4 - ABS		A	4	1FE	2,455,000	98.103	2,408,429	2,455,000	2,455,000					2.290	2.300	MON	937	56,195	09/27/2017.	03/25/2022.
87165L AF 8	SYNCT 151 A - ABS			4	1FE	3,788,965	99.238	3,721,425	3,750,000	3,762,200		(9,878)			2.370	2.106	MON	3,950	88,875	03/22/2016.	03/15/2023.
87165V AF 6	SYMP 16R AR - CDO		C	4,5	1FE	4,000,000	99.188	3,967,520	4,000,000	4,000,000					3.470	3.517	JAJO	44,683		08/29/2018.	10/15/2031.
92348M AA 7	VZOT 162 A - ABS			4	1FE	2,670,936	99.436	2,655,664	2,670,727	2,670,778		(89)			1.680	1.682	MON	1,371	45,329	05/19/2017.	05/20/2021.
92348R AC 2	VZOT 173 B - ABS			4	1FE	1,394,987	99.046	1,381,692	1,395,000	1,394,996		(2,024)			2.380	2.392	MON	1,014	33,201	10/11/2017.	04/20/2022.
92349F AA 1	VZOT 181 A1A - ABS			4	1FE	3,036,733	99.750	3,041,378	3,049,000	3,039,860		3,127			2.820	3.030	MON	2,627	50,156	06/05/2018.	09/20/2022.
96328D AZ 7	WHLS 171 A2 - ABS			4	1FE	614,237	99.341	610,195	614,243	614,238		1			1.880	1.880	MON	353	11,958	07/17/2017.	04/20/2026.
981464 GH 7	WFNMT 17C A - ABS			4	1FE	5,668,181	98.644	5,622,708	5,700,000	5,672,590		4,386			2.310	2.602	MON	5,852	107,490	09/12/2018.	08/15/2024.
98161T AD 7	WOART 17B A3 - ABS			4	1FE	1,429,631	98.175	1,403,903	1,430,000	1,429,792		113			1.950	1.966	MON	1,239	27,885	07/25/2017.	02/15/2023.
98162Q AE 0	WOART 18B B - ABS			4	1FE	2,763,973	99.495	2,751,037	2,765,000	2,764,101		128			3.170	3.199	MON	3,896	59,408	04/04/2018.	01/15/2025.
3599999. Industrial & Miscellaneous - Other Loan-Backed and Structured Securities						152,324,165	XXX	150,746,646	151,858,665	152,358,752	0	59,106	0	0	XXX	XXX	XXX	534,391	3,115,672	XXX	XXX

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
3899999. Total - Industrial & Miscellaneous (Unaffiliated)						1,046,215,354	XXX	1,010,937,804	912,132,770	1,040,283,553	(1,947,649)	(1,383,845)	0	0	XXX	XXX	XXX	8,129,966	27,055,738	XXX	XXX
Hybrid Securities - Issuer Obligations																					
05578Q AC 7	BPCE SA		C		2FE	1,256,088	98.443	1,181,316	1,200,000	1,246,814		(7,464)			4.630	3.835	JJ	26,208	55,500	09/27/2017.	07/11/2024.
05578Q AD 5	BPCE SA		C		2FE	683,907	96.944	678,608	700,000	685,110		1,203			4.500	4.902	MS	9,275	15,750	06/06/2018.	03/15/2025.
060505 EH 3	BANK OF AMERICA CORP			2,5	2FE	804,375	98.925	741,938	750,000	794,047		(6,554)			6.250	5.047	MS	15,104	46,875	05/18/2017.	12/29/2049.
060505 EU 4	BANK OF AMERICA CORP			2,5	2FE	3,028,125	101.815	2,799,913	2,750,000	2,990,097		(27,658)			6.300	4.837	MS	53,419	173,250	09/13/2017.	12/29/2049.
12561A AA 1	CK HUTCHISON CAPITAL SECURITIES (17) LTD		C	2	2FE	593,200	93.881	553,898	590,000	591,382		(1,362)			4.000	3.756	MN	3,212	23,600	04/18/2018.	12/29/2049.
14040H BH 7	CAPITAL ONE FINANCIAL CORP			2,5	3FE	1,565,625	96.561	1,448,415	1,500,000	1,448,415	(83,174)	(21,293)			5.550	4.003	JD	6,938	83,250	05/16/2017.	12/29/2049.
149206 AA 2	CATLIN INSURANCE CO LTD		C	1,2	1FE	581,175	93.850	769,570	820,000	598,580		7,138			5.430	7.827	JAJO	9,144	40,933	07/20/2016.	07/29/2049.
172967 KD 2	CITIGROUP INC			2,5	3FE	1,609,200	97.750	1,564,000	1,600,000	1,564,000	(39,947)	(1,940)			6.130	5.984	MN	12,522	98,000	03/18/2016.	12/29/2049.
172967 KM 2	CITIGROUP INC			2,5	3FE	2,084,000	95.895	1,917,900	2,000,000	1,917,900	(162,686)	(3,414)			6.250	5.593	FA	47,222	62,500	08/01/2018.	12/29/2049.
269246 BN 3	E*TRADE FINANCIAL CORP			2,5	3FE	997,500	90.250	902,500	1,000,000	902,500	(95,042)	42			5.880	5.892	MS	17,299		10/26/2018.	09/15/2026.
269246 BR 4	E*TRADE FINANCIAL CORP			2,5	3FE	900,000	83.010	747,090	900,000	747,090	(152,910)				5.300	5.298	MS	14,045	36,968	11/27/2017.	12/29/2049.
29250R AK 2	ENBRIDGE ENERGY PARTNERS LP		C	1,2	3FE	1,942,623	98.500	1,871,500	1,900,000	1,864,618	(15,750)	767			6.190	6.262	JAJO	29,419	110,120	09/29/2015.	10/01/2077.
316773 CR 9	FIFTH THIRD BANCORP			2,5	3FE	4,069,270	96.250	3,873,100	4,024,000	3,873,100	(167,896)	(22,078)			4.900	4.315	MS	49,842	197,176	09/14/2017.	12/29/2049.
369604 BQ 5	GENERAL ELECTRIC CO			2,5	2FE	6,320,745	76.625	4,729,295	6,172,000	6,237,102		(29,518)			5.000	4.459	JD	13,716	308,600	01/20/2016.	12/29/2049.
37045X CA 2	GENERAL MOTORS FINANCIAL COMPANY INC			2,5	3FE	2,781,250	79.550	2,227,400	2,800,000	2,227,400	(553,987)	137			5.750	5.796	MS	40,697	135,125	08/23/2018.	12/31/2049.
373334 44 0	GEORGIA POWER CO			2	2FE	19,275	21.210	16,353	19,275	19,275					5.000	5.000	JAJO		1,013	09/18/2017.	10/01/2077.
38148B AD 0	GOLDMAN SACHS GROUP INC			2,5	3FE	4,873,708	84.562	4,446,270	5,258,000	4,446,270	(417,319)	681			5.000	5.491	MN	37,244	91,000	11/13/2018.	12/29/2049.
4042Q1 AA 5	HSBC BANK USA		C		1FE	2,031,260	111.223	2,224,460	2,000,000	2,023,477		(889)			5.880	5.761	MN	19,583	117,500	12/26/2006.	11/01/2034.
46625H HA 1	JPMORGAN CHASE & CO			2	2FE	3,870,639	99.000	3,550,140	3,586,000	3,586,000		(29,949)			5.990	6.076	JAJO	37,593	268,708	03/23/2015.	12/29/2049.
46625H JQ 4	JPMORGAN CHASE & CO			2,5	2FE	6,378,425	103.450	5,795,269	5,602,000	6,209,259		(104,916)			6.750	4.346	FA	157,556	378,135	08/02/2017.	08/29/2049.
493267 AK 4	KEYCORP			2,5	3FE	8,411,550	91.625	7,655,269	8,355,000	7,655,269	(740,965)	(6,897)			5.000	4.889	MJSD	18,567	367,750	09/10/2018.	09/09/2066.
514666 AK 2	LAND O'LAKES INC			2	3FE	2,705,000	106.000	2,835,500	2,675,000	2,700,290		(2,947)			8.000	7.811	MJSD	9,511	214,000	08/30/2016.	12/29/2049.
53079E AN 4	LIBERTY MUTUAL GROUP INC			1,5	3FE	592,065	109.250	580,118	531,000	580,118	(8,351)	(1,571)			7.800	6.758	MS	12,195	41,418	07/19/2016.	03/07/2087.
55261F AH 7	M&T BANK CORP			2,5	2FE	1,560,000	94.875	1,480,050	1,560,000	1,560,000					5.130	5.125	MN	13,325	79,950	10/25/2016.	12/29/2049.
58551T AA 5	MELLON CAPITAL IV			2	2FE	1,856,250	76.088	1,902,200	2,500,000	1,909,105		19,366			4.000	5.697	MJSD	3,333	101,389	04/07/2016.	06/29/2049.
59156R BP 2	METLIFE INC			2,5	2FE	4,914,688	96.250	4,812,500	5,000,000	4,907,553		(2,549)			5.250	5.295	JD	11,667	262,500	03/18/2016.	12/29/2049.
693475 AK 1	PNC FINANCIAL SERVICES GROUP INC			2,5	2FE	6,128,125	101.750	5,596,250	5,500,000	5,778,833		(99,358)			6.750	4.645	FA	154,688	371,250	04/07/2015.	12/29/2049.
808513 AP 0	CHARLES SCHWAB CORP			2,5	2FE	1,000,000	91.750	917,500	1,000,000	1,000,000					4.630	4.626	MS	15,417	46,250	10/24/2016.	12/29/2049.
867914 BJ 1	SUNTRUST BANKS INC			2,5	3FE	297,000	99.250	297,750	300,000	297,000					5.630	5.691	JD	750	16,875	03/30/2016.	12/29/2049.
902973 AY 2	U.S. BANCORP			2,5	2FE	2,000,000	99.125	1,982,500	2,000,000	2,000,000					5.130	2.986	JJ	47,264	102,500	11/16/2015.	12/29/2049.
949746 PM 7	WELLS FARGO & CO			2	2FE	5,381,438	99.500	4,825,750	4,850,000	4,850,000		(36,273)			6.560	6.653	MJSD	13,253	418,793	04/09/2015.	03/29/2049.
949746 RG 8	WELLS FARGO & CO			2,5	2FE	3,047,400	95.400	2,862,000	3,000,000	3,045,283		(2,117)			5.900	5.575	JD	7,867	88,500	08/27/2018.	12/29/2049.
98105H AF 7	WOORI BANK		C	2	3FE	243,840	97.848	234,835	240,000	234,835	(8,126)	(789)			5.250	4.847	MN	1,575	12,600	11/16/2017.	05/16/2022.
G68259 AA 1	OVPH LTD		D	2	2FE	473,850	93.309	419,891	450,000	465,625		(6,759)			5.880	4.178	MS	8,813	26,438	10/10/2017.	12/29/2049.
M7301X AA 2	NBK TIER I FINANCING LTD		D	2	2FE	564,259	100.818	544,417	540,000	554,542		(6,403)			5.750	4.486	AO	7,073	31,050	07/17/2017.	12/29/2049.
P16259 AH 9	BBVA BANCOMER SA DE CV		C	1	2FE	961,472	105.375	895,688	850,000	936,079		(19,828)			6.750	3.819	MS	14,503	50,625	04/18/2018.	09/30/2022.
Y12355 AB 2	CCB LIFE INSURANCE CO LTD		D	2	2FE	1,638,388	87.624	1,410,746	1,610,000	1,631,782		(5,727)			4.500	4.057	AO	14,088	72,450	01/25/2018.	04/21/2137.
Y1R019 AA 9	CHINA LIFE INSURANCE CO LTD		D	2	1FE	868,600	93.500	804,100	860,000	865,174		(3,285)			4.000	3.586	JJ	17,009	34,400	12/12/2017.	07/03/2075.
Y1R02P AA 2	CHINA LIFE INSURANCE OVERSEAS COMPANY LT		D	2	1FE	368,838	95.256	352,447	370,000	368,976		104			3.350	3.387	JJ	5,302	12,395	09/28/2017.	07/27/2027.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
Y3180F AE 5	HEUNGKUK LIFE INSURANCE CO LTD		D	2	2FE	1,190,470	88.298	1,077,236	1,220,000	1,191,289		812			4.480	4.622	MN	7,886	54,595	04/18/2018.	11/09/2077.
Y7T81N AA 6	SHANGHAI COMMERCIAL BANK LTD		D	2	2FE	837,688	96.494	839,498	870,000	838,730		1,042			3.750	4.238	MN	2,900	16,313	08/23/2018.	11/29/2027.
Y9244X ZM 2	UNITED OVERSEAS BANK LTD		D	2	2FE	798,800	92.015	736,120	800,000	798,841		37			3.880	3.883	AO	6,200	31,000	11/29/2017.	12/29/2049.
4299999. Hybrid Securities - Issuer Obligations						92,230,111	XXX	85,101,300	90,252,275	88,141,760	(2,446,153)	(420,209)	0	0	XXX	XXX	XXX	993,224	4,697,044	XXX	XXX
4899999. Total - Hybrid Securities						92,230,111	XXX	85,101,300	90,252,275	88,141,760	(2,446,153)	(420,209)	0	0	XXX	XXX	XXX	993,224	4,697,044	XXX	XXX
SVO Identified Funds - Exchange Traded Funds as Identified by the SVO																					
92189F 49 4	VNECK VCTRS:JPM EM LC BD		..		2	1,130,448	33.000	1,131,141		1,131,141	693						N/A	6,242	3,011	12/07/2018.	
5899999. SVO Identified Funds - Exchanged Traded Funds as Identified by the SVO						1,130,448	XXX	1,131,141	0	1,131,141	693	0	0	0	XXX	XXX	XXX	6,242	3,011	XXX	XXX
6099999. Total - SVO Identified Funds						1,130,448	XXX	1,131,141	0	1,131,141	693	0	0	0	XXX	XXX	XXX	6,242	3,011	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						2,314,275,003	XXX	2,273,019,881	2,078,853,043	2,275,056,248	(4,971,868)	(11,287,089)	0	0	XXX	XXX	XXX	24,861,339	76,293,676	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						343,795,773	XXX	339,792,424	340,663,544	343,929,256	0	42,422	0	0	XXX	XXX	XXX	958,669	7,495,043	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						223,963,534	XXX	220,540,810	216,965,620	222,488,347	0	(459,615)	0	0	XXX	XXX	XXX	562,303	4,903,197	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						211,853,858	XXX	210,522,762	206,558,665	210,105,304	0	(465,305)	0	0	XXX	XXX	XXX	1,171,888	5,586,752	XXX	XXX
8199999. Total - SVO Identified Funds						1,130,448	XXX	1,131,141	0	1,131,141	693	0	0	0	XXX	XXX	XXX	6,242	3,011	XXX	XXX
8399999. Grand Total - Bonds						3,095,018,616	XXX	3,045,007,018	2,843,040,872	3,052,710,296	(4,971,175)	(12,169,587)	0	0	XXX	XXX	XXX	27,560,441	94,281,679	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1			2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
				3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification			Description	Code	For eign	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation and Administrative Symbol / Market Indicator	Date Acquired
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																						
00850L	20	3	AGRIBANK FCB			1,000.000	100.00		102,500	102.500	102,500	106,000	1,719	6,875		(7,062)			(7,062)		P2FEU	03/30/2015.
020002	12	7	ALLSTATE CORP			59,845.000	25.00		1,433,288	23.950	1,433,288	1,450,731	21,039			(17,443)			(17,443)		P2FEL	11/30/2018.
020002	87	9	ALLSTATE CORP			59,334.000	25.00		1,490,470	25.120	1,490,470	1,612,163	24,568	98,272		(67,047)			(67,047)		P2FEL	05/06/2015.
025816	BJ	7	AMERICAN EXPRESS CO			2,500,000.000	1,000.00	98.625	2,465,625	98.625	2,465,625	2,506,014				(39,732)	(657)		(40,389)		RP3FEV	11/20/2018.
025816	BL	2	AMERICAN EXPRESS CO			3,000,000.000	1,000.00	95.875	2,659,685	95.875	2,876,250	2,628,750		147,000			10,973		10,973		RP3FEU	03/03/2016.
054937	40	4	BB&T CORP			298,142.000	25.00		6,964,597	23.360	6,964,597	7,389,476		195,199		(452,214)			(452,214)		P2FEL	10/10/2018.
054937	87	5	BB&T CORP			14,520.000	25.00		341,365	23.510	341,365	362,440		20,419		(50,675)			(50,675)		P2FEL	03/18/2016.
060505	EL	4	BANK OF AMERICA CORP			5,000,000.000	1,000.00		5,159,195	101.375	5,068,750	5,262,500		325,000			(27,383)		(27,383)		RP2FEV	03/23/2015.
060505	FL	3	BANK OF AMERICA CORP			8,150,000.000	1,000.00		7,430,111	91.167	7,430,111	8,131,500		92,531		(701,390)			(701,390)		P2FEU	10/16/2018.
064058	AF	7	BANK OF NEW YORK MELLON CORP			900,000.000	1,000.00		811,125	90.125	811,125	900,000		41,625		(105,750)			(105,750)		P2FEV	07/25/2016.
14040H	40	2	CAPITAL ONE FINANCIAL CORP			56,724.000	25.00	24.590	1,394,843	24.590	1,394,843	1,407,890		27,480		(13,047)			(13,047)		P3FEL	10/15/2018.
14040H	60	0	CAPITAL ONE FINANCIAL CORP			130,000.000	25.00	25.060	3,257,800	25.060	3,257,800	3,329,087		203,125		(71,287)			(71,287)		P3FEL	05/05/2015.
14040H	70	9	CAPITAL ONE FINANCIAL CORP			65,140.000	25.00	25.350	1,651,299	25.350	1,651,299	1,739,850		109,110		(86,038)			(86,038)		P3FEL	05/15/2015.
14040H	84	0	CAPITAL ONE FINANCIAL CORP			92,190.000	25.00	24.910	2,296,453	24.910	2,296,453	2,396,427		95,760		(99,974)			(99,974)		P3FEL	10/15/2018.
14040H	86	5	CAPITAL ONE FINANCIAL CORP			35,487.000	25.00	21.620	767,229	21.620	767,229	882,941		46,133		(114,688)			(114,688)		P3FEL	01/09/2018.
14040H	88	1	CAPITAL ONE FINANCIAL CORP			52,103.000	25.00	25.270	1,316,643	25.270	1,316,643	1,377,840		80,760		(61,198)			(61,198)		P3FEL	08/11/2017.
15189T	AS	6	CENTERPOINT ENERGY INC			4,625,000.000	1,000.00		4,515,156	97.625	4,515,156	4,652,715				(137,559)			(137,559)		P2FEU	09/27/2018.
172967	34	1	CITIGROUP INC			174,336.000	25.00	26.220	4,571,090	26.220	4,571,090	4,767,112		299,155		(187,076)			(187,076)		P3FEL	02/02/2018.
172967	JK	8	CITIGROUP INC			1,000,000.000	1,000.00	96.625	966,250	96.625	966,250	988,545				(22,295)			(22,295)		P3FEU	12/18/2018.
172967	JM	4	CITIGROUP INC			3,500,000.000	1,000.00	90.625	3,171,875	90.625	3,171,875	3,784,817		208,250		(560,692)			(560,692)		P3FEU	01/03/2018.
174610	AH	8	CITIZENS FINANCIAL GROUP INC			2,000,000.000	1,000.00	99.000	1,966,013	99.000	1,980,000	1,962,938		110,000			1,096		1,096		RP3FEV	07/18/2016.
174610	AQ	8	CITIZENS FINANCIAL GROUP INC			3,600,000.000	1,000.00	93.750	3,375,000	93.750	3,375,000	3,600,000				(225,000)			(225,000)		P3FEV	10/22/2018.
19075Q	86	2	COBANK ACB			33,000.000	100.00		3,316,500	100.500	3,316,500	3,368,500	51,150	204,600		(226,875)			(226,875)		P2FEU	05/07/2015.
19075Q	87	0	COBANK ACB			9,785.000	100.00		983,393	100.500	983,393	912,024	14,983	59,933		(15,901)			(15,901)		P2FEU	03/31/2015.
229899	20	8	CULLEN/FROST BANKERS INC			166,460.000	25.00		3,891,835	23.380	3,891,835	4,168,864		223,681		(289,640)			(289,640)		P2FEL	08/11/2017.
316773	60	5	FIFTH THIRD BANCORP			58,319.000	25.00	25.870	1,507,925	25.870	1,508,713	1,622,864		94,992		(114,939)			(114,939)		P3FEL	12/21/2018.
38145G	30	8	GOLDMAN SACHS GROUP INC			12,300.000	25.00	24.200	297,660	24.200	297,660	307,254		4,228		(9,594)			(9,594)		P3FEL	10/10/2018.
38148B	10	8	GOLDMAN SACHS GROUP INC			229,111.000	25.00	25.400	5,816,737	25.400	5,819,419	6,128,108		315,570		(311,371)			(311,371)		P3FEL	12/21/2018.
38148B	AB	4	GOLDMAN SACHS GROUP INC			450,000.000	1,000.00	96.752	435,384	96.752	435,384	450,000		24,188		(14,616)			(14,616)		P3FEV	04/16/2015.
416518	60	3	HARTFORD FINANCIAL SERVICES GROUP INC			134,583.000	25.00		3,396,875	25.240	3,396,875	3,360,480				36,395			36,395		P2FEL	11/16/2018.
446150	70	8	HUNTINGTON BANCSHARES INC			83,784.000	25.00	24.820	2,079,519	24.820	2,079,519	2,119,262	32,728	117,370		(39,743)			(39,743)		P3FEL	12/20/2018.
446150	AL	8	HUNTINGTON BANCSHARES INC			2,930,000.000	1,000.00	88.937	2,605,854	88.937	2,605,854	2,885,928		70,770		(280,073)			(280,073)		P3FEV	12/20/2018.
493267	70	2	KEYCORP			30,600.000	25.00	25.820	765,960	25.820	790,092	765,960		46,856					0		P3FEL	12/20/2016.
493267	87	6	KEYCORP			101,136.000	25.00	22.780	2,303,878	22.780	2,303,878	2,447,012		53,571		(143,134)			(143,134)		P3FEL	10/18/2018.
55261F	60	9	M&T BANK CORP			3,400.000	1,000.00		3,399,932	999.980	3,399,932	3,468,000		216,750		(306,068)			(306,068)		P2FEL	03/27/2015.
55264U	40	5	MB FINANCIAL INC			10,000.000	25.00		252,900	25.290	252,900	246,500		3,750		6,400			6,400		P2PLL	10/16/2018.
59156R	BT	4	METLIFE INC			7,906,000.000	1,000.00		7,599,643	96.125	7,599,643	8,076,116		124,393		(476,474)			(476,474)		P2FEV	11/21/2018.
61761J	40	6	MORGAN STANLEY			172,588.000	25.00	25.230	4,354,395	25.230	4,354,395	4,539,516	68,766	198,423		(185,121)			(185,121)		P3FEL	12/20/2018.

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	F or ei gn	Number of Shares	Par Value per Share	Rate per Share	Book/Adjusting Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Desig nation and Admini strative Symbol / Market Indicator	Date Acquired
61762V 60 6	MORGAN STANLEY			255,078.000	25.00	24.280	6,193,294	24.280	6,193,294	6,645,424	93,264	163,996		(442,781)			(442,781)		P3FEL	10/08/2018.
61763E 20 7	MORGAN STANLEY			113,000.000	25.00	25.900	2,926,700	25.900	2,926,700	3,083,090	48,555	194,220		(156,390)			(156,390)		P3FEL	03/18/2016.
649445 20 2	NEW YORK COMMUNITY BANCORP INC			169,350.000	25.00	22.820	3,864,567	22.820	3,864,567	4,340,991		192,443		(476,424)			(476,424)		P4FEL	10/04/2018.
65473P AC 9	NISOURCE INC			6,085,000.000	1,000.00	93.125	5,666,656	93.125	5,666,656	6,095,399		175,721		(428,743)			(428,743)		P3FEU	07/27/2018.
693475 85 7	PNC FINANCIAL SERVICES GROUP INC			117,087.000	25.00		3,013,819	25.740	3,013,819	3,035,422		15,313		(39,303)			(39,303)		P2FEL	12/21/2018.
712704 20 4	PEOPLE'S UNITED FINANCIAL INC			116,855.000	25.00	22.210	2,595,350	22.210	2,595,350	3,028,938		121,236		(433,588)			(433,588)		P3FEL	11/02/2018.
7591EP 50 6	REGIONS FINANCIAL CORP			272,298.000	25.00	24.790	6,744,646	24.790	6,750,267	7,077,758		183,334		(333,112)			(333,112)		P3FEL	12/21/2018.
78409B 20 7	SCE TRUST III			8,378.000	25.00		193,867	23.140	193,867	207,494		3,011		(13,627)			(13,627)		P2FEL	10/04/2018.
78409W 20 1	SCE V 5.45 FXD FLTG RATE PRF			23,168.000	25.00		483,748	20.880	483,748	590,927		31,566		(107,179)			(107,179)		P2FEL	02/20/2018.
78410V 20 0	SCE TRUST VI			140,612.000	25.00		2,557,732	18.190	2,557,732	3,495,834		175,765		(806,076)			(806,076)		P2FEL	02/22/2018.
808513 60 0	CHARLES SCHWAB CORP			47,577.000	25.00		1,189,425	25.000	1,189,425	1,201,430		70,795		(95,154)			(95,154)		P2FEL	05/09/2016.
808513 AR 6	CHARLES SCHWAB CORP			4,511,000.000	1,000.00		3,796,007	84.150	3,796,007	4,511,000		244,974		(737,774)			(737,774)		P2FEV	10/25/2017.
857477 85 5	STATE STREET CORP			166,395.000	25.00		3,973,513	23.880	3,973,513	4,514,550		222,503		(539,120)			(539,120)		P2FEL	10/12/2017.
857477 88 9	STATE STREET CORP			167,439.000	25.00		4,212,765	25.160	4,212,765	4,292,259		251,159		(217,671)			(217,671)		P2FEL	05/05/2015.
857477 BA 0	STATE STREET CORP			4,500,000.000	1,000.00		4,258,125	94.625	4,258,125	4,500,000		54,844		(241,875)			(241,875)		P2FEV	09/20/2018.
85917A 20 9	ASTORIA FINANCIAL CORP			13,658.000	25.00		340,084	24.900	340,084	344,862	5,549	22,194		(19,531)			(19,531)		P2FEV	04/30/2015.
867914 BN 2	SUNTRUST BANKS INC			7,000,000.000	1,000.00	88.000	6,160,000	88.000	6,160,000	7,020,445		290,375		(828,565)			(828,565)		RP3FEV	11/21/2018.
882228 30 7	TEXAS CAPITAL BANCSHARES INC			98,418.000	25.00	25.127	2,468,367	25.127	2,472,949	2,476,313		159,929		(7,946)			(7,946)		RP3FEL	10/17/2017.
882228 40 6	TEXAS CAPITAL BANCSHARES INC			30,506.000	25.00	24.720	754,108	24.720	754,108	768,429		49,572		(14,321)			(14,321)		P4FEL	01/07/2016.
902973 75 9	U.S. BANCORP			300,000.000	25.00		7,407,000	24.690	7,407,000	7,500,000	103,125	69,897		(93,000)			(93,000)		P2FEL	08/07/2018.
902973 AZ 9	U.S. BANCORP			2,750,000.000	1,000.00		2,591,875	94.250	2,591,875	2,714,128		39,750		(186,040)			(186,040)		P2FEV	11/14/2018.
919794 20 6	VALLEY NATIONAL BANCORP			108,495.000	25.00	24.000	2,603,880	24.000	2,603,880	2,768,694		98,288		(164,814)			(164,814)		P3FEL	11/30/2018.
919794 30 5	VALLEY NATIONAL BANCORP			62,000.000	25.00	22.710	1,408,020	22.710	1,408,020	1,550,000		106,563		(141,980)			(141,980)		P3FEL	07/27/2017.
929089 AG 5	VOYA FINANCIAL INC			3,500,000.000	1,000.00	95.000	3,325,000	95.000	3,325,000	3,500,000				(175,000)			(175,000)		P3FEU	09/05/2018.
947890 50 5	WEBSTER FINANCIAL CORP			54,000.000	25.00	21.100	1,139,400	21.100	1,139,400	1,350,000		71,466		(210,600)			(210,600)		P3FEL	12/05/2017.
949746 55 6	WELLS FARGO & CO			180,803.000	25.00		4,442,330	24.570	4,442,330	4,617,064		87,197		(174,734)			(174,734)		P2FEL	10/15/2018.
949746 RN 3	WELLS FARGO & CO			2,796,000.000	1,000.00		2,971,891	98.970	2,767,201	3,011,510		117,500			(27,544)		(27,544)		RP2FEU	12/19/2018.
94988U 65 6	WELLS FARGO & CO			60,393.000	25.00		1,419,236	23.500	1,419,236	1,515,196		84,927		(147,359)			(147,359)		P2FEL	05/19/2017.
94988U 67 2	WELLS FARGO & CO			20,000.000	25.00		461,000	23.050	461,000	509,000		27,500		(49,800)			(49,800)		P2FEL	06/22/2016.
8499999. Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							190,278,407	XXX	190,251,629	202,372,281	465,446	7,191,807	0	(12,673,428)	(43,515)	0	(12,716,943)	0	XXX	XXX
8999999. Total - Preferred Stocks							190,278,407	XXX	190,251,629	202,372,281	465,446	7,191,807	0	(12,673,428)	(43,515)	0	(12,716,943)	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
000000 00 0	CONSORTIUM HEALTH PLANS INC			750.000	251,910	336.000	251,910	100,000				67,539		67,539		V	01/12/2000.
001055 10 2	AFLAC ORD			20,000.000	911,200	46.000	911,200	699,075		20,800		33,400		33,400		L	02/09/2017.
00206R 10 2	AT&T ORD			110,000.000	3,139,400	29.000	3,139,400	3,572,900		65,000		(433,500)		(433,500)		L	12/17/2018.
002824 10 0	ABBOTT LABORATORIES ORD			25,000.000	1,808,250	72.000	1,808,250	1,526,325		14,000		281,925		281,925		L	07/06/2018.
00724F 10 1	ADOBE ORD			6,000.000	1,357,440	226.000	1,357,440	1,321,576				(5,291)		(5,291)		L	06/25/2018.
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD			7,800.000	1,248,390	160.000	1,248,390	1,239,951	8,580	11,475		8,439		8,439		L	12/03/2018.
018802 10 8	ALLIANT ENERGY ORD			3,000.000	126,750	42.000	126,750	129,255		1,005		(2,505)		(2,505)		L	10/16/2018.
020002 10 1	ALLSTATE ORD			5,000.000	413,150	83.000	413,150	419,575	2,300	8,750		(110,400)		(110,400)		L	05/11/2017.
02079K 10 7	ALPHABET CL C ORD			3,700.000	3,831,757	1,035.610	3,831,757	2,938,520				(39,923)		(39,923)		L	05/11/2017.
02079K 30 5	ALPHABET CL A ORD			8,000.000	8,359,680	1,044.960	8,359,680	7,133,143				(60,809)		(60,809)		L	04/16/2018.
023608 10 2	AMEREN ORD			7,000.000	456,610	65.000	456,610	472,775		4,698		(16,165)		(16,165)		L	12/03/2018.
024835 10 0	AMERICAN CAMPUS COMM REIT ORD			1,000.000	41,390	41.000	41,390	39,525		2,760		1,865		1,865		L	11/02/2018.
025537 10 1	AMERICAN ELECTRIC POWER ORD			7,000.000	523,180	75.000	523,180	477,155		16,160		46,025		46,025		L	04/24/2018.
025816 10 9	AMERICAN EXPRESS ORD			10,000.000	953,200	95.000	953,200	1,013,530		6,350		(60,330)		(60,330)		L	10/01/2018.
025932 10 4	AMERICAN FINANCIAL GROUP ORD			4,500.000	407,385	91.000	407,385	334,321		20,025		(81,045)		(81,045)		L	11/04/2016.
026874 78 4	AMERICAN INTERNATIONAL GROUP ORD			24,000.000	945,840	39.000	945,840	1,167,940		11,840		(222,100)		(222,100)		L	11/21/2018.
03027X 10 0	AMERICAN TOWER REIT			12,500.000	1,977,375	158.000	1,977,375	1,910,878	10,500	9,360		66,498		66,498		L	12/06/2018.
030420 10 3	AMERICAN WATER WORKS ORD			2,000.000	181,540	91.000	181,540	176,250		1,820		5,290		5,290		L	08/08/2018.
03071H 10 0	AMERISAFE ORD			3,000.000	170,070	57.000	170,070	191,865		11,160		(21,795)		(21,795)		L	12/10/2018.
031162 10 0	AMGEN ORD			2,000.000	389,340	195.000	389,340	320,170		10,560		41,540		41,540		L	05/11/2017.
032095 10 1	AMPHENOL CL A ORD			3,000.000	243,060	81.000	243,060	183,885	690	2,520		(20,340)		(20,340)		L	09/09/2016.
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD			20,000.000	196,400	10.000	196,400	202,900	6,000			(6,500)		(6,500)		L	12/10/2018.
03748R 10 1	APARTMENT INVST MGT CL A REIT ORD			4,000.000	175,520	44.000	175,520	182,580		1,520		(7,060)		(7,060)		L	11/09/2018.
039483 10 2	ARCHER DANIELS MIDLAND ORD			7,000.000	286,790	41.000	286,790	349,825		4,690		(63,035)		(63,035)		L	08/08/2018.
042315 50 7	ARMOUR RESIDENTIAL REIT ORD			6,000.000	123,000	21.000	123,000	134,310		11,400		(11,310)		(11,310)		L	03/06/2018.
053015 10 3	AUTOMATIC DATA PROCESSING ORD			15,000.000	1,966,800	131.000	1,966,800	1,663,838	11,850	29,040		156,827		156,827		L	11/21/2018.
053484 10 1	AVALONBAY COMMUNITIES REIT ORD			4,500.000	783,225	174.000	783,225	753,968	6,615	13,230		29,258		29,258		L	12/03/2018.
054937 10 7	BB AND T ORD			15,000.000	649,800	43.000	649,800	691,268		18,203		(87,248)		(87,248)		L	10/29/2018.
05508R 10 6	B AND G FOODS ORD			5,000.000	144,550	29.000	144,550	150,575	2,375			(6,025)		(6,025)		L	11/21/2018.
05536J 10 0	BCS FINANCIAL CORPORATION			27,375.000	2,505,424	92.000	2,505,424	250,028				(446,958)		(446,958)		A	01/28/2007.
05541T 10 1	BGC PARTNERS CL A ORD			12,000.000	62,040	5.000	62,040	81,218				(19,178)		(19,178)		L	10/29/2018.
071813 10 9	BAXTER INTERNATIONAL ORD			9,000.000	592,380	66.000	592,380	492,360	1,710	6,300		10,620		10,620		L	05/11/2017.
075887 10 9	BECTON DICKINSON ORD			2,500.000	563,300	225.000	563,300	427,411		7,550		28,150		28,150		L	02/09/2017.
084670 70 2	BERKSHIRE HATHWAY CL B ORD			30,000.000	6,125,400	204.000	6,125,400	4,715,553				178,800		178,800		L	05/11/2017.
086516 10 1	BEST BUY ORD			2,500.000	132,400	53.000	132,400	155,238		1,125		(22,838)		(22,838)		L	11/21/2018.
09247X 10 1	BLACKROCK ORD			4,200.000	1,649,844	393.000	1,649,844	1,817,282		22,925		(263,350)		(263,350)		L	12/03/2018.
093671 10 5	H&R BLOCK ORD			10,000.000	253,700	25.000	253,700	253,370	2,500	9,800		(8,500)		(8,500)		L	05/11/2017.
09610# 10 9	BLUECROSS BLUESHIELD VENTURES II, INC			50.000	57,304	1,146.080	57,304	50,000				(4,862)		(4,862)		V	06/22/2011.
097023 10 5	BOEING ORD			1,000.000	322,500	323.000	322,500	132,388		8,550		27,590		27,590		L	10/03/2016.
099502 10 6	BOOZ ALLEN HAMILTON HOLDING CL A ORD			2,000.000	90,140	45.000	90,140	69,490		2,090		13,880		13,880		L	09/06/2017.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
109641 10 0	BRINKER INTERNATIONAL ORD			4,000.000	175,920	44.000	175,920	136,470		6,080		20,560		20,560		L	11/20/2017.
110122 10 8	BRISTOL MYERS SQUIBB ORD			2,000.000	103,960	52.000	103,960	124,210		800		(20,250)		(20,250)		L	10/01/2018.
11135F 10 1	BROADCOM ORD			1,000.000	254,280	254.000	254,280	254,135		2,650		145		145		L	12/17/2018.
125269 10 0	CF INDUSTRIES HOLDINGS ORD			5,000.000	217,550	44.000	217,550	224,175		1,500		(6,625)		(6,625)		L	10/29/2018.
125523 10 0	CIGNA ORD			400.000	75,968	190.000	75,968	50,718		16		(5,268)		(5,268)		L	08/01/2016.
12572Q 10 5	CME GROUP CL A ORD			12,000.000	2,257,440	188.000	2,257,440	1,860,190	21,000	36,400		397,250		397,250		L	11/09/2018.
125896 10 0	CMS ENERGY ORD			10,000.000	496,500	50.000	496,500	484,135		7,865		12,365		12,365		L	10/29/2018.
126117 10 0	CNA FINANCIAL ORD			3,000.000	132,450	44.000	132,450	127,005		9,900		5,445		5,445		L	02/08/2017.
126650 10 0	CVS HEALTH ORD			4,675.000	306,306	66.000	306,306	355,627		1,500		(49,321)		(49,321)		L	11/28/2018.
133131 10 2	CAMDEN PROPERTY REIT ORD			4,000.000	352,200	88.000	352,200	377,460	3,080			(25,260)		(25,260)		L	12/06/2018.
14149Y 10 8	CARDINAL HEALTH ORD			5,000.000	223,000	45.000	223,000	281,025	2,382			(58,025)		(58,025)		L	12/03/2018.
143658 30 0	CARNIVAL ORD			14,000.000	690,200	49.000	690,200	781,770		10,500		(91,570)		(91,570)		L	10/29/2018.
15189T 10 7	CENTERPOINT ENERGY ORD			16,000.000	451,680	28.000	451,680	343,280		18,482		(2,080)		(2,080)		L	04/29/2016.
166764 10 0	CHEVRON ORD			56,000.000	6,092,240	109.000	6,092,240	6,244,800		203,840		(367,570)		(367,570)		L	11/02/2018.
172062 10 1	CINCINNATI FINANCIAL ORD			5,500.000	425,810	77.000	425,810	383,318	2,915	8,920		42,493		42,493		L	06/12/2018.
17243V 10 2	CINEMARK HOLDINGS ORD			5,000.000	179,000	36.000	179,000	170,175		6,400		4,900		4,900		L	09/06/2017.
17275R 10 2	CISCO SYSTEMS ORD			137,000.000	5,936,210	43.000	5,936,210	4,578,278		171,020		874,133		874,133		L	06/25/2018.
172908 10 5	CINTAS ORD			700.000	117,593	168.000	117,593	81,281		1,435		8,512		8,512		L	02/03/2017.
172967 42 4	CITIGROUP ORD			3,000.000	156,180	52.000	156,180	193,065		1,350		(36,885)		(36,885)		L	10/29/2018.
18539C 20 4	CLEARWAY ENERGY CL C ORD			12,000.000	207,000	17.000	207,000	214,260		11,520		(7,260)		(7,260)		L	05/10/2018.
189054 10 9	CLOROX ORD			4,500.000	693,630	154.000	693,630	582,603		12,360		111,028		111,028		L	07/06/2018.
191216 10 0	COCA-COLA ORD			120,000.000	5,682,000	47.000	5,682,000	5,255,570		140,595		426,430		426,430		L	10/29/2018.
192446 10 2	COGNIZANT TECHNOLOGY SOLUTN CL A ORD			4,500.000	285,660	63.000	285,660	279,776		3,600		(33,930)		(33,930)		L	05/11/2017.
19247A 10 0	COHEN & STEERS ORD			2,500.000	85,800	34.000	85,800	96,402		7,075		(10,602)		(10,602)		L	11/09/2018.
194162 10 3	COLGATE PALMOLIVE ORD			20,000.000	1,190,400	60.000	1,190,400	1,317,980		13,440		(127,580)		(127,580)		L	10/01/2018.
20030N 10 1	COMCAST CL A ORD			97,000.000	3,302,850	34.000	3,302,850	3,436,525	18,430	30,210		(133,675)		(133,675)		L	12/03/2018.
20451N 10 1	COMPASS MINERALS INTERNATIONAL ORD			3,000.000	125,070	42.000	125,070	155,385		2,160		(30,315)		(30,315)		L	11/09/2018.
205887 10 2	CONAGRA BRANDS ORD			6,000.000	128,160	21.000	128,160	200,730		1,275		(72,570)		(72,570)		L	10/01/2018.
209115 10 4	CONSOLIDATED EDISON ORD			8,000.000	611,680	76.000	611,680	609,241		15,373		2,439		2,439		L	11/02/2018.
217204 10 6	COPART ORD			2,000.000	95,560	48.000	95,560	100,670				(5,110)		(5,110)		L	04/16/2018.
219350 10 5	CORNING ORD			12,000.000	362,520	30.000	362,520	318,900		6,480		43,620		43,620		L	05/03/2018.
22160K 10 5	COSTCO WHOLESALE ORD			3,000.000	611,130	204.000	611,130	535,118		6,630		52,770		52,770		L	05/05/2017.
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT ORD			5,000.000	543,150	109.000	543,150	535,355		9,825		7,795		7,795		L	11/21/2018.
229663 10 9	CUBESMART REIT ORD			5,000.000	143,450	29.000	143,450	150,875	1,600			(7,425)		(7,425)		L	12/17/2018.
231021 10 6	CUMMINS ORD			2,200.000	294,008	134.000	294,008	271,827		6,468		22,181		22,181		L	10/29/2018.
233331 10 7	DTE ENERGY ORD			6,500.000	716,950	110.000	716,950	727,808	6,143	5,295		(10,858)		(10,858)		L	11/21/2018.
235851 10 2	DANAHER ORD			2,000.000	206,240	103.000	206,240	167,463	320	1,240		20,600		20,600		L	02/09/2017.
237194 10 5	DARDEN RESTAURANTS ORD			1,000.000	99,860	100.000	99,860	61,485		2,760		3,840		3,840		L	09/20/2016.
247361 70 2	Delta Air Lines, Inc			4,000.000	199,600	50.000	199,600	207,180		4,020		(7,580)		(7,580)		L	05/03/2018.
254423 10 6	DINE BRANDS GLOBAL ORD			3,000.000	202,020	67.000	202,020	194,355	1,890	3,780		7,665		7,665		L	05/29/2018.
254687 10 6	WALT DISNEY ORD			25,000.000	2,741,250	110.000	2,741,250	2,754,403	22,000	26,880		(7,925)		(7,925)		L	12/06/2018.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
254709 10 8	DISCOVER FINANCIAL SERVICES ORD			3,000.000	176,940	59.000	176,940	176,595		4,500		(53,820)		(53,820)		L	09/06/2017.
25746U 10 9	DOMINION ENERGY ORD			23,000.000	1,643,580	71.000	1,643,580	1,593,785		36,740		49,795		49,795		L	11/21/2018.
257559 20 3	DOMTAR ORD		C	3,000.000	105,390	35.000	105,390	110,625	1,305	5,160		(43,170)		(43,170)		L	06/20/2017.
260003 10 8	DOVER ORD			2,000.000	141,900	71.000	141,900	163,570		3,360		(21,670)		(21,670)		L	08/14/2018.
26441C 20 4	DUKE ENERGY ORD			12,000.000	1,035,600	86.000	1,035,600	927,948		43,264		107,652		107,652		L	04/16/2018.
26884U 10 9	EPR PROPERTIES REIT ORD			5,000.000	320,150	64.000	320,150	282,925	1,800	16,200		37,225		37,225		L	03/12/2018.
278865 10 0	ECOLAB ORD			1,000.000	147,350	147.000	147,350	119,355	460	1,640		13,170		13,170		L	01/23/2017.
281020 10 7	EDISON INTERNATIONAL ORD			5,000.000	283,850	57.000	283,850	290,975	3,063			(7,125)		(7,125)		L	12/17/2018.
291011 10 4	EMERSON ELECTRIC ORD			10,900.000	651,275	60.000	651,275	654,277		22,704		(108,346)		(108,346)		L	08/04/2017.
29476L 10 7	EQUITY RESIDENTIAL REIT ORD			4,000.000	264,040	66.000	264,040	247,460	2,160	4,320		16,580		16,580		L	05/29/2018.
29530P 10 2	ERIE INDEMNITY CL A ORD			2,500.000	333,275	133.000	333,275	282,093		8,400		28,675		28,675		L	02/09/2017.
297178 10 5	ESSEX PROPERTY REIT ORD			500.000	122,605	245.000	122,605	119,318	930	1,860		3,288		3,288		L	06/12/2018.
30034W 10 6	EVERGY ORD			8,000.000	454,160	57.000	454,160	457,610		4,260		(3,450)		(3,450)		L	11/09/2018.
30040W 10 8	EVERSOURCE ENERGY ORD			6,000.000	390,240	65.000	390,240	370,380		11,615		19,860		19,860		L	09/17/2018.
30161N 10 1	EXELON ORD			8,000.000	360,800	45.000	360,800	315,450		11,730		45,350		45,350		L	07/26/2018.
30224P 20 0	EXTENDED STAY AMERICA UNT			10,000.000	155,000	16.000	155,000	160,850		2,200		(5,850)		(5,850)		L	10/29/2018.
30231G 10 2	EXXON MOBIL ORD			145,000.000	9,887,550	68.000	9,887,550	11,687,195		315,566		(1,802,780)		(1,802,780)		L	11/02/2018.
30303M 10 2	FACEBOOK CL A ORD			1,500.000	196,635	131.000	196,635	172,210				(68,055)		(68,055)		L	12/01/2016.
311900 10 4	FASTENAL ORD			10,000.000	522,900	52.000	522,900	423,750		15,400		(24,000)		(24,000)		L	09/06/2017.
313747 20 6	FEDERAL REIT ORD			1,000.000	118,040	118.000	118,040	117,055	1,020	2,020		985		985		L	05/29/2018.
31620R 30 3	FIDELITY NATIONAL FINANCIAL ORD			11,000.000	345,840	31.000	345,840	369,875		3,300		(24,035)		(24,035)		L	12/03/2018.
31847R 10 2	FIRST AMERICAN FINANCIAL ORD			6,000.000	267,840	45.000	267,840	289,590		2,520		(21,750)		(21,750)		L	12/03/2018.
344849 10 4	FOOT LOCKER ORD			6,000.000	319,200	53.000	319,200	206,310		8,070		37,920		37,920		L	10/03/2017.
363576 10 9	ARTHUR J GALLAGHER ORD			11,000.000	810,700	74.000	810,700	602,728		18,040		114,620		114,620		L	05/11/2017.
364760 10 8	GAP ORD			2,000.000	51,520	26.000	51,520	57,450		485		(5,930)		(5,930)		L	10/01/2018.
369550 10 8	GENERAL DYNAMICS ORD			3,500.000	550,235	157.000	550,235	539,399		12,330		(147,495)		(147,495)		L	06/25/2018.
370334 10 4	GENERAL MILLS ORD			11,000.000	428,340	39.000	428,340	469,425		5,390		(41,085)		(41,085)		L	10/01/2018.
37045V 10 0	GENERAL MOTORS ORD			5,000.000	167,250	33.000	167,250	177,775		1,900		(10,525)		(10,525)		L	11/21/2018.
372460 10 5	GENUINE PARTS ORD			4,000.000	384,080	96.000	384,080	393,160	2,880	2,880		(9,080)		(9,080)		L	12/03/2018.
375558 10 3	GILEAD SCIENCES ORD			4,400.000	275,220	63.000	275,220	293,546		10,032		(39,996)		(39,996)		L	05/11/2017.
384313 50 8	GRAFTECH INTERNATIONAL ORD			10,000.000	114,400	11.000	114,400	160,150		7,000		(45,750)		(45,750)		L	12/03/2018.
40418F 10 8	HFF CL A ORD			5,000.000	165,800	33.000	165,800	176,130				(10,330)		(10,330)		L	10/29/2018.
40434L 10 5	HP ORD			12,000.000	245,520	20.000	245,520	255,660	1,922	3,343		(10,140)		(10,140)		L	05/29/2018.
410867 10 5	HANOVER INSURANCE GROUP ORD			1,000.000	116,770	117.000	116,770	82,125		2,220		8,690		8,690		L	05/11/2017.
416515 10 4	HARTFORD FINANCIAL SERVICES GRUP ORD			3,000.000	133,350	44.000	133,350	159,645	1,500	1,080		(26,295)		(26,295)		L	07/26/2018.
419870 10 0	HAWAIIAN ELECTRIC INDUSTRIES ORD			6,000.000	219,720	37.000	219,720	225,390		1,860		(5,670)		(5,670)		L	11/09/2018.
427866 10 8	HERSHEY FOODS ORD			6,000.000	643,080	107.000	643,080	581,610		10,632		61,470		61,470		L	08/21/2018.
437076 10 2	HOME DEPOT ORD			31,000.000	5,326,420	172.000	5,326,420	4,385,032		127,720		(549,010)		(549,010)		L	08/22/2017.
438516 10 6	HONEYWELL INTERNATIONAL ORD			23,000.000	3,038,760	132.000	3,038,760	2,870,775		18,860		167,985		167,985		L	05/03/2018.
44107P 10 4	HOST HOTELS & RESORTS REIT ORD			20,000.000	333,400	17.000	333,400	346,500	5,000			(13,100)		(13,100)		L	12/17/2018.

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		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
444859 10 2	HUMANA ORD			500.000	143,240	286.000	143,240	85,593	250	950		19,205		19,205		L	08/01/2016.
452308 10 9	ILLINOIS TOOL ORD			11,800.000	1,494,942	127.000	1,494,942	1,537,641	11,800	12,358		(251,908)		(251,908)		L	12/03/2018.
458140 10 0	INTEL ORD			125,000.000	5,866,250	47.000	5,866,250	4,756,961		133,070		298,149		298,149		L	10/29/2018.
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD			6,000.000	451,980	75.000	451,980	405,185		4,920		11,523		11,523		L	06/12/2018.
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD			10,000.000	1,136,700	114.000	1,136,700	1,446,750		62,100		(397,500)		(397,500)		L	07/31/2017.
459506 10 1	INTERNATIONAL FLAVORS & FRAGRANS ORD			1,000.000	134,270	134.000	134,270	117,748	730	2,800		(18,340)		(18,340)		L	02/09/2017.
460146 10 3	INTERNATIONAL PAPER ORD			3,000.000	121,080	40.000	121,080	130,935		1,500		(9,855)		(9,855)		L	10/29/2018.
460690 10 0	INTERPUBLIC GROUP OF COMPANIES ORD			9,000.000	185,670	21.000	185,670	203,515		3,990		(17,845)		(17,845)		L	11/21/2018.
461202 10 3	INTUIT ORD			1,500.000	295,275	197.000	295,275	175,658		2,460		58,605		58,605		L	01/23/2017.
46120E 60 2	INTUITIVE SURGICAL ORD			600.000	287,352	479.000	287,352	141,078				68,388		68,388		L	02/09/2017.
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD			10,000.000	144,800	14.000	144,800	151,450	4,200			(6,650)		(6,650)		L	11/21/2018.
461804 10 6	INVESTORS TITLE ORD			200.000	35,336	177.000	35,336	38,894		2,200		(3,558)		(3,558)		L	11/21/2018.
46284V 10 1	IRON MOUNTAIN ORD			7,000.000	226,870	32.000	226,870	228,025	4,277			(1,155)		(1,155)		L	11/21/2018.
46625H 10 0	JPMORGAN CHASE ORD			45,000.000	4,392,900	98.000	4,392,900	4,683,765		64,560		(329,310)		(329,310)		L	06/25/2018.
478160 10 4	JOHNSON & JOHNSON ORD			92,000.000	11,872,600	129.000	11,872,600	11,221,285		265,620		(292,757)		(292,757)		L	10/29/2018.
48203R 10 4	JUNIPER NETWORKS ORD			7,000.000	188,370	27.000	188,370	186,655		3,780		1,715		1,715		L	05/18/2018.
487836 10 8	KELLOGG ORD			7,000.000	399,070	57.000	399,070	446,495		15,940		(64,355)		(64,355)		L	04/16/2018.
49271V 10 0	KEURIG DR PEPPER ORD		C	2,500.000	64,100	26.000	64,100	230,213		262,650		(166,113)		(166,113)		L	09/06/2017.
494368 10 3	KIMBERLY CLARK ORD			12,000.000	1,367,280	114.000	1,367,280	1,295,640	12,000	15,000		71,640		71,640		L	12/03/2018.
500255 10 4	KOHL'S ORD			4,000.000	265,360	66.000	265,360	254,700		7,320		10,660		10,660		L	05/18/2018.
500754 10 6	KRAFT HEINZ ORD			6,000.000	258,240	43.000	258,240	323,970		3,750		(65,730)		(65,730)		L	11/09/2018.
501797 10 4	L BRANDS ORD			5,000.000	128,350	26.000	128,350	156,675		3,000		(28,325)		(28,325)		L	10/29/2018.
502175 10 2	LTC PROPERTIES REIT ORD			5,000.000	208,400	42.000	208,400	217,425		2,850		(9,025)		(9,025)		L	10/08/2018.
502413 10 7	L3 TECHNOLOGIES ORD			900.000	156,294	174.000	156,294	118,382		2,880		(21,771)		(21,771)		L	04/29/2016.
517834 10 7	LAS VEGAS SANDS ORD			3,000.000	156,150	52.000	156,150	140,715		9,000		15,435		15,435		L	06/14/2016.
524901 10 5	LEGG MASON ORD			6,000.000	153,060	26.000	153,060	155,010	2,040			(1,950)		(1,950)		L	12/17/2018.
525327 10 2	LEIDOS HOLDINGS ORD			3,000.000	158,160	53.000	158,160	185,655		2,880		(27,495)		(27,495)		L	06/12/2018.
532457 10 8	ELI LILLY ORD			33,000.000	3,818,760	116.000	3,818,760	3,026,638		43,875		792,122		792,122		L	11/02/2018.
539830 10 9	LOCKHEED MARTIN ORD			6,000.000	1,571,040	262.000	1,571,040	1,485,592		49,200		(355,260)		(355,260)		L	02/09/2017.
548661 10 7	LOWE'S COMPANIES ORD			1,000.000	92,360	92.000	92,360	72,585		1,780		19,775		19,775		L	01/23/2017.
552690 10 9	MDU RESOURCES GROUP ORD			8,000.000	190,720	24.000	190,720	206,600	1,620			(15,880)		(15,880)		L	12/06/2018.
55272X 10 2	MFA FINANCIAL REIT ORD			25,000.000	167,000	7.000	167,000	172,375	5,000			(5,375)		(5,375)		L	12/17/2018.
553530 10 6	MSC INDUSTRIAL CL A ORD			3,000.000	230,760	77.000	230,760	229,605		1,890		1,155		1,155		L	10/29/2018.
55616P 10 4	MACYS ORD			5,000.000	148,900	30.000	148,900	103,875	1,888	7,550		45,025		45,025		L	08/31/2017.
56418H 10 0	MANPOWERGROUP ORD			2,500.000	162,000	65.000	162,000	200,813		2,525		(38,813)		(38,813)		L	11/21/2018.
571748 10 2	MARSH & MCLENNAN ORD			12,000.000	957,000	80.000	957,000	848,739		16,164		(24,828)		(24,828)		L	10/08/2018.
57636Q 10 4	MASTERCARD CL A ORD			14,500.000	2,735,425	189.000	2,735,425	1,520,368		14,500		540,705		540,705		L	05/11/2017.
57665R 10 6	MATCH GROUP ORD			7,000.000	299,390	43.000	299,390	265,475		14,000		33,915		33,915		L	11/21/2018.
57772K 10 1	MAXIM INTEGRATED PRODUCTS ORD			9,000.000	457,650	51.000	457,650	436,285		10,640		(11,410)		(11,410)		L	11/02/2018.
579780 20 6	MCCORMICK ORD			1,500.000	208,860	139.000	208,860	155,753	855	2,340		53,108		53,108		L	04/02/2018.
580135 10 1	MCDONALD'S ORD			27,000.000	4,794,390	178.000	4,794,390	3,944,349		77,780		307,420		307,420		L	11/02/2018.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
58463J 30 4	MEDICAL PROPERTIES REIT ORD			10,000.000	160,800	16.000	160,800	140,850	2,500	5,000		19,950		19,950		L	06/12/2018.
58933Y 10 5	MERCK & CO ORD			75,000.000	5,730,750	76.000	5,730,750	4,763,787	41,250	72,436		966,000		966,000		L	11/21/2018.
589400 10 0	MERCURY GENERAL ORD			5,000.000	258,550	52.000	258,550	269,522		6,263		(10,972)		(10,972)		L	08/31/2018.
59156R 10 8	METLIFE ORD			10,000.000	410,600	41.000	410,600	392,238		16,600		(95,000)		(95,000)		L	09/20/2016.
594918 10 4	MICROSOFT ORD			175,000.000	17,774,750	102.000	17,774,750	13,766,429		261,520		2,664,617		2,664,617		L	10/29/2018.
59522J 10 3	MID AMERICA APT COMMUNITI REIT ORD			1,000.000	95,700	96.000	95,700	99,565		923		(3,865)		(3,865)		L	10/01/2018.
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD			30,000.000	1,200,900	40.000	1,200,900	1,238,550	7,800	14,400		(37,650)		(37,650)		L	06/25/2018.
620076 30 7	MOTOROLA SOLUTIONS ORD			3,000.000	345,120	115.000	345,120	256,095	1,710	6,240		74,100		74,100		L	05/11/2017.
635017 10 6	NATIONAL BEVERAGE ORD			2,500.000	179,425	72.000	179,425	232,200	7,250			(52,775)		(52,775)		L	11/21/2018.
636518 10 2	NATIONAL INSTRUMENTS ORD			5,000.000	226,900	45.000	226,900	138,838		4,600		18,750		18,750		L	06/15/2016.
637417 10 6	NATIONAL RETAIL PROPERTIES REIT ORD			3,000.000	145,530	49.000	145,530	134,685		1,500		10,845		10,845		L	10/16/2018.
646025 10 6	NJ RESOURCES ORD			5,000.000	228,350	46.000	228,350	203,525	1,463	2,825		24,825		24,825		L	06/12/2018.
651229 10 6	NEWELL BRANDS ORD			10,000.000	185,900	19.000	185,900	217,750		2,300		(31,850)		(31,850)		L	11/21/2018.
65158N 10 2	NEWMARK GROUP CL A ORD			5,566.000	44,639	8.000	44,639	45,076				(436)		(436)		L	10/29/2018.
65339F 10 1	NEXTERA ENERGY ORD			16,500.000	2,868,030	174.000	2,868,030	2,549,682		48,507		205,593		205,593		L	11/02/2018.
654106 10 3	NIKE CL B ORD			20,000.000	1,482,800	74.000	1,482,800	1,224,340	4,400	11,200		142,190		142,190		L	10/16/2018.
655844 10 8	NORFOLK SOUTHERN ORD			1,000.000	149,540	150.000	149,540	90,115		4,696		4,640		4,640		L	04/29/2016.
666807 10 2	NORTHROP GRUMMAN ORD			3,000.000	734,700	245.000	734,700	702,966		14,100		(186,030)		(186,030)		L	02/09/2017.
670837 10 3	OGE ENERGY ORD			2,000.000	78,380	39.000	78,380	63,630		2,060		14,750		14,750		L	03/22/2018.
674599 10 5	OCCIDENTAL PETROLEUM ORD			3,500.000	214,830	61.000	214,830	244,303	2,730	3,480		(29,473)		(29,473)		L	11/21/2018.
680223 10 4	OLD REPUBLIC INTERNATIONAL ORD			33,300.000	684,981	21.000	684,981	615,884		59,274		(26,973)		(26,973)		L	04/29/2016.
681919 10 6	OMNICOM GROUP ORD			4,000.000	292,960	73.000	292,960	278,460	2,400	2,400		14,500		14,500		L	09/10/2018.
682680 10 3	ONEOK ORD			5,000.000	269,750	54.000	269,750	316,175		4,275		(46,425)		(46,425)		L	10/29/2018.
68389X 10 5	ORACLE ORD			52,200.000	2,356,830	45.000	2,356,830	2,271,087		38,722		(104,261)		(104,261)		L	03/22/2018.
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD			16,000.000	1,870,560	117.000	1,870,560	2,145,225		35,600		(370,230)		(370,230)		L	10/08/2018.
693506 10 7	PPG INDUSTRIES ORD			8,300.000	848,509	102.000	848,509	887,395		3,984		(38,886)		(38,886)		L	11/02/2018.
69351T 10 6	PPL ORD			15,000.000	424,950	28.000	424,950	466,725	6,150			(41,775)		(41,775)		L	12/03/2018.
693718 10 8	PACCAR ORD			4,000.000	228,560	57.000	228,560	234,340	8,000			(5,780)		(5,780)		L	12/06/2018.
695156 10 9	PACKAGING CORP OF AMERICA ORD			3,500.000	292,110	83.000	292,110	333,743	2,765			(41,633)		(41,633)		L	12/06/2018.
695263 10 3	PACW PACWEST BANCORP ORD			5,000.000	166,400	33.000	166,400	206,275		3,000		(39,875)		(39,875)		L	11/09/2018.
700517 10 5	PARK HOTELS RESORTS ORD			8,000.000	207,840	26.000	207,840	221,080	8,000			(13,240)		(13,240)		L	12/17/2018.
70338P 10 0	PATTERN ENERGY GROUP CL A ORD			19,000.000	353,780	19.000	353,780	388,335	8,018			(34,555)		(34,555)		L	12/17/2018.
703395 10 3	PATTERSON COMPANIES ORD			6,000.000	117,960	20.000	117,960	144,630		1,560		(26,670)		(26,670)		L	10/01/2018.
704326 10 7	PAYCHEX ORD			8,500.000	553,775	65.000	553,775	527,158		12,860		(27,758)		(27,758)		L	10/16/2018.
712704 10 5	PEOPLES UNITED FINANCIAL ORD			15,000.000	216,450	14.000	216,450	243,675		2,625		(27,225)		(27,225)		L	10/16/2018.
713448 10 8	PEPSICO ORD			49,000.000	5,413,520	110.000	5,413,520	5,196,459	45,448	79,374		217,061		217,061		L	11/21/2018.
717081 10 3	PFIZER ORD			200,000.000	8,730,000	44.000	8,730,000	7,263,798		200,328		1,299,700		1,299,700		L	10/29/2018.
718546 10 4	PHILLIPS 66 ORD			7,500.000	646,125	86.000	646,125	614,738		23,250		(112,500)		(112,500)		L	07/18/2017.
723484 10 1	PINNACLE WEST ORD			1,000.000	85,200	85.000	85,200	83,545		2,950		1,655		1,655		L	10/16/2018.
724479 10 0	PITNEY BOWES ORD			20,000.000	118,200	6.000	118,200	130,500		3,750		(12,300)		(12,300)		L	10/29/2018.
72724* 10 4	PLANS' LIABILITY INSURANCE COMPANY			8,350.000	8	0.001	8	8				39,327	560,992	(521,665)		A	02/28/1994.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
737630 10 3	POTLATCHDELTIC ORD			202.000	6,391	32.000	6,391	7,450		81		(1,058)		(1,058)		L	09/27/2018.
74144T 10 8	T ROWE PRICE GROUP ORD			8,500.000	784,720	92.000	784,720	762,323		12,250		(77,788)		(77,788)		L	12/03/2018.
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD			5,000.000	220,850	44.000	220,850	213,425		10,500		7,425		7,425		L	04/29/2016.
74267C 10 6	PROASSURANCE ORD			7,000.000	283,920	41.000	283,920	272,475	5,670	3,100		11,445		11,445		L	12/17/2018.
742718 10 9	PROCTER & GAMBLE ORD			60,000.000	5,515,200	92.000	5,515,200	4,701,870		113,318		813,330		813,330		L	10/08/2018.
743315 10 3	PROGRESSIVE ORD			3,000.000	180,990	60.000	180,990	111,983		3,374		12,030		12,030		L	02/09/2017.
74340W 10 3	PROLOGIS REIT			10,000.000	587,200	59.000	587,200	656,830		12,160		(69,630)		(69,630)		L	08/21/2018.
744320 10 2	PRUDENTIAL FINANCIAL ORD			2,500.000	203,875	82.000	203,875	227,613		2,250		(23,738)		(23,738)		L	11/21/2018.
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD			10,000.000	520,500	52.000	520,500	462,520		18,000		5,500		5,500		L	09/06/2017.
74460D 10 9	PUBLIC STORAGE REIT ORD			5,400.000	1,093,014	202.000	1,093,014	1,127,007		10,800		(33,993)		(33,993)		L	11/21/2018.
747525 10 3	QUALCOMM ORD			6,000.000	341,460	57.000	341,460	331,650		3,720		9,810		9,810		L	11/21/2018.
74834L 10 0	QUEST DIAGNOSTICS ORD			2,000.000	166,540	83.000	166,540	187,555		3,900		(30,440)		(30,440)		L	02/09/2017.
749607 10 7	RLI ORD			3,500.000	241,465	69.000	241,465	229,918		5,570		9,123		9,123		L	11/09/2018.
749660 10 6	RPC ORD			11,000.000	108,570	10.000	108,570	155,485		1,870		(46,915)		(46,915)		L	10/29/2018.
749685 10 3	RPM ORD			5,000.000	293,900	59.000	293,900	302,825		1,750		(8,925)		(8,925)		L	10/08/2018.
755111 50 7	RAYTHEON ORD			6,000.000	920,100	153.000	920,100	928,033	5,205	17,868		(165,639)		(165,639)		L	12/03/2018.
756109 10 4	REALTY INCOME REIT ORD			3,500.000	220,640	63.000	220,640	187,058	774	9,207		21,070		21,070		L	10/26/2017.
758849 10 3	REGENCY CENTERS REIT ORD			5,000.000	293,400	59.000	293,400	314,075		2,775		(20,675)		(20,675)		L	11/02/2018.
760759 10 0	REPUBLIC SERVICES ORD			4,000.000	288,360	72.000	288,360	294,940	1,500	1,500		(6,580)		(6,580)		L	09/24/2018.
761152 10 7	RESMED ORD			2,500.000	284,675	114.000	284,675	143,569		5,350		72,950		72,950		L	11/04/2016.
76131V 20 2	RETAIL PROP OF AME CL A REIT ORD			10,000.000	108,500	11.000	108,500	117,350	1,656			(8,850)		(8,850)		L	12/17/2018.
773903 10 9	ROCKWELL AUTOMAT ORD			3,000.000	451,440	150.000	451,440	484,790		11,070		(125,335)		(125,335)		L	07/26/2018.
775711 10 4	ROLLINS ORD			1,050.000	37,905	36.000	37,905	23,342		490		719		719		L	01/23/2017.
78648T 10 0	SAFETY INSURANCE GROUP ORD			3,000.000	245,430	82.000	245,430	199,642		9,600		4,230		4,230		L	05/11/2017.
81663A 10 5	SEMGROUP CL A ORD			10,000.000	137,800	14.000	137,800	183,150		4,725		(45,350)		(45,350)		L	11/09/2018.
816851 10 9	SEMPRA ENERGY ORD			4,000.000	432,760	108.000	432,760	437,460	3,580	10,740		(4,700)		(4,700)		L	03/06/2018.
824348 10 6	SHERWIN WILLIAMS ORD			300.000	118,038	393.000	118,038	91,949		1,032		(4,974)		(4,974)		L	02/09/2017.
828806 10 9	SIMON PROP GRP REIT ORD			5,600.000	940,744	168.000	940,744	863,907		42,115		8,183		8,183		L	04/16/2018.
83001A 10 2	SIX FLAGS ENTERTAINMENT ORD			4,000.000	222,520	56.000	222,520	212,900		12,640		(43,760)		(43,760)		L	08/22/2017.
832696 40 5	JM SMUCKER ORD			2,200.000	205,678	93.000	205,678	236,973		1,870		(31,295)		(31,295)		L	10/29/2018.
835495 10 2	SONOCO PRODUCTS ORD			2,700.000	143,451	53.000	143,451	140,330		4,374		(27)		(27)		L	02/09/2017.
842587 10 7	SOUTHERN ORD			15,000.000	658,800	44.000	658,800	679,725		24,480		(20,925)		(20,925)		L	10/29/2018.
84265V 10 5	SOUTHERN COPPER ORD		C	5,000.000	153,850	31.000	153,850	179,375		2,000		(25,525)		(25,525)		L	10/29/2018.
84861U 10 5	SPIRIT MTA REIT ORD			30,000.000	213,900	7.000	213,900	265,974	39,900			(52,074)		(52,074)		L	12/17/2018.
854502 10 1	STANLEY BLACK AND DECKER ORD			4,200.000	502,908	120.000	502,908	538,041		2,772		(35,133)		(35,133)		L	10/16/2018.
855244 10 9	STARBUCKS ORD			25,100.000	1,616,440	64.000	1,616,440	1,307,813		23,532		306,832		306,832		L	07/26/2018.
85571B 10 5	STARWOOD PROPERTY REIT			17,000.000	335,070	20.000	335,070	376,265	8,160	5,760		(41,195)		(41,195)		L	12/03/2018.
858155 20 3	STEELCASE CL A ORD			5,000.000	74,150	15.000	74,150	70,288	675	2,663		(1,850)		(1,850)		L	09/13/2017.
863667 10 1	STRYKER ORD			5,000.000	783,750	157.000	783,750	581,745	2,600	9,400		9,550		9,550		L	02/03/2017.
867914 10 3	SUNTRUST BANKS ORD			5,000.000	252,200	50.000	252,200	298,765		5,500		(62,695)		(62,695)		L	11/21/2018.
871503 10 8	SYMANTEC ORD			5,000.000	94,475	19.000	94,475	83,250		1,500		(45,825)		(45,825)		L	04/29/2016.

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1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
87165B 10 3	SYNCHRONY FINANCIAL ORD			7,000.000	164,220	23.000	164,220	196,105		1,470		(31,885)		(31,885)		L	10/29/2018.
871829 10 7	SYSCO ORD			7,400.000	463,684	63.000	463,684	389,201		10,656		35,408		35,408		L	09/06/2017.
871851 10 1	SYSTEMAX ORD			7,000.000	167,230	24.000	167,230	210,429	45,500			(43,199)		(43,199)		L	12/17/2018.
872540 10 9	TJX ORD			30,800.000	1,377,992	45.000	1,377,992	1,245,105		19,706		126,029		126,029		L	05/03/2018.
875465 10 6	TANGER FACTORY REIT ORD			7,000.000	141,540	20.000	141,540	154,105		2,450		(12,565)		(12,565)		L	10/08/2018.
87612E 10 6	TARGET ORD			5,000.000	330,450	66.000	330,450	283,375		12,600		4,200		4,200		L	07/31/2017.
882508 10 4	TEXAS INSTRUMENTS ORD			25,000.000	2,362,500	95.000	2,362,500	1,945,251		67,610		(248,500)		(248,500)		L	10/03/2017.
883556 10 2	THERMO FISHER SCIENTIFIC ORD			2,700.000	604,233	224.000	604,233	389,489	459	1,782		91,557		91,557		L	04/29/2016.
884903 10 5	THOMSON REUTERS ORD		A.	6,355.000	419,079	66.000	419,079	278,145		7,271		113,949		113,949		L	10/21/2016.
88579Y 10 1	3M ORD			15,000.000	2,858,100	191.000	2,858,100	2,692,594		76,160		(513,710)		(513,710)		L	05/03/2018.
89417E 10 9	TRAVELERS COMPANIES ORD			8,000.000	958,000	120.000	958,000	956,720		24,240		(127,120)		(127,120)		L	09/06/2017.
896047 50 3	TRIBUNE MEDIA CL A ORD			5,000.000	226,900	45.000	226,900	179,838		5,000		14,550		14,550		L	01/10/2017.
899896 10 4	TUPPERWARE BRANDS ORD			6,000.000	189,420	32.000	189,420	223,770	4,080			(34,350)		(34,350)		L	11/21/2018.
902681 10 5	UGI ORD			5,000.000	266,750	53.000	266,750	246,425	1,300	2,600		20,325		20,325		L	06/12/2018.
902973 30 4	US BANCORP ORD			52,000.000	2,376,400	46.000	2,376,400	2,738,880	19,240	45,640		(381,095)		(381,095)		L	09/24/2018.
907818 10 8	UNION PACIFIC ORD			20,000.000	2,764,600	138.000	2,764,600	2,358,874		54,776		30,981		30,981		L	08/08/2018.
911312 10 6	UNITED PARCEL SERVICE CL B ORD			15,000.000	1,462,950	98.000	1,462,950	1,594,094		51,870		(194,556)		(194,556)		L	04/02/2018.
913017 10 9	UNITED TECHNOLOGIES ORD			24,000.000	2,555,520	106.000	2,555,520	2,867,803		68,040		(505,248)		(505,248)		L	02/12/2018.
91324P 10 2	UNITEDHEALTH GRP ORD			12,100.000	3,014,352	249.000	3,014,352	1,644,149		41,745		346,786		346,786		L	10/19/2016.
918204 10 8	VF ORD			10,000.000	713,400	71.000	713,400	570,891		18,900		(26,600)		(26,600)		L	12/04/2017.
91879Q 10 9	VAIL RESORTS ORD			1,000.000	210,820	211.000	210,820	209,715	1,470	5,463		(1,650)		(1,650)		L	06/20/2017.
91913Y 10 0	VALERO ENERGY ORD			3,000.000	224,910	75.000	224,910	275,505		2,400		(50,595)		(50,595)		L	11/02/2018.
92240G 10 1	VECTREN ORD			4,000.000	287,920	72.000	287,920	259,140		5,520		28,780		28,780		L	04/16/2018.
92339V 10 0	VEREIT ORD			25,000.000	178,750	7.000	178,750	193,875	3,438			(15,125)		(15,125)		L	12/03/2018.
92343V 10 4	VERIZON COMMUNICATIONS ORD			15,000.000	843,300	56.000	843,300	703,725		52,420		139,575		139,575		L	09/06/2017.
92553P 20 1	VIACOM CL B ORD			8,000.000	205,600	26.000	205,600	226,360	1,600	3,200		(20,760)		(20,760)		L	06/12/2018.
92826C 83 9	VISA CL A ORD			31,600.000	4,169,304	132.000	4,169,304	2,724,912		27,808		566,272		566,272		L	05/11/2017.
929042 10 9	VORNADO REALTY REIT ORD			3,000.000	186,090	62.000	186,090	204,705		1,890		(18,615)		(18,615)		L	10/29/2018.
92936U 10 9	W P CAREY REIT ORD			5,000.000	326,700	65.000	326,700	350,025	5,150			(23,325)		(23,325)		L	12/06/2018.
92939U 10 6	WEC ENERGY GROUP ORD			10,000.000	692,600	69.000	692,600	622,150		19,338		70,450		70,450		L	04/16/2018.
931142 10 3	WALMART ORD			47,000.000	4,378,050	93.000	4,378,050	3,711,217	24,440	69,463		228,813		228,813		L	12/03/2018.
94106L 10 9	WASTE MANAGEMENT ORD			9,000.000	800,910	89.000	800,910	675,575		14,555		125,335		125,335		L	05/29/2018.
948741 10 3	WEINGARTEN RLTY REIT ORD			5,000.000	124,050	25.000	124,050	135,175		7,000		(11,125)		(11,125)		L	12/17/2018.
949746 10 1	WELLS FARGO ORD			10,000.000	460,800	46.000	460,800	544,450		20,700		(145,900)		(145,900)		L	04/27/2017.
95040Q 10 4	WELLTOWER ORD			5,000.000	347,050	69.000	347,050	315,625		4,350		31,425		31,425		L	10/16/2018.
958102 10 5	WESTERN DIGITAL ORD			5,000.000	184,850	37.000	184,850	191,275	2,500			(6,425)		(6,425)		L	12/17/2018.
959802 10 9	WESTERN UNION ORD			15,000.000	255,900	17.000	255,900	276,525		2,850		(20,625)		(20,625)		L	11/21/2018.
96145D 10 5	WESTROCK ORD			5,000.000	188,800	38.000	188,800	204,725		2,275		(15,925)		(15,925)		L	10/29/2018.
963320 10 6	WHIRLPOOL ORD			2,000.000	213,740	107.000	213,740	208,510		2,300		5,230		5,230		L	10/29/2018.
969457 10 0	WILLIAMS ORD			10,000.000	220,500	22.000	220,500	250,350		3,400		(29,850)		(29,850)		L	11/21/2018.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
969904 10 1	WILLIAMS SONOMA ORD		..	4,000.000	201,800	50.000	201,800	189,100		6,720		(5,000)		(5,000)		L	09/06/2017.
974155 10 3	WINGSTOP ORD		..	3,500.000	224,665	64.000	224,665	225,803		10,990		(1,138)		(1,138)		L	11/21/2018.
98389B 10 0	XCEL ENERGY ORD		..	5,000.000	246,350	49.000	246,350	226,275	1,900	3,800		20,075		20,075		L	05/29/2018.
983919 10 1	XILINX ORD		..	2,000.000	170,340	85.000	170,340	86,170		3,724		35,500		35,500		L	04/29/2016.
984121 60 8	XEROX ORD		..	8,000.000	158,080	20.000	158,080	220,040	2,000			(61,960)		(61,960)		L	12/03/2018.
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA		..	46,895.000	4,689,500	100.000	4,689,500	4,689,500						0		V	03/23/2018.
G02602 10 3	AMDOCS ORD		..	1,000.000	58,580	59.000	58,580	59,108	250	970		(6,900)		(6,900)		L	02/09/2017.
G0408V 10 2	AON CL A ORD		C	1,500.000	218,040	145.000	218,040	172,766		2,340		17,040		17,040		L	02/09/2017.
G0692U 10 9	AXIS CAPITAL HOLDINGS ORD		C	5,000.000	258,200	52.000	258,200	263,575	2,000	5,850		(5,375)		(5,375)		L	03/06/2018.
G1151C 10 1	ACCENTURE CL A ORD		C	14,500.000	2,044,645	141.000	2,044,645	1,762,598		40,455		(40,078)		(40,078)		L	10/03/2017.
G16962 10 5	BUNGE ORD		..	3,000.000	160,320	53.000	160,320	197,325		1,500		(37,005)		(37,005)		L	10/29/2018.
G29183 10 3	EATON ORD		C	8,000.000	549,280	69.000	549,280	598,340		13,200		(49,060)		(49,060)		L	06/25/2018.
G3223R 10 8	EVEREST RE GROUP ORD		C	500.000	108,880	218.000	108,880	110,808		2,650		(1,750)		(1,750)		L	02/03/2017.
G37585 10 9	GASLOG ORD		C	7,000.000	115,220	16.000	115,220	151,230		2,800		(36,010)		(36,010)		L	12/03/2018.
G47791 10 1	INGERSOLL RAND ORD		C	7,000.000	638,610	91.000	638,610	712,495		3,710		(73,885)		(73,885)		L	11/21/2018.
G491BT 10 8	INVESCO ORD		..	12,000.000	200,880	17.000	200,880	250,860		3,600		(49,980)		(49,980)		L	11/02/2018.
G5494J 10 3	LINDE ORD		D	7,500.000	1,170,300	156.000	1,170,300	1,050,168		6,188		120,133		120,133		L	11/21/2018.
G5960L 10 3	MEDTRONIC ORD		C	47,000.000	4,275,120	91.000	4,275,120	4,012,980	23,500	51,620		264,655		264,655		L	12/17/2018.
G6518L 10 8	NIELSEN HOLDINGS ORD		..	5,000.000	116,650	23.000	116,650	124,325		1,750		(7,675)		(7,675)		L	10/29/2018.
H1467J 10 4	CHUBB ORD		D	16,000.000	2,066,880	129.000	2,066,880	2,117,887	11,680	24,768		(177,849)		(177,849)		L	12/03/2018.
H2906T 10 9	GARMIN ORD		C	5,000.000	316,600	63.000	316,600	305,075		10,500		11,525		11,525		L	03/12/2018.
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD		C	10,500.000	873,180	83.000	873,180	961,093		25,500		(186,538)		(186,538)		L	11/21/2018.
9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					292,425,313	XXX	292,425,313	266,459,337	569,691	5,379,064	0	1,508,522	560,992	947,530	0	XXX	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																	
000000 00 0	BCBSNC SENIOR HEALTH		..	1.000	1,500,000	1,500,000.000	1,500,000	1,500,000						0			03/31/2016.
000000 00 0	BEACON HEALTH		..	1.000	3,338,462	3,338,462.000	3,338,462	3,338,462						0			05/22/2018.
65511# 10 1	NOBLE HEALTH		..	372.000	197,450,339	530,780.480	197,450,339	151,453,968				34,021,506		34,021,506			08/21/2007.
9199999. Total - Common Stocks - Parent, Subsidiaries and Affiliates					202,288,801	XXX	202,288,801	156,292,430	0	0	0	34,021,506	0	34,021,506	0	XXX	XXX
Common Stocks - Mutual Funds																	
001421 58 5	INVESCO REAL ESTATE R6		..	274.999	5,153	19.000	5,153	5,586		558		(433)		(433)		V	12/20/2018.
003021 71 4	ABERDEEN:EM MKT I		C	2,772.079	37,589	14.000	37,589	39,172		1,021		(5,555)		(5,555)		U	12/20/2018.
02368A 20 8	AM BEACON:LCV INST		..	152.449	3,540	23.000	3,540	3,286		333		(815)		(815)		U	12/20/2018.
256206 10 3	DODGE & COX INTL STOCK		..	2,505,254.936	92,468,960	37.000	92,468,960	112,711,529		2,629,685		(20,254,610)		(20,254,610)		U	12/20/2018.
315792 23 4	FIDELITY ABERDEEN STREET TRUST		..	31,829.373	466,300	15.000	466,300	445,914		35,380		(63,021)		(63,021)		L	12/28/2018.
315792 24 2	FIDELITY ABERDEEN STREET TRUST		..	19,526.752	230,806	12.000	230,806	257,321		17,824		(33,749)		(33,749)		L	12/28/2018.
315910 28 1	FIDELITY DVSD INTL K		..	423.681	13,380	32.000	13,380	13,258		933		(3,316)		(3,316)		U	12/10/2018.
315911 87 5	FIDELITY ITL IDX PR		..	76.733	2,789	36.000	2,789	2,396		76		(512)		(512)		L	12/14/2018.
316200 85 6	FIDELITY GRO COMPANY K		..	1,677.299	26,887	16.000	26,887	25,310		1,610		(4,596)		(4,596)		U	12/27/2018.
316345 80 0	FIDELITY LOW-PRCD STK K		..	430.815	18,672	43.000	18,672	18,984		2,484		(4,410)		(4,410)		U	12/20/2018.
38141W 61 2	GOLDMAN:SM CAP VAL A		..	218.061	9,309	43.000	9,309	11,690		1,133		(2,693)		(2,693)		U	12/19/2018.
413838 40 0	OAKMARK EQTY & INC INV		..	16,184.307	435,034	27.000	435,034	483,838		43,225		(103,138)		(103,138)		U	12/20/2018.

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	For eign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator and Administrative Symbol (a)	Date Acquired
55273W 47 5	MFS MID CAP VALUE R6		C	155.679	3,092	20.000	3,092	3,147		193		(588)		(588)		U	12/13/2018.
57630A 59 2	MASSMUTUAL S:MCG I			153.206	2,894	19.000	2,894	2,942		268		(361)		(361)		U	12/17/2018.
592905 76 4	MET WEST:TOTAL RETURN PL			3,406.377	33,314	10.000	33,314	34,042	83	1,215		(532)		(532)		U	12/31/2018.
893509 22 4	TRANSAM:INTERNTL EQ I			2,715,815.559	42,230,932	16.000	42,230,932	48,400,270		2,224,733		(9,292,261)		(9,292,261)		U	12/20/2018.
921937 60 3	VANGUARD TOT BD ADM			8,659.174	90,488	10.000	90,488	89,240	211	3,210		(1,678)		(1,678)		U	12/31/2018.
922040 20 9	VANGUARD INSTL INDX INSP			1,117,193.816	254,239,797	228.000	254,239,797	103,803,330		5,364,599		(17,863,876)		(17,863,876)		U	12/18/2018.
922908 39 7	VANGUARD SM-CP IDX INS+			394,618.656	72,013,959	182.000	72,013,959	18,579,926		1,206,795		(8,587,089)		(8,587,089)		U	12/21/2018.
922908 64 5	VANGUARD MD-CP IDX ADM			295.020	50,460	171.000	50,460	47,901		1,404		(5,826)		(5,826)		U	12/21/2018.
922908 68 6	VANGUARD SM-CP IDX ADM			443.277	28,028	63.000	28,028	28,081		866		(4,293)		(4,293)		U	12/21/2018.
922908 71 0	VANGUARD 500 INDEX ADM			1,514.150	350,435	231.000	350,435	333,875		8,548		(22,786)		(22,786)		U	12/20/2018.
9299999. Total - Common Stocks - Mutual Funds					462,761,818	XXX	462,761,818	285,341,038	294	11,546,093	0	(56,256,138)	0	(56,256,138)	0	XXX	XXX
9799999. Total - Common Stock					957,475,932	XXX	957,475,932	708,092,805	569,985	16,925,157	0	(20,726,110)	560,992	(21,287,102)	0	XXX	XXX
9899999. Total Common and Preferred Stock					1,147,754,339	XXX	1,147,727,561	910,465,086	1,035,431	24,116,964	0	(33,399,538)	560,992	(34,004,045)	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....18, the total $ value (included in Column 8) of all such issues $.....462,056,770.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
36179R Q2 8	G2 MA3173 - RMBS		04/02/2018	Citigroup (SSB)		5,361,139	5,290,870	9,259
36179T CZ 6	G2 MA4588 - RMBS		05/01/2018	GOLDMAN		4,471,618	4,309,993	10,775
38380Y CR 4	GNR 18112C PA - CMO/RMBS		09/01/2018	Citigroup (SSB)		16,044,286	15,925,532	6,193
912810 FB 9	UNITED STATES TREASURY		08/30/2018	RBC CAPITAL MARKETS		12,502,617	9,900,000	184,549
912810 FE 3	UNITED STATES TREASURY		08/30/2018	BARCLAYS CAPITAL INC FIXED INC		2,513,652	2,050,000	6,128
912810 FF 0	UNITED STATES TREASURY		08/30/2018	BARCLAYS CAPITAL INC FIXED INC		12,514,605	10,350,000	165,375
912810 QA 9	UNITED STATES TREASURY		04/09/2018	VARIOUS		3,292,629	3,000,000	14,599
912810 RB 6	UNITED STATES TREASURY		06/29/2018	MERRILL LYNCH PIERCE FENNER		3,797,184	3,900,000	20,533
912810 RK 6	UNITED STATES TREASURY		10/31/2018	VARIOUS		12,928,718	14,775,000	62,424
912810 SA 7	UNITED STATES TREASURY		03/16/2018	DEUTSCHE BANK SECURITIES, INC		23,939,429	24,230,000	64,256
912828 3F 5	UNITED STATES TREASURY		12/31/2018	VARIOUS		19,686,217	20,700,000	72,222
912828 4F 4	UNITED STATES TREASURY		08/30/2018	BARCLAYS CAPITAL INC FIXED INC		4,200,195	4,250,000	47,856
912828 G3 8	UNITED STATES TREASURY		08/30/2018	NATWEST SECURITIES		12,606,775	13,025,000	89,193
912828 J2 7	UNITED STATES TREASURY		08/30/2018	HSBC SECURITIES		12,680,611	13,325,000	14,484
912828 J7 6	UNITED STATES TREASURY		05/31/2018	VARIOUS		13,330,097	13,750,000	32,505
912828 M5 6	UNITED STATES TREASURY		11/30/2018	VARIOUS		27,438,396	28,575,000	145,708
912828 U2 4	UNITED STATES TREASURY		09/19/2018	VARIOUS		11,347,727	12,075,000	93,249
912828 W8 9	UNITED STATES TREASURY		08/31/2018	VARIOUS		27,506,967	28,250,000	127,894
912828 WJ 5	UNITED STATES TREASURY		02/28/2018	VARIOUS		19,779,768	20,000,000	128,453
912828 XB 1	UNITED STATES TREASURY		08/30/2018	DEUTSCHE BANK SECURITIES, INC		12,611,460	13,175,000	85,208
0599999.	Total - Bonds - U.S. Government					258,554,090	260,856,395	1,380,863
Bonds - All Other Government								
03845E AA 0	ARAB PETROLEUM INVESTMENTS CORP	C	09/12/2018	VARIOUS		595,099	595,000	
085209 AF 1	BERMUDA, GOVERNMENT OF (GOVERNMENT)	C	11/15/2018	CITIGROUP GLOBAL MARKETS INC		496,275	500,000	
168863 CE 6	CHILE, REPUBLIC OF (GOVERNMENT)	C	12/21/2018	SANTANDER INVESTMENT SECURITIES, INC		375,400	400,000	214
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	05/09/2018	VARIOUS		2,397,224	2,400,000	33,472
29245J AL 6	EMPRESA NACIONAL DEL PETROLEO	C	10/30/2018	Citigroup (SSB)		669,431	670,000	
445545 AJ 5	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	04/13/2018	HSBC SECURITIES (USA), INC		442,760	400,000	9,264
60937G AD 8	MONGOLIA (GOVERNMENT)	C	04/16/2018	CITIGROUP GLOBAL MARKETS INC		345,750	300,000	1,088
65412J AJ 2	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	11/14/2018	CITIGROUP GLOBAL MARKETS INC		290,000	290,000	
69370T AB 9	PELABUHAN INDONESIA III (PERSERO) PT	C	04/24/2018	STANDARD CHARTERED BANK LONDON		890,091	900,000	
698299 BB 9	PANAMA, REPUBLIC OF (GOVERNMENT)	C	05/07/2018	BARCLAYS BANK PLC		280,125	300,000	358
698299 BD 5	PANAMA, REPUBLIC OF (GOVERNMENT)	C	12/17/2018	BARCLAYS BANK PLC, LONDON BRANCH		403,000	400,000	3,867
71654Q AX 0	PETROLEOS MEXICANOS	C	06/25/2018	HSBC SECURITIES		1,129,150	1,100,000	26,217
71654Q CC 4	PETROLEOS MEXICANOS	C	07/11/2018	MERRILL LYNCH PIERCE FENNER		684,165	700,000	14,638
71654Q CF 7	PETROLEOS MEXICANOS	C	06/26/2018	Citigroup (SSB)		856,160	800,000	2,125
71654Q CG 5	PETROLEOS MEXICANOS	C	06/15/2018	HSBC SECURITIES		351,050	350,000	6,067
71654Q CH 3	PETROLEOS MEXICANOS	C	04/18/2018	VARIOUS		1,326,388	1,330,000	4,042
71654Q CM 2	PETROLEOS MEXICANOS	C	10/16/2018	HSBC SECURITIES		199,908	200,000	
71654Q CP 5	PETROLEOS MEXICANOS	C	12/21/2018	JEFFERIES & CO. - BONDS DIRECT		560,250	600,000	6,825
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)	C	12/10/2018	JPMORGAN CHASE BANK/CLEARANCE		586,000	400,000	13,722
718286 BZ 9	PHILIPPINES, REPUBLIC OF THE (GOVERNMENT	C	12/21/2018	VARIOUS		1,552,250	1,600,000	25,851
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	02/01/2018	VARIOUS		1,643,520	1,600,000	34,567
760942 BD 3	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	12/17/2018	VARIOUS		1,266,396	1,320,000	4,183
77586T AA 4	ROMANIA, REPUBLIC OF (GOVERNMENT)	D	09/27/2018	VARIOUS		773,060	700,000	7,808
857524 AC 6	POLAND, REPUBLIC OF (GOVERNMENT)	C	01/17/2018	MERRILL LYNCH INTERNATIONAL		1,804,550	1,700,000	33,433

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903724 BW 1	UKRAINE (GOVERNMENT)	C	10/25/2018	GOLDMAN SACHS & CO, NY		280,000	280,000	
91086Q BC 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	10/22/2018	MORGAN STANLEY AND CO INC		99,875	100,000	244
91086Q BF 4	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	01/05/2018	Deutsche Bank AG New York Branch		345,450	350,000	7,424
91087B AD 2	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	12/21/2018	VARIOUS		1,300,800	1,400,000	13,468
91087B AE 0	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	10/22/2018	MORGAN STANLEY AND CO INC		466,000	500,000	5,365
M0R08Q AA 9	AFRICAN EXPORT IMPORT BANK	D	04/18/2018	Credit Suisse First Boston		391,160	400,000	5,500
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)	D	07/13/2018	MERRILL LYNCH INTERNATIONAL		547,250	550,000	13,204
M6320U AB 5	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)	D	12/17/2018	Deutsche Bank AG New York Branch		386,960	400,000	1,399
M6320U AJ 8	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)	D	12/14/2018	VARIOUS		775,391	800,000	4,549
M6S21B AG 8	LEBANON, REPUBLIC OF (GOVERNMENT)	D	08/01/2018	GOLDMAN SACHS & CO, NY		123,620	140,000	140
M75242 AW 3	OMAN, SULTANATE OF (GOVERNMENT)	D	06/11/2018	MERRILL LYNCH INTERNATIONAL		1,295,000	1,400,000	32,881
M75242 BH 5	OMAN, SULTANATE OF (GOVERNMENT)	D	12/03/2018	VARIOUS		982,191	1,100,000	27,068
M8489S AF 4	QATAR, STATE OF (GOVERNMENT)	D	06/22/2018	MORGAN STANLEY AND CO INC		1,397,200	1,400,000	9,494
M87883 DN 7	LEBANON, REPUBLIC OF (GOVERNMENT)	D	12/20/2018	VARIOUS		184,408	225,000	2,340
P01012 AQ 9	EL SALVADOR, REPUBLIC OF (GOVERNMENT)	C	10/19/2018	VARIOUS		361,088	350,000	8,072
P30179 AM 0	COMISION FEDERAL DE ELECTRICIDAD	C	06/26/2018	SANTANDER INVESTMENT SECS		403,200	400,000	8,775
P31389 AY 8	CORPORACION FINANCIERA DE DESARROLLO SAC	C	06/26/2018	Jefferies		406,000	400,000	7,336
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)	C	06/26/2018	Jefferies		636,960	600,000	7,078
P3579E BE 6	DOMINICAN REPUBLIC (GOVERNMENT)	C	12/12/2018	CIBC WORLD MARKETS CORP		96,750	100,000	2,607
P3772N HK 1	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	12/17/2018	BNP PARIBAS LONDON BRANCH		189,700	200,000	1,371
P5178R AA 6	HONDURAS, REPUBLIC OF	D	05/16/2018	CIBC WORLD MARKETS CORP		430,000	400,000	5,250
P5178R AC 2	HONDURAS, REPUBLIC OF (GOVERNMENT)	C	10/19/2018	CIBC WORLD MARKETS CORP		200,400	200,000	3,264
P7808B AA 5	PETROLEOS DEL PERU PETROPERU SA	C	12/17/2018	SANTANDER INVESTMENT SECS		387,500	400,000	
V50249 AB 3	KENYA, REPUBLIC OF (GOVERNMENT)	D	09/19/2018	VARIOUS		373,500	400,000	1,813
V5311V AB 6	MOROCCO, KINGDOM OF (GOVERNMENT)	D	02/16/2018	CITIGROUP GLOBAL MARKETS INC		375,410	346,000	3,764
V6713E AA 8	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	D	04/04/2018	VARIOUS		634,500	600,000	7,144
V6745W AA 0	ETHIOPIA, FEDERAL DEMOCRATIC REPUBLIC OF	D	08/29/2018	HSBC SECURITIES (USA), INC		401,000	400,000	5,815
V73789 AD 7	COTE D'IVOIRE, REPUBLIC OF (GOVERNMENT)	D	05/31/2018	HSBC SECURITIES (USA), INC		395,000	400,000	6,446
X51770 AA 7	MFB MAGYAR FEJLESZTESI BANK ZRT	D	06/26/2018	HSBC SECURITIES (USA), INC		420,476	400,000	4,653
X5S005 UE 9	UKRAINE, REPUBLIC OF (GOVERMENT)	D	04/06/2018	CITIGROUP GLOBAL MARKETS INC		211,250	200,000	1,679
X5S73N AC 8	MAGYAR EXPORT IMPORT BANK ZRT	D	06/26/2018	HSBC SECURITIES (USA), INC		200,446	200,000	3,289
X7344W AL 7	BELARUS, REPUBLIC OF (GOVERNMENT)	D	04/03/2018	BNY/VTB CAPITAL PLC		213,000	200,000	1,413
X7360W AV 4	ROMANIA (GOVERNMENT)	D	09/27/2018	VARIOUS		492,497	500,000	6,942
X74344 DR 4	RUSSIA, FEDERATION OF (GOVERNMENT)	D	12/20/2018	CITIGROUP GLOBAL MARKETS INC		1,220,400	1,200,000	12,000
X74351 BC 4	RUSSIAN FEDERATION (GOVERNMENT)	D	12/20/2018	CITIGROUP GLOBAL MARKETS INC		407,500	400,000	3,056
X74359 AC 8	RUSSIAN FEDERATION (GOVERNMENT)	D	09/07/2018	VARIOUS		2,403,500	2,200,000	29,212
X7435H AE 6	RUSSIAN FEDERATION (THE)	D	04/03/2018	Jefferies		1,337,000	800,000	28,617
X77765 BQ 1	SERBIA, REPUBLIC OF (GOVERNMENT)	D	04/13/2018	HSBC SECURITIES (USA), INC		410,596	400,000	2,817
X7S904 BF 7	LATVIA, REPUBLIC OF (GOVERNMENT)	D	06/26/2018	BNP PARIBAS LONDON BRANCH		398,600	400,000	5,072
Y20721 BC 2	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	06/26/2018	BANK OF AMERICA NATL TR & SVGS, NEW YORK		397,000	400,000	2,625
Y20721 BQ 1	INDONESIA, REPUBLIC OF (GOVERNMENT)	C	04/13/2018	MORGAN STANLEY & CO INC, NY		408,800	400,000	4,785
Y6S3DC CM 3	AZERBAIJAN, REPUBLIC OF (GOVERNMENT)	D	04/30/2018	NOMURA INTERNATIONAL PLC		299,625	300,000	1,742
Y7136Y AA 8	PERUSAHAAN GAS NEGARA PERSERO TBK PT	C	04/18/2018	ICBC STANDARD BANK PLC FORMERLY STA		313,314	300,000	6,577
1099999. Total - Bonds - All Other Government						42,918,319	42,096,000	534,031
Bonds - U.S. States, Territories and Possessions								
13063B FV 9	CALIFORNIA ST		04/17/2018	WELLS FARGO SECURITIES LLC		3,276,030	3,000,000	31,800

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13063D GD 4	CALIFORNIA ST		08/21/2018	VARIOUS		13,625,937	12,925,000	59,000
13063D GE 2	CALIFORNIA ST		09/07/2018	BB&T SECURITIES, LLC		6,270,780	6,000,000	104,267
546415 K9 0	LOUISIANA ST		03/20/2018	BB&T SECURITIES, LLC		3,139,080	3,000,000	42,333
70914P PQ 9	PENNSYLVANIA ST		05/18/2018	RBC CAPITAL MARKETS		3,675,945	3,500,000	72,231
97705L 2M 8	WISCONSIN ST		05/18/2018	BB&T SECURITIES, LLC		4,193,120	4,000,000	9,333
1799999.	Total - Bonds - U.S. States, Territories & Possessions					34,180,892	32,425,000	318,964
Bonds - U.S. Political Subdivisions of States								
033161 7C 8	ANCHORAGE ALASKA		06/01/2018	FUNB-FUNDS II		1,956,526	1,660,000	
088281 UE 8	BEXAR CNTY TEX		09/01/2018	BB&T SECURITIES, LLC		(2,812,551)	(2,450,000)	(36,750)
097552 TR 4	BOLINGBROOK ILL		03/15/2018	RAYMOND JAMES & ASSOCIATES		833,100	750,000	
181211 FB 4	CLARK CNTY WASH SCH DIST NO 101 LA CTR		05/25/2018	Piper Jaffray Co		1,178,263	1,015,000	
213185 LH 2	COOK CNTY ILL		01/19/2018	Loop Capital Markets		1,124,670	1,000,000	
215457 BZ 4	COOK CNTY ILL HIGH SCH DIST NO 201 J STE		04/02/2018	RAYMOND JAMES & ASSOCIATES		1,924,629	1,850,000	30,624
223832 EW 2	COWLITZ CNTY WASH SCH DIST NO 402 KALAMA		05/17/2018	Piper Jaffray Co		1,148,170	1,000,000	
223832 EY 8	COWLITZ CNTY WASH SCH DIST NO 402 KALAMA		05/17/2018	Piper Jaffray Co		1,304,730	1,140,000	
235308 RA 3	DALLAS TEX INDPT SCH DIST		04/10/2018	BB&T SECURITIES, LLC		5,484,480	5,000,000	50,704
34153P U2 2	FLORIDA ST BRD ED PUB ED		07/02/2018	BB&T SECURITIES, LLC		4,195,960	4,000,000	15,111
442403 PH 8	HOUSTON TEX INDPT SCH DIST		06/07/2018	NATL FINANCIAL SERVICES CORP (NFS)		2,348,412	2,020,000	
442403 PK 1	HOUSTON TEX INDPT SCH DIST		06/07/2018	NATL FINANCIAL SERVICES CORP (NFS)		3,946,225	3,405,000	
468312 HL 0	JACKSON MICH PUB SCHS		06/06/2018	Stifel Nicolaus & Co		1,141,890	1,000,000	
468312 HM 8	JACKSON MICH PUB SCHS		06/06/2018	Stifel Nicolaus & Co		2,280,160	2,000,000	
468312 HN 6	JACKSON MICH PUB SCHS		06/06/2018	Stifel Nicolaus & Co		1,434,233	1,260,000	
584002 QB 8	MECKLENBURG CNTY N C		08/16/2018	JP MORGAN SECURITIES INC		2,092,000	2,000,000	33,584
64966M EB 1	NEW YORK N Y		02/14/2018	MORGAN STANLEY CO		2,307,000	2,500,000	2,625
64966M WL 9	NEW YORK N Y		02/23/2018	RBC CAPITAL MARKETS		3,555,000	3,555,000	
64966M ZS 1	NEW YORK N Y		04/12/2018	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		2,819,111	2,425,000	
717883 VC 3	PHILADELPHIA PA SCH DIST		03/23/2018	MERRILL LYNCH PIERCE FENNER		555,535	500,000	
717883 VD 1	PHILADELPHIA PA SCH DIST		03/23/2018	MERRILL LYNCH PIERCE FENNER		555,080	500,000	
717883 VE 9	PHILADELPHIA PA SCH DIST		03/23/2018	MERRILL LYNCH PIERCE FENNER		553,715	500,000	
796269 ZY 7	SAN ANTONIO TEX INDPT SCH DIST		08/02/2018	BB&T SECURITIES, LLC		4,476,400	4,000,000	36,111
833715 EZ 4	SOCORRO TEX INDPT SCH DIST		02/01/2018	RBC CAPITAL MARKETS		5,863,106	5,000,000	25,694
986812 SJ 5	YORK PA		02/21/2018	BB&T SECURITIES, LLC		2,038,100	2,000,000	22,404
2499999.	Total - Bonds - U.S. Political Subdivisions of States					52,303,944	47,630,000	180,107
Bonds - U.S. Special Revenue and Special Assessment								
02765U MK 7	AMERICAN MUN PWR OHIO INC REV		04/25/2018	Piper Jaffray Co		1,772,864	1,600,000	16,000
047681 QG 9	ATLANTA & FULTON CNTY GA REC AUTH REV		02/07/2018	GOLDMAN		981,720	1,000,000	5,392
088281 UE 8	BEXAR CNTY TEX		09/01/2018	BB&T SECURITIES, LLC		2,812,551	2,450,000	36,750
161037 E3 6	CHARLOTTE N C CTFS PARTN		06/19/2018	BB&T SECURITIES, LLC		6,067,080	6,000,000	10,000
16753Q BB 2	CHICAGO ILL HSG AUTH		09/14/2018	CABRERA CAPITAL MARKETS		2,940,000	2,940,000	
16753Q BD 8	CHICAGO ILL HSG AUTH		09/14/2018	CABRERA CAPITAL MARKETS		2,605,000	2,605,000	
167725 AC 4	CHICAGO ILL TRAN AUTH SALES & TRANSFER T		03/26/2018	VARIOUS		5,221,634	4,000,000	89,149
18085P LL 6	CLARK CNTY NEV ARPT REV		10/11/2018	BB&T SECURITIES, LLC		5,133,400	5,000,000	99,392
3128MJ 3D 0	FH G08795 - RMBS		09/01/2018	NOMURA SECURITIES INTL INC		13,289,489	13,674,703	4,558
3128MJ 3H 1	FH G08799 - RMBS		09/01/2018	RBC CAPITAL MARKETS		14,809,602	15,230,676	5,077
3128MJ T6 7	FH G08572 - RMBS		09/01/2018	Amherst Pierpont Securities		4,945,215	4,939,042	5,762
3128MJ XL 9	FH G08682 - RMBS		12/13/2018	Citigroup (SSB)		2,028,573	2,000,441	2,890

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3128MJ Y5 3	FH G08731 - RMBS		06/15/2018	NOMURA SECURITIES INTL INC		8,576,749	9,185,274	12,119
3128MJ YW 4	FH G08724 - RMBS		07/01/2018	NOMURA SECURITIES INTL INC		3,752,494	3,980,409	553
3132HN H4 4	FH Q12051 - RMBS		04/05/2018	SUNTRUST CAPITAL MARKETS, INC		4,821,091	4,782,235	5,114
3132XC R9 8	FH G67712 - RMBS		11/01/2018	Citigroup (SSB)		3,661,814	3,626,680	4,836
3132XC RW 7	FH G67701 - RMBS		08/14/2018	GOLDMAN		6,923,388	7,139,706	10,698
3132XV 4U 4	FH Q53534 - RMBS		09/01/2018	NOMURA SECURITIES INTL INC		16,332,080	16,779,747	5,593
31335A MN 5	FH G60365 - RMBS		02/01/2018	VARIOUS		4,151,587	3,826,899	6,378
31335A PZ 5	FH G60440 - RMBS		05/01/2018	VARIOUS		2,046,303	2,046,303	2,586
31335B C7 9	FH G60994 - RMBS		06/25/2018	Amherst Pierpont Securities		4,610,213	4,602,303	11,634
31335B Z4 1	FH G61663 - RMBS		12/10/2018	WELLS FARGO SECURITIES LLC		10,135,472	10,841,889	8,282
3136AK 5X 7	FNR 1467A PL - CMO/RMBS		09/01/2018	MORGAN STANLEY CO		4,100,656	4,099,568	1,367
3136AT TD 6	FNA 16M09A FA - CMBS		10/11/2018	Citigroup (SSB)		2,492,886	2,486,669	2,854
3136B3 BA 7	FNR 1880B GD - CMO/RMBS		09/21/2018	MORGAN STANLEY CO		3,220,089	3,253,000	8,539
3137BF E9 8	FHMS K041 A2 - CMBS		03/29/2018	Unknown		4,536,387	4,500,000	1,189
3137BJ PH 0	FHMS KF08 A - CMBS		11/08/2018	BAIRD, ROBERT W., & COMPANY IN		6,557,689	6,548,481	9,315
3137BV Z8 2	FHMS K063 A2 - CMBS		08/21/2018	GOLDMAN		2,874,715	2,850,000	6,245
3137F2 3E 4	FHMS KF32 A - CMBS		10/16/2018	MORGAN STANLEY CO		1,725,562	1,723,139	2,853
3137FB UV 6	FHMS KP04 AG1 - CMBS		11/02/2018	Citigroup (SSB)		2,500,098	2,500,000	1,895
3137FG ZN 8	FHMS KI02 A - CMBS		11/19/2018	JP MORGAN SECURITIES LLC		2,187,522	2,188,206	4,337
3137FJ XN 4	FHMS KI03 A - CMBS		12/01/2018	JP MORGAN SECURITIES LLC		10,879,008	10,880,000	1,104
3137FJ Y7 8	FHMS K1508 A3 - CMBS		11/07/2018	GOLDMAN		1,593,777	1,625,000	3,169
3138EP N9 1	FN AL6715 - RMBS		09/01/2018	NOMURA SECURITIES/FIXED INCOME		4,661,840	4,548,137	6,064
3138LY 5E 3	FN AO8044 - RMBS		11/01/2018	JP MORGAN SECURITIES LLC		6,327,397	6,422,225	7,493
3138WH NY 4	FN AS7606 - RMBS		12/07/2018	JP MORGAN SECURITIES LLC		2,098,225	2,163,118	2,554
3138WN 5P 0	FN AT1753 - RMBS		12/10/2018	MERRILL LYNCH PIERCE FENNER		3,973,292	3,873,135	5,164
3140J5 5P 0	FN BM1753 - RMBS		03/07/2018	GOLDMAN		4,186,576	4,049,280	5,399
31418C P9 9	FN MA3147 - RMBS		07/01/2018	JP MORGAN SECURITIES INC		9,690,591	9,966,336	1,661
31418C Q9 8	FN MA3179 - RMBS		07/01/2018	JP MORGAN SECURITIES INC		9,690,624	9,951,731	1,659
31418C RD 8	FN MA3183 - RMBS		04/11/2018	BNP Paribas		6,041,088	5,884,774	7,846
31418C U6 9	FN MA3304 - RMBS		09/01/2018	MORGAN STANLEY CO		12,696,452	13,078,853	4,360
38611T BM 8	GRAND PARKWAY TRANSN CORP TEX SYS TOLL R		05/17/2018	GOLDMAN		4,038,074	3,520,000	
392274 X2 7	GREATER ORLANDO AVIATION AUTH ORLANDO FL		03/15/2018	MORGAN STANLEY CO		5,629,300	5,000,000	115,278
42806K AS 2	HESPERIA CALIF CMNTY REDEV AGY SUCCESSOR		09/12/2018	Stifel Nicolaus & Co		2,759,484	2,800,000	
42806K AT 0	HESPERIA CALIF CMNTY REDEV AGY SUCCESSOR		09/12/2018	Stifel Nicolaus & Co		2,480,611	2,525,000	
46613S GL 8	JEA FLA ELEC SYS REV		05/03/2018	FUNB-FUNDS II		5,244,300	4,500,000	22,500
54811B RX 1	LOWER COLO RIV AUTH TEX TRANSMISSION CON		06/07/2018	MERRILL LYNCH PIERCE FENNER		3,699,365	3,225,000	
576000 VB 6	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED		10/11/2018	BB&T SECURITIES, LLC		5,498,050	5,000,000	104,167
576000 WK 5	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED		12/11/2018	BB&T SECURITIES, LLC		2,017,120	2,000,000	29,333
587843 KE 2	MERCER CNTY N J IMPT AUTH LEASE REV		06/13/2018	BB&T SECURITIES, LLC		1,539,495	1,500,000	15,038
590545 TJ 8	MESA ARIZ UTIL SYS REV		08/30/2018	BB&T SECURITIES, LLC		4,232,880	4,000,000	35,336
64971W UD 0	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		04/26/2018	BB&T SECURITIES, LLC		4,439,080	4,000,000	49,444
64971X ER 5	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		08/24/2018	BB&T SECURITIES, LLC		5,044,850	5,000,000	9,900
64972F Y2 6	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &		08/08/2018	BB&T SECURITIES, LLC		3,205,890	3,000,000	28,793
64972H N8 1	NEW YORK N Y CITY TRANSITIONAL FIN AUTH		09/21/2018	Loop Capital Markets		2,955,990	3,000,000	15,291
64990A BF 1	NEW YORK ST DORM AUTH SALES TAX REV ST S		03/28/2018	BB&T SECURITIES, LLC		11,035,000	10,000,000	23,611
64990C 7P 0	NEW YORK ST DORM AUTH REVS NON ST SUPPOR		05/04/2018	FUNB-FUNDS II		1,165,840	1,000,000	

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64990E D8 7	NEW YORK ST DORM AUTH ST PERS INCOME TAX		05/03/2018	BB&T SECURITIES, LLC		5,509,280	4,950,000	54,292
650035 4V 7	NEW YORK ST URBAN DEV CORP REV		02/07/2018	FUNB-FUNDS II		3,857,261	3,885,000	48,485
650035 5X 2	NEW YORK ST URBAN DEV CORP REV		01/23/2018	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,578,011	1,590,000	4,910
65821D SN 2	NORTH CAROLINA MED CARE COMMN HEALTH CAR		10/16/2018	BB&T SECURITIES, LLC		4,254,320	4,000,000	76,111
702285 EK 9	PASADENA CALIF WTR REV		04/17/2018	BB&T SECURITIES, LLC		2,215,100	2,000,000	55,200
70917S XR 9	PENNSYLVANIA ST HIGHER EDL FACS AUTH REV		05/07/2018	Piper Jaffray Co		3,079,615	2,750,000	3,056
709221 VH 5	PENNSYLVANIA ST TPK COMMN OIL FRANCHISE		05/17/2018	Jefferies		2,077,102	1,840,000	
709224 QF 9	PENNSYLVANIA ST TPK COMMN TPK REV		04/02/2018	UBS FINANCIAL SERVICES INC		1,844,011	1,660,000	28,358
721664 FD 7	PIMA CNTY ARIZ CTFS PARTN		03/07/2018	BB&T SECURITIES, LLC		1,089,873	1,105,000	10,453
73209M AJ 6	POMONA CALIF REDEV AGY SUCCESSOR AGY TAX		09/27/2018	B.C. ZIEGLER & CO		2,000,000	2,000,000	
73358W S9 6	PORT AUTH N Y & N J		01/24/2018	MERRILL LYNCH PIERCE FENNER		5,848,200	5,000,000	
746507 AV 4	PUTNAM CNTY FLA DEV AUTH POLLUTN CTL REV		04/26/2018	GOLDMAN		2,351,988	2,140,000	
759861 DS 3	RENO NEV SALES TAX REV		06/12/2018	GOLDMAN		886,862	790,000	
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	02/01/2018	VARIOUS		(1,643,520)	(1,600,000)	(34,567)
837151 FV 6	SOUTH CAROLINA ST PUB SVC AUTH REV		10/03/2018	BB&T SECURITIES, LLC		3,934,760	4,000,000	62,703
85732P BZ 2	STATE PUB SCH BLDG AUTH PA REV		06/04/2018	BB&T SECURITIES, LLC		3,243,300	3,000,000	33,750
92818M CM 0	VIRGINIA ST RES AUTH INFRASTRUCTURE REV		12/28/2018	CORPORATE ACTION		279,531	270,000	2,138
P42009 AA 1	FONDO MIVIVIENDA SA	C	06/26/2018	SANTANDER INVESTMENT SECS		193,200	200,000	2,858
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					337,237,016	330,492,959	1,224,268
Bonds - Industrial and Miscellaneous								
00162L CN 5	ALM A1AR2 - CDO	C	06/20/2018	GOLDMAN		1,250,000	1,250,000	
00182E BH 1	ANZ NEW ZEALAND (INTL) LTD (LONDON BRANC	C	04/05/2018	MORGAN STANLEY CO		3,291,072	3,330,000	19,333
00206R DF 6	AT&T INC		04/05/2018	RBC CAPITAL MARKETS		1,695,945	1,500,000	13,500
00206R ER 9	AT&T INC		04/13/2018	RBC CAPITAL MARKETS		3,436,269	3,450,000	24,361
00206R GL 0	AT&T INC		12/17/2018	MORGAN STANLEY CO		3,167,340	3,300,000	46,603
00216L AA 1	ASB BANK LTD	C	06/07/2018	Citigroup (SSB)		4,674,808	4,700,000	
00507U AF 8	ACTAVIS FUNDING SCS	C	04/02/2018	CREDIT SUISSE SECURITIES (USA)		3,291,584	3,325,000	38,759
00653M AA 9	ADCB FINANCE (CAYMAN) LTD	C	03/22/2018	JPMorgan Chase Bank/Euroclear Bank		622,813	625,000	
00787C AC 6	AEROPUERTO INTERNACIONAL DE TOCUMEN SA	C	11/07/2018	Citigroup (SSB)		437,414	450,000	13,875
00928Q AR 2	AIRCASTLE LTD		09/20/2018	GOLDMAN		2,640,530	2,645,000	
035240 AL 4	ANHEUSER-BUSCH INBEV WORLDWIDE INC	C	03/20/2018	DEUTSCHE BANK SECURITIES, INC		1,250,122	1,260,000	
035242 AP 1	ANHEUSER-BUSCH INBEV FINANCE INC	C	04/13/2018	Amherst Pierpont Securities		995,600	1,000,000	7,706
046353 AK 4	ASTRAZENECA PLC	C	09/04/2018	VARIOUS		3,787,423	3,850,000	27,406
05369A AD 3	AVIATION CAPITAL GROUP LLC		07/25/2018	MIZUHO SECURITIES USA INC		1,874,103	1,900,000	
054967 AA 2	BAMLL 18DSNY A - CMBS		11/01/2018	MERRILL LYNCH PIERCE FENNER		6,300,000	6,300,000	
05552E AA 8	BBCMS 17DELC A - CMBS		10/25/2018	MORGAN STANLEY CO		2,545,795	2,545,000	3,097
05565E AF 2	BMW US CAPITAL LLC	C	08/29/2018	MITSUBISHI UFJ SECURITIES		3,106,144	3,200,000	24,889
05579H AJ 1	BNZ INTERNATIONAL FUNDING LIMITED (LONDO	C	02/22/2018	TORONTO DOMINION SECS USA INC		4,176,102	4,200,000	
056059 AA 6	BX 18IND A - CMBS		10/22/2018	Citigroup (SSB)		4,060,000	4,060,000	
05607A AA 1	BX 18MCSF A - CMBS		04/06/2018	MORGAN STANLEY CO		3,101,373	3,130,000	
05964H AJ 4	BANCO SANTANDER SA	C	04/09/2018	Citigroup (SSB)		1,600,000	1,600,000	
05968A AA 4	BANCO DEL ESTADO DE CHILE	C	06/26/2018	SANTANDER INVESTMENT SECS		200,000	200,000	2,992
05968L AK 8	BANCOLOMBIA SA	C	01/01/2018	Citigroup (SSB)		200,000	200,000	
06051G EN 5	BANK OF AMERICA CORPBACYUSUS		03/16/2018	MERRILL LYNCH PIERCE FENNER		1,636,233	1,319,000	9,256
06051G FB 0	BANK OF AMERICA CORP		08/15/2018	VARIOUS		5,119,003	5,000,000	13,463
06051G HL 6	BANK OF AMERICA CORP		07/18/2018	MERRILL LYNCH PIERCE FENNER		2,500,000	2,500,000	

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06367T 4W 7	BANK OF MONTREAL		04/10/2018	BMO Capital Markets		4,494,735	4,500,000	
06540R AE 4	BANK 17BNK9 A4 - CMBS		10/30/2018	WELLS FARGO SECURITIES LLC		2,684,379	2,775,000	
06675F AM 9	BANQUE FEDERATIVE DU CREDIT MUTUEL SA	C	04/11/2018	SG AMERICAS SECURITIES, LLC		778,176	800,000	4,980
06761C AA 7	BABSN 162R AR - CDO	C	12/07/2018	MORGAN STANLEY CO		4,270,000	4,270,000	
07274N AJ 2	BAYER US FINANCE II LLC	C	06/18/2018	JP MORGAN SECURITIES INC		3,493,385	3,500,000	
09626Q BC 0	BLUEM 142RR BR2 - CDO		10/01/2018	Citigroup (SSB)		4,200,000	4,200,000	
09659W 2E 3	BNP PARIBAS SA	C	09/18/2018	MORGAN STANLEY CO		4,395,105	4,500,000	8,313
12189L AT 8	BURLINGTON NORTHERN SANTA FE LLC		09/05/2018	JEFFERIES PARTNERS OPPORTUNITY		3,800,608	3,800,000	2,153
12548R AC 8	CIFC FUNDING 2014-II-R, LTD. - CDO		05/04/2018	MERRILL LYNCH PIERCE FENNER		4,000,000	4,000,000	
12550T AN 5	CIFC A1R - CDO	C	12/14/2018	Citigroup (SSB)		4,875,000	4,875,000	
12595X AV 5	CSAIL 18CX12 XA - CMBS		08/09/2018	CREDIT SUISSE SECURITIES (USA)		1,042,783		9,961
12596G BB 4	CSAIL 18C14 XA - CMBS		11/26/2018	CREDIT SUISSE SECURITIES (USA)		2,604,376		26,803
126650 BV 1	CVS 10B CTF		01/10/2018	FTN Financial		3,138,048	2,799,729	898
126650 CX 6	CVS HEALTH CORP		03/06/2018	MERRILL LYNCH PIERCE FENNER		7,961,466	8,075,000	
126650 CZ 1	CVS HEALTH CORP		04/19/2018	MERRILL LYNCH PIERCE FENNER		825,760	800,000	4,938
14040H BU 8	CAPITAL ONE FINANCIAL CORP		01/25/2018	MORGAN STANLEY CO		2,996,430	3,000,000	
141781 BG 8	CARGILL INC		02/26/2018	JP MORGAN SECURITIES INC		1,997,520	2,000,000	
17305E GK 5	CCCIT 18A1 A1 - ABS		01/25/2018	Citigroup (SSB)		3,649,495	3,650,000	
17323V AZ 8	CGCMT 15GC29 A4 - CMBS		03/20/2018	Citigroup (SSB)		6,129,639	6,250,000	11,638
198280 AF 6	COLUMBIA PIPELINE GROUP INC		04/12/2018	TORONTO DOMINION SECS USA INC		808,785	795,000	13,416
198280 AH 2	COLUMBIA PIPELINE GROUP INC	C	08/03/2018	JP MORGAN SECURITIES INC		2,211,546	1,975,000	21,001
20030N CJ 8	COMCAST CORP		03/16/2018	GOLDMAN		2,830,507	2,941,000	13,382
20030N CL 3	COMCAST CORP		10/02/2018	MERRILL LYNCH PIERCE FENNER		2,498,350	2,500,000	
20039F AA 7	COMETA ENERGIA SA DE CV	C	04/19/2018	Citigroup (SSB)		1,370,000	1,370,000	
20449E BT 2	COMPASS BANK	C	01/01/2018	MITSUBISHI UFJ SECURITIES		2,550,912	2,400,000	22,000
21240B AD 3	CONTROLADORA MABE SA DE CV	C	10/18/2018	Citigroup (SSB)		288,402	290,000	
224044 CG 0	COX COMMUNICATIONS INC		02/22/2018	Stifel Nicolaus & Co		1,141,272	1,200,000	17,978
22535W AB 3	CREDIT AGRICOLE SA (LONDON BRANCH)	C	08/10/2018	BARCLAYS CAPITAL INC FIXED INC		3,788,161	3,875,000	15,096
233851 CA 0	DAIMLER FINANCE NORTH AMERICA LLC	C	08/29/2018	BNP Paribas		3,808,189	3,850,000	8,085
24704A AD 8	DEFT 181 A3 - ABS		09/19/2018	WELLS FARGO SECURITIES LLC		4,623,555	4,625,000	11,848
251541 AQ 1	DEUTSCHE BANK AG	C	05/22/2018	DEUTSCHE BANK SECURITIES, INC		2,514,250	2,500,000	11,806
25156P AC 7	DEUTSCHE TELEKOM INTERNATIONAL FINANCE B	C	05/08/2018	GOLDMAN		752,175	550,000	19,384
25470D AJ 8	DISCOVERY COMMUNICATIONS LLC		03/16/2018	GOLDMAN		1,979,274	2,078,000	47,556
26078J AB 6	DOWDUPONT INC		11/14/2018	CREDIT SUISSE SECURITIES (USA)		3,775,000	3,775,000	
26244G AE 5	DRSLF 40R AR - CDO		08/10/2018	GOLDMAN		4,000,000	4,000,000	2,851
26244K AQ 9	DRSLF 2015-41A BR - ABS		02/21/2018	BARCLAYS CAPITAL INC FIXED INC		3,455,000	3,455,000	
26250U AQ 8	DRSLF 26R AR - CDO		08/30/2018	DEUTSCHE BANC ALEX. BROWN INST		4,192,440	4,200,000	53,425
279158 AC 3	ECOPETROL SA	C	12/17/2018	BNP Paribas		211,750	200,000	2,970
279158 AE 9	ECOPETROL SA	C	10/22/2018	BANCO SANTANDER CENTRAL HISPANO		213,731	190,000	1,401
279158 AL 3	ECOPETROL SA	C	10/22/2018	BANCO SANTANDER CENTRAL HISPANO		498,526	490,000	8,633
29268B AF 8	ENEL FINANCE INTERNATIONAL SA	C	03/16/2018	MERRILL LYNCH PIERCE FENNER		1,850,741	1,574,000	42,760
293791 AT 6	ENTERPRISE PRODUCTS OPERATING L.P		04/11/2018	Stifel Nicolaus & Co		2,000,443	1,775,000	11,907
31446Y AB 8	FENIX POWER PERU SA	C	06/29/2018	EUROCLEAR BANK SA/NV		819,975	870,000	10,746
344419 AA 4	FOMENTO ECONOMICO MEXICANO SAB DE CV	C	11/05/2018	HSBC SECURITIES (USA), INC		490,100	520,000	7,350
34532R AA 4	FORDR 18REV1 A - ABS		03/01/2018	TORONTO DOMINION SECS USA INC		1,793,531	1,800,000	3,190
361886 BM 5	GFORT 182 B - ABS		03/21/2018	JP MORGAN SECURITIES INC		1,579,603	1,580,000	

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36191Y BB 3	GSMS 11GC5 A4 - CMBS		10/22/2018	Citigroup (SSB)		4,357,816	4,326,382	10,246
36250H AB 9	GSMS 14GC26 A2 - CMBS		10/22/2018	MORGAN STANLEY CO		2,992,852	3,000,000	5,562
36250H AD 5	GSMS 14GC26 A4 - CMBS		03/20/2018	Citigroup (SSB)		6,227,051	6,250,000	12,265
370334 CF 9	GENERAL MILLS INC		04/03/2018	GOLDMAN		2,997,090	3,000,000	
38013R AF 2	GMCAR 182 B - ABS		04/11/2018	DEUTSCHE BANC ALEX. BROWN INST		3,754,662	3,755,000	
38141G GM 0	GOLDMAN SACHS GROUP INC		03/16/2018	MERRILL LYNCH PIERCE FENNER		1,975,852	1,562,000	13,288
40139L AE 3	GUARDIAN LIFE GLOBAL FUNDING		04/18/2018	DEUTSCHE BANK SECURITIES, INC		4,494,645	4,500,000	
404280 BJ 7	HSBC HOLDINGS PLC	C	04/04/2018	MERRILL LYNCH PIERCE FENNER		2,074,968	2,100,000	4,377
40429C GD 8	HSBC FINANCE CORP	C	04/01/2018	HSBC SECURITIES		(1,404,674)	(1,248,000)	(24,995)
40573L AU 0	HALFMOON PARENT INC		09/06/2018	MORGAN STANLEY CO		1,597,424	1,600,000	
41754W AS 0	HARVEST OPERATIONS CORP	C	04/24/2018	PERSHING DIV OF DLJ SEC LNDING		2,298,137	2,300,000	
42953L AA 0	HIDROVIAS INTERNATIONAL FINANCE SARL	C	01/17/2018	MERRILL LYNCH PIERCE FENNER		200,000	200,000	
44841C AB 0	HUTCHISON WHAMPOA LTD	C	01/23/2018	WELLS FARGO SECURITIES LLC		1,584,630	1,500,000	2,313
44891K AF 2	HART 18A B - ABS		04/10/2018	BARCLAYS CAPITAL INC FIXED INC		4,499,627	4,500,000	
456837 AK 9	ING GROEP NV	C	09/25/2018	GOLDMAN		4,598,988	4,600,000	
46132F AA 8	INVESCO FINANCE PLC	C	10/25/2018	JP MORGAN SECURITIES LLC		1,732,773	1,775,000	22,958
46132F AB 6	INVESCO FINANCE PLC	C	06/22/2018	MERRILL LYNCH PROF CLRING CORP		2,817,500	2,800,000	45,422
465077 AL 9	ISRAEL ELECTRIC CORP LTD	D	02/08/2018	VARIOUS		480,504	485,000	24
46556L AL 8	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS	C	01/01/2018	MERRILL LYNCH PIERCE FENNER		(200,000)	(200,000)	
46625H HV 5	JPMORGAN CHASE & CO		03/16/2018	JP MORGAN SECURITIES INC		2,008,869	1,690,000	40,020
46636V AD 8	JPMCC 11C5 ASB - CMBS		10/22/2018	MERRILL LYNCH PIERCE FENNER		1,909,049	1,903,473	4,472
46641W AV 9	JPMBB 14C19 A4 - CMBS		03/20/2018	MERRILL LYNCH PIERCE FENNER		6,183,516	6,000,000	13,988
46849L TD 3	JACKSON NATIONAL LIFE GLOBAL FUNDING	D	10/10/2018	DEUTSCHE BANK SECURITIES, INC		3,750,000	3,750,000	
49338L AB 9	KEYSIGHT TECHNOLOGIES INC		02/21/2018	Stifel Nicolaus & Co		3,447,659	3,325,000	47,487
5006EP AJ 0	KOREA EAST WEST POWER CO LTD	C	07/12/2018	CITIGROUP GLOBAL MARKETS LIMITED		1,184,121	1,190,000	
50076Q AE 6	KRAFT FOODS GROUP INC		03/16/2018	BARCLAYS CAPITAL INC FIXED INC		2,136,995	2,147,000	31,609
501555 AA 4	KYOBO LIFE INSURANCE CO LTD	C	05/01/2018	VARIOUS		(646,650)	(640,000)	(3,125)
514666 AM 8	LAND O LAKES INC		09/18/2018	MERRILL LYNCH PIERCE FENNER		797,513	765,000	770
514666 AN 6	LAND O LAKES INC		09/13/2018	WELLS FARGO SECURITIES LLC		1,500,000	1,500,000	
53227Q AA 6	LIGHT SERVICOS DE ELETRICIDADE SA	C	04/25/2018	CITIGROUP GLOBAL MARKETS INC		198,970	200,000	
539439 AS 8	LLOYDS BANKING GROUP PLC	C	08/09/2018	BARCLAYS CAPITAL INC FIXED INC		899,757	900,000	
55336V AM 2	MPLX LP		03/16/2018	WELLS FARGO SECURITIES LLC		2,155,273	2,222,000	11,666
55358P AA 4	MSCCG 18SELF A - CMBS		10/09/2018	MORGAN STANLEY CO		2,200,000	2,200,000	
55952Y AP 2	MAGNETITE VIII LTD - CDO	C	04/20/2018	GOLDMAN		1,435,000	1,435,000	
56501R AC 0	MANULIFE FINANCIAL CORP	C	08/29/2018	MITSUBISHI UFJ SECURITIES		3,754,871	3,700,000	75,495
58013M FE 9	MCDONALD'S CORP		03/14/2018	WELLS FARGO SECURITIES LLC		1,129,571	1,130,000	
582839 AJ 5	MEAD JOHNSON NUTRITION CO	C	08/29/2018	MORGAN STANLEY CO		1,521,819	1,526,000	13,480
58406H AA 8	MEDCO PLATINUM ROAD PTE LTD	C	01/24/2018	Morgan Stanley		199,054	200,000	
58933Y AF 2	MERCK & CO INC		09/05/2018	US BANCORP INVESTMENTS INC		3,767,357	3,825,000	32,428
591555 AE 7	METINVEST BV	C	04/04/2018	ING FINANCIAL MARKETS LLC		197,166	200,000	
59217G CL 1	METROPOLITAN LIFE GLOBAL FUNDING I		09/05/2018	MITSUBISHI UFJ SECURITIES		3,810,404	3,875,000	15,242
595017 AL 8	MICROCHIP TECHNOLOGY INC		05/23/2018	JP MORGAN SECURITIES INC		1,760,000	1,760,000	
59562V BD 8	BERKSHIRE HATHAWAY ENERGY CO		09/20/2018	WELLS FARGO SECURITIES LLC		2,036,561	1,870,000	34,509
602736 AA 8	MINEJESA CAPITAL BV	C	04/18/2018	GOLDMAN SACHS INTL		388,200	400,000	3,597
602736 AB 6	MINEJESA CAPITAL BV	C	04/18/2018	BARCLAYS CAPITAL SECURITIES		397,000	400,000	4,375
606822 AL 8	MITSUBISHI UFJ FINANCIAL GROUP INC	C	04/04/2018	MITSUBISHI UFJ SECURITIES		3,202,504	3,246,000	11,894

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60687Y AH 2	MIZUHO FINANCIAL GROUP INC	C	02/15/2018	JP MORGAN SECURITIES INC		4,136,160	4,200,000	59,257
61744Y AP 3	MORGAN STANLEY		01/18/2018	MORGAN STANLEY CO		2,425,000	2,425,000	
617482 V9 2	MORGAN STANLEY		03/16/2018	GOLDMAN		1,350,700	1,039,000	10,303
61760V AP 8	MSC 12C4 A4 - CMBS		10/22/2018	Citigroup (SSB)		3,507,107	3,535,000	7,326
61761J VL 0	MORGAN STANLEY		08/13/2018	MORGAN STANLEY CO		3,483,340	3,500,000	40,289
61763M AE 0	MSBAM 14C16 A4 - CMBS		05/14/2018	MORGAN STANLEY CO		3,638,735	3,625,000	5,438
61763U AZ 5	MSBAM 14C17 A5 - CMBS		03/26/2018	MERRILL LYNCH PIERCE FENNER		6,619,590	6,500,000	18,237
61764P BR 2	MSBAM 14C19 A2 - CMBS		10/22/2018	MORGAN STANLEY CO		4,996,680	5,000,000	9,906
62854A AN 4	MYLAN NV		09/13/2018	JEFFERIES PARTNERS OPPORTUNITY		2,799,934	2,950,000	29,779
62947Q AZ 1	NXP BV	C	12/03/2018	CREDIT SUISSE SECURITIES (USA)		2,149,377	2,150,000	
64952W DA 8	NEW YORK LIFE GLOBAL FUNDING		08/29/2018	MERRILL LYNCH PIERCE FENNER		3,809,538	3,800,000	8,576
65473P AD 7	NISOURCE INC		09/05/2018	MERRILL LYNCH PIERCE FENNER		3,777,945	3,775,000	32,916
65540J AD 0	NONGHYUP BANK	C	07/23/2018	SOCIETE GENERALE - LONDON		883,770	890,000	
67078A AB 9	NVENT FINANCE SARL	C	03/12/2018	MERRILL LYNCH PIERCE FENNER		2,495,525	2,500,000	
67778M 2D 1	OIL AND GAS HOLDING CO BSC CLOSED	C	10/31/2018	CITIGROUP GLOBAL MARKETS INC		370,000	370,000	
686514 AE 0	ORLANDO HEALTH INC		01/30/2018	GOLDMAN		1,055,000	1,055,000	
694308 HL 4	PACIFIC GAS AND ELECTRIC CO		03/16/2018	GOLDMAN		621,094	637,000	380
71638Y AA 4	PETKIM PETROKIMYA HOLDING AS	C	01/19/2018	GOLDMAN SACHS INTL		198,934	200,000	
71647N AV 1	PETROBRAS GLOBAL FINANCE BV	C	10/24/2018	HSBC SECURITIES (USA), INC		85,950	90,000	1,179
71647N AY 5	PETROBRAS GLOBAL FINANCE BV	C	11/01/2018	VARIOUS		277,280	290,000	4,586
737679 DD 9	POTOMAC ELECTRIC POWER CO		09/05/2018	MORGAN STANLEY CO		1,759,749	1,790,000	23,658
74432Q CA 1	PRUDENTIAL FINANCIAL INC		03/16/2018	MORGAN STANLEY CO		1,218,522	1,148,000	18,336
74445P AB 8	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT	C	12/17/2018	VARIOUS		1,099,841	1,100,000	2,157
74445P AC 6	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT	C	12/17/2018	VARIOUS		405,208	400,000	1,233
74445P AD 4	INDONESIA ASAHAN ALUMINIUM (PERSERO) PT	C	12/17/2018	VARIOUS		547,588	570,000	1,276
74977R DE 1	COOPERATIEVE RABOBANK UA	C	09/19/2018	BARCLAYS CAPITAL INC FIXED INC		1,994,600	2,000,000	
756109 AN 4	REALTY INCOME CORP		08/29/2018	UBS SECURITIES LLC		2,030,197	2,050,000	25,169
77634P AA 4	RONESANS GAYRIMENKUL YATIRIM AS	C	04/19/2018	J.P. MORGAN CHASE BANK/GG1		198,970	200,000	
78440P AE 8	SK TELECOM CO LTD	C	04/09/2018	MERRILL LYNCH PIERCE FENNER		3,592,188	3,600,000	
784710 AB 1	SSM HEALTH CARE CORP		09/24/2018	MORGAN STANLEY CO		1,996,776	1,995,000	23,503
80007R AC 9	SANDS CHINA LTD		10/01/2018	GOLDMAN		199,826	200,000	
80386W AA 3	SASOL FINANCING USA LLC	C	09/20/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC		559,171	560,000	
808513 AD 7	CHARLES SCHWAB CORP		08/29/2018	MITSUBISHI UFJ SECURITIES		3,799,641	3,700,000	17,837
81373P AA 1	SECURIAN FINANCIAL GROUP INC		04/02/2018	GOLDMAN		996,830	1,000,000	
834423 AB 1	SOLVAY FINANCE AMERICA LLC	C	08/15/2018	BNP PARIBAS NY BRANCH LONDON BONDS		917,325	900,000	8,233
860630 AD 4	STIFEL FINANCIAL CORP		05/09/2018	GOLDMAN		2,183,940	2,200,000	29,349
86765B AQ 2	SUNOCO LOGISTICS PARTNERS LP		03/16/2018	MORGAN STANLEY CO		1,213,245	1,289,000	23,945
86787E AY 3	SUNTRUST BANK		09/27/2018	BNY/SUNTRUST CAPITAL MARKETS		2,284,590	2,300,000	15,320
86964W AB 8	SUZANO PAPEL E CELULOSE SA	C	11/06/2018	BNP Paribas		234,237	230,000	2,370
86964W AC 6	SUZANO AUSTRIA GMBH	C	09/18/2018	VARIOUS		397,228	400,000	
87165V AF 6	SYMP 16R AR - CDO	C	09/01/2018	MORGAN STANLEY CO		4,000,000	4,000,000	
88167A AE 1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	01/10/2018	RBC CAPITAL MARKETS		945,369	1,130,000	9,986
891906 AC 3	TOTAL SYSTEM SERVICES INC		12/11/2018	MERRILL LYNCH PIERCE FENNER		3,821,318	3,800,000	36,480
89352H AT 6	TRANSCANADA PIPELINES LTD	C	08/29/2018	MILLENNIUM ADVISORS LLC		1,970,344	1,875,000	11,680
89387Y AC 5	TRANSPORTADORA DE GAS INTERNACIONAL SA E	C	10/17/2018	HSBC SECURITIES		390,000	390,000	
90205F AA 8	PRK 17280P A - CMBS		10/31/2018	MORGAN STANLEY CO		2,130,000	2,130,000	3,365

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
90352J AE 3	UBS GROUP FUNDING SWITZERLAND AG	C	04/04/2018	UBS SECURITIES LLC		1,934,300	2,000,000	8,101
91911T AP 8	VALE OVERSEAS LTD	C	11/05/2018	VARIOUS		420,815	390,000	5,815
91914J AA 0	VALERO ENERGY PARTNERS LP		04/09/2018	Amherst Pierpont Securities		3,891,420	3,900,000	54,979
92189F 49 4	VNECK VCTRS:JPM EM LC BD		10/26/2018	CORPORATE ACTION		115,375,332		
92343V DR 2	VERIZON COMMUNICATIONS INC		03/16/2018	SUNTRUST ROBINSON HUMPHREY INC		3,447,900	3,424,000	2,288
92349F AA 1	VZOT 181 A1A - ABS		06/05/2018	RBC CAPITAL MARKETS		3,036,733	3,049,000	4,060
928668 AN 2	VOLKSWAGEN GROUP OF AMERICA FINANCE LLC	C	11/07/2018	Citigroup (SSB)		2,238,298	2,240,000	
92936J BB 9	WFRBS 11C5 A4 - CMBS		10/22/2018	VARIOUS		5,025,932	5,000,000	11,714
94974B FP 0	WELLS FARGO & CO		03/16/2018	WELLS FARGO SECURITIES LLC		2,741,083	2,470,000	50,892
94989H AQ 3	WFCM 15NXS1 A5 - CMBS		03/22/2018	PERSHING DIV OF DLJ SEC LNDING		6,142,822	6,250,000	13,663
981464 GH 7	WFNMT 17C A - ABS		09/12/2018	WELLS FARGO SECURITIES LLC		1,668,723	1,700,000	3,163
98162Q AE 0	WOART 18B B - ABS		04/04/2018	BARCLAYS CAPITAL INC FIXED INC		2,763,973	2,765,000	
G0755V AC 5	AZURE ORBIT IV INTERNATIONAL FINANCE LTD	D	04/18/2018	BNP PARIBAS, S.A.		293,001	300,000	2,656
G21169 AA 8	CHOUZHOU INTERNATIONAL INVESTMENT LTD	D	02/01/2018	VARIOUS		568,222	570,000	3,578
G27581 AA 8	DIANJIAN HAIYU LTD	D	05/01/2018	VARIOUS		(680,100)	(680,000)	(8,124)
G371E2 AA 6	FRESNILLO PLC	D	04/18/2018	WELLS FARGO SECURITIES INTERNATIONAL LTD		318,570	300,000	7,196
G3775G AC 8	GCL NEW ENERGY HOLDINGS LTD	D	10/23/2018	MORGAN STANLEY AND CO. INTERNATIONAL PLC		177,990	200,000	3,353
G463PC AC 3	HUARONG FINANCE II CO LTD	D	07/18/2018	VARIOUS		953,881	930,000	433
G6389W AF 7	NAN FUNG TREASURY LTD		03/07/2018	SOCIETE GENERALE - LONDON		1,115,784	1,200,000	20,150
G68259 AA 1	OVPH LTD	D	03/01/2018	BARCLAYS CAPITAL SECURITIES		(684,450)	(650,000)	(4,349)
G8763J AB 7	TEWOO GROUP FINANCE NO 3 LTD		03/02/2018	VARIOUS		1,133,363	1,124,000	19,960
G9600G AA 0	WTT INVESTMENT LTD	D	10/22/2018	UBS AG London		198,600	200,000	4,675
M0375Y AK 4	AKBANK INTERNATIONAL NV	D	10/25/2018	BARCLAYS CAPITAL SECURITIES		181,750	200,000	139
M5753L AB 3	OZTEL HOLDINGS SPC LTD	D	07/31/2018	VARIOUS		407,200	410,000	7,321
M60170 AV 5	ISRAEL ELECTRIC CORP LTD	D	04/18/2018	MERRILL LYNCH INTERNATIONAL		417,700	400,000	8,778
M6263A AA 0	KUWAIT PROJECTS CO SPC LTD	D	08/16/2018	NOMURA INTERNATIONAL PLC		187,850	200,000	4,425
M7120L AC 3	NATIONAL BANK OF OMAN SAOG	D	11/12/2018	HSBC Bank PLC		626,850	630,000	4,922
N4960Z AC 1	NK KAZMUNAYGAZ AO	D	04/13/2018	CITIGROUP GLOBAL MARKETS INC		397,360	400,000	7,664
N4960Z AD 9	NK KAZMUNAYGAZ AO	D	03/26/2018	VARIOUS		390,750	400,000	10,126
P3143N AH 7	CORPORACION NACIONAL DEL CORBRE DE CHILE	C	12/17/2018	VARIOUS		700,240	600,000	6,184
P37110 AG 1	EMPRESA NACIONAL DEL PETROLEO ENAP	D	06/26/2018	NOMURA SECURITIES INTERNATIONAL		408,960	400,000	1,108
P37115 AF 2	EMPRESA NACIONAL DE TELECOMUNICACIONES S	D	12/12/2018	HSBC Bank PLC		493,876	530,000	9,227
P3713Q AA 5	EMPRESA ELECTRICA ANGAMOS SA		06/01/2018	Credit Suisse First Boston		196,000	200,000	3,927
P37466 AJ 1	EMPRESA DE TRANSPORTE DE PASAJEROS METRO	D	06/26/2018	Jefferies		410,080	400,000	7,547
P57908 AH 1	MEXICHEM SAB DE CV	D	10/22/2018	MERRILL LYNCH INTERNATIONAL		620,432	680,000	10,285
P82290 AG 5	SACI FALABELLA	C	09/27/2018	HSBC Bank PLC		197,400	200,000	1,556
V6560A AD 4	OCP SA	D	04/18/2018	MERRILL LYNCH INTERNATIONAL		445,920	400,000	13,368
V96177 AB 2	UPL CORPORATION LTD	D	05/17/2018	BARCLAYS CAPITAL SECURITIES		1,756,908	1,850,000	16,881
Y1670Y AB 1	CNAC HK FINBRIDGE CO LTD	D	07/20/2018	MERRILL LYNCH INTERNATIONAL		189,350	200,000	115
Y1670Y AC 9	CNAC HK FINBRIDGE CO LTD	D	04/18/2018	ING BANK N.V. - AMSTERDAM		194,040	200,000	1,769
Y1R03H AV 3	CHINA MINMETALS CORP	D	01/08/2018	VARIOUS		1,143,012	1,160,000	6,888
Y2982G AB 1	HAINAN AIRLINES (HONG KONG) CO LTD	D	01/24/2018	Morgan Stanley		570,855	570,000	9,700
Y34267 AF 4	HONGKONG INTERNATIONAL QINGDAO CO LTD	D	01/18/2018	BARCLAYS CAPITAL SECURITIES		799,120	800,000	4,533
Y374AK AA 4	IOI INVESTMENT BHD	D	04/18/2018	Deutsche Bank AG New York Branch		202,978	200,000	2,747
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD	C	02/01/2018	UBS AG London		(203,680)	(200,000)	(1,843)
Y7138A AE 0	PERTAMINA (PERSERO) PT	C	12/17/2018	BNP PARIBAS LONDON BRANCH		197,500	200,000	693

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Y7T47W HN 4	SHINHAN BANK	D	03/02/2018	BARCLAYS CAPITAL SECURITIES		737,300	730,000	6,993
Y8850A AB 0	TNB GLOBAL VENTURES CAPITAL BHD	D	12/13/2018	BARCLAYS CAPITAL SECURITIES		413,018	410,000	2,541
Y95910 M6 2	WING LUNG BANK LTD	D	01/08/2018	VARIOUS		862,765	870,000	4,350
Y97284 AE 6	YANGZHOU URBAN CONSTRUCTION STATE-OWNED	D	02/14/2018	BARCLAYS CAPITAL SECURITIES		1,129,072	1,120,000	7,758
3899999.	Total - Bonds - Industrial and Miscellaneous					544,472,380	423,866,584	1,937,050
Bonds - Hybrid Securities								
05578Q AD 5	BPCE SA	C	06/06/2018	MERRILL LYNCH PIERCE FENNER		683,907	700,000	7,263
05968L AK 8	BANCOLOMBIA SA	C	01/01/2018	Citigroup (SSB)		(200,000)	(200,000)	
12561A AA 1	CK HUTCHISON CAPITAL SECURITIES (17) LTD	C	04/18/2018	CITIGROUP GLOBAL MARKETS LIMITED		196,220	200,000	3,511
172967 KM 2	CITIGROUP INC		08/01/2018	MERRILL LYNCH PIERCE FENNER		2,084,000	2,000,000	58,333
20449E BT 2	COMPASS BANK	C	01/01/2018	MITSUBISHI UFJ SECURITIES		(2,550,912)	(2,400,000)	(22,000)
269246 BN 3	E*TRADE FINANCIAL CORP		10/26/2018	CREDIT SUISSE SECURITIES (USA)		997,500	1,000,000	7,344
37045X CA 2	GENERAL MOTORS FINANCIAL COMPANY INC		08/23/2018	BARCLAYS CAPITAL INC FIXED INC		981,250	1,000,000	23,479
38148B AD 0	GOLDMAN SACHS GROUP INC		11/13/2018	VARIOUS		4,073,708	4,458,000	50,596
40429C GD 8	HSBC FINANCE CORP	C	04/01/2018	HSBC SECURITIES		1,404,674	1,248,000	24,995
46556L AL 8	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS	C	01/01/2018	MERRILL LYNCH PIERCE FENNER		200,000	200,000	
493267 AK 4	KEYCORP		09/10/2018	HSBC SECURITIES		1,981,250	2,000,000	23,056
501555 AA 4	KYOBO LIFE INSURANCE CO LTD	C	05/01/2018	VARIOUS		646,650	640,000	3,125
949746 RG 8	WELLS FARGO & CO		08/27/2018	PERSHING DIV OF DLJ SEC LNDING		3,047,400	3,000,000	36,383
G27581 AA 8	DIANJIAN HAIYU LTD	D	05/01/2018	VARIOUS		680,100	680,000	8,124
G68259 AA 1	OVPH LTD	D	03/01/2018	BARCLAYS CAPITAL SECURITIES		684,450	650,000	4,349
P16259 AH 9	BBVA BANCOMER SA DE CV	C	04/18/2018	BANCO SANTANDER CENTRAL HISPANO		219,700	200,000	750
Y12355 AB 2	CCB LIFE INSURANCE CO LTD	D	01/25/2018	HSBC Bank PLC		1,166,388	1,150,000	14,088
Y3180F AE 5	HEUNGKUK LIFE INSURANCE CO LTD	D	04/18/2018	UBS AG London		281,970	300,000	6,004
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD	C	02/01/2018	UBS AG London		203,680	200,000	1,843
Y7T81N AA 6	SHANGHAI COMMERCIAL BANK LTD	D	11/01/2018	HSBC Bank PLC		1,193,946	1,240,000	11,367
4899999.	Total - Bonds - Hybrid Securities					17,975,881	18,266,000	262,610
Bonds - SVO Identified Funds								
92189F 49 4	VNECK VCTRS:JPM EM LC BD		12/07/2018	VARIOUS		1,130,448		
8199999.	Total - Bonds - SVO Identified Funds					1,130,448	0	0
8399997.	Total - Bonds - Part 3					1,288,772,970	1,155,632,938	5,837,893
8399998.	Total - Bonds - Summary Item from Part 5					172,214,489	77,500,667	670,505
8399999.	Total - Bonds					1,460,987,459	1,233,133,605	6,508,398
Preferred Stocks - Industrial and Miscellaneous								
020002 12 7	ALLSTATE CORP		11/30/2018	CABRERA CAPITAL MARKETS	59,845.000	1,450,731		
025816 BJ 7	AMERICAN EXPRESS CO		11/20/2018	GOLDMAN	2,500,000.000	2,506,014		
054937 40 4	BB&T CORP		10/10/2018	CABRERA CAPITAL MARKETS	212,445.000	5,252,105		
060505 FL 3	BANK OF AMERICA CORP		10/16/2018	VARIOUS	8,150,000.000	8,131,500		
14040H 40 2	CAPITAL ONE FINANCIAL CORP		10/15/2018	VARIOUS	52,125.000	1,293,927		
14040H 84 0	CAPITAL ONE FINANCIAL CORP		10/15/2018	RBC CAPITAL MARKETS	37,800.000	943,110		
14040H 86 5	CAPITAL ONE FINANCIAL CORP		01/09/2018	MERRILL LYNCH PIERCE FENNER	20,000.000	502,200		
15189T AS 6	CENTERPOINT ENERGY INC		09/27/2018	VARIOUS	4,625,000.000	4,652,715		
172967 34 1	CITIGROUP INC		02/02/2018	MERRILL LYNCH PIERCE FENNER	1,130.000	30,759		
172967 JK 8	CITIGROUP INC		12/18/2018	HSBC SECURITIES	1,000,000.000	988,545		
172967 JM 4	CITIGROUP INC		01/03/2018	Citigroup (SSB)	500,000.000	538,507		
174610 AQ 8	CITIZENS FINANCIAL GROUP INC		11/01/2018	MORGAN STANLEY CO	3,600,000.000	3,600,000		
316773 60 5	FIFTH THIRD BANCORP		12/21/2018	CABRERA CAPITAL MARKETS	18,540.000	503,957		

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38145G 30 8	GOLDMAN SACHS GROUP INC		10/10/2018	RBC CAPITAL MARKETS	12,300.000	307,254		
38148B 10 8	GOLDMAN SACHS GROUP INC		12/21/2018	VARIOUS	39,111.000	1,014,108		
416518 60 3	HARTFORD FINANCIAL SERVICES GROUP INC		11/16/2018	VARIOUS	134,583.000	3,360,480		
446150 70 8	HUNTINGTON BANCSHARES INC		12/20/2018	CABRERA CAPITAL MARKETS	8,667.000	215,808		
446150 AL 8	HUNTINGTON BANCSHARES INC		12/20/2018	VARIOUS	2,930,000.000	2,885,928		
493267 87 6	KEYCORP		10/18/2018	CABRERA CAPITAL MARKETS	101,136.000	2,447,012		
55264U 40 5	MB FINANCIAL INC		10/16/2018	MERRILL LYNCH PIERCE FENNER & SMITH INC	10,000.000	246,500		
59156R BT 4	METLIFE INC		11/21/2018	VARIOUS	7,906,000.000	8,076,116		
61761J 40 6	MORGAN STANLEY		12/20/2018	VARIOUS	60,588.000	1,613,516		
61762V 60 6	MORGAN STANLEY		10/08/2018	VARIOUS	190,078.000	4,890,274		
649445 20 2	NEW YORK COMMUNITY BANCORP INC		10/04/2018	CABRERA CAPITAL MARKETS	70,450.000	1,868,491		
65473P AC 9	NISOURCE INC		07/27/2018	VARIOUS	6,085,000.000	6,095,399		
693475 85 7	PNC FINANCIAL SERVICES GROUP INC		12/21/2018	CABRERA CAPITAL MARKETS	107,087.000	2,770,122		
712704 20 4	PEOPLE'S UNITED FINANCIAL INC		11/02/2018	CABRERA CAPITAL MARKETS	46,524.000	1,191,337		
7591EP 50 6	REGIONS FINANCIAL CORP		12/21/2018	CABRERA CAPITAL MARKETS	202,747.000	5,230,620		
78409B 20 7	SCE TRUST III		10/04/2018	CABRERA CAPITAL MARKETS	8,378.000	207,494		
78409W 20 1	SCE V 5.45 FXD FLTG RATE PRF		02/20/2018	MERRILL LYNCH PIERCE FENNER	23,168.000	590,927		
78410V 20 0	SCE TRUST VI		02/22/2018	MERRILL LYNCH PIERCE FENNER	6,679.000	146,738		
857477 BA 0	STATE STREET CORP		09/20/2018	GOLDMAN	4,500,000.000	4,500,000		
867914 BN 2	SUNTRUST BANKS INC		11/21/2018	Piper Jaffray Co	2,500,000.000	2,434,587		
902973 75 9	U.S. BANCORP		08/07/2018	MORGAN STANLEY CO	300,000.000	7,500,000		
902973 AZ 9	U.S. BANCORP		11/14/2018	CREDIT SUISSE SECURITIES (USA)	2,000,000.000	1,964,128		
919794 20 6	VALLEY NATIONAL BANCORP		11/30/2018	CABRERA CAPITAL MARKETS	78,495.000	2,018,694		
929089 AG 5	VOYA FINANCIAL INC		09/05/2018	DEUTSCHE BANK SECURITIES, INC	3,500,000.000	3,500,000		
949746 55 6	WELLS FARGO & CO		10/15/2018	VARIOUS	180,803.000	4,617,064		
949746 RN 3	WELLS FARGO & CO		12/19/2018	HSBC SECURITIES	796,000.000	794,789		
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					100,881,456	XXX	0
8999997.	Total - Preferred Stocks - Part 3					100,881,456	XXX	0
8999999.	Total - Preferred Stocks					100,881,456	XXX	0
Common Stocks - Industrial and Miscellaneous								
00206R 10 2	AT&T ORD		12/17/2018	VARIOUS	145,000.000	4,749,775	XXX	
002824 10 0	ABBOTT LABORATORIES ORD		07/06/2018	VARIOUS	25,000.000	1,526,325	XXX	
00724F 10 1	ADOBE SYSTEM ORD		06/25/2018	BTIG LLC	5,300.000	1,240,063	XXX	
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD		12/03/2018	Jefferies	5,100.000	849,788	XXX	
018802 10 8	ALLIANT ENERGY ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	430,850	XXX	
02079K 30 5	ALPHABET CL A ORD		04/16/2018	VARIOUS	1,500.000	1,573,389	XXX	
023608 10 2	AMEREN ORD		12/03/2018	Jefferies	14,000.000	850,390	XXX	
024835 10 0	AMERICAN CAMPUS COMM REIT ORD		11/02/2018	Jefferies	6,000.000	237,150	XXX	
025537 10 1	AMERICAN ELECTRIC POWER ORD		04/24/2018	VARIOUS	18,500.000	1,264,293	XXX	
025816 10 9	AMERICAN EXPRESS ORD		10/01/2018	VARIOUS	10,000.000	1,013,530	XXX	
026874 78 4	AMERICAN INTERNATIONAL GROUP ORD		11/21/2018	VARIOUS	24,000.000	1,167,940	XXX	
03027X 10 0	AMERICAN TOWER REIT		12/06/2018	VARIOUS	12,500.000	1,910,878	XXX	
030420 10 3	AMERICAN WATER WORKS ORD		08/08/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	440,625	XXX	
03071H 10 0	AMERISAFE ORD		12/10/2018	VARIOUS	3,000.000	191,865	XXX	
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD		12/10/2018	BTIG LLC	20,000.000	202,900	XXX	
03748R 10 1	APARTMENT INVST MGT CL A REIT ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	4,000.000	182,580	XXX	

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039483 10 2	ARCHER DANIELS MIDLAND ORD		08/08/2018	DEUTSCHE BANK SECURITIES, INC	12,000.000	599,700	XXX	
042315 50 7	ARMOUR RESIDENTIAL REIT ORD		03/06/2018	Jefferies	6,000.000	134,310	XXX	
053015 10 3	AUTOMATIC DATA PROCESSING ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	4,000.000	564,340	XXX	
053484 10 1	AVALONBAY COMMUNITIES REIT ORD		12/03/2018	Jefferies	4,500.000	753,968	XXX	
054937 10 7	BB AND T ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	6,500.000	310,538	XXX	
05508R 10 6	B AND G FOODS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	5,000.000	150,575	XXX	
05541T 10 1	BGC PARTNERS CL A ORD		12/03/2018	CORPORATE ACTION	12,000.000	81,218	XXX	
086516 10 1	BEST BUY ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	2,500.000	155,238	XXX	
09247X 10 1	BLACKROCK ORD		12/03/2018	Jefferies	3,100.000	1,348,113	XXX	
110122 10 8	BRISTOL MYERS SQUIBB ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	7,000.000	434,735	XXX	
11135F 10 1	BROADCOM ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	1,000.000	254,135	XXX	
125269 10 0	CF INDUSTRIES HOLDINGS ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	224,175	XXX	
12572Q 10 5	CME GROUP CL A ORD		11/09/2018	VARIOUS	7,000.000	1,275,515	XXX	
125896 10 0	CMS ENERGY ORD		10/29/2018	VARIOUS	16,000.000	741,460	XXX	
126650 10 0	CVS HEALTH ORD		11/28/2018	VARIOUS	4,675.600	355,675	XXX	
133131 10 2	CAMDEN PROPERTY REIT ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	4,000.000	377,460	XXX	
14149Y 10 8	CARDINAL HEALTH ORD		12/03/2018	Jefferies	5,000.000	281,025	XXX	
143658 30 0	CARNIVAL ORD		10/29/2018	VARIOUS	14,000.000	781,770	XXX	
166764 10 0	CHEVRON ORD		11/02/2018	Jefferies	14,000.000	1,606,290	XXX	
172062 10 1	CINCINNATI FINANCIAL ORD		06/12/2018	BTIG LLC	2,500.000	175,163	XXX	
17275R 10 2	CISCO SYSTEMS ORD		06/25/2018	BTIG LLC	35,000.000	1,480,325	XXX	
172967 42 4	CITIGROUP ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	193,065	XXX	
189054 10 9	CLOROX ORD		07/06/2018	BARCLAYS CAPITAL INC./LE	3,500.000	457,458	XXX	
191216 10 0	COCA-COLA ORD		10/29/2018	VARIOUS	124,500.000	5,453,923	XXX	
19247A 10 0	COHEN & STEERS ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	2,500.000	96,402	XXX	
194162 10 3	COLGATE PALMOLIVE ORD		10/01/2018	VARIOUS	25,000.000	1,653,355	XXX	
20030N 10 1	COMCAST CL A ORD		12/03/2018	VARIOUS	103,000.000	3,649,675	XXX	
20451N 10 1	COMPASS MINERALS INTERNATIONAL ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	155,385	XXX	
205887 10 2	CONAGRA BRANDS ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	11,000.000	368,005	XXX	
209115 10 4	CONSOLIDATED EDISON ORD		11/02/2018	Jefferies	8,000.000	609,241	XXX	
217204 10 6	COPART ORD		04/16/2018	BTIG LLC	2,000.000	100,670	XXX	
219350 10 5	CORNING ORD		05/03/2018	BARCLAYS CAPITAL INC./LE	25,000.000	664,375	XXX	
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT ORD		11/21/2018	VARIOUS	5,000.000	535,355	XXX	
229663 10 9	CUBESMART REIT ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	150,875	XXX	
231021 10 6	CUMMINS ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	2,000.000	262,770	XXX	
233331 10 7	DTE ENERGY ORD		11/21/2018	VARIOUS	11,500.000	1,233,833	XXX	
247361 70 2	DELTA AIR LINES ORD		05/03/2018	BARCLAYS CAPITAL INC./LE	4,000.000	207,180	XXX	
254423 10 6	DINE BRANDS GLOBAL ORD		05/29/2018	Jefferies	3,000.000	194,355	XXX	
254687 10 6	WALT DISNEY ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	9,000.000	1,029,015	XXX	
25746U 10 9	DOMINION ENERGY ORD		11/21/2018	VARIOUS	33,000.000	2,301,535	XXX	
260003 10 8	DOVER ORD		08/14/2018	BARCLAYS CAPITAL INC./LE	5,000.000	408,925	XXX	
26441C 20 4	DUKE ENERGY ORD		04/16/2018	VARIOUS	11,700.000	905,470	XXX	
26884U 10 9	EPR PROPERTIES REIT ORD		03/12/2018	BARCLAYS CAPITAL INC./LE	5,000.000	282,925	XXX	
281020 10 7	EDISON INTERNATIONAL ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	290,975	XXX	
29476L 10 7	EQUITY RESIDENTIAL REIT ORD		05/29/2018	Jefferies	8,000.000	494,920	XXX	
297178 10 5	ESSEX PROPERTY REIT ORD		06/12/2018	BTIG LLC	1,100.000	262,499	XXX	

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
30034W 10 6	EVERGY ORD		11/09/2018	VARIOUS	8,000.000	457,610	XXX	
30040W 10 8	EVERSOURCE ENERGY ORD		09/17/2018	VARIOUS	19,000.000	1,166,735	XXX	
30161N 10 1	EXELON ORD		07/26/2018	VARIOUS	16,000.000	653,650	XXX	
30224P 20 0	EXTENDED STAY AMERICA UNT		10/29/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	160,850	XXX	
30231G 10 2	EXXON MOBIL ORD		11/02/2018	VARIOUS	113,000.000	9,060,585	XXX	
313747 20 6	FEDERAL REIT ORD		05/29/2018	Jefferies	2,000.000	234,110	XXX	
31620R 30 3	FIDELITY NATIONAL FINANCIAL ORD		12/03/2018	Jefferies	11,000.000	369,875	XXX	
31847R 10 2	FIRST AMERICAN FINANCIAL ORD		12/03/2018	Jefferies	6,000.000	289,590	XXX	
364760 10 8	GAP ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	9,000.000	258,525	XXX	
369550 10 8	GENERAL DYNAMICS ORD		06/25/2018	BTIG LLC	2,500.000	472,763	XXX	
370334 10 4	GENERAL MILLS ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	14,000.000	597,450	XXX	
37045V 10 0	GENERAL MOTORS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	5,000.000	177,775	XXX	
372460 10 5	GENUINE PARTS ORD		12/03/2018	VARIOUS	7,000.000	670,285	XXX	
384313 50 8	GRAFTECH INTERNATIONAL ORD		12/03/2018	Jefferies	10,000.000	160,150	XXX	
40418F 10 8	HFF CL A ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	176,130	XXX	
40434L 10 5	HP ORD		05/29/2018	Jefferies	12,000.000	255,660	XXX	
416515 10 4	HARTFORD FINANCIAL SERVICES GRUP ORD		07/26/2018	BTIG LLC	6,000.000	319,290	XXX	
419870 10 0	HAWAIIAN ELECTRIC INDUSTRIES ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	225,390	XXX	
427866 10 8	HERSHEY FOODS ORD		08/21/2018	VARIOUS	6,000.000	581,610	XXX	
438516 10 6	HONEYWELL INTERNATIONAL ORD		10/29/2018	CORPORATE ACTION	23,000.000	2,870,775	XXX	
44107P 10 4	HOST HOTELS & RESORTS REIT ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	20,000.000	346,500	XXX	
452308 10 9	ILLINOIS TOOL ORD		12/03/2018	Jefferies	8,100.000	1,129,505	XXX	
458140 10 0	INTEL ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	34,700.000	1,575,554	XXX	
45866F 10 4	INTERCONTINENTAL EXCHANGE ORD		06/12/2018	BTIG LLC	3,500.000	264,058	XXX	
460146 10 3	INTERNATIONAL PAPER ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	130,935	XXX	
460690 10 0	INTERPUBLIC GROUP OF COMPANIES ORD		11/21/2018	VARIOUS	9,000.000	203,515	XXX	
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	10,000.000	151,450	XXX	
461804 10 6	INVESTORS TITLE ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	200.000	38,894	XXX	
46284V 10 1	IRON MOUNTAIN ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	7,000.000	228,025	XXX	
46625H 10 0	JPMORGAN CHASE ORD		06/25/2018	BTIG LLC	52,000.000	5,449,340	XXX	
478160 10 4	JOHNSON & JOHNSON ORD		10/29/2018	VARIOUS	45,000.000	5,877,375	XXX	
48203R 10 4	JUNIPER NETWORKS ORD		05/18/2018	DEUTSCHE BANK SECURITIES, INC	7,000.000	186,655	XXX	
487836 10 8	KELLOGG ORD		04/16/2018	BTIG LLC	3,000.000	191,505	XXX	
494368 10 3	KIMBERLY CLARK ORD		12/03/2018	Jefferies	17,000.000	1,819,815	XXX	
500255 10 4	KOHL'S ORD		05/18/2018	DEUTSCHE BANK SECURITIES, INC	4,000.000	254,700	XXX	
500754 10 6	KRAFT HEINZ ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	323,970	XXX	
501797 10 4	L BRANDS ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	156,675	XXX	
502175 10 2	LTC PROPERTIES REIT ORD		10/08/2018	BTIG LLC	5,000.000	217,425	XXX	
524901 10 5	LEGG MASON ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	155,010	XXX	
525327 10 2	LEIDOS HOLDINGS ORD		06/12/2018	BTIG LLC	3,000.000	185,655	XXX	
532457 10 8	ELI LILLY ORD		11/02/2018	VARIOUS	34,000.000	3,114,430	XXX	
552690 10 9	MDU RESOURCES GROUP ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	8,000.000	206,600	XXX	
55272X 10 2	MFA FINANCIAL REIT ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	25,000.000	172,375	XXX	
553530 10 6	MSC INDUSTRIAL CL A ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	229,605	XXX	
56418H 10 0	MANPOWERGROUP ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	2,500.000	200,813	XXX	
571748 10 2	MARSH & MCLENNAN ORD		10/08/2018	BTIG LLC	7,400.000	618,159	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
57665R 10 6	MATCH GROUP ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	7,000.000	265,475	XXX	
57772K 10 1	MAXIM INTEGRATED PRODUCTS ORD		11/02/2018	Jefferies	4,000.000	207,660	XXX	
579780 20 6	MCCORMICK ORD		04/02/2018	BARCLAYS CAPITAL INC./LE	3,500.000	363,423	XXX	
580135 10 1	MCDONALD'S ORD		11/02/2018	VARIOUS	13,000.000	2,233,215	XXX	
58463J 30 4	MEDICAL PROPERTIES REIT ORD		06/12/2018	BTIG LLC	10,000.000	140,850	XXX	
58933Y 10 5	MERCK & CO ORD		11/21/2018	VARIOUS	83,600.000	5,277,922	XXX	
589400 10 0	MERCURY GENERAL ORD		08/31/2018	BTIG LLC	5,000.000	269,522	XXX	
594918 10 4	MICROSOFT ORD		10/29/2018	VARIOUS	53,000.000	5,292,615	XXX	
59522J 10 3	MID AMERICA APT COMMUNITI REIT ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	4,000.000	398,260	XXX	
609207 10 5	MONDELEZ INTERNATIONAL CL A ORD		06/25/2018	BTIG LLC	30,000.000	1,238,550	XXX	
62942X 40 5	NRG YIELD CL C ORD		05/10/2018	Jefferies	12,000.000	214,260	XXX	
635017 10 6	NATIONAL BEVERAGE ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	2,500.000	232,200	XXX	
637417 10 6	NATIONAL RETAIL PROPERTIES REIT ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	8,000.000	359,160	XXX	
646025 10 6	NJ RESOURCES ORD		06/12/2018	BTIG LLC	5,000.000	203,525	XXX	
651229 10 6	NEWELL BRANDS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	10,000.000	217,750	XXX	
65158N 10 2	NEWMARK GROUP CL A ORD		12/03/2018	CORPORATE ACTION	5,566.740	45,082	XXX	
65339F 10 1	NEXTERA ENERGY ORD		11/02/2018	Jefferies	9,000.000	1,513,395	XXX	
654106 10 3	NIKE CL B ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	464,910	XXX	
670837 10 3	OGE ENERGY ORD		03/22/2018	DEUTSCHE BANK SECURITIES, INC	11,000.000	349,965	XXX	
674599 10 5	OCCIDENTAL PETROLEUM ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	3,500.000	244,303	XXX	
681919 10 6	OMNICOM GROUP ORD		09/10/2018	Jefferies	4,000.000	278,460	XXX	
682680 10 3	ONEOK ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	316,175	XXX	
68389X 10 5	ORACLE ORD		03/22/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	229,475	XXX	
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD		10/08/2018	VARIOUS	14,000.000	1,919,070	XXX	
693506 10 7	PPG INDUSTRIES ORD		11/02/2018	Jefferies	8,300.000	887,395	XXX	
69351T 10 6	PPL ORD		12/03/2018	Jefferies	15,000.000	466,725	XXX	
693718 10 8	PACCAR ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	4,000.000	234,340	XXX	
695156 10 9	PACKAGING CORP OF AMERICA ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	3,500.000	333,743	XXX	
695263 10 3	PACW PACWEST BANCORP ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	206,275	XXX	
700517 10 5	PARK HOTELS RESORTS ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	8,000.000	221,080	XXX	
70338P 10 0	PATTERN ENERGY GROUP CL A ORD		12/17/2018	VARIOUS	19,000.000	388,335	XXX	
703395 10 3	PATTERSON COMPANIES ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	6,000.000	144,630	XXX	
704326 10 7	PAYCHEX ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	3,500.000	241,133	XXX	
712704 10 5	PEOPLES UNITED FINANCIAL ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	15,000.000	243,675	XXX	
713448 10 8	PEPSICO ORD		11/21/2018	VARIOUS	57,000.000	6,142,135	XXX	
717081 10 3	PFIZER ORD		10/29/2018	VARIOUS	146,900.000	5,692,249	XXX	
723484 10 1	PINNACLE WEST ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	4,000.000	334,180	XXX	
724479 10 0	PITNEY BOWES ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	20,000.000	130,500	XXX	
737630 10 3	POTLATCHDELTIC ORD		11/01/2018	Not Available	202.000	7,450	XXX	
74144T 10 8	T ROWE PRICE GROUP ORD		12/03/2018	Jefferies	5,500.000	547,718	XXX	
74267C 10 6	PROASSURANCE ORD		12/17/2018	VARIOUS	7,000.000	272,475	XXX	
742718 10 9	PROCTER & GAMBLE ORD		10/08/2018	VARIOUS	80,000.000	6,349,970	XXX	
74340W 10 3	PROLOGIS REIT		08/21/2018	BTIG LLC	15,000.000	985,605	XXX	
744320 10 2	PRUDENTIAL FINANCIAL ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	2,500.000	227,613	XXX	
74460D 10 9	PUBLIC STORAGE REIT ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	5,400.000	1,127,007	XXX	
747525 10 3	QUALCOMM ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	6,000.000	331,650	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
749607 10 7	RLI ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	1,500.000	111,023	XXX	
749660 10 6	RPC ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	11,000.000	155,485	XXX	
749685 10 3	RPM ORD		10/08/2018	BTIG LLC	5,000.000	302,825	XXX	
755111 50 7	RAYTHEON ORD		12/03/2018	Jefferies	1,000.000	172,875	XXX	
758849 10 3	REGENCY CENTERS REIT ORD		11/02/2018	Jefferies	5,000.000	314,075	XXX	
760759 10 0	REPUBLIC SERVICES ORD		09/24/2018	BARCLAYS CAPITAL INC./LE	7,500.000	553,013	XXX	
76131V 20 2	RETAIL PROP OF AME CL A REIT ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	117,350	XXX	
773903 10 9	ROCKWELL AUTOMAT ORD		07/26/2018	BTIG LLC	2,000.000	368,150	XXX	
81663A 10 5	SEMGROUP CL A ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	183,150	XXX	
816851 10 9	SEMPRA ENERGY ORD		03/06/2018	Jefferies	4,000.000	437,460	XXX	
828806 10 9	SIMON PROP GRP REIT ORD		04/16/2018	BTIG LLC	1,500.000	228,428	XXX	
832696 40 5	JM SMUCKER ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	2,200.000	236,973	XXX	
842587 10 7	SOUTHERN ORD		10/29/2018	VARIOUS	38,000.000	1,701,960	XXX	
84265V 10 5	SOUTHERN COPPER ORD	C	10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	179,375	XXX	
84861U 10 5	SPIRIT MTA REIT ORD		12/17/2018	VARIOUS	30,000.000	265,974	XXX	
854502 10 1	STANLEY BLACK AND DECKER ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	4,200.000	538,041	XXX	
855244 10 9	STARBUCKS ORD		07/26/2018	VARIOUS	23,000.000	1,189,005	XXX	
85571B 10 5	STARWOOD PROPERTY REIT		12/03/2018	Jefferies	25,000.000	542,625	XXX	
867914 10 3	SUNTRUST BANKS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	3,000.000	185,715	XXX	
87165B 10 3	SYNCHRONY FINANCIAL ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	7,000.000	196,105	XXX	
871851 10 1	SYSTEMAX ORD		12/17/2018	VARIOUS	7,000.000	210,429	XXX	
872540 10 9	TJX ORD		05/03/2018	BARCLAYS CAPITAL INC./LE	10,000.000	835,650	XXX	
875465 10 6	TANGER FACTORY REIT ORD		10/08/2018	BTIG LLC	7,000.000	154,105	XXX	
88579Y 10 1	3M ORD		05/03/2018	BARCLAYS CAPITAL INC./LE	4,000.000	782,740	XXX	
899896 10 4	TUPPERWARE BRANDS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	6,000.000	223,770	XXX	
902681 10 5	UGI ORD		06/12/2018	BTIG LLC	5,000.000	246,425	XXX	
902973 30 4	US BANCORP ORD		09/24/2018	VARIOUS	33,000.000	1,739,475	XXX	
907818 10 8	UNION PACIFIC ORD		08/08/2018	DEUTSCHE BANK SECURITIES, INC	5,400.000	775,759	XXX	
911312 10 6	UNITED PARCEL SERVICE CL B ORD		04/02/2018	BARCLAYS CAPITAL INC./LE	3,000.000	311,535	XXX	
913017 10 9	UNITED TECHNOLOGIES ORD		02/12/2018	Jefferies	5,000.000	636,938	XXX	
91913Y 10 0	VALERO ENERGY ORD		11/02/2018	Jefferies	3,000.000	275,505	XXX	
92240G 10 1	VECTREN ORD		04/16/2018	BTIG LLC	4,000.000	259,140	XXX	
92339V 10 0	VEREIT ORD		12/03/2018	Jefferies	25,000.000	193,875	XXX	
92553P 20 1	VIACOM CL B ORD		06/12/2018	BTIG LLC	8,000.000	226,360	XXX	
929042 10 9	VORNADO REALTY REIT ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	204,705	XXX	
92936U 10 9	W P CAREY REIT ORD		12/06/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	350,025	XXX	
92939U 10 6	WEC ENERGY GROUP ORD		04/16/2018	VARIOUS	10,000.000	622,150	XXX	
931142 10 3	WALMART ORD		12/03/2018	VARIOUS	19,000.000	1,770,075	XXX	
94106L 10 9	WASTE MANAGEMENT ORD		05/29/2018	Jefferies	10,700.000	884,409	XXX	
948741 10 3	WEINGARTEN RLTY REIT ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	135,175	XXX	
95040Q 10 4	WELLTOWER ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	315,625	XXX	
958102 10 5	WESTERN DIGITAL ORD		12/17/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	191,275	XXX	
959802 10 9	WESTERN UNION ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	15,000.000	276,525	XXX	
96145D 10 5	WESTROCK ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	204,725	XXX	
963320 10 6	WHIRLPOOL ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	2,000.000	208,510	XXX	
969457 10 0	WILLIAMS ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	10,000.000	250,350	XXX	

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1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
974155 10 3	WINGSTOP ORD		11/21/2018	BARCLAYS CAPITAL INC./LE	3,500.000	225,803	XXX	
98389B 10 0	XCEL ENERGY ORD		05/29/2018	Jefferies	17,000.000	769,335	XXX	
984121 60 8	XEROX ORD		12/03/2018	Jefferies	8,000.000	220,040	XXX	
99C000 85 0	FEDERAL HOME LOAN BANK OF ATLANTA		03/23/2018	Not Provided	9,903.000	990,300	XXX	
G0692U 10 9	AXIS CAPITAL HOLDINGS ORD	C	03/06/2018	Jefferies	5,000.000	263,575	XXX	
G16962 10 5	BUNGE ORD		10/29/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	197,325	XXX	
G29183 10 3	EATON ORD	C	06/25/2018	BTIG LLC	6,000.000	455,670	XXX	
G37585 10 9	GASLOG ORD	C	12/03/2018	Jefferies	7,000.000	151,230	XXX	
G47791 10 1	INGERSOLL RAND ORD	C	11/21/2018	BARCLAYS CAPITAL INC./LE	7,000.000	712,495	XXX	
G491BT 10 8	INVESCO ORD		11/02/2018	VARIOUS	12,000.000	250,860	XXX	
G5494J 10 3	LINDE ORD	D	11/21/2018	VARIOUS	7,500.000	1,050,168	XXX	
G5960L 10 3	MEDTRONIC ORD	C	12/17/2018	VARIOUS	51,000.000	4,444,865	XXX	
G6518L 10 8	NIELSEN HOLDINGS ORD	C	10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	124,325	XXX	
H1467J 10 4	CHUBB ORD	D	12/03/2018	Jefferies	7,400.000	988,011	XXX	
H2906T 10 9	GARMIN ORD	C	03/12/2018	BARCLAYS CAPITAL INC./LE	5,000.000	305,075	XXX	
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD	C	11/21/2018	BARCLAYS CAPITAL INC./LE	5,500.000	508,118	XXX	
9099999.	Total - Common Stocks - Industrial and Miscellaneous					174,180,768	XXX	0
Common Stocks - Parent, Subsidiaries and Affiliates								
000000 00 0	BEACON HEALTH		12/31/2018	Unknown	1.000	3,338,462	XXX	
65511# 10 1	NOBLE HEALTH		12/31/2018	Unknown		7,000,004	XXX	
9199999.	Total - Common Stocks - Parent, Subsidiaries and Affiliates					10,338,466	XXX	0
Common Stocks - Mutual Funds								
001421 58 5	INVESCO REAL ESTATE R6		12/20/2018	Unknown	274.999	5,586	XXX	
003021 71 4	ABERDEEN:EM MKT I	C	12/20/2018	Unknown	729.413	10,701	XXX	
02368A 20 8	AM BEACON:LCV INST		12/20/2018	Unknown	14.475	333	XXX	
256206 10 3	DODGE & COX INTL STOCK		12/20/2018	VARIOUS	2,503,677.477	112,650,565	XXX	
315792 23 4	FIDELITY ABERDEEN STREET TRUST		12/28/2018	Unknown	6,135.067	96,952	XXX	
315792 24 2	FIDELITY ABERDEEN STREET TRUST		12/28/2018	Unknown	1,507.135	18,455	XXX	
315910 28 1	FIDELITY DVSD INTL K		12/10/2018	Unknown	28.925	933	XXX	
315911 87 5	FIDELITY ITL IDX PR		12/14/2018	Unknown	2.037	76	XXX	
316200 85 6	FIDELITY GRO COMPANY K		12/27/2018	Unknown	204.361	22,000	XXX	
316345 80 0	FIDELITY LOW-PRCD STK K		12/20/2018	Unknown	123.976	6,368	XXX	
38141W 61 2	GOLDMAN:SM CAP VAL A		12/19/2018	Unknown	24.898	1,133	XXX	
413838 40 0	OAKMARK EQTY & INC INV		12/20/2018	Unknown	4,859.860	147,025	XXX	
55273W 47 5	MFS MID CAP VALUE R6	C	12/13/2018	Unknown	9.264	193	XXX	
57630A 59 2	MASSMUTUAL S:MCG I		12/17/2018	Unknown	14.096	268	XXX	
592905 76 4	MET WEST:TOTAL RETURN PL		12/31/2018	Unknown	1,165.690	11,373	XXX	
893509 22 4	TRANSAM:INTERNTL EQ I		12/20/2018	VARIOUS	702,574.782	12,224,716	XXX	
921937 60 3	VANGUARD TOT BD ADM		12/31/2018	Unknown	2,423.405	25,255	XXX	
922040 20 9	VANGUARD INSTL INDX INSP		12/18/2018	Unknown	24,841.318	6,137,687	XXX	
922908 39 7	VANGUARD SM-CP IDX INS+		12/21/2018	Unknown	4,782.376	957,495	XXX	
922908 64 5	VANGUARD MD-CP IDX ADM		12/21/2018	Unknown	61.956	11,854	XXX	
922908 68 6	VANGUARD SM-CP IDX ADM		12/21/2018	Unknown	152.207	11,696	XXX	
922908 71 0	VANGUARD 500 INDEX ADM		12/20/2018	Unknown	730.233	180,908	XXX	
9299999.	Total - Common Stocks - Mutual Funds					132,521,572	XXX	0
9799997.	Total - Common Stocks - Part 3					317,040,806	XXX	0

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
9799998.	Total - Common Stocks - Summary Item from Part 5					171,164,681	XXX	
9799999.	Total - Common Stocks					488,205,487	XXX	0
9899999.	Total - Preferred and Common Stocks					589,086,943	XXX	0
9999999.	Total - Bonds, Preferred and Common Stocks					2,050,074,402	XXX	6,508,398

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Government																				
36176W 7E 5	GN 778793 - RMBS	..	12/01/2018.	Paydown		546,544	546,544	568,448	568,605		159		159		568,764		(22,220)	(22,220)	8,577	01/15/2042.
36179M NH 9	G2 MA0392 - RMBS	..	12/01/2018.	Paydown		413,260	413,260	428,111	427,626		532		532		428,159		(14,900)	(14,900)	6,309	09/20/2042.
36179M X4 7	G2 MA0699 - RMBS	..	12/01/2018.	Paydown		478,999	478,999	508,262	510,031		1,078		1,078		511,110		(32,112)	(32,112)	7,392	01/20/2043.
36179Q 6P 1	G2 MA2678 - RMBS	..	12/01/2018.	Paydown		586,617	586,617	623,051	628,312		2,521		2,521		630,835		(44,218)	(44,218)	8,802	03/20/2045.
36179R 7K 9	G2 MA3598 - RMBS	..	12/01/2018.	Paydown		508,862	508,862	536,809	537,968		877		877		538,846		(29,984)	(29,984)	8,865	04/20/2046.
36179R F9 5	G2 MA2892 - RMBS	..	12/01/2018.	Paydown		449,407	449,407	467,805	467,944		1,058		1,058		469,002		(19,595)	(19,595)	6,861	06/20/2045.
36179R LQ 0	G2 MA3035 - RMBS	..	12/01/2018.	Paydown		400,582	400,582	427,246	431,351		1,823		1,823		433,175		(32,593)	(32,593)	6,994	08/20/2045.
36179R Q2 8	G2 MA3173 - RMBS	..	12/01/2018.	Paydown		592,127	592,127	599,991			133		133		600,124		(7,998)	(7,998)	5,776	10/20/2045.
36179T CZ 6	G2 MA4588 - RMBS	..	12/01/2018.	Paydown		484,925	484,925	503,110			276		276		503,385		(18,460)	(18,460)	5,071	07/20/2047.
38379R G5 6	GNR 17109 A - CMBS	..	12/01/2018.	Paydown		77,701	77,701	77,871	77,846		(29)		(29)		77,817		(116)	(116)	837	09/16/2045.
38380Y CR 4	GNR 18112C PA - CMO/RMBS	..	12/01/2018.	Paydown		178,090	178,090	179,418			(28)		(28)		179,390		(1,300)	(1,300)	557	07/20/2047.
912810 QA 9	UNITED STATES TREASURY	..	11/07/2018.	VARIOUS		3,414,789	3,275,000	3,828,968	3,812,609		(15,498)		(15,498)		3,797,111		(382,321)	(382,321)	134,222	02/15/2039.
912810 RB 6	UNITED STATES TREASURY	..	09/20/2018.	VARIOUS		6,506,249	6,775,000	7,056,354	7,051,283		(3,953)		(3,953)		7,047,330		(541,081)	(541,081)	134,157	05/15/2043.
912828 3F 5	UNITED STATES TREASURY	..	10/30/2018.	MERRILL LYNCH PIERCE FENNER		2,612,641	2,800,000	2,664,922			5,139		5,139		2,670,061		(57,420)	(57,420)	29,103	11/15/2027.
912828 J7 6	UNITED STATES TREASURY	..	10/25/2018.	VARIOUS		41,382,200	42,825,000	42,566,859	42,577,844		31,053		31,053		42,608,897		(1,226,698)	(1,226,698)	482,192	03/31/2022.
912828 M5 6	UNITED STATES TREASURY	..	12/11/2018.	VARIOUS		13,875,697	14,475,000	14,112,841	11,159,575		25,834		25,834		14,162,766		(287,069)	(287,069)	269,383	11/15/2025.
912828 U2 4	UNITED STATES TREASURY	..	05/08/2018.	VARIOUS		10,346,493	11,000,000	10,588,371	7,851,734		5,862		5,862		10,596,521		(250,028)	(250,028)	75,401	11/15/2026.
912828 W8 9	UNITED STATES TREASURY	..	09/25/2018.	VARIOUS		39,347,566	40,525,000	40,634,279	40,622,817		2,693		2,693		40,625,510		(1,277,944)	(1,277,944)	485,919	03/31/2022.
912828 WJ 5	UNITED STATES TREASURY	..	12/13/2018.	VARIOUS		37,014,096	37,525,000	38,014,360	30,215,045		(13,869)		(13,869)		37,942,402		(928,306)	(928,306)	555,505	05/15/2024.
0599999.	Total - Bonds - U.S. Government					159,216,845	163,917,114	164,387,076	146,940,590	0	45,661	0	45,661	0	164,391,205	0	(5,174,363)	(5,174,363)	2,231,923	XXX
Bonds - All Other Government																				
040114 HM 5	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	02/12/2018.	MORGAN STANLEY AND CO INC		231,525	250,000	225,000	225,000				0		225,001		6,524	6,524	11,182	06/28/2117.
07737J AA 1	BELARUS, REPUBLIC OF (GOVERNMENT)	C	04/03/2018.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		363,825	330,000	330,000	330,000				0		330,000		33,825	33,825	6,710	06/29/2027.
07737J AB 9	BELARUS, REPUBLIC OF (GOVERNMENT)	C	02/01/2018.	CITIGROUP GLOBAL MARKETS INC		525,655	480,000	484,239	483,853		(14)		(14)		483,839		41,816	41,816	12,575	02/28/2023.
195325 BK 0	COLOMBIA (REPUBLIC OF)	C	10/12/2018.	CIBC WORLD MARKETS CORP		990,000	800,000	1,039,300	1,035,654		(5,688)		(5,688)		1,029,966		(39,966)	(39,966)	63,753	09/18/2037.
195325 CU 7	COLOMBIA, REPUBLIC OF (GOVERNMENT)	C	07/18/2018.	VARIOUS		1,918,525	1,900,000	1,974,825	1,974,601		(255)		(255)		1,974,346		(55,821)	(55,821)	23,819	06/15/2045.
279158 AJ 8	ECOPETROL SA	C	10/12/2018.	BNY MELLON/NOMURA INT'L PLC REPO		97,300	100,000	98,500	98,517		18		18		98,535		(1,235)	(1,235)	5,190	05/28/2045.
29245J AK 8	EMPRESA NACIONAL DEL PETROLEO	C	10/12/2018.	GOLDMAN		338,200	380,000	369,094	369,145		137		137		369,282		(31,082)	(31,082)	18,668	09/14/2047.
445545 AD 8	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	10/12/2018.	VARIOUS		1,035,010	1,000,000	1,100,135	1,081,657		(30,793)		(30,793)		1,050,864		(15,854)	(15,854)	76,042	01/29/2020.
445545 AF 3	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	10/12/2018.	JEFFERIES & CO. - BONDS DIRECT		409,680	300,000	462,915	461,334		(3,380)		(3,380)		457,955		(48,275)	(48,275)	24,019	03/29/2041.
445545 AJ 5	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	10/12/2018.	GOLDMAN		3,021,200	2,800,000	3,247,220	3,217,663		(52,041)		(52,041)		3,165,622		(144,422)	(144,422)	145,347	11/22/2023.
470160 AV 4	JAMAICA (GOVERNMENT)	C	02/28/2018.	CIBC WORLD MARKETS CORP		243,600	200,000	253,100	245,892	6,791	(230)		6,561		252,453		(8,853)	(8,853)	7,422	03/15/2039.
50066K AB 7	KOREA RESOURCES CORP	C	07/13/2018.	ING BANK N.V. - AMSTERDAM		609,267	630,000	633,807	633,497		(415)		(415)		633,082		(23,815)	(23,815)	13,808	04/24/2022.
60937L AB 1	MONGOLIA (GOVERNMENT)	C	10/12/2018.	JEFFERIES & CO. - BONDS DIRECT		195,980	200,000	200,000	200,000				0		200,000		(4,020)	(4,020)	10,813	05/01/2023.
65412J AB 9	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	04/03/2018.	MERRILL LYNCH INTERNATIONAL		540,800	520,000	520,000	520,000				0		520,000		20,800	20,800	13,988	11/28/2047.
65412J AC 7	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	04/03/2018.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		295,365	290,000	290,000	290,000				0		290,000		5,365	5,365	6,650	11/28/2027.
69370T AB 9	PELABUHAN INDONESIA III (PERSERO) PT	C	10/12/2018.	MERRILL LYNCH INTERNATIONAL		266,760	270,000	267,027			242		242		267,270		(510)	(510)	5,535	05/02/2023.
698299 BB 9	PANAMA, REPUBLIC OF (GOVERNMENT)	C	11/16/2018.	GOLDMAN SACHS & CO, NY		89,000	100,000	93,375			45		45		93,420		(4,420)	(4,420)	2,401	04/29/2053.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
698299 BE 3	PANAMA, REPUBLIC OF (GOVERNMENT)	C	11/01/2018.	VARIOUS		492,750	500,000	529,000	527,910		(2,898)		(2,898)		525,012		(32,262)	(32,262)	20,365	03/16/2025.
698299 BG 8	PANAMA, REPUBLIC OF (GOVERNMENT)	C	10/12/2018.	VARIOUS		1,138,740	1,100,000	1,155,930	1,155,773		(237)		(237)		1,155,536		(16,796)	(16,796)	23,163	05/15/2047.
715638 AS 1	PERU (THE REPUBLIC OF)	C	11/08/2018.	SANTANDER INVESTMENT SECURITIES, INC.		361,530	300,000	396,600	390,587		(9,436)		(9,436)		381,151		(19,621)	(19,621)	28,910	07/21/2025.
715638 BM 3	PERU, REPUBLIC OF (GOVERNMENT)	C	11/08/2018.	VARIOUS		569,390	500,000	622,000	621,059		(1,397)		(1,397)		619,662		(50,272)	(50,272)	26,109	11/18/2050.
71654Q CA 8	PETROLEOS MEXICANOS	C	10/12/2018.	SANTANDER INVESTMENT SECURITIES, INC.		1,255,812	1,200,000	1,316,460	1,299,912		(24,641)		(24,641)		1,275,271		(19,459)	(19,459)	92,013	02/04/2021.
71654Q CC 4	PETROLEOS MEXICANOS	C	12/01/2018.	VARIOUS		1,152,042	1,280,000	1,344,377	1,344,176		(386)		(386)		1,343,789		(191,748)	(191,748)	80,268	09/21/2047.
71654Q CG 5	PETROLEOS MEXICANOS	C	11/01/2018.	VARIOUS		1,384,980	1,371,000	1,506,032	1,500,066		(7,223)		(7,223)		1,492,842		(107,863)	(107,863)	85,213	03/13/2027.
71654Q CH 3	PETROLEOS MEXICANOS	C	10/12/2018.	MORGAN STANLEY AND CO. INTERNATIONAL PLC		375,272	400,000	400,000					0		400,000		(24,728)	(24,728)	14,504	02/12/2028.
716564 AA 7	PETROLEOS DEL PERU PETROPERU SA	C	10/12/2018.	SANTANDER INVESTMENT SECURITIES, INC.		188,650	200,000	199,100	199,127		34		34		199,161		(10,511)	(10,511)	7,864	06/19/2032.
716564 AB 5	PETROLEOS DEL PERU PETROPERU SA	C	10/12/2018.	BARCLAYS BANK PLC, LONDON BRANCH		194,750	200,000	200,000	200,000				0		200,000		(5,250)	(5,250)	9,313	06/19/2047.
71656M BP 3	PETROLEOS MEXICANOS	C	03/28/2018.	Unknown		2,325,326	2,200,000	2,342,225	2,332,213		(6,887)		(6,887)		2,325,326			0	64,052	03/13/2022.
718286 AY 3	PHILIPPINES (REPUBLIC OF THE)	C	10/12/2018.	VARIOUS		1,341,470	900,000	1,449,900	1,430,247		(17,745)		(17,745)		1,412,501		(71,031)	(71,031)	77,979	02/02/2030.
731011 AU 6	POLAND, REPUBLIC OF (GOVERNMENT)	C	04/19/2018.	Citigroup (SSB)		888,750	900,000	922,230	921,016		(694)		(694)		920,322		(31,572)	(31,572)	16,006	04/06/2026.
74408D AE 4	PROVINCIA DE CORDOBA	C	10/12/2018.	SANTANDER INVESTMENT SECURITIES, INC.		221,760	280,000	279,975	279,997		4		4		280,000		(58,240)	(58,240)	25,492	08/01/2027.
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	12/01/2018.	VARIOUS		1,578,353	1,600,000	1,643,520	1,437,611		(408)		(408)		1,642,845		(64,492)	(64,492)	67,004	06/18/2050.
77586T AA 4	ROMANIA, REPUBLIC OF (GOVERNMENT)	D	10/12/2018.	GOLDMAN SACHS & CO, NY		541,500	500,000	572,710	344,767		(11,015)		(11,015)		556,092		(14,592)	(14,592)	33,563	02/07/2022.
77586T AE 6	ROMANIA, REPUBLIC OF (GOVERNMENT)	D	11/01/2018.	VARIOUS		889,463	750,000	959,459	958,361		(1,638)		(1,638)		956,723		(67,261)	(67,261)	37,562	01/22/2044.
857524 AC 6	POLAND, REPUBLIC OF (GOVERNMENT)	C	04/19/2018.	CITIGROUP GLOBAL MARKETS INC		609,765	590,000	626,285			(1,447)		(1,447)		624,838		(15,073)	(15,073)	17,766	01/22/2024.
903724 BM 3	UKRAINE, REPUBLIC OF (GOVERNMENT)	C	03/06/2018.	GOLDMAN SACHS & CO, NY		583,200	600,000	600,000	591,024	8,976			8,976		600,000		(16,800)	(16,800)	20,035	09/25/2032.
91086Q BC 1	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	10/12/2018.	BBVA SECURITIES INC		500,500	500,000	530,950	529,540		(3,780)		(3,780)		525,760		(25,260)	(25,260)	20,833	10/02/2023.
91086Q BE 7	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	11/01/2018.	VARIOUS		1,547,355	1,500,000	1,681,830	1,680,127		(2,402)		(2,402)		1,677,724		(130,369)	(130,369)	96,746	01/21/2045.
91087B AC 4	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	12/01/2018.	VARIOUS		1,251,355	1,300,000	1,357,840	1,355,617		(4,181)		(4,181)		1,351,436		(100,081)	(100,081)	58,181	03/28/2027.
91087B AD 2	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	11/13/2018.	HSBC SECURITIES (USA), INC		170,500	200,000	188,800			25		25		188,825		(18,325)	(18,325)	2,428	02/10/2048.
M0208J AF 1	AFRICAN EXPORT IMPORT BANK	D	10/12/2018.	JEFFERIES INTERNATIONAL LTD		292,233	290,000	301,281	298,415		(4,179)		(4,179)		294,237		(2,004)	(2,004)	16,721	07/29/2019.
M1487W BR 5	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	D	06/26/2018.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		198,540	200,000	213,400	212,860		(519)		(519)		212,341		(13,801)	(13,801)	13,667	01/31/2027.
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)	D	12/20/2018.	VARIOUS		541,749	562,000	566,875	216,787	1,808	(777)		1,031		566,068		(24,319)	(24,319)	36,887	03/09/2023.
M6320U AJ 8	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)	D	12/21/2018.	GOLDMAN SACHS & CO, NY		192,500	200,000	197,250			2		2		197,252		(4,752)	(4,752)	1,917	04/17/2049.
M75242 AW 3	OMAN, SULTANATE OF (GOVERNMENT)	D	12/13/2018.	VARIOUS		1,190,250	1,300,000	1,304,355	1,264,822	39,320	(360)		38,960		1,303,781		(113,531)	(113,531)	40,718	06/15/2026.
M75242 BA 0	OMAN, SULTANATE OF (GOVERNMENT)	D	10/02/2018.	VARIOUS		2,044,067	2,200,000	2,281,580	2,208,382	72,940	(554)		72,386		2,280,768		(236,701)	(236,701)	137,428	03/08/2047.
M75242 BB 8	OMAN, SULTANATE OF (GOVERNMENT)	D	12/12/2018.	MERRILL LYNCH INTERNATIONAL		182,000	200,000	208,374	202,174	5,988	(688)		5,300		207,474		(25,474)	(25,474)	13,619	03/08/2027.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
M8489S AB 3	QATAR, STATE OF (GOVERNMENT)	D	10/12/2018.	Credit Suisse Securities (Europe) LT		387,400	400,000	397,200	397,499		561		561		398,059		(10,659)	(10,659)	8,313	06/02/2021.
M87883 CE 8	LEBANON (REPUBLIC OF)	D	06/25/2018.	MERRILL LYNCH INTERNATIONAL		435,375	450,000	487,125	470,628	13,673	(4,692)		8,981		479,609		(44,234)	(44,234)	26,297	04/12/2021.
M87883 DJ 6	LEBANESE REPUBLIC	D	06/01/2018.	VARIOUS		131,661	148,000	150,960	141,618	9,218	(82)		9,136		150,754		(19,092)	(19,092)	4,259	11/27/2026.
M87883 DL 1	LEBANESE REPUBLIC	D	02/01/2018.	VARIOUS		778,886	780,000	788,205	776,763	10,110	(233)		9,877		786,639		(7,754)	(7,754)	6,893	11/28/2019.
N6497T AA 6	NORTHERN LIGHTS III BV	D	11/16/2018.	Paydown		62,500	62,500	64,813	64,354		(487)		(487)		63,867		(1,367)	(1,367)	1,955	08/16/2019.
P04808 AN 4	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	05/01/2018.	Jefferies		212,663	232,000	241,372	239,073	2,330			2,330		241,403		(28,740)	(28,740)	12,705	06/28/2117.
P19110 AG 3	BUENOS AIRES, PROVINCE OF	D	09/24/2018.	Jefferies		467,095	493,958	572,696	562,498		(15,757)		(15,757)		546,741		(79,646)	(79,646)	38,146	06/09/2021.
P3579E AH 0	DOMINICAN REPUBLIC (GOVERNMENT)	C	02/15/2018.	MERRILL LYNCH INTERNATIONAL		428,000	400,000	444,840	436,474	262	(2,098)		(1,836)		434,639		(6,639)	(6,639)	8,667	05/06/2021.
P3579E AY 3	DOMINICAN REPUBLIC (GOVERNMENT)	C	10/12/2018.	VARIOUS		659,340	600,000	653,640	228,804		(76)		(76)		653,368		5,972	5,972	16,949	04/30/2044.
P3579E BK 2	DOMINICAN REPUBLIC (GOVERNMENT)	C	04/03/2018.	VARIOUS		444,400	400,000	451,440	448,842		(1,283)		(1,283)		447,559		(3,159)	(3,159)	18,792	01/29/2026.
P3699P GJ 0	COSTA RICA, REPUBLIC OF (GOVERNMENT)	C	02/07/2018.	VARIOUS		526,705	500,000	534,775	526,875	7,766	(36)		7,730		534,605		(7,900)	(7,900)	13,778	03/12/2045.
P37110 AK 2	EMPRESA NACIONAL DEL PETROLEO	C	10/12/2018.	STANDARD CHARTERED BANK LONDON		237,000	250,000	250,845	250,824		(66)		(66)		250,758		(13,758)	(13,758)	11,224	08/05/2026.
P37466 AP 7	EMPRESA DE TRANSPORTE DE PASAJEROS METRO	C	11/19/2018.	VARIOUS		1,177,000	1,200,000	1,298,400	1,297,556		(1,531)		(1,531)		1,296,025		(119,025)	(119,025)	79,111	01/25/2047.
P5178R AA 6	HONDURAS, REPUBLIC OF	D	10/12/2018.	NOMURA SECURITIES INTERNATIONAL		213,200	200,000	215,000			(1,118)		(1,118)		213,882		(682)	(682)	8,833	03/15/2024.
P56226 AC 0	INSTITUTO COSTARRICENSE DE ELECTRICIDAD	C	12/17/2018.	NOMURA SECURITIES/FIXED INCOME.		192,800	200,000	218,500	216,000	1,290	(4,050)		(2,760)		213,240		(20,440)	(20,440)	15,406	11/10/2021.
P6480J AG 2	PROVINCIA DE MENDOZA	C	07/19/2018.	VARIOUS		268,950	300,000	326,250	325,016		(1,778)		(1,778)		323,239		(54,289)	(54,289)	16,924	05/19/2024.
P78954 AC 1	PETROLEUM COMPANY OF TRINIDAD AND TOBAGO	C	06/25/2018.	CIBC WORLD MARKETS CORP		102,750	100,000	107,350	105,552		(1,615)		(1,615)		103,937		(1,187)	(1,187)	8,477	08/14/2019.
P79171 AD 9	PROVINCIA DE CORDOBA	C	12/17/2018.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		132,375	150,000	159,915	158,657		(2,272)		(2,272)		156,384		(24,009)	(24,009)	10,955	06/10/2021.
P8054Q AQ 6	ECUADOR, REPUBLIC OF (GOVERNMENT)	D	01/11/2018.	CITIGROUP GLOBAL MARKETS INC		345,000	300,000	325,800	325,472		(81)		(81)		325,390		19,610	19,610	2,654	12/13/2026.
P8055Q DQ 2	ECUADOR, REPUBLIC OF (GOVERNMENT)	D	04/04/2018.	CITIGROUP GLOBAL MARKETS INC		216,900	200,000	210,760	208,831		(952)		(952)		207,879		9,021	9,021	11,200	03/24/2020.
V06423 AM 5	BANQUE CENTRALE DE TUNISIE	D	01/18/2018.	MERRILL LYNCH INTERNATIONAL		394,250	400,000	394,875	395,015		38		38		395,053		(803)	(803)	10,893	01/30/2025.
V21735 AA 9	ANGOLA, REPUBLIC OF (GOVERNMENT)	D	08/23/2018.	MERRILL LYNCH INTERNATIONAL		223,000	200,000	214,500	214,203		(867)		(867)		213,336		9,664	9,664	15,042	11/12/2025.
V5311V AB 6	MOROCCO, KINGDOM OF (GOVERNMENT)	D	10/12/2018.	NOMURA INTERNATIONAL PLC		97,824	96,000	104,160			(106)		(106)		104,054		(6,230)	(6,230)	4,487	12/11/2042.
V6713E AA 8	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	D	10/12/2018.	MORGAN STANLEY AND CO INC		207,500	200,000	212,500			(2,239)		(2,239)		210,261		(2,761)	(2,761)	9,713	01/28/2021.
V7179T AE 2	NAMIBIA, REPUBLIC OF (GOVERNMENT)	D	01/11/2018.	CITIGROUP GLOBAL MARKETS INC		772,969	750,000	771,645	764,175	6,988	(92)		6,896		771,071		1,898	1,898	8,422	10/29/2025.
V7179U AF 6	ZAMBIA, REPUBLIC OF (GOVERNMENT)	D	03/21/2018.	HSBC SECURITIES (USA), INC		414,000	400,000	432,250	431,334		(576)		(576)		430,758		(16,758)	(16,758)	23,222	07/30/2027.
X3446N AZ 2	SLOVENIA, REPUBLIC OF (GOVERNMENT)	D	04/03/2018.	Deutsche Bank AG New York Branch		3,336,270	3,000,000	3,472,006	3,440,600		(13,351)		(13,351)		3,427,249		(90,979)	(90,979)	90,708	02/18/2024.
X5S005 UF 6	UKRAINE, REPUBLIC OF (GOVERMENT)	D	03/06/2018.	HSBC SECURITIES (USA), INC		316,350	300,000	320,145	318,771		(833)		(833)		317,938		(1,588)	(1,588)	12,077	09/01/2021.
X5S005 UH 2	UKRAINE, REPUBLIC OF (GOVERMENT)	D	03/01/2018.	Deutsche Bank AG New York Branch		209,375	200,000	199,000	199,095		20		20		199,115		10,260	10,260	7,556	09/01/2023.
X7330Z BB 7	CROATIA, REPUBLIC OF (GOVERNMENT)	D	06/01/2018.	VARIOUS		422,538	400,000	442,860	435,752		(4,701)		(4,701)		431,052		(8,514)	(8,514)	21,467	07/14/2020.
X74359 AC 8	RUSSIAN FEDERATION (GOVERNMENT)	D	12/20/2018.	CITIGROUP GLOBAL MARKETS INC		212,460	200,000	224,750			(375)		(375)		224,375		(11,915)	(11,915)	9,074	09/16/2043.
X77765 BK 4	SERBIA, REPUBLIC OF (GOVERNMENT)	D	01/24/2018.	CITIGROUP GLOBAL MARKETS INC		1,133,540	1,000,000	1,160,330	1,140,956	2,360	(2,446)		(86)		1,140,869		(7,330)	(7,330)	23,667	09/28/2021.
Y2029S AF 1	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	06/26/2018.	BNY MELLON/NOMURA INT'L PLC REPO		506,500	500,000	533,500	527,285	1,159	(4,812)		(3,653)		523,633		(17,133)	(17,133)	22,917	10/04/2020.
Y20721 AJ 8	INDONESIA, REPUBLIC OF (GOVERNMENT)	D	10/12/2018.	BNP Paribas		1,254,605	1,100,000	1,388,120	1,383,514		(7,527)		(7,527)		1,375,986		(121,381)	(121,381)	85,021	02/17/2037.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
Y20721 AU 3	INDONESIA, REPUBLIC OF (GOVERNMENT).....	D	10/12/2018.	BNP Paribas.....	.....	410,708	400,000	432,840	430,259	.....	.....(6,932)	.....	.....(6,932)	.....	423,326	.....	.....(12,618)	.....(12,618)	18,525	05/05/2021.
Y20721 BK 4	INDONESIA, REPUBLIC OF (GOVERNMENT).....	D	09/06/2018.	BARCLAYS BANK PLC, LONDON BRANCH	.....	239,758	200,000	272,250	271,960	.....	.....(1,043)	.....	.....(1,043)	.....	270,917	.....	.....(31,159)	.....(31,159)	15,563	01/15/2044.
Y20721 BQ 1	INDONESIA, REPUBLIC OF (GOVERNMENT).....	C	11/05/2018.	BNP PARIBAS LONDON BRANCH.....	.....	289,266	300,000	321,000	320,612	.....	.....(1,684)	.....	.....(1,684)	.....	318,928	.....	.....(29,662)	.....(29,662)	17,364	01/08/2027.
Y23874 GR 8	EXPORT-IMPORT BANK OF INDIA.....	D	10/12/2018.	MORGAN STANLEY AND CO INC.....	.....	394,548	400,000	418,920	417,202	.....	.....(2,541)	.....	.....(2,541)	.....	414,661	.....	.....(20,113)	.....(20,113)	20,133	01/14/2023.
Y3972R AN 1	LEMBAGA PEMBIAYAAN EKSPOR INDONESIA..	D	10/12/2018.	DBS BANK LTD, SINGAPORE.....	.....	220,800	230,000	237,750	237,420	.....	.....(853)	.....	.....(853)	.....	236,567	.....	.....(15,767)	.....(15,767)	9,160	04/06/2024.
Y5S01W AB 6	ARMENIA, REPUBLIC OF (GOVERNMENT).....	D	09/27/2018.	Jefferies.....	.....	421,000	400,000	450,000	447,808	.....	.....(4,155)	.....	.....(4,155)	.....	443,652	.....	.....(22,652)	.....(22,652)	28,997	03/26/2025.
Y7083V AD 1	POWER SECTOR ASSETS AND LIABILITIES MANA	D	10/11/2018.	CITIGROUP GLOBAL MARKETS INC.....	.....	465,980	400,000	516,500	508,752	.....	.....(11,267)	.....	.....(11,267)	.....	497,485	.....	.....(31,505)	.....(31,505)	25,701	12/02/2024.
Y7136Y AA 8	PERUSAHAAN GAS NEGARA PERSERO TBK PT	D	10/12/2018.	VARIOUS.....	.....	817,668	800,000	872,000	870,042	.....	.....(4,479)	.....	.....(4,479)	.....	865,563	.....	.....(47,895)	.....(47,895)	23,789	05/16/2024.
Y7276L DD 7	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT).	D	03/01/2018.	BARCLAYS BANK PLC.....	.....	315,117	300,000	315,750	315,714	.....	.....(27)	.....	.....(27)	.....	315,687	.....	.....(570)	.....(570)	4,550	10/14/2044.
Y7276L DF 2	KAZAKHSTAN, REPUBLIC OF (GOVERNMENT).	D	12/01/2018.	MERRILL LYNCH INTERNATIONAL.....	.....	233,750	200,000	242,480	242,108	.....	.....(643)	.....	.....(643)	.....	241,465	.....	.....(7,715)	.....(7,715)	17,297	07/21/2045.
Y8793Y AV 4	PAKISTAN, ISLAMIC REPUBLIC OF (GOVERNMEN	D	02/01/2018.	BARCLAYS BANK PLC.....	.....	221,750	200,000	225,250	221,316	2,657	.....(304)	.....	2,353	.....	223,669	.....	.....(1,919)	.....(1,919)	5,042	04/15/2024.
1099999.	Total - Bonds - All Other Government.....			.....	.....	56,327,770	54,315,458	59,562,142	55,384,612	193,636	.....(305,242)	0	.....(111,606)	0	59,003,019	0	.(2,675,253)	...(2,675,253)	..2,486,173	XXX
Bonds - U.S. States, Territories and Possessions																				
13063C 4Q 0	CALIFORNIA ST.....	..	08/29/2018.	MORGAN STANLEY CO.....	.....	2,429,414	2,050,000	2,429,353	2,397,113	.....	.....(24,088)	.....	.....(24,088)	.....	2,373,024	.....	56,390	56,390	111,042	08/01/2028.
13063C 4R 8	CALIFORNIA ST.....	..	08/29/2018.	PERSHING DIV OF DLJ SEC LNDING....	.....	2,008,040	1,700,000	2,002,158	1,976,569	.....	.....(19,130)	.....	.....(19,130)	.....	1,957,439	.....	50,601	50,601	92,083	08/01/2029.
13063C X2 1	CALIFORNIA ST.....	..	08/29/2018.	MORGAN STANLEY CO.....	.....	2,370,540	2,000,000	2,372,400	2,342,957	.....	.....(23,538)	.....	.....(23,538)	.....	2,319,419	.....	51,121	51,121	100,000	09/01/2028.
25476F RK 6	DISTRICT COLUMBIA.....	..	08/29/2018.	Stifel Nicolaus & Co.....	.....	2,998,724	2,550,000	3,218,024	3,124,197	.....	.....(41,767)	.....	.....(41,767)	.....	3,082,431	.....	.....(83,707)	.....(83,707)	95,625	06/01/2028.
452150 Y6 6	ILLINOIS ST.....	..	06/12/2018.	GOLDMAN.....	.....	3,791,950	3,775,000	4,108,333	3,839,788	.....	.....(50,058)	.....	.....(50,058)	.....	3,789,730	.....	2,219	2,219	180,518	08/01/2018.
57582N UT 0	MASSACHUSETTS ST.....	..	08/29/2018.	JANNEY MONTGOMERY SCOTT INC....	.....	2,133,300	2,000,000	2,268,560	2,062,768	.....	.....(15,571)	.....	.....(15,571)	.....	2,047,196	.....	86,104	86,104	113,750	08/01/2020.
594610 3D 7	MICHIGAN ST.....	..	09/07/2018.	JP MORGAN SECURITIES INC.....	.....	5,024,000	5,000,000	5,405,400	5,050,547	.....	.....(42,056)	.....	.....(42,056)	.....	5,008,491	.....	15,509	15,509	226,042	11/01/2022.
882721 2J 1	TEXAS ST.....	..	09/01/2018.	Call @ 100.00.....	.....	7,390,000	7,390,000	7,389,483	7,389,982	.....	18	.....	18	.....	7,390,000	.....	.....	0	370,527	08/01/2023.
93974C BM 1	WASHINGTON ST.....	..	04/30/2018.	FUNB-FUNDS II.....	.....	7,038,010	7,000,000	7,387,774	7,024,647	.....	.....(16,477)	.....	.....(16,477)	.....	7,008,170	.....	29,840	29,840	292,639	07/01/2024.
93974C JP 6	WASHINGTON ST.....	..	08/29/2018.	JANNEY MONTGOMERY SCOTT INC....	.....	4,046,000	4,000,000	4,328,640	4,040,778	.....	.....(27,015)	.....	.....(27,015)	.....	4,013,763	.....	32,237	32,237	233,333	01/01/2024.
93974C WR 7	WASHINGTON ST.....	..	09/05/2018.	VARIOUS.....	.....	9,695,730	9,025,000	9,031,949	9,027,513	.....	.....(520)	.....	.....(520)	.....	9,026,993	.....	668,737	668,737	493,458	02/01/2029.
97705L NA 1	WISCONSIN ST.....	..	05/18/2018.	JP MORGAN SECURITIES INC.....	.....	4,120,440	4,000,000	4,410,680	4,054,754	.....	.....(15,675)	.....	.....(15,675)	.....	4,039,079	.....	81,361	81,361	111,667	05/01/2019.
97705L UH 8	WISCONSIN ST.....	..	05/01/2018.	Call @ 100.00.....	.....	3,000,000	3,000,000	3,156,840	3,006,529	.....	.....(6,529)	.....	.....(6,529)	.....	3,000,000	.....	.....	0	75,000	05/01/2024.
1799999.	Total - Bonds - U.S. States, Territories & Possessions.....			.....	.....	56,046,148	53,490,000	57,509,594	55,338,142	0	.....(282,406)	0	.....(282,406)	0	55,055,735	0	990,412	990,412	..2,495,684	XXX
Bonds - U.S. Political Subdivisions of States																				
074851 RE 8	BEAVER CNTY PA.....	..	08/29/2018.	PNC SECURITIES CORP.....	.....	1,718,470	1,550,000	1,785,771	1,779,621	.....	.....(27,530)	.....	.....(27,530)	.....	1,752,090	.....	.....(33,621)	.....(33,621)	63,076	04/15/2023.
147051 SW 7	CARY N C.....	..	10/16/2018.	WELLS FARGO SECURITIES LLC.....	.....	1,012,660	1,000,000	995,290	998,567	.....	795	.....	795	.....	999,362	.....	13,298	13,298	35,222	06/01/2025.
167560 SX 0	CHICAGO ILL MET WTR RECLAMATION DIST GTR	..	08/31/2018.	BANKERS TRUST CO/FIRST MIAMI SECS	.....	4,055,054	3,525,000	4,389,718	4,278,511	.....	.....(51,959)	.....	.....(51,959)	.....	4,226,552	.....	....(171,498)	.....(171,498)	134,146	12/01/2028.
172252 A7 3	CINCINNATI OHIO CITY SCH DIST.....	..	08/21/2018.	BB&T SECURITIES, LLC.....	.....	4,206,405	3,500,000	3,727,570	3,638,860	.....	.....(8,197)	.....	.....(8,197)	.....	3,630,663	.....	575,742	575,742	133,729	12/01/2026.
179093 JD 2	CLACKAMAS CNTY ORE SCH DIST NO 12 NORTH	..	08/29/2018.	BARCLAYS CAPITAL INC FIXED INC.....	.....	1,183,990	1,000,000	1,196,390	1,182,624	.....	.....(11,330)	.....	.....(11,330)	.....	1,171,295	.....	12,695	12,695	35,556	06/15/2029.
181059 TC 0	CLARK CNTY NEV SCH DIST.....	..	08/29/2018.	GOLDMAN.....	.....	4,333,700	3,775,000	4,442,080	4,383,859	.....	.....(45,977)	.....	.....(45,977)	.....	4,337,881	.....	.....(4,181)	.....(4,181)	134,222	06/15/2026.
181288 RA 1	CLARK CNTY WASH SCH DIST NO 117 CAMAS	..	08/29/2018.	RBC CAPITAL MARKETS.....	.....	3,226,933	2,750,000	3,359,813	3,355,794	.....	.....(36,105)	.....	.....(36,105)	.....	3,319,689	.....	.....(92,757)	.....(92,757)	101,597	12/01/2031.
249174 HM 8	DENVER COLO CITY & CNTY SCH DIST NO 1...	..	08/30/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON	.....	5,823,200	5,000,000	5,977,400	5,394,097	.....	.....(40,462)	.....	.....(40,462)	.....	5,353,636	.....	469,564	469,564	208,542	12/01/2023.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
34153P DT 2	FLORIDA ST BRD ED PUB ED	..	06/01/2018.								52,256		52,256					0		06/01/2023.
373046 VW 8	GEORGETOWN TEX INDPT SCH DIST	..	08/29/2018.	FIRST TENNESSEE CAPITAL MARKET.		2,359,605	2,015,000	2,462,032	2,458,471		(27,489)		(27,489)		2,430,982		(71,377)	(71,377)	75,842	08/15/2031.
373046 VY 4	GEORGETOWN TEX INDPT SCH DIST	..	08/29/2018.	FIRST TENNESSEE CAPITAL MARKET.		1,622,901	1,395,000	1,692,319	1,689,961		(18,208)		(18,208)		1,671,752		(48,851)	(48,851)	52,506	08/15/2033.
438670 XM 8	HONOLULU HAWAII CITY & CNTY	..	08/29/2018.	Jefferies		5,490,793	5,130,000	5,169,450	5,144,665		(3,163)		(3,163)		5,141,502		349,291	349,291	192,375	12/01/2030.
447819 ET 6	HURST EULESS BEDFORD TEX INDPT SCH DIST	..	02/15/2018.	Jefferies		4,101,034	3,460,000	4,335,484	4,315,367		(11,430)		(11,430)		4,303,937		(202,903)	(202,903)	59,589	08/15/2026.
447819 EU 3	HURST EULESS BEDFORD TEX INDPT SCH DIST	..	08/29/2018.	HILLTOP SECURITIES INC		1,428,324	1,200,000	1,517,676	1,511,222		(19,651)		(19,651)		1,491,571		(63,247)	(63,247)	53,167	08/15/2027.
447819 EV 1	HURST EULESS BEDFORD TEX INDPT SCH DIST	..	08/29/2018.	GOLDMAN		1,282,554	1,080,000	1,352,765	1,347,254		(16,783)		(16,783)		1,330,471		(47,917)	(47,917)	47,850	08/15/2028.
59333F LV 0	MIAMI-DADE CNTY FLA	..	08/31/2018.	MESIROW FINANCIAL INC		5,371,050	5,000,000	5,149,400	5,060,919		(11,097)		(11,097)		5,049,821		321,229	321,229	294,444	07/01/2031.
602409 GP 3	MILWAUKEE WIS MET SEW DIST	..	05/18/2018.	JP MORGAN SECURITIES INC		4,837,264	4,780,000	4,894,242	4,790,340		(5,311)		(5,311)		4,785,029		52,236	52,236	153,358	10/01/2026.
607114 2W 4	MOBILE ALA	..	02/15/2018.	Call @ 100.00		1,205,000	1,205,000	1,231,671	1,205,496		(496)		(496)		1,205,000			0	30,125	02/15/2020.
607114 2Z 7	MOBILE ALA	..	02/15/2018.	Call @ 100.00		795,000	795,000	812,596	795,327		(327)		(327)		795,000			0	19,875	02/15/2020.
642713 6C 0	NEW BRITAIN CONN	..	02/01/2018.	Maturity @ 100.00		3,670,000	3,670,000	3,670,000	3,670,000				0		3,670,000			0	42,737	02/01/2018.
64966M JL 4	NEW YORK N Y	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		2,718,577	2,300,000	2,731,107	2,698,421		(25,879)		(25,879)		2,672,542		46,035	46,035	124,583	08/01/2027.
810453 7Y 0	SCOTTSDALE ARIZ	..	03/07/2018.	PERSHING DIV OF DLJ SEC LNDING		1,093,540	1,000,000	1,102,470	1,077,809		(1,736)		(1,736)		1,076,073		17,467	17,467	27,556	07/01/2028.
962506 RZ 6	WHATCOM CNTY WASH SCH DIST NO 501 BELLIN	..	08/29/2018.	BARCLAYS CAPITAL INC FIXED INC		1,168,380	1,000,000	1,210,430	1,204,600		(12,100)		(12,100)		1,192,501		(24,121)	(24,121)	37,500	12/01/2033.
2499999.	Total - Bonds - U.S. Political Subdivisions of States					62,704,434	56,130,000	63,205,674	61,981,785	0	(322,179)	0	(322,179)	0	61,607,349	0	1,097,084	1,097,084	2,057,597	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
010047 CZ 9	AKRON OHIO CTFS PARTN	..	11/01/2018.	Call @ 100.00		45,000	45,000	50,231	47,752		(845)		(845)		46,907		(1,907)	(1,907)	1,125	12/01/2030.
040588 WU 5	ARIZONA ST CTFS PARTN	..	03/01/2018.	Call @ 100.00		1,000,000	1,000,000	1,020,209	1,000,492		(492)		(492)		1,000,000			0	25,000	09/01/2021.
040588 WV 3	ARIZONA ST CTFS PARTN	..	03/01/2018.	Call @ 100.00		5,000,000	5,000,000	5,099,500	5,003,387		(3,387)		(3,387)		5,000,000			0	125,000	09/01/2022.
04184R AY 6	ARLINGTON TEX SPL TAX REV	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,495,876	1,310,000	1,572,419	1,563,862		(22,198)		(22,198)		1,541,664		(45,788)	(45,788)	60,588	02/15/2026.
069643 BH 6	BARTOW CNTY GA DEV AUTH POLLUTN CTL REV	..	08/29/2018.	FUNB-FUNDS II		557,785	570,000	570,000	570,000				0		570,000		(12,215)	(12,215)	10,192	09/01/2029.
114894 MU 9	BROWARD CNTY FLA ARPT SYS REV	..	08/29/2018.	STERN BROTHERS CO		2,966,048	2,690,000	3,190,232	3,074,664		(51,685)		(51,685)		3,022,978		(56,931)	(56,931)	123,292	10/01/2023.
121342 PH 6	BURKE CNTY GA DEV AUTH POLLUTN CTL REV	..	08/29/2018.	FUNB-FUNDS II		435,464	445,000	445,000	445,000				0		445,000		(9,536)	(9,536)	7,957	10/01/2032.
12677P HD 6	CABARRUS CNTY N C CTFS PARTN	..	10/16/2018.	WELLS FARGO SECURITIES LLC		1,006,300	1,000,000	1,018,916	1,003,860		(3,064)		(3,064)		1,000,796		5,504	5,504	64,861	01/01/2023.
13033L AS 6	CALIFORNIA HEALTH FACS FING AUTH REV	..	08/29/2018.	Bank of NYC		3,111,180	3,000,000	3,594,570	3,200,571		(88,530)		(88,530)		3,112,041		(861)	(861)	210,000	07/01/2029.
161037 YG 5	CHARLOTTE N C CTFS PARTN	..	06/12/2018.	M&T SECURITIES INC		3,611,580	3,500,000	3,884,545	3,571,823		(22,474)		(22,474)		3,549,349		62,231	62,231	93,819	06/01/2021.
167593 HU 9	CHICAGO ILL O HARE INTL ARPT REV	..	06/12/2018.	PERSHING DIV OF DLJ SEC LNDING		1,047,792	960,000	1,108,109	1,046,229		(9,327)		(9,327)		1,036,902		10,890	10,890	45,733	01/01/2022.
167725 AB 6	CHICAGO ILL TRAN AUTH SALES & TRANSFER T	..	10/26/2018.	Call @ 100.00		155,000	155,000	167,050	165,880		(2,395)		(2,395)		163,485		(8,485)	(8,485)	4,883	12/01/2021.
167725 AE 0	CHICAGO ILL TRAN AUTH SALES & TRANSFER T	..	10/26/2018.	Call @ 100.00		50,000	50,000	53,887	53,510		(773)		(773)		52,737		(2,737)	(2,737)	1,575	12/01/2021.
196474 5J 5	COLORADO HEALTH FACS AUTH REV	..	06/29/2018.	MORGAN STANLEY CO		2,834,575	2,500,000	3,067,650	2,965,045		(38,131)		(38,131)		2,926,914		(92,339)	(92,339)	79,167	11/15/2036.
196479 B9 9	COLORADO HSG & FIN AUTH	..	10/12/2018.	Call @ 100.00		765,000	765,000	765,000	765,000				0		765,000			0	8,315	11/01/2044.

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										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
196479 E6 2	COLORADO HSG & FIN AUTH	..	10/12/2018.	Call @ 100.00		255,000	255,000	276,876	276,549		(1,267)		(1,267)		275,282		(20,282)	(20,282)	3,510	05/01/2048.
196734 BQ 9	COLORADO ST HIGHER ED CAP CONSTR LEASE P	..	11/01/2018.	Call @ 100.00		1,895,000	1,895,000	1,885,120	1,893,144		1,856		1,856		1,895,000			0	104,225	11/01/2027.
196734 BR 7	COLORADO ST HIGHER ED CAP CONSTR LEASE P	..	06/29/2018.	GOLDMAN		5,172,386	5,105,000	5,078,375	5,099,999		3,002		3,002		5,103,001		69,385	69,385	188,743	11/01/2027.
20281P FS 6	COMMONWEALTH FING AUTH PA REV	..	06/04/2018.	BB&T SECURITIES, LLC		3,253,170	3,000,000	3,375,420	3,242,470		(22,129)		(22,129)		3,220,341		32,829	32,829	77,083	06/01/2031.
20281P JW 3	COMMONWEALTH FING AUTH PA REV	..	08/30/2018.	Piper Jaffray Co		3,625,280	3,200,000	3,697,792	3,642,928		(43,165)		(43,165)		3,599,763		25,517	25,517	121,333	06/01/2024.
20775C XL 3	CONNECTICUT ST HSG FIN AUTH HSG MTG FIN	..	11/09/2018.	Call @ 100.00		90,000	90,000	98,068	97,969		(471)		(471)		97,498		(7,498)	(7,498)	1,814	05/15/2047.
230582 CU 0	CUMBERLAND CNTY N C CTFS PARTN	..	09/07/2018.	RBC CAPITAL MARKETS		1,007,000	1,000,000	1,077,401	1,014,284		(10,802)		(10,802)		1,003,482		3,518	3,518	38,889	12/01/2018.
264474 GW 1	DULUTH MINN INDPT SCH DIST NO 709 CTFS	..	08/29/2018.	RBC CAPITAL MARKETS		2,664,542	2,415,000	2,897,010	2,798,992		(48,402)		(48,402)		2,750,589		(86,047)	(86,047)	130,813	02/01/2023.
3128MA BS 7	FH G07849 - RMBS	..	12/01/2018.	Paydown		338,287	338,287	357,052	356,918		290		290		357,209		(18,922)	(18,922)	5,438	05/01/2044.
3128MA GC 7	FH G07995 - RMBS	..	12/01/2018.	Paydown		249,500	249,500	282,247	284,100		128		128		284,232		(34,732)	(34,732)	6,027	01/01/2039.
3128ME 6K 2	FH G16074 - RMBS	..	12/01/2018.	Paydown		670,840	670,840	691,876	691,280		(462)		(462)		690,818		(19,978)	(19,978)	9,399	02/01/2032.
3128MJ 2L 3	FH G08778 - RMBS	..	09/01/2018.	VARIOUS		7,221,906	7,409,925	7,516,153	7,514,161		(2,830)		(2,830)		7,511,331		(289,425)	(289,425)	165,520	09/01/2047.
3128MJ 2R 0	FH G08783 - RMBS	..	09/01/2018.	VARIOUS		11,120,072	11,423,761	11,564,773	11,561,682		(4,302)		(4,302)		11,557,380		(437,309)	(437,309)	255,437	10/01/2047.
3128MJ 3D 0	FH G08795 - RMBS	..	12/01/2018.	Paydown		186,596	186,596	181,339			32		32		181,372		5,224	5,224	471	01/01/2048.
3128MJ 3H 1	FH G08799 - RMBS	..	12/01/2018.	Paydown		190,091	190,091	184,835			33		33		184,868		5,223	5,223	455	02/01/2048.
3128MJ S6 8	FH G08540 - RMBS	..	12/01/2018.	Paydown		218,390	218,390	215,729	215,875		(25)		(25)		215,850		2,540	2,540	3,008	08/01/2043.
3128MJ T6 7	FH G08572 - RMBS	..	12/01/2018.	Paydown		132,373	132,373	132,538			(1,311)		(1,311)		131,227		1,145	1,145	368	02/01/2044.
3128MJ TA 8	FH G08544 - RMBS	..	12/01/2018.	Paydown		206,605	206,605	202,667	202,937		(24)		(24)		202,913		3,692	3,692	2,716	09/01/2043.
3128MJ UV 0	FH G08595 - RMBS	..	12/01/2018.	Paydown		681,730	681,730	720,131	721,130		2,193		2,193		723,325		(41,594)	(41,594)	11,929	07/01/2044.
3128MJ Y5 3	FH G08731 - RMBS	..	12/01/2018.	Paydown		360,015	360,015	336,164			34		34		336,198		23,817	23,817	1,942	11/01/2046.
3128MJ YC 8	FH G08706 - RMBS	..	12/01/2018.	Paydown		865,509	865,509	894,179	894,486		494		494		894,981		(29,472)	(29,472)	13,577	05/01/2046.
3128MJ YR 5	FH G08719 - RMBS	..	09/01/2018.	VARIOUS		2,055,893	2,174,310	2,133,372	2,133,821		462		462		2,134,282		(78,390)	(78,390)	40,256	08/01/2046.
3128MJ YU 8	FH G08722 - RMBS	..	09/01/2018.	VARIOUS		4,136,924	4,093,946	4,331,587	4,325,520		6,565		6,565		4,332,085		(195,161)	(195,161)	104,081	09/01/2046.
3128MJ YW 4	FH G08724 - RMBS	..	12/01/2018.	Paydown		130,178	130,178	122,724			14		14		122,739		7,439	7,439	402	09/01/2046.
3128P7 TC 7	FH C91447 - RMBS	..	12/01/2018.	Paydown		265,046	265,046	282,937	282,151		(96)		(96)		282,057		(17,010)	(17,010)	4,134	05/01/2032.
3128P8 EX 5	FH C91950 - RMBS	..	12/01/2018.	Paydown		366,604	366,604	383,960	383,456		(500)		(500)		382,956		(16,352)	(16,352)	6,169	09/01/2037.
312936 6F 9	FH A89870 - RMBS	..	12/01/2018.	Paydown		566,124	566,124	612,475	619,994		2,213		2,213		622,210		(56,086)	(56,086)	10,163	11/01/2039.
312943 UJ 0	FH A95085 - RMBS	..	12/01/2018.	Paydown		697,814	697,814	736,739	736,399		1,304		1,304		737,705		(39,891)	(39,891)	11,664	11/01/2040.
3132HN H4 4	FH Q12051 - RMBS	..	12/01/2018.	Paydown		355,573	355,573	358,462			(14)		(14)		358,449		(2,875)	(2,875)	3,481	10/01/2042.
3132HR MY 3	FH Q14875 - RMBS	..	12/01/2018.	Paydown		257,455	257,455	267,471	268,034		98		98		268,132		(10,677)	(10,677)	3,818	01/01/2043.
3132J7 TM 4	FH Q16455 - RMBS	..	12/01/2018.	Paydown		176,530	176,530	173,579	173,522		6		6		173,528		3,002	3,002	2,634	03/01/2043.
3132L7 F9 5	FH V81992 - RMBS	..	12/01/2018.	Paydown		571,750	571,750	603,062	603,520		828		828		604,348		(32,598)	(32,598)	10,148	10/01/2045.
3132XC R9 8	FH G67712 - RMBS	..	12/01/2018.	Paydown		24,318	24,318	24,554			(209)		(209)		24,345		(26)	(26)		06/01/2048.
3132XC RW 7	FH G67701 - RMBS	..	12/01/2018.	Paydown		321,120	321,120	311,365			(69)		(69)		311,296		9,824	9,824	1,457	10/01/2046.
3132XV 4U 4	FH Q53534 - RMBS	..	12/01/2018.	Paydown		246,198	246,198	239,630			21		21		239,651		6,547	6,547	364	01/01/2048.
31335A CA 4	FH G60065 - RMBS	..	12/01/2018.	Paydown		297,424	297,424	313,225	313,239		294		294		313,533		(16,108)	(16,108)	5,608	09/01/2043.
31335A MN 5	FH G60365 - RMBS	..	12/01/2018.	Paydown		571,582	571,582	620,077			188		188		620,265		(48,683)	(48,683)	10,468	02/01/2038.
31335A NJ 3	FH G60393 - RMBS	..	12/01/2018.	Paydown		404,592	404,592	425,201	423,294		443		443		423,738		(19,146)	(19,146)	6,455	01/01/2046.
31335A PZ 5	FH G60440 - RMBS	..	12/01/2018.	Paydown		153,051	153,051	153,051					0		153,051			0	1,274	03/01/2046.

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										11	12	13	14	15						
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31335A WL 8	FH G60651 - RMBS		12/01/2018.	Paydown		580,426	580,426	610,626	610,496		407		407		610,902		(30,476)	(30,476)	9,896	06/01/2046.
31335B C7 9	FH G60994 - RMBS		12/01/2018.	Paydown		305,046	305,046	305,570			2		2		305,572		(526)	(526)	1,701	01/01/2045.
31335B CZ 7	FH G60988 - RMBS		12/01/2018.	Paydown		411,973	411,973	416,415	416,378		(43)		(43)		416,335		(4,362)	(4,362)	5,947	05/01/2047.
3136AK 5X 7	FNR 1467A PL - CMO/RMBS		12/01/2018.	VARIOUS		4,820,840	4,823,504	4,940,934	4,810,805		(8,128)		(8,128)		4,930,350		(109,510)	(109,510)	102,075	04/25/2043.
3136AT TD 6	FNA 16M09A FA - CMBS		12/01/2018.	Paydown		462,904	462,904	464,061			402		402		464,463		(1,559)	(1,559)	682	09/25/2023.
3136AX BX 2	FNR 1756A PA - CMO/RMBS		09/01/2018.	VARIOUS		6,324,471	6,400,398	6,561,053	(1,040,846)		(5,598)		(5,598)		6,552,866		(228,394)	(228,394)	139,252	12/25/2045.
3136AX QN 8	FNR 1758A P - CMO/RMBS		09/01/2018.	VARIOUS		9,560,169	9,711,396	9,929,902	4,910,756		(13,740)		(13,740)		9,908,742		(348,572)	(348,572)	215,966	06/25/2046.
3136B3 BA 7	FNR 1880B GD - CMO/RMBS		12/01/2018.	Paydown		64,296	64,296	63,645			4		4		63,649		647	647	193	12/25/2047.
3137A7 NU 0	FHMS K011 A2 - CMBS		12/01/2018.	Paydown		30,926	30,926	34,057	33,018		(569)		(569)		32,450		(1,524)	(1,524)	931	11/25/2020.
3137BJ PH 0	FHMS KF08 A - CMBS		12/25/2018.	Paydown		478,251	478,251	478,924			(6)		(6)		478,918		(667)	(667)	21	01/25/2022.
3137BM LC 8	FHMS K504 A2 - CMBS		08/27/2018.	VARIOUS		3,163,235	3,175,000	3,270,250	3,223,353		(16,643)		(16,643)		3,206,710		(43,474)	(43,474)	60,638	09/25/2020.
3137BX GR 7	FHR 4678D MA - CMO/RMBS		09/01/2018.	VARIOUS		9,280,074	9,301,907	9,536,388	9,522,705		(25,712)		(25,712)		9,496,993		(216,919)	(216,919)	206,966	08/15/2044.
3137F1 XN 3	FHR 4698A HP - CMO/RMBS		09/01/2018.	VARIOUS		4,568,067	4,621,097	4,714,602	4,709,959		(7,687)		(7,687)		4,702,272		(134,205)	(134,205)	102,015	05/15/2046.
3137F2 3E 4	FHMS KF32 A - CMBS		12/25/2018.	Paydown		102,048	102,048	102,192			(1)		(1)		102,191		(143)	(143)	93	05/25/2024.
3137F2 ZF 6	FHR 4712 PA - CMO/RMBS		09/01/2018.	VARIOUS		9,460,575	9,519,976	9,749,794	9,739,519		(6,170)		(6,170)		9,733,349		(272,773)	(272,773)	210,354	12/15/2045.
3137FG ZN 8	FHMS KI02 A - CMBS		12/25/2018.	Paydown		188,071	188,071	188,012			33		33		188,046		25	25	318	02/25/2023.
3138AM UJ 2	FN AI7784 - RMBS		12/01/2018.	Paydown		232,537	232,537	250,559	251,089		772		772		251,862		(19,324)	(19,324)	4,517	07/01/2041.
3138E0 RA 9	FN AJ7680 - RMBS		12/01/2018.	Paydown		528,212	528,212	542,531	541,130		174		174		541,305		(13,093)	(13,093)	8,209	12/01/2041.
3138EH B8 4	FN AL0962 - RMBS		12/01/2018.	Paydown		47,701	47,701	52,434	52,523		85		85		52,608		(4,907)	(4,907)	884	10/01/2041.
3138EP EP 5	FN AL6441 - RMBS		12/01/2018.	Paydown		201,755	201,755	215,090	213,847		621		621		214,468		(12,713)	(12,713)	3,539	02/01/2045.
3138EP N9 1	FN AL6715 - RMBS		12/01/2018.	Paydown		151,009	151,009	154,784			(2,492)		(2,492)		152,292		(1,283)	(1,283)	485	02/01/2045.
3138EQ 5E 8	FN AL8044 - RMBS		12/01/2018.	Paydown		415,438	415,438	447,764	448,968		1,205		1,205		450,173		(34,735)	(34,735)	7,855	11/01/2042.
3138EQ RG 9	FN AL7686 - RMBS		12/01/2018.	Paydown		541,871	541,871	567,526	563,112		(440)		(440)		562,675		(20,803)	(20,803)	7,833	12/01/2030.
3138EQ TZ 5	FN AL7767 - RMBS		12/01/2018.	Paydown		365,351	365,351	394,465	395,345		1,079		1,079		396,423		(31,072)	(31,072)	6,823	06/01/2044.
3138EQ VQ 2	FN AL7822 - RMBS		12/01/2018.	Paydown		271,118	271,118	292,553	292,884		532		532		293,416		(22,298)	(22,298)	4,728	07/01/2043.
3138ES B6 4	FN AL9960 - RMBS		12/01/2018.	Paydown		534,013	534,013	538,268	538,207		(21)		(21)		538,187		(4,174)	(4,174)	6,869	02/01/2044.
3138L1 WL 9	FN AM1550 - RMBS		08/01/2018.	Paydown		38,222	38,222	38,420	38,396		(16)		(16)		38,380		(158)	(158)	276	12/01/2023.
3138L1 WL 9	FN AM1550 - CMBS/RMBS		12/01/2018.	Paydown		19,311	19,311	19,412	19,399		(20)		(20)		19,379		(68)	(68)	380	12/01/2023.
3138LY 5E 3	FN AO8044 - RMBS		12/01/2018.	Paydown		63,151	63,151	62,219			(1)		(1)		62,218		934	934		07/01/2042.
3138W7 GD 0	FN AR9195 - RMBS		12/01/2018.	Paydown		406,737	406,737	411,312	411,322		17		17		411,339		(4,603)	(4,603)	5,523	03/01/2043.
3138WF AD 8	FN AS5403 - RMBS		12/01/2018.	Paydown		209,386	209,386	211,447	210,942		(64)		(64)		210,878		(1,493)	(1,493)	2,485	07/01/2030.
3138WF HA 7	FN AS5624 - RMBS		12/01/2018.	Paydown		218,664	218,664	227,769	225,824		(145)		(145)		225,680		(7,017)	(7,017)	3,012	08/01/2030.
3138WQ AW 2	FN AT2720 - RMBS		12/01/2018.	Paydown		654,319	654,319	666,552	666,618		97		97		666,715		(12,396)	(12,396)	9,263	05/01/2043.
3138WQ AX 0	FN AT2721 - RMBS		12/01/2018.	Paydown		177,235	177,235	177,762	177,764		(20)		(20)		177,744		(509)	(509)	2,538	05/01/2043.
3138WT RW 8	FN AT5900 - RMBS		12/01/2018.	Paydown		709,070	709,070	700,096	700,030		(157)		(157)		699,872		9,198	9,198	8,995	06/01/2043.
3138X0 Y3 6	FN AU1629 - RMBS		12/01/2018.	Paydown		217,996	217,996	215,169	215,208		(38)		(38)		215,170		2,826	2,826	3,078	07/01/2043.
3138Y6 4A 9	FN AX5316 - RMBS		12/01/2018.	Paydown		165,686	165,686	180,494	181,668		608		608		182,277		(16,591)	(16,591)	3,045	01/01/2042.
31398E 2F 0	FHMS K003 A5 - CMBS		08/27/2018.	Unknown		3,851,745	3,825,000	4,158,098	3,970,097		(91,414)		(91,414)		3,878,683		(26,938)	(26,938)	144,795	03/25/2019.
31402R RN 1	FN 735893 - RMBS		12/01/2018.	Paydown		463,279	463,279	510,330	510,893		360		360		511,253		(47,974)	(47,974)	9,948	10/01/2035.
3140E2 TX 9	FN AZ9565 - RMBS		12/01/2018.	Paydown		245,524	245,524	253,696	253,624		(29)		(29)		253,595		(8,071)	(8,071)	3,831	12/01/2045.
3140EV TB 3	FN BC1445 - RMBS		12/01/2018.	Paydown		274,842	274,842	275,143	275,094		(28)		(28)		275,065		(223)	(223)	3,928	07/01/2046.
3140FQ TZ 0	FN BE5067 - RMBS		12/01/2018.	Paydown		355,812	355,812	365,541	365,354		(40)		(40)		365,313		(9,502)	(9,502)	5,787	11/01/2046.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
3140J5 5P 0	FN BM1753 - RMBS	..	12/01/2018.	Paydown		413,887	413,887	427,920			(231)		(231)		427,688		(13,802)	(13,802)	5,525	05/01/2037.
3140J5 EV 7	FN BM1047 - RMBS	..	12/01/2018.	Paydown		599,683	599,683	635,711	635,953		643		643		636,596		(36,914)	(36,914)	10,135	02/01/2045.
3140J5 SS 9	FN BM1428 - RMBS	..	12/01/2018.	Paydown		725,741	725,741	749,781	749,902		65		65		749,967		(24,226)	(24,226)	11,568	09/01/2043.
3140J7 N2 7	FN BM3108 - RMBS	..	12/01/2018.	Paydown		460,015	460,015	492,073	492,255		1,100		1,100		493,356		(33,340)	(33,340)	7,959	08/01/2046.
31410K HA 5	FN 889525 - RMBS	..	12/01/2018.	Paydown		90,640	90,640	101,460	103,238		276		276		103,514		(12,874)	(12,874)	2,111	05/01/2036.
31417F SA 7	FN AB8612 - RMBS	..	12/01/2018.	Paydown		511,647	511,647	515,005	514,951		(61)		(61)		514,890		(3,244)	(3,244)	6,717	03/01/2043.
31418A AV 0	FN MA0919 - RMBS	..	12/01/2018.	Paydown		295,220	295,220	313,533	313,127		(119)		(119)		313,010		(17,790)	(17,790)	4,625	12/01/2031.
31418A BT 4	FN MA0949 - RMBS	..	12/01/2018.	Paydown		601,452	601,452	623,396	623,519		(540)		(540)		622,979		(21,527)	(21,527)	9,169	01/01/2032.
31418A CM 8	FN MA0975 - RMBS	..	12/01/2018.	Paydown		395,729	395,729	413,599	414,415		216		216		414,632		(18,903)	(18,903)	6,492	02/01/2042.
31418A M3 9	FN MA1277 - RMBS	..	12/01/2018.	Paydown		868,246	868,246	880,862	877,370		(310)		(310)		877,061		(8,816)	(8,816)	9,548	12/01/2027.
31418C EP 5	FN MA2841 - RMBS	..	12/01/2018.	Paydown		212,756	212,756	211,127	211,149		9		9		211,159		1,598	1,598	2,482	12/01/2036.
31418C M2 7	FN MA3076 - RMBS	..	09/25/2018.	VARIOUS		9,414,075	9,580,275	9,640,526	9,637,534		(3,772)		(3,772)		9,633,761		(219,686)	(219,686)	174,946	07/01/2032.
31418C P9 9	FN MA3147 - RMBS	..	12/01/2018.	Paydown		272,924	272,924	265,373			40		40		265,413		7,511	7,511	1,200	10/01/2047.
31418C Q9 8	FN MA3179 - RMBS	..	12/01/2018.	Paydown		219,607	219,607	213,845			59		59		213,904		5,703	5,703	1,227	11/01/2047.
31418C RD 8	FN MA3183 - RMBS	..	12/01/2018.	Paydown		406,283	406,283	417,075			(98)		(98)		416,977		(10,693)	(10,693)	4,664	11/01/2047.
31418C U6 9	FN MA3304 - RMBS	..	12/01/2018.	Paydown		134,305	134,305	130,378			26		26		130,404		3,901	3,901	310	03/01/2048.
31418M GG 1	FN AD0198 - RMBS	..	12/01/2018.	Paydown		625,341	625,341	698,818	702,049		1,142		1,142		703,196		(77,855)	(77,855)	15,009	09/01/2038.
31418U EL 4	FN AD6438 - RMBS	..	12/01/2018.	Paydown		316,498	316,498	351,017	355,957		1,525		1,525		357,484		(40,986)	(40,986)	6,583	06/01/2040.
31419B CT 0	FN AE0981 - RMBS	..	12/01/2018.	Paydown		190,869	190,869	200,353	200,791		104		104		200,896		(10,027)	(10,027)	2,889	03/01/2041.
34153P DT 2	FLORIDA ST BRD ED PUB ED	..	06/01/2018.	Call @ 101.00		6,065,050	6,005,000	6,004,500	6,004,926		7,868		7,868		6,065,050			0	150,125	06/01/2023.
362762 LB 0	GAINESVILLE & HALL CNTY GA HOSP AUTH REV	..	04/16/2018.	RBC CAPITAL MARKETS		2,313,846	2,300,000	2,300,000	2,300,000				0		2,300,000		13,846	13,846	19,212	08/15/2035.
392274 K6 2	GREATER ORLANDO AVIATION AUTH ORLANDO FL	..	05/18/2018.	PERSHING DIV OF DLJ SEC LNDING		1,103,900	1,000,000	1,196,560	1,151,807		(11,920)		(11,920)		1,139,887		(35,987)	(35,987)	32,083	10/01/2022.
403715 CM 5	GWINNETT CNTY GA DEV AUTH CTFS PARTN.	..	10/01/2018.	BARCLAYS CAPITAL INC FIXED INC		6,364,050	5,500,000	5,951,165	5,731,917		(21,311)		(21,311)		5,710,606		653,444	653,444	358,531	01/01/2025.
413328 FF 7	HARNETT CNTY N C CTFS PARTN	..	10/11/2018.	WELLS FARGO SECURITIES LLC		1,018,470	1,000,000	1,018,272	1,004,905		(2,689)		(2,689)		1,002,215		16,255	16,255	43,611	06/01/2023.
45203H 4Q 2	ILLINOIS FIN AUTH REV	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		1,105,070	1,000,000	1,204,000	1,157,147		(20,695)		(20,695)		1,136,452		(31,382)	(31,382)	39,722	11/15/2022.
45204E GT 9	ILLINOIS FIN AUTH REV	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		2,541,099	2,405,000	2,917,457	2,620,585		(87,580)		(87,580)		2,533,005		8,094	8,094	194,671	08/15/2034.
452252 JJ 9	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R	..	08/29/2018.	RBC CAPITAL MARKETS		1,595,944	1,400,000	1,666,014	1,592,901		(16,784)		(16,784)		1,576,117		19,827	19,827	81,667	01/01/2027.
45528S 4X 1	INDIANAPOLIS IND LOC PUB IMPT BD BK	..	08/29/2018.	RBC CAPITAL MARKETS		3,129,510	3,000,000	3,350,040	3,082,600		(26,353)		(26,353)		3,056,247		73,263	73,263	169,167	01/15/2022.
45528S 5Q 5	INDIANAPOLIS IND LOC PUB IMPT BD BK	..	08/29/2018.	RAYMOND JAMES & ASSOCIATES		3,128,250	3,000,000	3,332,820	3,078,998		(25,194)		(25,194)		3,053,805		74,445	74,445	169,167	01/15/2023.
45528U AS 0	INDIANAPOLIS IND LOC PUB IMPT BD BK	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		3,202,440	3,000,000	2,953,050	2,964,860		1,427		1,427		2,966,287		236,153	236,153	162,500	02/01/2030.
46257T AN 9	IOWA ST SPL OBLIG	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		5,126,200	5,000,000	5,349,050	5,059,068		(27,312)		(27,312)		5,031,757		94,443	94,443	187,500	06/01/2023.
46257T BB 4	IOWA ST SPL OBLIG	..	04/17/2018.	WELLS FARGO SECURITIES LLC		2,071,060	2,000,000	2,211,420	2,039,071		(8,040)		(8,040)		2,031,031		40,029	40,029	38,333	06/01/2024.
49151F PA 2	KENTUCKY ST PPTY & BLDGS COMMN REVS	..	06/29/2018.	GOLDMAN		4,471,600	4,415,000	4,298,003	4,390,798		14,518		14,518		4,405,316		66,284	66,284	159,523	11/01/2023.
49151F QC 7	KENTUCKY ST PPTY & BLDGS COMMN REVS	..	06/29/2018.	MESIROW FINANCIAL INC		592,318	585,000	569,498	581,793		1,924		1,924		583,717		8,602	8,602	21,137	11/01/2023.
491552 US 2	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV	..	08/29/2018.	MORGAN STANLEY CO		1,027,330	1,000,000	1,026,031	1,007,072		(3,086)		(3,086)		1,003,985		23,345	23,345	58,333	07/01/2025.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
491552 UU 7	KENTUCKY ST TPK AUTH ECONOMIC DEV RD REV	..	08/29/2018.	Loop Capital Markets		1,026,670	1,000,000	1,017,591	1,003,411		(1,487)		(1,487)		1,001,924		24,746	24,746	58,333	07/01/2026.
528921 DA 4	LEXINGTON-FAYETTE URBAN CNTY GOVT KY PUB	..	12/03/2018.	VARIOUS		5,277,810	5,000,000	5,147,630	5,058,944		(14,168)		(14,168)		5,044,776		233,034	233,034	252,146	06/01/2031.
54466H DN 3	LOS ANGELES CNTY CALIF MET TRANSN AUTH S	..	02/08/2018.	Jefferies		1,208,200	1,000,000	1,208,410	1,186,978		(2,148)		(2,148)		1,184,830		23,370	23,370	9,444	06/01/2027.
546589 D2 5	LOUISVILLE & JEFFERSON CNTY KY MET SWR D	..	08/29/2018.	MESIROW FINANCIAL INC		5,528,025	5,315,000	5,552,899	5,366,882		(17,942)		(17,942)		5,348,940		179,085	179,085	211,124	05/15/2023.
546589 D6 6	LOUISVILLE & JEFFERSON CNTY KY MET SWR D	..	08/29/2018.	JP MORGAN SECURITIES LLC		3,823,261	3,685,000	3,843,122	3,720,971		(12,440)		(12,440)		3,708,531		114,730	114,730	146,376	05/15/2023.
54811B QJ 3	LOWER COLO RIV AUTH TEX TRANSMISSION CON	..	06/29/2018.	Piper Jaffray Co		1,274,746	1,100,000	1,380,808	1,335,962		(15,106)		(15,106)		1,320,856		(46,110)	(46,110)	34,833	05/15/2025.
56042R NU 2	MAINE HEALTH & HIGHER EDL FACS AUTH REV	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		3,106,978	3,025,000	3,167,659	3,051,677		(11,648)		(11,648)		3,040,029		66,948	66,948	176,458	07/01/2026.
56052F JS 5	MAINE ST HSG AUTH MTG PUR	..	10/09/2018.	Call @ 100.00		25,000	25,000	26,833	26,800		(140)		(140)		26,659		(1,659)	(1,659)	484	11/15/2047.
56682H CM 9	MARICOPA CNTY ARIZ INDL DEV AUTH REV	..	06/29/2018.	PERSHING DIV OF DLJ SEC LNDING		2,785,525	2,500,000	2,891,250	2,875,967		(38,166)		(38,166)		2,837,801		(52,276)	(52,276)	88,542	01/01/2048.
57420P FX 9	MARYLAND ST ECONOMIC DEV CORP LEASE REV	..	08/30/2018.	VARIOUS		10,798,900	10,000,000	11,252,800	10,498,426		(93,971)		(93,971)		10,404,455		394,445	394,445	379,167	06/01/2026.
583887 CZ 5	MECKLENBURG CNTY N C CTFS PARTN	..	08/29/2018.	MESIROW FINANCIAL INC		2,124,854	2,095,000	2,122,884	2,098,706		(2,255)		(2,255)		2,096,451		28,402	28,402	113,479	02/01/2025.
583887 DP 6	MECKLENBURG CNTY N C CTFS PARTN	..	02/01/2018.	Call @ 100.00		585,000	585,000	614,153	585,723		(723)		(723)		585,000			0	14,625	02/01/2024.
583887 DQ 4	MECKLENBURG CNTY N C CTFS PARTN	..	02/01/2018.	Call @ 100.00		1,225,000	1,225,000	1,284,499	1,226,476		(1,476)		(1,476)		1,225,000			0	30,625	02/01/2025.
583887 EE 0	MECKLENBURG CNTY N C CTFS PARTN	..	02/01/2018.	Call @ 100.00		715,000	715,000	734,961	715,500		(500)		(500)		715,000			0	17,875	02/01/2024.
583887 EF 7	MECKLENBURG CNTY N C CTFS PARTN	..	02/01/2018.	Call @ 100.00		1,500,000	1,500,000	1,536,372	1,501,010		(1,010)		(1,010)		1,500,000			0	37,500	02/01/2025.
58401A BD 1	MECKLENBURG CNTY N C PUB FACS CORP LTD O	..	10/11/2018.	JP MORGAN SECURITIES INC		1,517,370	1,500,000	1,606,095	1,520,271		(13,586)		(13,586)		1,506,685		10,685	10,685	84,167	03/01/2026.
586158 MK 0	MEMPHIS TENN ELEC SYS REV	..	06/29/2018.	GOLDMAN		7,103,110	7,000,000	7,449,381	7,049,652		(27,049)		(27,049)		7,022,603		80,507	80,507	206,111	12/01/2018.
59259N 2V 4	METROPOLITAN TRANSN AUTH N Y DEDICATED T	..	08/30/2018.	MERRILL LYNCH PIERCE FENNER & SMITH INC.		3,924,261	3,335,000	4,091,545	3,978,329		(43,592)		(43,592)		3,934,737		(10,476)	(10,476)	140,556	11/15/2033.
59259Y Q8 5	METROPOLITAN TRANSN AUTH N Y REV	..	04/26/2018.	BB&T SECURITIES, LLC		2,857,675	2,500,000	2,699,025	2,629,453		(6,471)		(6,471)		2,622,983		234,692	234,692	57,292	11/15/2031.
59333G AL 2	MIAMI DADE CNTY FLA INDL DEV AUTH SOLID	..	06/12/2018.	M&T SECURITIES INC		1,001,280	1,000,000	1,000,000	1,000,000				0		1,000,000		1,280	1,280	13,163	11/01/2041.
593464 AA 8	MIAMI FLA RENT REV	..	06/01/2018.	Call @ 100.00		60,000	60,000	64,873	60,683		(220)		(220)		60,463		(463)	(463)	2,595	07/01/2019.
594654 BE 4	MICHIGAN ST HSG DEV AUTH SINGLE FAMILY M	..	11/01/2018.	Call @ 100.00		165,000	165,000	175,949	175,773		(862)		(862)		174,911		(9,911)	(9,911)	2,574	06/01/2048.
610530 FN 2	MONROE CNTY GA DEV AUTH POLLUTION CTL RE	..	08/29/2018.	FUNB-FUNDS II		440,357	450,000	450,000	450,000				0		450,000		(9,644)	(9,644)	8,046	07/01/2049.
613603 TC 3	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU	..	08/31/2018.	GOLDMAN		1,325,545	1,260,000	1,430,806	1,342,390		(19,751)		(19,751)		1,322,640		2,906	2,906	58,450	10/01/2020.
613603 TD 1	MONTGOMERY CNTY PA HIGHER ED & HEALTH AU	..	08/31/2018.	GOLDMAN		1,414,948	1,320,000	1,496,154	1,419,640		(17,198)		(17,198)		1,402,442		12,506	12,506	61,233	10/01/2021.
626207 S8 8	MUNICIPAL ELEC AUTH GA	..	04/16/2018.	PERSHING DIV OF DLJ SEC LNDING		3,137,959	3,110,000	3,593,040	3,150,062		(23,683)		(23,683)		3,126,379		11,580	11,580	148,762	01/01/2023.
626207 T7 9	MUNICIPAL ELEC AUTH GA	..	04/16/2018.	Piper Jaffray Co		1,099,069	1,090,000	1,258,950	1,104,038		(8,298)		(8,298)		1,095,739		3,330	3,330	52,138	01/01/2023.
64465P MH 8	NEW HAMPSHIRE MUN BD BK	..	04/09/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		3,719,158	3,465,000	3,755,610	3,552,155		(8,706)		(8,706)		3,543,450		175,708	175,708	113,575	08/15/2028.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
64465P MS 4	NEW HAMPSHIRE MUN BD BK	..	04/09/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		2,146,700	2,000,000	2,153,980	2,000,000				0		2,000,000		146,700	146,700	65,556	08/15/2029.
646046 MP 4	NEW JERSEY ST CTFS PARTN	..	04/19/2018.	RBC CAPITAL MARKETS		5,022,800	5,000,000	5,224,650	5,016,291		(11,058)		(11,058)		5,005,233		17,567	17,567	88,889	06/15/2020.
647200 6Y 5	NEW MEXICO MTG FIN AUTH	..	11/30/2018.	VARIOUS		120,000	120,000	129,448	129,332		(588)		(588)		128,743		(8,743)	(8,743)	2,020	03/01/2048.
64971W 2M 1	NEW YORK N Y CITY TRANSITIONAL FIN AUTH	..	05/18/2018.	MESIROW FINANCIAL INC		1,263,419	1,165,000	1,393,107	1,278,279		(15,170)		(15,170)		1,263,109		310	310	35,775	11/01/2035.
64971W 3B 4	NEW YORK N Y CITY TRANSITIONAL FIN AUTH	..	08/29/2018.	MORGAN STANLEY CO		1,680,682	1,560,000	1,865,448	1,711,687		(34,781)		(34,781)		1,676,906		3,775	3,775	71,500	11/01/2035.
64972F 4K 9	NEW YORK N Y CITY MUN WTR FIN AUTH WTR &	..	08/08/2018.	BB&T SECURITIES, LLC		3,244,320	3,000,000	3,158,910	3,079,618		(13,187)		(13,187)		3,066,431		177,889	177,889	97,917	06/15/2031.
649883 2J 3	NEW YORK ST MTG AGY HOMEOWNER MTG REV	..	12/04/2018.	Call @ 100.00		360,000	360,000	391,392	390,993		(2,555)		(2,555)		388,437		(28,437)	(28,437)	8,781	04/01/2040.
649883 F2 6	NEW YORK ST MTG AGY HOMEOWNER MTG REV	..	12/04/2018.	Call @ 100.00		610,000	610,000	645,795	635,536		(2,320)		(2,320)		633,216		(23,216)	(23,216)	11,309	10/01/2034.
64990A GD 1	NEW YORK ST DORM AUTH SALES TAX REV ST S	..	08/29/2018.	GOLDMAN		7,823,858	6,700,000	8,232,156	8,186,412		(96,369)		(96,369)		8,090,044		(266,186)	(266,186)	366,639	03/15/2031.
658196 2M 1	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS	..	10/11/2018.	WELLS FARGO SECURITIES LLC		503,165	500,000	500,280	500,054		(42)		(42)		500,012		3,153	3,153	32,222	01/01/2026.
658196 QY 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS	..	08/31/2018.	BARCLAYS CAPITAL INC FIXED INC		2,256,240	2,000,000	2,319,940	2,112,449		(17,764)		(17,764)		2,094,685		161,555	161,555	141,333	01/01/2022.
658196 Z2 9	NORTH CAROLINA EASTN MUN PWR AGY PWR SYS	..	08/30/2018.	WELLS FARGO SECURITIES LLC		6,075,300	6,000,000	5,984,640	5,996,677		2,234		2,234		5,998,911		76,389	76,389	387,750	01/01/2026.
658203 4V 3	NORTH CAROLINA MUN PWR AGY NO 1 CATAWBA	..	10/11/2018.	WELLS FARGO SECURITIES LLC		4,297,926	4,270,000	4,078,533	4,210,521		46,674		46,674		4,257,195		40,731	40,731	275,178	01/01/2030.
65821D CY 5	NORTH CAROLINA MED CARE COMMN HEALTH CAR	..	10/16/2018.	WELLS FARGO SECURITIES LLC		1,017,190	1,000,000	987,147	996,295		2,051		2,051		998,346		18,844	18,844	41,826	06/01/2030.
65821D DW 8	NORTH CAROLINA MED CARE COMMN HEALTH CAR	..	04/17/2018.	WELLS FARGO SECURITIES LLC		2,130,560	2,000,000	2,030,000	2,008,571		(1,002)		(1,002)		2,007,569		122,991	122,991	38,333	06/01/2035.
65821D DX 6	NORTH CAROLINA MED CARE COMMN HEALTH CAR	..	04/17/2018.	WELLS FARGO SECURITIES LLC		1,065,280	1,000,000	1,119,880	1,042,922		(5,105)		(5,105)		1,037,817		27,463	27,463	19,167	06/01/2042.
65825P CA 6	NORTH CAROLINA ST CAP IMPT LTD OBLIG	..	08/29/2018.	MERRILL LYNCH PIERCE FENNER & SMITH INC.		1,022,310	1,000,000	1,066,858	1,011,407		(5,608)		(5,608)		1,005,799		16,511	16,511	41,667	05/01/2023.
65825P CB 4	NORTH CAROLINA ST CAP IMPT LTD OBLIG	..	08/29/2018.	MERRILL LYNCH PIERCE FENNER & SMITH INC.		1,022,310	1,000,000	1,056,760	1,009,730		(4,781)		(4,781)		1,004,948		17,362	17,362	41,667	05/01/2024.
65825P DD 9	NORTH CAROLINA ST CAP IMPT LTD OBLIG	..	08/29/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		5,228,400	5,000,000	4,909,100	4,964,551		9,689		9,689		4,974,240		254,160	254,160	187,500	05/01/2028.
708692 AJ 7	PENNSYLVANIA ECONOMIC DEV FING AUTH SOLI	..	09/27/2018.	SUMRIDGE PARTNERS LLC		1,995,940	2,000,000	2,000,000	2,000,000				0		2,000,000		(4,060)	(4,060)	48,125	11/01/2021.
70869P HY 6	PENNSYLVANIA ECONOMIC DEV FING AUTH REV	..	06/12/2018.	ZIONS FIRST NATL BANK		3,545,709	3,545,000	3,804,210	3,585,176		(36,605)		(36,605)		3,548,571		(2,862)	(2,862)	135,498	06/30/2018.
709222 CN 1	PENNSYLVANIA ST TPK COMMN REGISTRATION F	..	08/29/2018.	MERRILL LYNCH PIERCE FENNER & SMITH INC.		3,719,905	3,500,000	3,937,220	3,594,348		(23,838)		(23,838)		3,570,511		149,394	149,394	207,229	07/15/2020.
709235 WV 3	PENNSYLVANIA ST UNIV	..	08/29/2018.	HILLTOP SECURITIES INC		796,797	675,000	861,840	835,898		(11,307)		(11,307)		824,591		(27,794)	(27,794)	33,750	09/01/2027.
720175 VA 3	PIEDMONT MUN PWR AGY S C ELEC REV	..	01/01/2018.	Maturity @ 100.0		1,085,000	1,085,000	1,193,760	1,085,000				0		1,085,000			0	27,125	01/01/2018.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	12/01/2018.	Adjustment		(210,500)	(200,000)	(205,660)					0		(205,641)		(4,859)	(4,859)	(7,848)	06/18/2050.
762196 EU 3	RHODE IS HEALTH & EDL BLDG CORP PUB SCHS	..	08/31/2018.	FIDELITY CAPITAL MARKETS		1,711,722	1,595,000	1,809,224	1,765,212		(20,530)		(20,530)		1,744,682		(32,960)	(32,960)	51,394	05/15/2023.
83712D TF 3	SOUTH CAROLINA ST HSG FIN & DEV AUTH MTG	..	12/03/2018.	VARIOUS		470,000	470,000	511,797	499,795		(2,619)		(2,619)		497,176		(27,176)	(27,176)	14,917	07/01/2041.
837545 LX 8	SOUTH DAKOTA CONSERVANCY DIST REV	..	08/31/2018.	BNY CAPITAL MARKETS, INC		2,440,726	2,105,000	2,536,757	2,523,155		(26,307)		(26,307)		2,496,848		(56,122)	(56,122)	108,758	08/01/2035.
83756C TC 9	SOUTH DAKOTA HSG DEV AUTH	..	11/20/2018.	Call @ 100.00		70,000	70,000	76,329	76,288		(429)		(429)		75,859		(5,859)	(5,859)	1,724	11/01/2047.
880557 6V 0	TENNESSEE ST SCH BD AUTH	..	04/12/2018.	FUNB-FUNDS II		5,392,485	5,385,000	5,970,834	5,413,620		(25,042)		(25,042)		5,388,577		3,908	3,908	123,406	05/01/2030.
88283K AJ 7	TEXAS TRANSN COMMN CENT TEX TPK SYS REV	..	04/16/2018.	Jefferies		2,105,020	2,000,000	2,333,180	2,145,269		(18,933)		(18,933)		2,126,336		(21,316)	(21,316)	67,500	08/15/2042.
899676 KU 3	TULSA OKLA TULSA INDL AUTH REV	..	03/01/2018.	Call @ 100.0		1,000,000	1,000,000	999,975	999,984				0		999,984		16	16	14,750	10/01/2026.
914720 JC 2	UNIVERSITY N C SYS POOL REV	..	08/31/2018.	ZIONS FIRST NATL BANK		4,436,913	4,350,000	4,799,660	4,401,703		(27,696)		(27,696)		4,374,007		62,906	62,906	211,881	04/01/2019.
919061 EY 3	VALDEZ ALASKA MARINE TERM REV	..	08/29/2018.	Loop Capital Markets		1,064,860	1,000,000	1,122,700	1,044,396		(9,479)		(9,479)		1,034,917		29,943	29,943	58,333	01/01/2021.
924190 KZ 3	VERMONT HSG FIN AGY	..	10/01/2018.	Call @ 100.00		125,000	125,000	136,791	135,244		(698)		(698)		134,547		(9,547)	(9,547)	1,375	11/01/2046.
924190 PA 3	VERMONT HSG FIN AGY	..	10/02/2018.	Call @ 100.00		140,000	140,000	151,715	151,515		(969)		(969)		150,546		(10,546)	(10,546)	2,816	05/01/2048.
928172 RH 0	VIRGINIA ST PUB BLDG AUTH PUB FACS REV.	..	06/18/2018.	JANNEY MONTGOMERY SCOTT INC		9,068,648	9,030,000	8,887,161	9,011,509		14,805		14,805		9,026,314		42,335	42,335	410,081	08/01/2025.
92818M DA 5	VIRGINIA ST RES AUTH CLEAN WTR REV	..	12/28/2018.	CORPORATE ACTION		279,531	270,000	289,751	281,759		(2,228)		(2,228)		279,531			0	15,638	11/01/2042.
930876 AZ 0	WAKE CNTY N C LTD OBLIG	..	10/11/2018.	JP MORGAN SECURITIES INC		3,566,850	3,500,000	3,862,929	3,573,700		(40,552)		(40,552)		3,533,148		33,702	33,702	152,639	06/01/2023.
961017 PF 1	WESTMORELAND CNTY PA MUN AUTH MUN SVC RE	..	04/30/2018.	VARIOUS		5,690,380	5,000,000	5,173,050	5,110,486		(4,468)		(4,468)		5,106,018		584,362	584,362	159,306	08/15/2031.
967338 UD 4	WICHITA KANS WTR & SWR UTIL REV	..	02/14/2018.	Piper Jaffray Co		4,840,741	4,395,000	4,941,079	4,624,984		(7,264)		(7,264)		4,617,720		223,021	223,021	82,406	10/01/2027.
97689Q FK 7	WISCONSIN HSG & ECONOMIC DEV AUTH HOME O	..	08/02/2018.	VARIOUS		125,000	125,000	135,593	135,402		(529)		(529)		134,873		(9,873)	(9,873)	1,287	03/01/2048.
977100 FG 6	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	08/29/2018.	Bank of NYC		720,153	700,000	805,720	717,954		(8,829)		(8,829)		709,125		11,028	11,028	35,000	05/01/2026.
977100 FM 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	08/29/2018.	Bank of NYC		950,142	925,000	958,624	931,492		(3,181)		(3,181)		928,311		21,830	21,830	44,323	05/01/2033.
977100 FQ 4	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	10/01/2018.	CITIGROUP GLOBAL MARKETS, INC./CORRESPON		7,504,108	7,300,000	8,407,677	7,487,235		(92,077)		(92,077)		7,395,158		108,950	108,950	365,000	05/01/2026.
977100 FV 3	WISCONSIN ST GEN FD ANNUAL APPROPRIATION	..	08/29/2018.	PERSHING DIV OF DLJ SEC LNDING		9,323,201	9,075,000	9,404,876	9,138,691		(31,206)		(31,206)		9,107,486		215,716	215,716	434,844	05/01/2033.
97712D CZ 7	WISCONSIN ST HEALTH & EDL FACS AUTH REV	..	08/29/2018.	UMB BANK, INVESTMENT DIVISION		1,244,100	1,100,000	1,247,389	1,197,697		(11,347)		(11,347)		1,186,350		57,750	57,750	49,485	04/15/2031.
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					387,720,071	375,173,813	399,547,629	369,739,784	0	(1,680,464)	0	(1,680,464)	0	386,583,415	0	1,136,658	1,136,658	13,036,339	XXX
Bonds - Industrial and Miscellaneous																				
000000 00 0	PETROAMAZONAS EP	C	04/11/2018.	Jefferies		442,975	470,000	445,015	445,453		2,237		2,237		447,690		(4,715)	(4,715)	7,669	11/06/2020.
00162L CC 9	ALM 16R A1R - CDO	C	07/05/2018.	Paydown		1,305,000	1,305,000	1,305,000	1,305,000				0		1,305,000			0	26,191	07/16/2027.
00206R EM 0	AT&T INC	..	04/12/2018.	JP MORGAN SECURITIES INC		3,481,913	3,450,000	3,444,032	3,444,247		149		149		3,444,396		37,516	37,516	93,064	08/14/2027.
00401M AB 2	ABU DHABI CRUDE OIL PIPELINE LLC	C	10/12/2018.	BNYM/DBAG LONDON GLOBAL MARKET		189,980	200,000	200,000	200,000				0		200,000		(10,020)	(10,020)	8,791	11/02/2047.
00507U AR 2	ACTAVIS FUNDING SCS	C	09/13/2018.	MERRILL LYNCH PIERCE FENNER		2,924,866	2,950,000	2,945,811	2,947,374		415		415		2,947,789		(22,923)	(22,923)	102,340	03/15/2022.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
00653M AA 9	ADCB FINANCE (CAYMAN) LTD	C	10/12/2018.	PERSHING DIV OF DLJ SEC LNDING		196,910	200,000	199,300			70		70		199,370		(2,460)	(2,460)	4,378	03/29/2023.
02006V AF 8	ALLYA 143 C - ABS		10/15/2018.	Paydown		2,215,000	2,215,000	2,223,220	2,222,016		(3,417)		(3,417)		2,218,599		(3,599)	(3,599)	39,501	07/15/2020.
03523T AV 0	ANHEUSER-BUSCH INBEV WORLDWIDE INC	C	06/06/2018.	Call @ 104.07		1,040,710	1,000,000	993,810	998,315		301		301		998,616		42,094	42,094	32,083	04/15/2020.
03524B AE 6	ANHEUSER-BUSCH INBEV FINANCE INC	C	03/05/2018.	Amherst Pierpont Securities		1,015,780	1,000,000	999,750	999,840		4		4		999,844		15,936	15,936	22,200	02/01/2024.
03764X AJ 6	APID 17R A2R - CDO	C	10/17/2018.	Paydown		3,845,000	3,845,000	3,845,000	3,845,000				0		3,845,000			0	147,882	04/17/2026.
03965P AC 5	ARCOR SAIC	C	11/01/2018.	NOMURA INTERNATIONAL PLC		78,200	80,000	86,099	85,100	608	(1,006)		(398)		84,702		(6,502)	(6,502)	6,133	07/06/2023.
05330R AA 8	AUTOPISTAS DEL SOL SA	C	11/01/2018.	VARIOUS		195,587	198,000	206,415	206,205		(83)		(83)		206,122		(10,535)	(10,535)	18,868	12/30/2030.
05363U AS 2	AVERY 4R AR - CDO	C	10/25/2018.	Paydown		1,071,908	1,071,908	1,076,732	1,076,013		2,094		2,094		1,078,107		(6,199)	(6,199)	20,439	04/27/2026.
05463E AC 2	AXIS BANK LTD (DUBAI BRANCH)	C	03/02/2018.	BARCLAYS CAPITAL SECURITIES		598,080	600,000	608,716	607,436		(535)		(535)		606,901		(8,821)	(8,821)	5,688	05/21/2020.
056059 AA 6	BX 18IND A - CMBS		12/15/2018.	Paydown		6,049	6,049	6,049					0		6,049			0	8	11/15/2035.
05619E AC 5	BABSN 162 A - CDO		12/21/2018.	Paydown		4,270,000	4,270,000	4,270,000	4,270,000				0		4,270,000			0	176,044	07/20/2028.
05890M AA 1	BANCO DE CREDITO E INVERSIONES	C	10/12/2018.	BARCLAYS CAPITAL SECURITIES		362,204	400,000	395,076	395,168		329		329		395,497		(33,293)	(33,293)	7,156	10/12/2027.
05968L AK 8	BANCOLOMBIA SA	C	01/19/2018.	JPMORGAN CHASE BANK		199,500	200,000	200,000	198,000	2,000			2,000		200,000		(500)	(500)	2,573	10/18/2027.
064159 CU 8	BANK OF NOVA SCOTIA		02/27/2018.	MARKETAXESS CORPORATION		1,995,700	2,000,000	1,998,580	1,999,755		48		48		1,999,803		(4,103)	(4,103)	13,781	10/30/2018.
073902 RU 4	BEAR STEARNS & CO INC		02/01/2018.	Maturity @ 100.00		2,300,000	2,300,000	2,723,338	2,305,809		(5,809)		(5,809)		2,300,000			0	83,375	02/01/2018.
097014 AL 8	BOEING CAPITAL CORP		03/28/2018.	MILLENNIUM ADVISORS LLC		3,100,290	3,000,000	2,997,870	2,999,536		61		61		2,999,597		100,693	100,693	60,708	10/27/2019.
111013 AL 2	SKY PLC	C	09/20/2018.	BAIRD, ROBERT W., & COMPANY IN		2,536,485	2,550,000	2,550,663	2,550,582		(56)		(56)		2,550,526		(14,041)	(14,041)	97,750	09/16/2024.
12548C AH 0	CIFC 142R A2L - CDO		05/24/2018.	Paydown		4,000,000	4,000,000	4,000,000	4,000,000				0		4,000,000			0	65,234	05/26/2026.
12592X BD 7	COMM 15CC22 A5 - CMBS		08/07/2018.	PERSHING DIV OF DLJ SEC LNDING		3,041,321	3,095,000	3,259,023	3,232,133		(10,987)		(10,987)		3,221,146		(179,825)	(179,825)	70,552	03/12/2048.
12595X AV 5	CSAIL 18CX12 XA - CMBS		12/01/2018.	Direct				1,641					0		1,615		(1,615)	(1,615)		08/17/2051.
12596G BB 4	CSAIL 18C14 XA - CMBS		12/01/2018.	Direct				585					0		585		(585)	(585)		11/17/2051.
12635F AT 1	CSAIL 15C3 A4 - CMBS		08/07/2018.	CREDIT SUISSE SECURITIES (USA)		3,508,066	3,500,000	3,746,230	3,706,606		(15,637)		(15,637)		3,690,969		(182,903)	(182,903)	89,650	08/17/2048.
126650 BQ 2	CVSPAS 07 CTF - ABS		12/10/2018.	Paydown		47,720	47,720	52,186	50,772		(110)		(110)		50,662		(2,941)	(2,941)	1,545	01/10/2030.
126650 BV 1	CVSPAS 10B CTF - ABS		12/10/2018.	Paydown		110,548	110,596	123,961			(636)		(636)		123,325		(12,777)	(12,777)	2,647	01/10/2033.
14041N FF 3	COMET 164 A - ABS		05/30/2018.	JP MORGAN CHASE BANK/HSBCSI		2,584,395	2,625,000	2,624,367	2,624,652		89		89		2,624,741		(40,346)	(40,346)	16,099	06/15/2022.
14312Q AC 0	CARMX 164 A3 - ABS		12/15/2018.	Paydown		1,136,370	1,136,370	1,127,847	1,129,786		2,919		2,919		1,132,705		3,665	3,665	12,447	08/16/2021.
151191 BC 6	CELULOSA ARAUCO Y CONSTITUCION SA	C	02/06/2018.	JPMORGAN CHASE BANK		259,375	250,000	249,270	249,272		1		1		249,273		10,102	10,102	3,667	11/02/2047.
15137D AL 9	CECLO 22R A1R - CDO	C	11/08/2018.	Paydown		3,505,000	3,505,000	3,505,000	3,505,000				0		3,505,000			0	120,269	11/09/2026.
16892D AC 2	CHINA SOUTHERN POWER GRID INTERNATIONAL	C	10/15/2018.	MORGAN STANLEY AND CO. INTERNATIONAL PLC		197,660	210,000	215,055	214,927		(362)		(362)		214,565		(16,904)	(16,904)	6,921	05/08/2027.
172967 KV 2	CITIGROUP INC		09/12/2018.	GOLDMAN		970,790	1,000,000	999,300	999,490		97		97		999,586		(28,796)	(28,796)	26,242	08/02/2021.
17305E GA 7	CCCIT 17A2 A2 - ABS		01/26/2018.	BONY MELLON/BMO CAP MKTS		2,541,234	2,550,000	2,549,512	2,549,738		20		20		2,549,757		(8,523)	(8,523)	23,787	01/19/2021.
191229 AB 9	COCA-COLA ICECEK AS	C	02/05/2018.	BANK OF NEW YORK/BARCLAYS LONDON, NY		708,190	700,000	700,000	700,000				0		700,000		8,190	8,190	11,310	09/19/2024.
192714 AC 7	COLBUN SA	C	07/01/2018.	JPMorgan Chase Bank/Euroclear Bank		765,470	820,000	817,720	817,763		95		95		817,858		(52,388)	(52,388)	23,573	10/11/2027.
20039F AA 7	COMETA ENERGIA SA DE CV	C	10/24/2018.	VARIOUS		415,633	422,480	422,480					0		422,480		(6,847)	(6,847)	12,488	04/24/2035.
224044 CE 5	COX COMMUNICATIONS INC		02/22/2018.	Stifel Nicolaus & Co		1,201,980	1,200,000	1,218,876	1,217,781		(352)		(352)		1,217,429		(15,449)	(15,449)	26,308	02/01/2025.
24664U AB 6	DELEK &AMP AVNER (TAMAR BOND) LTD	D	08/31/2018.	Call @ 100.00		396,000	396,000	403,845	401,401		(3,595)		(3,595)		397,806		(1,806)	(1,806)	19,294	12/30/2018.
251525 AT 8	DEUTSCHE BANK AG (NEW YORK BRANCH)	C	05/22/2018.	DEUTSCHE BANK SECURITIES, INC		2,449,550	2,500,000	2,496,575	2,497,091		441		441		2,497,531		(47,981)	(47,981)	58,313	07/13/2020.
254683 BV 6	DCENT 164 A - ABS		10/16/2018.	WELLS FARGO SECURITIES LLC		2,564,453	2,600,000	2,599,776	2,599,870				0		2,599,870		(35,417)	(35,417)	30,418	03/15/2022.
26244G AA 3	DRSLF 40 A - CDO		08/22/2018.	Paydown		4,000,000	4,000,000	4,000,000	4,000,000				0		4,000,000			0	101,957	08/15/2028.
26244K AC 0	DRSLF 41 B - CDO		03/14/2018.	Paydown		3,455,000	3,455,000	3,455,000	3,455,000				0		3,455,000			0	52,156	01/18/2028.

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest / Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase (Decrease)	12 Current Year's (Amortization) / Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
279158 AC 3	ECOPETROL SA	C	10/12/2018.	GOLDMAN		846,400	800,000	878,750	872,730		(9,089)		(9,089)		863,641		(17,241)	(17,241)	50,786	09/18/2023.
279158 AE 9	ECOPETROL SA	C	11/01/2018.	Bank of New York Mellon		442,104	390,000	446,287	446,025		(719)		(719)		445,305		(3,201)	(3,201)	31,000	09/18/2043.
279158 AK 5	ECOPETROL SA	C	10/12/2018.	BNY MELLON/NOMURA INT'L PLC REPO		281,010	290,000	290,750	290,747		(73)		(73)		290,674		(9,664)	(9,664)	14,953	01/16/2025.
279158 AL 3	ECOPETROL SA	C	10/18/2018.	VARIOUS		433,430	424,000	452,710	451,868		(2,259)		(2,259)		449,609		(16,179)	(16,179)	18,359	06/26/2026.
29372E BV 9	EFF 171 A2 - ABS	..	12/20/2018.	Paydown		966,629	966,629	970,783	969,730		(660)		(660)		969,070		(2,441)	(2,441)	9,699	07/20/2022.
294628 50 8	COMMONWEALTH REIT	..	03/07/2018.	Call @ 25.00		1,250,000	1,250,000	1,267,500	1,271,182		26,996		26,996		1,298,178		(48,178)	(48,178)	25,156	08/01/2042.
3136AX BX 2	FNR 1756A PA - CMO/RMBS	..	02/01/2018.	Paydown					7,599,325		(14)		(14)					0		12/25/2045.
31446Y AB 8	FENIX POWER PERU SA	C	10/15/2018.	VARIOUS		413,411	434,559	433,823	421,765		14		14		433,837		(20,426)	(20,426)	19,490	09/20/2027.
31572U AF 3	FIBRIA OVERSEAS FINANCE LTD	C	08/23/2018.	GOLDMAN SACHS INTL		10,075	10,000	10,463	10,451		(26)		(26)		10,424		(349)	(349)	611	01/17/2027.
337738 AM 0	FISERV INC	..	01/25/2018.	MERRILL LYNCH PIERCE FENNER		2,046,200	2,000,000	2,004,960	2,003,045		(47)		(47)		2,002,998		43,202	43,202	22,944	10/01/2022.
34530M AA 7	FORDR 14REV1 A - ABS	..	02/28/2018.	MERRILL LYNCH PIERCE FENNER		2,641,615	2,650,000	2,667,626	2,657,942		(949)		(949)		2,656,993		(15,378)	(15,378)	12,810	11/15/2025.
35671D CA 1	FREEPORT-MCMORAN INC	..	04/04/2018.	Call @ 103.38		1,033,750	1,000,000	1,032,500	1,026,614		(1,487)		(1,487)		1,025,127		8,623	8,623	45,563	02/01/2022.
36250H AB 9	GSMS 14GC26 A2 - CMBS	..	12/01/2018.	Paydown		329,986	329,986	329,199			7		7		329,206		780	780	141	11/13/2047.
36250Q AF 0	GMALT 153 B - ABS	..	08/20/2018.	Paydown		1,980,000	1,980,000	1,989,591	1,986,433		(6,404)		(6,404)		1,980,029		(29)	(29)	30,512	11/20/2019.
373334 JK 8	GEORGIA POWER CO	..	05/01/2018.	VARIOUS		2,006,420	2,000,000	1,991,020	1,999,523		366		366		1,999,890		110	110	50,220	06/01/2018.
38141E A2 5	GOLDMAN SACHS GROUP INC	..	09/21/2018.	Not Available		2,906,288	2,850,000	3,332,097	2,929,061		(51,634)		(51,634)		2,877,427		28,860	28,860	238,688	02/15/2019.
40429C GD 8	HSBC FINANCE CORP	C	04/01/2018.	Not Available					1,397,107		(2,321)		(2,321)					0		01/15/2021.
465077 AL 9	ISRAEL ELECTRIC CORP LTD	D	10/12/2018.	GOLDMAN SACHS INTL		189,100	200,000	198,178			95		95		198,273		(9,173)	(9,173)	5,761	08/14/2028.
46507N AA 8	ISRAEL ELECTRIC CORP LTD	C	02/08/2018.	STANDARD CHARTERED BANK LONDON		1,039,500	1,000,000	1,074,210	1,051,191		(5,643)		(5,643)		1,045,548		(6,048)	(6,048)	41,688	01/15/2019.
46590P AB 9	JSL EUROPE SA	C	10/12/2018.	MERRILL LYNCH INTERNATIONAL		178,500	200,000	212,700	212,250	141	(909)		(768)		211,483		(32,983)	(32,983)	18,944	07/26/2024.
46636V AD 8	JPMCC 11C5 ASB - CMBS	..	12/01/2018.	Paydown		746,204	746,204	748,390			(62)		(62)		748,327		(2,124)	(2,124)	2,400	08/17/2046.
46640U AC 6	JPMBB 13C17 A3 - CMBS	..	12/01/2018.	Paydown		1,043,294	1,043,294	1,104,873	1,099,545		2,981		2,981		1,102,526		(59,232)	(59,232)	37,187	01/17/2047.
47215P AB 2	JD.COM INC	C	10/12/2018.	MORGAN STANLEY CO		377,649	390,000	391,943	391,773		(405)		(405)		391,368		(13,720)	(13,720)	11,747	04/29/2021.
476556 CR 4	JERSEY CENTRAL POWER & LIGHT COMPANY	..	06/15/2018.	Maturity @ 100.00		5,000,000	5,000,000	4,663,000	4,982,578		17,422		17,422		5,000,000			0	120,000	06/15/2018.
5006EP AJ 0	KOREA EAST WEST POWER CO LTD	C	10/12/2018.	MIZUHO INTERNATIONAL PLC		358,592	360,000	358,222			79		79		358,300		292	292	3,371	07/19/2023.
501555 AA 4	KYOBO LIFE INSURANCE CO LTD	C	05/01/2018.	Citi Bank					646,273		(93)		(93)					0		07/24/2077.
50180L AC 4	LBUBS 08C1 A2 - CMBS	..	08/01/2018.	Paydown		1,745,468	1,745,468	1,929,940	1,796,160		9,284		9,284		1,805,444		(59,976)	(59,976)	23,212	04/15/2041.
52206A AB 6	LEASEPLAN CORP NV	C	05/16/2018.	Maturity @ 100.00		2,600,000	2,600,000	2,634,086	2,603,434		(3,434)		(3,434)		2,600,000			0	32,500	05/16/2018.
532621 AN 9	LROCK 2R AR - CDO	..	07/18/2018.	Paydown		360,000	360,000	361,620	361,291		1,154		1,154		362,445		(2,445)	(2,445)	8,032	04/18/2026.
548661 CQ 8	LOWES CO INC	..	12/18/2018.	MARKETAXESS CORPORATION		1,009,900	1,000,000	998,180	999,508		202		202		999,710		10,190	10,190	54,601	04/15/2020.
55952Y AJ 6	MAGNE 8R AR - CDO	C	05/14/2018.	Paydown		1,565,000	1,565,000	1,567,462	1,568,595		8,609		8,609		1,577,203		(12,203)	(12,203)	26,897	04/15/2026.
58013M EX 8	MCDONALD'S CORP	..	12/17/2018.	MARKETAXESS CORPORATION		1,295,656	1,310,000	1,307,577	1,308,536		468		468		1,309,004		(13,348)	(13,348)	37,026	12/09/2020.
59156R AX 6	METLIFE INC	..	12/17/2018.	VARIOUS		1,074,854	1,049,000	1,169,268	1,396,593		(13,953)		(13,953)		1,092,395		(42,668)	(42,668)	55,239	02/08/2021.
59284B AG 3	MEXICHEM SAB DE CV	C	05/11/2018.	VARIOUS		348,173	390,000	381,709	381,703		33		33		381,736		(33,564)	(33,564)	12,739	01/15/2048.
59284M AD 6	MEXICO CITY AIRPORT TRUST	C	03/27/2018.	VARIOUS		566,894	630,000	626,207	626,113		(19)		(19)		626,094		(59,200)	(59,200)	18,233	07/31/2047.
602736 AA 8	MINEJESA CAPITAL BV	C	10/12/2018.	BNYM/DBAG LONDON GLOBAL MARKET		324,360	360,000	368,538	368,386		(401)		(401)		367,986		(43,626)	(43,626)	19,703	08/10/2030.
602736 AB 6	MINEJESA CAPITAL BV	C	10/12/2018.	Deutsche Bank AG New York Branch		269,250	300,000	313,620	313,505		(319)		(319)		313,186		(43,936)	(43,936)	19,969	08/10/2037.
61761D AD 4	MSBAM 12C6 A4 - CMBS	..	12/01/2018.	Paydown		216,118	216,118	214,749	215,192		116		116		215,309		810	810	5,162	11/17/2045.
637432 LR 4	NATIONAL RURAL UTILITIES COOP FINANCE CO	..	11/01/2018.	VARIOUS		3,021,300	3,000,000	2,977,110	2,997,098		2,577		2,577		2,999,675		325	325	304,278	11/01/2018.

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
65540J AD 0	NONGHYUP BANK	C	10/12/2018.	MIZUHO INTERNATIONAL PLC		268,191	270,000	268,110			73		73		268,183		8	8	2,209	07/30/2023.
67575B AE 9	OCT25 25 B - CDO	C	02/22/2018.	Paydown		4,070,000	4,070,000	4,070,000	4,070,000				0		4,070,000			0	51,686	10/20/2026.
67778M 2D 1	OIL AND GAS HOLDING CO BSC CLOSED	C	12/17/2018.	BANK OF AMERICA NATL TR & SVGS, NEW YORK		173,953	170,000	170,000					0		170,000		3,953	3,953	1,661	11/07/2028.
69370R AA 5	PERTAMINA PERSERO PT	D	06/28/2018.	BARCLAYS BANK PLC		1,149,500	1,100,000	1,309,510	1,308,081		(1,905)		(1,905)		1,306,176		(156,676)	(156,676)	41,782	05/30/2044.
69371E AA 3	SAKA ENERGI INDONESIA PT	C	02/01/2018.	Adjustment		406,600	400,000	407,788	406,485	919	(68)		851		407,336		(736)	(736)	3,956	05/05/2024.
694308 HN 0	PACIFIC GAS AND ELECTRIC CO	..	09/04/2018.	JEFFERIES PARTNERS OPPORTUNITY		598,397	650,000	725,479	723,503		(1,064)		(1,064)		722,439		(124,043)	(124,043)	26,934	03/15/2046.
709599 AV 6	PENSKE TRUCK LEASING CO LP	..	12/17/2018.	US BANCORP INVESTMENTS INC		2,528,402	2,550,000	2,538,347	2,542,687		2,090		2,090		2,544,776		(16,375)	(16,375)	102,383	04/01/2021.
71568P AC 3	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT	C	10/12/2018.	BNP Paribas		369,108	400,000	400,000	400,000				0		400,000		(30,892)	(30,892)	15,217	05/15/2027.
71568Q AC 1	PERUSAHAAN LISTRIK NEGARA (PERSERO) PT	C	04/24/2018.	Deutsche Bank AG New York Branch		530,880	560,000	566,300	566,216		(175)		(175)		566,041		(35,161)	(35,161)	10,331	05/15/2027.
71647N AP 4	PETROBRAS GLOBAL FINANCE BV	C	02/15/2018.	VARIOUS		1,426,061	1,260,000	1,413,446	1,393,575		(3,971)		(3,971)		1,389,604		36,457	36,457	22,431	05/23/2021.
71647N AQ 2	PETROBRAS GLOBAL FINANCE BV	C	05/29/2018.	VARIOUS		864,834	760,000	916,840	910,100	4,904	(5,685)		(781)		909,319		(44,485)	(44,485)	33,100	05/23/2026.
71647N AS 8	PETROBRAS GLOBAL FINANCE BV	C	06/01/2018.	MORGAN STANLEY CO		174,188	170,000	186,591	185,862	295	(569)		(274)		185,588		(11,401)	(11,401)	10,927	01/17/2027.
71656L BT 7	PETROLEOS MEXICANOS	C	01/05/2018.	Deutsche Bank AG New York Branch		650,380	620,000	609,521	609,488		2		2		609,490		40,890	40,890	12,555	09/21/2047.
723787 AJ 6	PIONEER NATURAL RESOURCES CO	..	12/18/2018.	MILLENNIUM ADVISORS LLC		778,808	750,000	923,085	810,495		(28,212)		(28,212)		782,283		(3,476)	(3,476)	80,469	01/15/2020.
78447A AA 2	SLMA 123 A - ABS	..	12/26/2018.	Paydown		382,096	382,096	384,305	384,191		(134)		(134)		384,057		(1,961)	(1,961)	4,262	12/26/2025.
80589M AD 4	SCANA CORP	..	02/14/2018.	MORGAN STANLEY CO		1,021,490	1,000,000	997,390	998,980		36		36		999,016		22,474	22,474	12,007	05/15/2021.
84265V AG 0	SOUTHERN COPPER CORP	C	11/01/2018.	GOLDMAN SACHS INTL		319,600	320,000	338,467	338,373		(311)		(311)		338,062		(18,462)	(18,462)	15,773	11/08/2042.
84265V AJ 4	SOUTHERN COPPER CORP	C	10/12/2018.	PERSHING DIV OF DLJ SEC LNDING		269,550	250,000	283,033	282,867		(460)		(460)		282,407		(12,857)	(12,857)	14,402	04/23/2045.
843646 AM 2	SOUTHERN POWER CO	..	05/18/2018.	MERRILL LYNCH PIERCE FENNER		2,514,117	2,525,000	2,740,509	2,712,472		(8,454)		(8,454)		2,704,018		(189,900)	(189,900)	49,774	12/01/2025.
86074Q AM 4	STILLWATER MINING CO	C	09/11/2018.	Not Available		502,175	530,000	535,324	534,462	605	(727)		(122)		534,339		(32,164)	(32,164)	39,525	06/27/2022.
87165V AA 7	SYMP 16 A - CDO	C	09/07/2018.	Paydown		4,000,000	4,000,000	4,000,000	4,000,000				0		4,000,000			0	120,057	07/17/2028.
87876T AE 4	TECPETROL INTERNATIONAL S.A.	C	10/12/2018.	VARIOUS		117,781	130,000	130,000	130,000				0		130,000		(12,219)	(12,219)	4,838	12/12/2022.
88163V AD 1	TEVA PHARMACEUTICAL FINANCE CO LLC	C	10/12/2018.	CITIBANK, NA		135,327	140,000	151,938	151,837		(312)		(312)		151,525		(16,199)	(16,199)	10,404	02/01/2036.
88167A AE 1	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	10/12/2018.	VARIOUS		687,957	841,000	774,889	777,096		4,317		4,317		781,413		(93,456)	(93,456)	25,222	10/01/2026.
88167A AF 8	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	10/12/2018.	CITIBANK, NA		43,093	60,000	50,984	51,041		111		111		51,153		(8,060)	(8,060)	2,563	10/01/2046.
893526 8Y 2	TRANSCANADA PIPELINES LTD	C	08/03/2018.	WELLS FARGO SECURITIES LLC		1,019,050	1,000,000	1,226,631	1,033,429		(19,193)		(19,193)		1,014,237		4,813	4,813	75,604	01/15/2019.
89837L AA 3	TRUSTEES OF PRINCETON UNIVERSITY	..	03/28/2018.	MARKETAXESS CORPORATION		2,248,928	2,200,000	2,191,640	2,198,798		252		252		2,199,050		49,878	49,878	63,828	03/01/2019.
90016B AE 8	TURKIYE IS BANKASI AS	C	08/10/2018.	MIDLGB22 HSBC BK LONDON		186,300	270,000	275,446	272,903	2,394	(438)		1,956		274,859		(88,559)	(88,559)	13,276	04/25/2024.
90521A PJ 1	MUFG UNION BANK NA	C	09/26/2018.	Maturity @ 100.00		1,000,000	1,000,000	999,770	999,964		36		36		1,000,000			0	26,250	09/26/2018.
91159H HH 6	U.S. BANCORP	..	02/27/2018.	US BANCORP INVESTMENTS INC		1,744,085	1,750,000	1,748,425	1,749,570		52		52		1,749,622		(5,537)	(5,537)	13,475	04/25/2019.
91911T AH 6	VALE OVERSEAS LTD	C	11/19/2018.	VARIOUS		97,273	86,000	94,068	93,981		(198)		(198)		93,784		3,489	3,489	4,064	11/21/2036.
91911T AN 3	VALE OVERSEAS LTD	C	03/16/2018.	Not Available		141,180	130,000	140,634	139,422		(570)		(570)		138,852		2,329	2,329	2,164	06/10/2021.
92189F 49 4	VNECK VCTRS:JPM EM LC BD	..	10/26/2018.	VARIOUS		44,651,558		45,136,764	45,136,764				0		45,136,764		(485,207)	(485,207)	2,155,278	
92241T AM 4	VEDANTA RESOURCES PLC	C	08/23/2018.	HSBC Bank PLC		189,525	210,000	210,000	210,000				0		210,000		(20,475)	(20,475)	13,506	08/09/2024.
92348M AA 7	VZOT 162 A - ABS	..	12/20/2018.	Paydown		329,273	329,273	329,299	329,290		(11)		(11)		329,280		(7)	(7)	5,071	05/20/2021.
927804 FF 6	VIRGINIA ELECTRIC AND POWER CO	..	04/30/2018.	Maturity @ 100.00		850,000	850,000	848,088	849,922		79		79		850,000			0	22,950	04/30/2018.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
931422 AE 9	WALGREEN CO	..	09/12/2018.	MILLENNIUM ADVISORS LLC		252,015	250,000	248,693	249,830		114		114		249,945		2,070	2,070	15,276	01/15/2019.
94989T AZ 7	WFCM 15LC22 A4 - CMBS	..	08/07/2018.	GOLDMAN		3,528,036	3,490,000	3,684,409	3,662,100		(12,696)		(12,696)		3,649,404		(121,369)	(121,369)	92,298	09/17/2058.
958254 AC 8	WESTERN GAS PARTNERS LP	..	08/15/2018.	Maturity @ 100.00		1,000,000	1,000,000	1,000,300	1,000,039		(39)		(39)		1,000,000			0	26,000	08/15/2018.
962166 BV 5	WEYERHAEUSER	..	09/12/2018.	MARKETAXESS CORPORATION		783,023	750,000	916,118	802,043		(20,514)		(20,514)		781,529		1,494	1,494	52,701	10/01/2019.
96328D AZ 7	WHLS 171 A2 - ABS	..	12/20/2018.	Paydown		315,757	315,757	315,754	315,754				0		315,754		3	3	3,754	04/20/2026.
984245 AQ 3	YPF SA	C	10/16/2018.	VARIOUS		129,630	150,000	152,696	152,560	79	(166)		(87)		152,474		(22,844)	(22,844)	12,920	07/21/2027.
984245 AR 1	YPF SA	C	12/06/2018.	VARIOUS		130,596	170,000	170,000	168,895	1,105			1,105		170,000		(39,404)	(39,404)	11,735	12/15/2047.
98458P AC 9	YALE UNIVERSITY	..	02/27/2018.	BARCLAYS CAPITAL INC FIXED INC		1,496,640	1,500,000	1,500,000	1,500,000				0		1,500,000		(3,360)	(3,360)	11,821	04/15/2019.
98978V AL 7	ZOETIS INC	..	09/19/2018.	Amherst Pierpont Securities		1,848,840	2,000,000	1,988,880	1,989,174		697		697		1,989,871		(141,031)	(141,031)	61,500	09/12/2027.
A8372T AC 2	SUZANO PAPEL E CELULOSE SA	C	09/18/2018.	GOLDMAN SACHS INTL		204,250	200,000	204,000	204,006		(32)		(32)		203,974		276	276	14,156	03/16/2047.
G0066R AA 2	ABQ FINANCE LTD	D	10/12/2018.	HSBC Bank PLC		196,250	200,000	200,500	200,465		(107)		(107)		200,358		(4,108)	(4,108)	7,310	04/13/2021.
G0066R AB 0	ABQ FINANCE LTD	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		561,446	580,000	573,662	574,111		1,059		1,059		575,169		(13,723)	(13,723)	23,345	02/22/2022.
G09579 AA 4	BEIJING GAS SINGAPORE CAPITAL CORP	D	02/01/2018.	VARIOUS		542,538	560,000	555,869	556,173		76		76		556,249		(13,711)	(13,711)	2,728	05/31/2022.
G1064F AD 2	BESTGAIN REAL ESTATE LYRA LTD	D	10/12/2018.	MIZUHO INTERNATIONAL PLC		389,766	390,000	400,920	399,408		(3,704)		(3,704)		395,704		(5,938)	(5,938)	12,538	12/23/2019.
G13629 AD 5	BLUESTAR FINANCE HOLDINGS LTD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		213,633	220,000	222,684	222,499		(501)		(501)		221,998		(8,364)	(8,364)	8,042	09/30/2021.
G13629 AE 3	BLUESTAR FINANCE HOLDINGS LTD	D	03/02/2018.	BARCLAYS CAPITAL SECURITIES		586,460	590,000	592,912	592,187		(256)		(256)		591,931		(5,471)	(5,471)	7,990	09/30/2019.
G20011 AC 9	CENTRAL AMERICA BOTTLING CORP	..	10/19/2018.	VARIOUS		271,938	270,000	288,260	284,594	2,677	(975)		1,702		286,296		(14,358)	(14,358)	13,803	01/31/2027.
G28288 AA 9	DP WORLD CRESCENT LTD	D	10/12/2018.	HSBC Bank PLC		196,750	200,000	207,250	206,912		(936)		(936)		205,976		(9,226)	(9,226)	6,861	05/31/2023.
G3066L AD 3	ENN ENERGY HOLDINGS LTD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		258,898	270,000	272,727	272,566		(420)		(420)		272,146		(13,249)	(13,249)	10,774	07/24/2022.
G31307 AA 2	EMG SUKUK LTD	D	04/19/2018.	CITIGROUP GLOBAL MARKETS LIMITED		974,400	960,000	1,003,187	1,000,740		(1,727)		(1,727)		999,013		(24,613)	(24,613)	15,213	06/18/2024.
G3641T AA 6	FORTUNE STAR (BVI) LTD	..	10/12/2018.	PERSHING SECURITIES LIMITED		195,206	210,000	215,250	208,604	6,123	(812)		5,311		213,914		(18,708)	(18,708)	11,729	03/23/2022.
G371E2 AA 6	FRESNILLO PLC	D	10/12/2018.	HSBC Bank PLC		206,100	200,000	223,120	221,321		(2,622)		(2,622)		218,699		(12,599)	(12,599)	10,175	11/13/2023.
G3946K AA 7	GOHL CAPITAL LTD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		188,846	200,000	208,631	208,366		(624)		(624)		207,742		(18,896)	(18,896)	10,436	01/24/2027.
G4487E AA 4	HIKMA PHARMACEUTICALS PLC	D	07/10/2018.	MERRILL LYNCH INTERNATIONAL		397,600	400,000	405,500	402,864	2,035	(1,083)		952		403,816		(6,216)	(6,216)	12,844	04/10/2020.
G4586A AF 1	HONGKONG ELECTRIC FINANCE LTD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		181,756	200,000	197,146	197,236		232		232		197,469		(15,713)	(15,713)	5,478	05/03/2026.
G463PC AC 3	HUARONG FINANCE II CO LTD	D	11/15/2018.	VARIOUS		338,451	340,000	348,840			(341)		(341)		348,499		(10,047)	(10,047)	5,683	01/16/2025.
G463PC AG 4	HUARONG FINANCE II CO LTD	D	10/12/2018.	UBS AG London		347,165	350,000	348,765	349,097		497		497		349,594		(2,429)	(2,429)	8,368	06/03/2019.
G4694R AA 4	IBQ FINANCE LTD	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		317,763	320,000	322,672	322,402		(632)		(632)		321,769		(4,006)	(4,006)	9,987	11/25/2020.
G4R026 AB 6	HKT CAPITAL NO 2 LTD	D	03/07/2018.	NOMURA INTERNATIONAL PLC		529,362	540,000	549,964	549,492		(213)		(213)		549,279		(19,917)	(19,917)	8,537	04/02/2025.
G5257R AA 0	KING POWER CAPITAL LTD	D	10/12/2018.	UBS AG London		335,264	320,000	363,018	361,410		(4,288)		(4,288)		357,122		(21,858)	(21,858)	17,150	11/03/2024.
G5278K AA 0	EZDAN SUKUK COMPANY LTD	D	11/23/2018.	Credit Suisse First Boston		173,500	200,000	194,200	182,776	11,999	1,308		13,307		196,083		(22,583)	(22,583)	8,969	05/18/2021.
G5332X AE 8	KUWAIT PROJECTS CO (CAYMAN)	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		368,798	340,000	408,136	396,385		(17,190)		(17,190)		379,195		(10,397)	(10,397)	39,936	07/15/2020.
G5332X AG 3	KUWAIT PROJECTS CO CAYMAN	D	10/12/2018.	STANDARD CHARTERED BANK LONDON		450,563	450,000	482,410	480,723		(4,295)		(4,295)		476,428		(25,865)	(25,865)	24,438	03/15/2023.
G6389W AF 7	NAN FUNG TREASURY LTD	..	10/12/2018.	DBS BANK LTD, SINGAPORE		71,102	80,000	74,386			286		286		74,671		(3,569)	(3,569)	3,212	10/03/2027.
G6S79L AC 3	MINMETALS BOUNTEOUS FINANCE (BVI) LTD.	..	10/12/2018.	NOMURA INTERNATIONAL PLC		191,596	200,000	208,766	208,520		(683)		(683)		207,836		(16,240)	(16,240)	10,267	07/27/2026.
G7302V DY 7	QNB FINANCE LTD	D	11/01/2018.	VARIOUS		1,732,341	1,820,000	1,757,378	1,764,487		4,485		4,485		1,768,972		(36,631)	(36,631)	24,023	09/07/2021.
G7304Z AB 9	QIB SUKUK LTD	D	10/12/2018.	BNP PARIBAS, S.A.		292,950	300,000	294,490	295,147		1,311		1,311		296,458		(3,508)	(3,508)	8,010	10/27/2020.

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
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G7366T AA 0	RAKFUNDING CAYMAN LTD	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		498,755	500,000	508,340	506,661		(3,532)		(3,532)		503,128		(4,373)	(4,373)	13,181	06/24/2019.
G8118H AC 1	SIB SUKUK CO III LTD	D	04/26/2018.	STANDARD CHARTERED BANK LONDON		205,275	210,000	209,423	209,499		42		42		209,541		(4,266)	(4,266)	4,174	09/08/2021.
G8449W AC 8	STATE GRID OVERSEAS INVESTMENT 2014 LTD	D	10/12/2018.	VARIOUS		403,532	400,000	428,548	426,952		(3,090)		(3,090)		423,861		(20,329)	(20,329)	15,583	05/07/2024.
G8463Y AC 5	STEEL FUNDING LTD	D	05/16/2018.	ING BANK N.V. - AMSTERDAM		690,000	720,000	740,936	739,555		(1,210)		(1,210)		738,345		(48,345)	(48,345)	13,670	06/15/2023.
G87602 AA 9	TENGIZCHEVROIL FINANCE COMPANY INTERNATI	..	10/12/2018.	BAYERISCHE HYPO+VEREINSBK LONDON		300,288	320,000	315,200	315,453		353		353		315,805		(15,517)	(15,517)	14,969	08/15/2026.
G8763J AB 7	TEWOO GROUP FINANCE NO 3 LTD	..	10/12/2018.	UBS AG London		141,150	150,000	151,500			(458)		(458)		151,042		(9,892)	(9,892)	7,130	04/06/2020.
G8850L AA 8	THREE GORGES FINANCE I (CAYMAN ISLANDS)	C	10/12/2018.	HSBC SECURITIES (USA), INC		290,217	300,000	312,957	312,520		(1,203)		(1,203)		311,317		(21,100)	(21,100)	9,466	06/10/2025.
L6388F AM 4	MILLICOM INTERNATIONAL CELLULAR SA	D	05/16/2018.	VARIOUS		611,100	600,000	636,270	632,633	882	(2,479)		(1,597)		631,036		(19,936)	(19,936)	24,067	03/15/2025.
M0152V AG 8	ABU DHABI NATIONAL ENERGY CO	D	10/12/2018.	Deutsche Bank AG New York Branch		234,984	240,000	244,296	244,071		(598)		(598)		243,474		(8,490)	(8,490)	10,972	01/12/2023.
M1838H AA 2	BURGAN SENIOR SPC LTD	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		194,240	200,000	201,000	200,882		(180)		(180)		200,702		(6,462)	(6,462)	6,806	09/14/2021.
M4029Z ES 2	EMIRATES NBD BANK PJSC	D	03/28/2018.	Call @ 100.00		200,000	200,000	203,410	201,015		(1,015)		(1,015)		200,000			0	4,875	03/28/2023.
M60170 AV 5	ISRAEL ELECTRIC CORP LTD	D	10/12/2018.	VARIOUS		702,380	683,000	742,983	739,965		(4,010)		(4,010)		735,955		(33,575)	(33,575)	23,719	11/12/2024.
M63751 AB 3	KOC HOLDING AS	D	11/01/2018.	VARIOUS		361,432	410,000	435,097	433,582		(3,038)		(3,038)		430,545		(69,112)	(69,112)	21,629	03/15/2023.
M8933F AF 4	TURKIYE IS BANKASI AS	D	08/29/2018.	CITIGROUP GLOBAL MARKETS LIMITED		130,540	200,000	200,000	200,000				0		200,000		(69,460)	(69,460)	10,200	10/24/2022.
M90345 AA 3	TURKIYE SISE VE CAM FABRIKALARI AS	D	08/17/2018.	CITIGROUP GLOBAL MARKETS LIMITED		187,500	200,000	202,180	201,799		(471)		(471)		201,328		(13,828)	(13,828)	6,658	05/09/2020.
M9037B DX 4	TURKIYE VAKIFLAR BANKASI TAO	D	07/27/2018.	BARCLAYS CAPITAL SECURITIES		169,044	200,000	202,000	201,750	214	(543)		(329)		201,421		(32,377)	(32,377)	13,635	02/03/2025.
M9396C AG 7	UNION NATIONAL BANK PJSC	D	10/12/2018.	NIKKO SECURITIES INTL. INC		375,765	390,000	387,624	387,875		426		426		388,300		(12,535)	(12,535)	11,053	10/05/2021.
N3783A AA 7	GTH FINANCE BV	D	05/11/2018.	BNY/VTB CAPITAL PLC		208,750	200,000	222,500	220,614		(1,328)		(1,328)		219,286		(10,536)	(10,536)	8,015	04/26/2023.
N4826L AD 4	KAZAKHSTAN TEMIR ZHOLY FINANCE BV	D	11/16/2018.	VARIOUS		430,048	400,000	447,780	447,473		(731)		(731)		446,741		(16,693)	(16,693)	36,526	07/10/2042.
N4960Z AB 3	NK KAZMUNAYGAZ AO	D	04/12/2018.	Not Available		980,550	900,000	995,010	976,590	2,442	(11,093)		(8,651)		967,940		12,610	12,610	31,325	05/05/2020.
N5S29Q GV 9	MDC GMTN BV	D	10/12/2018.	Deutsche Bank AG New York Branch		235,925	250,000	252,335	252,294		(132)		(132)		252,163		(16,238)	(16,238)	9,297	04/19/2029.
P09646 AE 3	BANCO DE CREDITO DEL PERU (PANAMA BRANCH	C	10/12/2018.	BANCO SANTANDER CENTRAL HISPANO		252,360	240,000	266,840	265,057		(4,585)		(4,585)		260,472		(8,112)	(8,112)	14,373	04/24/2027.
P1265V AD 4	BANCO GNB SUDAMERIS SA	C	10/12/2018.	JEFFERIES INTERNATIONAL LTD		127,128	125,000	129,313	128,896		(484)		(484)		128,412		(1,284)	(1,284)	6,789	04/03/2027.
P3143N AW 4	CORPORACION NACIONAL DEL COBRE DE CHILE	C	10/12/2018.	VARIOUS		1,207,656	1,200,000	1,292,600	1,287,530		(7,959)		(7,959)		1,279,570		(71,914)	(71,914)	58,650	09/16/2025.
P3713Q AA 5	EMPRESA ELECTRICA ANGAMOS SA	..	11/25/2018.	VARIOUS		730,346	780,364	802,924	784,503		(814)		(814)		800,742		(70,395)	(70,395)	24,007	05/25/2029.
P3716X AA 7	EMPRESA NACIONAL DE AUTOPISTA SA (ENA)	C	10/25/2018.	VARIOUS		155,839	156,085	163,145	162,841		(887)		(887)		161,954		(6,116)	(6,116)	6,030	04/25/2028.
P3772W AF 9	BANCO DO BRASIL SA (GRAND CAYMAN BRANCH)	C	03/13/2018.	GOLDMAN SACHS INTL		214,500	200,000	204,480	204,223		(101)		(101)		204,122		10,378	10,378	4,350	12/29/2049.
P47718 AA 2	GLOBAL BANK CORP	D	12/12/2018.	VARIOUS		1,083,704	1,080,000	1,127,620	1,118,104		(18,449)		(18,449)		1,099,655		(15,951)	(15,951)	59,473	10/30/2019.
P47773 AN 9	GLOBO COMUNICACOES E PARTICIPACOES SA	C	04/26/2018.	JEFFERIES INTERNATIONAL LTD		195,302	200,000	203,980	203,740		(145)		(145)		203,595		(8,293)	(8,293)	3,821	06/08/2025.
P4909L AA 8	GNL QUINTERO SA	D	10/12/2018.	HSBC Bank PLC		284,954	290,000	304,900	304,352		(1,332)		(1,332)		303,020		(18,066)	(18,066)	16,276	07/31/2029.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
P57908 AF 5	MEXICHEM SAB DE CV	D	10/12/2018.	MERRILL LYNCH INTERNATIONAL		191,400	200,000	207,760	207,723		(102)		(102)		207,621		(16,221)	(16,221)	12,697	09/17/2044.
P66208 AA 0	MEXICO GENERADORA DE ENERGIA S DE RL.	C	12/06/2018.	VARIOUS		208,854	211,168	224,229	224,061		(466)		(466)		223,595		(14,741)	(14,741)	9,203	12/06/2032.
P7873P AE 6	PETROBRAS ARGENTINA SA	C	10/12/2018.	VARIOUS		114,531	127,000	136,855	136,260		(1,169)		(1,169)		135,090		(20,559)	(20,559)	10,809	07/21/2023.
P8674J AB 5	SIGMA ALIMENTOS SA DE CV	C	11/05/2018.	VARIOUS		776,802	750,000	835,057	818,611		(28,788)		(28,788)		789,823		(13,021)	(13,021)	45,054	12/16/2019.
P9451Y AC 7	UNION ANDINA DE CEMENTOS SAA	D	10/10/2018.	Call @ 102.94		234,698	228,000	238,235	236,265	686	(2,254)		(1,568)		234,698			0	12,573	10/30/2021.
P989MJ BE 0	YPF	C	12/06/2018.	VARIOUS		255,355	270,000	310,097	308,279		(3,664)		(3,664)		304,614		(49,259)	(49,259)	30,345	07/28/2025.
P989MJ BG 5	YPF SA	C	10/12/2018.	VARIOUS		699,408	680,000	769,795	759,660		(12,072)		(12,072)		747,588		(48,180)	(48,180)	46,051	03/23/2021.
U75888 AC 8	RELIANCE HOLDING USA INC	C	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		453,842	440,000	483,956	479,896		(7,281)		(7,281)		472,615		(18,772)	(18,772)	27,852	02/14/2022.
V6143X AC 2	MTN (MAURITIUS) INVESTMENTS LTD	D	01/16/2018.	BARCLAYS CAPITAL SECURITIES		621,265	600,000	619,980	619,319		(181)		(181)		619,138		2,127	2,127	13,801	02/13/2022.
V6560A AD 4	OCP SA	D	10/12/2018.	BARCLAYS CAPITAL SECURITIES		607,608	580,000	657,546	657,283		(1,005)		(1,005)		656,278		(48,670)	(48,670)	38,878	04/25/2044.
V96177 AA 4	UPL CORPORATION LTD	C	05/17/2018.	NOMURA INTERNATIONAL PLC		1,529,124	1,580,000	1,588,756	1,587,899		(761)		(761)		1,587,139		(58,015)	(58,015)	31,095	10/13/2021.
V96177 AB 2	UPL CORPORATION LTD	D	10/12/2018.	PERSHING SECURITIES LIMITED		506,800	560,000	531,821			941		941		532,762		(25,962)	(25,962)	15,260	03/08/2028.
W7263H AF 1	PKO FINANCE AB	D	04/26/2018.	BARCLAYS CAPITAL SECURITIES		218,138	210,000	226,239	224,668		(947)		(947)		223,721		(5,583)	(5,583)	5,780	09/26/2022.
Y0776W AB 0	BEIJING STATE-OWNED ASSETS MANAGEMENT HO	D	12/13/2018.	VARIOUS		920,009	960,000	996,892	995,138		(3,768)		(3,768)		991,370		(71,362)	(71,362)	39,883	05/26/2025.
Y0963B AA 1	BPRL INTERNATIONAL SINGAPORE PTE LTD	D	10/12/2018.	WELLS FARGO SECURITIES INTERNATIONAL LTD		213,157	230,000	241,237	240,919		(815)		(815)		240,104		(26,947)	(26,947)	12,522	01/18/2027.
Y1639J AF 5	CITIC PACIFIC LTD	D	10/12/2018.	BNP PARIBAS LONDON BRANCH		327,390	300,000	354,882	349,908		(7,339)		(7,339)		342,569		(15,179)	(15,179)	25,500	01/17/2023.
Y1R03H AV 3	CHINA MINMETALS CORP	D	10/12/2018.	Deutsche Bank AG New York Branch		324,188	350,000	344,925			77		77		345,002		(20,814)	(20,814)	12,141	11/13/2049.
Y1R396 FU 2	CHINA CONSTRUCTION BANK CORP	D	10/12/2018.	AUSTRALIA AND NEW ZEALAND		396,472	400,000	408,964	407,901		(2,637)		(2,637)		405,264		(8,792)	(8,792)	14,338	05/13/2025.
Y34267 AF 4	HONGKONG INTERNATIONAL QINGDAO CO LTD	D	10/15/2018.	MERRILL LYNCH INTERNATIONAL		223,320	240,000	239,736			46		46		239,782		(16,462)	(16,462)	8,868	12/04/2022.
Y374AK AA 4	IOI INVESTMENT BHD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		457,010	460,000	482,808	481,365		(3,543)		(3,543)		477,822		(20,812)	(20,812)	16,846	06/27/2022.
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD	C	02/01/2018.	STANDARD CHARTERED BANK LONDON					203,521		(59)		(59)					0		07/24/2077.
Y4596H AA 5	NK KAZMUNAYGAZ AO	D	04/12/2018.	Not Available		765,450	700,000	775,950	765,296		(6,411)		(6,411)		758,885		6,565	6,565	25,411	04/09/2021.
Y6421X BY 3	NTPC LTD	D	10/12/2018.	MIZUHO INTERNATIONAL PLC		189,980	200,000	207,462	207,066		(596)		(596)		206,470		(16,490)	(16,490)	9,681	02/26/2026.
Y6S63R D4 3	NONGHYUP BANK	D	01/24/2018.	CITIGROUP GLOBAL MARKETS LIMITED		638,208	640,000	646,670	645,642		(145)		(145)		645,497		(7,289)	(7,289)	9,404	07/22/2020.
Y7133M AC 3	PELABUHAN INDONESIA II (PERSERO) PT	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		199,805	210,000	216,648	216,424		(608)		(608)		215,816		(16,012)	(16,012)	8,454	05/05/2025.
Y7138A AE 0	PERTAMINA (PERSERO) PT	C	07/13/2018.	MERRILL LYNCH INTERNATIONAL		895,500	900,000	945,584	943,074		(3,998)		(3,998)		939,077		(43,577)	(43,577)	25,478	05/20/2023.
Y7T47W HN 4	SHINHAN BANK	D	10/12/2018.	CITIGROUP GLOBAL MARKETS LIMITED		403,854	410,000	418,325	418,017		(1,528)		(1,528)		416,489		(12,635)	(12,635)	13,637	12/07/2026.
Y8808W AD 1	TIANJIN INFRASTRUCTURE CONSTRUCTION & IN	D	02/14/2018.	BARCLAYS CAPITAL SECURITIES		1,387,120	1,400,000	1,398,036	1,398,547		125		125		1,398,671		(11,551)	(11,551)	6,524	06/15/2019.
Y95910 M6 2	WING LUNG BANK LTD	D	10/15/2018.	CITIGROUP GLOBAL MARKETS LIMITED		245,882	260,000	257,933			161		161		258,094		(12,212)	(12,212)	8,802	11/22/2027.
Y97284 AE 6	YANGZHOU URBAN CONSTRUCTION STATE-OWNED	D	10/15/2018.	MERRILL LYNCH INTERNATIONAL		331,670	340,000	342,754			(609)		(609)		342,145		(10,475)	(10,475)	12,313	12/19/2020.
3899999. Total - Bonds - Industrial and Miscellaneous						234,927,015	190,924,124	240,826,803	244,353,314	40,108	(352,374)	0	(312,266)	0	239,054,152	0	(4,179,990)	(4,179,990)	7,960,980	XXX

Bonds - Hybrid Securities

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
05962G AJ 8	BANCO MERCANTIL DEL NORTE SA (CAYMAN ISL	C	08/03/2018.	VARIOUS		707,875	660,000	685,200	684,628		(215)		(215)		684,413		23,462	23,462	27,675	12/29/2049.
12561A AA 1	CK HUTCHISON CAPITAL SECURITIES (17) LTD	C	10/15/2018.	CITIGROUP GLOBAL MARKETS LIMITED		250,497	260,000	265,450	265,168		(880)		(880)		264,288		(13,791)	(13,791)	9,678	12/29/2049.
373334 44 0	GEORGIA POWER CO	..	08/02/2018.	VARIOUS		410,251	415,725	415,725	415,725				0		415,725		(5,474)	(5,474)	15,911	10/01/2077.
40429C GD 8	HSBC FINANCE CORP	C	04/01/2018.	Adjustment		1,404,212	1,248,000	1,404,674					0		1,394,786		9,426	9,426	42,584	01/15/2021.
46556U AB 0	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS	C	09/20/2018.	GOLDMAN SACHS INTL		179,250	200,000	200,000	200,000				0		200,000		(20,750)	(20,750)	9,596	12/29/2049.
46625H HA 1	JPMORGAN CHASE & CO	..	10/03/2018.	Call @ 100.00		1,414,000	1,414,000	1,526,236	1,425,809		(11,809)		(11,809)		1,414,000			0	76,687	12/29/2049.
501555 AA 4	KYOBO LIFE INSURANCE CO LTD	C	05/01/2018.	Adjustment		648,640	640,000	646,650					0		646,180		2,460	2,460	12,991	07/24/2077.
G27581 AA 8	DIANJIAN HAIYU LTD	D	12/12/2018.	VARIOUS		626,503	680,000	680,100	680,086		(98)		(98)		679,989		(53,486)	(53,486)	22,334	12/29/2049.
G463PS AB 0	HUARONG FINANCE 2017 CO LTD	D	09/01/2018.	VARIOUS		1,353,968	1,390,000	1,419,100	1,417,299		(3,240)		(3,240)		1,414,059		(60,091)	(60,091)	60,406	12/29/2049.
G68259 AA 1	OVPH LTD	D	10/15/2018.	NOMURA INTERNATIONAL PLC		191,000	200,000	210,600	209,949		(2,362)		(2,362)		207,587		(16,587)	(16,587)	13,251	12/29/2049.
M7301X AA 2	NBK TIER I FINANCING LTD	D	10/12/2018.	CREDIT AGRICOLE CIB		231,564	230,000	241,996	240,916		(2,633)		(2,633)		238,283		(6,719)	(6,719)	13,482	12/29/2049.
P16259 AH 9	BBVA BANCOMER SA DE CV	C	10/12/2018.	SUMRIDGE PARTNERS LLC		396,548	370,000	423,505	420,536		(7,803)		(7,803)		412,732		(16,185)	(16,185)	26,085	09/30/2022.
Y12355 AB 2	CCB LIFE INSURANCE CO LTD	D	10/12/2018.	NOMURA INTERNATIONAL PLC		639,423	690,000	712,260	711,129		(3,622)		(3,622)		707,507		(68,084)	(68,084)	30,619	04/21/2137.
Y1R019 AA 9	CHINA LIFE INSURANCE CO LTD	D	10/12/2018.	Deutsche Bank AG New York Branch		360,195	370,000	373,700	373,640		(1,115)		(1,115)		372,525		(12,330)	(12,330)	19,034	07/03/2075.
Y1R02P AA 2	CHINA LIFE INSURANCE OVERSEAS COMPANY LT	D	10/15/2018.	CITIGROUP GLOBAL MARKETS LIMITED		187,540	200,000	199,372	199,390		45		45		199,435		(11,895)	(11,895)	8,189	07/27/2027.
Y20246 G6 8	DBS GROUP HOLDINGS LTD	D	01/25/2018.	HSBC Bank PLC		1,194,000	1,200,000	1,200,032	1,199,995		(34)		(34)		1,199,961		(5,961)	(5,961)	17,040	09/06/2021.
Y3180F AE 5	HEUNGKUK LIFE INSURANCE CO LTD	D	10/15/2018.	BNP PARIBAS, S.A.		473,078	530,000	523,375	523,379		175		175		523,554		(50,476)	(50,476)	22,268	11/09/2077.
Y4481P AA 5	KYOBO LIFE INSURANCE CO LTD	C	02/01/2018.	Adjustment		202,700	200,000	203,680					0		203,462		(762)	(762)	4,060	07/24/2077.
Y7T81N AA 6	SHANGHAI COMMERCIAL BANK LTD	D	11/01/2018.	Adjustment		353,298	370,000	356,258			179		179		356,437		(3,139)	(3,139)	5,319	11/29/2027.
Y9244X ZM 2	UNITED OVERSEAS BANK LTD	D	10/12/2018.	UBS AG London		317,968	340,000	339,490	339,491		13		13		339,504		(21,536)	(21,536)	13,065	12/29/2049.
4899999.	Total - Bonds - Hybrid Securities					11,542,510	11,607,725	12,027,403	9,307,140	0	(33,399)	0	(33,399)	0	11,874,427	0	(331,918)	(331,918)	450,274	XXX
8399997.	Total - Bonds - Part 4					968,484,793	905,558,234	997,066,321	943,045,367	233,744	(2,930,403)	0	(2,696,659)	0	977,569,302	0	(9,137,370)	(9,137,370)	30,718,970	XXX
8399998.	Total - Bonds - Summary Item from Part 5					166,345,626	77,500,667	172,214,489			(16,514)		(16,514)		172,197,977		(5,852,357)	(5,852,357)	4,118,986	XXX
8399999.	Total - Bonds					1,134,830,419	983,058,901	1,169,280,810	943,045,367	233,744	(2,946,917)	0	(2,713,173)	0	1,149,767,279	0	(14,989,727)	(14,989,727)	34,837,956	XXX
Preferred Stocks - Industrial and Miscellaneous																				
33616C 60 5	FIRST REPUBLIC BANK	..	01/02/2018.	Call @ 25.0	111,114.000	2,777,850		2,770,281	2,777,850	(7,569)			(7,569)		2,770,281		7,569	7,569	1,111	XXX
867914 88 9	SUNTRUST BANKS INC	..	03/15/2018.	Call @ 25.00	35,977.000	899,425		902,665	902,665				0		902,665		(3,240)	(3,240)	13,210	XXX
949746 RN 3	WELLS FARGO & CO	..	12/19/2018.	Call @ 25.00									0		779		(779)	(779)		XXX
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous					3,677,275	XXX	3,672,946	3,680,515	(7,569)	0	0	(7,569)	0	3,673,725	0	3,550	3,550	14,321	XXX
8999997.	Total - Preferred Stocks - Part 4					3,677,275	XXX	3,672,946	3,680,515	(7,569)	0	0	(7,569)	0	3,673,725	0	3,550	3,550	14,321	XXX
8999999.	Total - Preferred Stocks					3,677,275	XXX	3,672,946	3,680,515	(7,569)	0	0	(7,569)	0	3,673,725	0	3,550	3,550	14,321	XXX
Common Stocks - Industrial and Miscellaneous																				
00123Q 10 4	AGNC INVESTMENT REIT ORD	..	08/31/2018.	VARIOUS	10,000.000	186,947	XXX	212,113	201,900	10,213			10,213		212,113		(25,166)	(25,166)	10,800	XXX
00130H 10 5	AES ORD	..	02/12/2018.	Jefferies	20,000.000	205,245	XXX	213,550	216,600	(3,050)			(3,050)		213,550		(8,305)	(8,305)	2,600	XXX
00165C 10 4	AMC ENTERTAINMENT HOLDINGS CL A ORD	C	06/12/2018.	BTIG LLC	8,000.000	125,158	XXX	107,240	120,800	(13,560)			(13,560)		107,240		17,918	17,918	3,200	XXX
00206R 10 2	AT&T ORD	..	11/09/2018.	VARIOUS	210,700.000	6,986,220	XXX	8,071,343	6,831,216	63,252			63,252		8,071,343		(1,085,122)	(1,085,122)	179,350	XXX
002824 10 0	ABBOTT LABORATORIES ORD	..	07/01/2018.	VARIOUS	13,000.000	755,288	XXX	566,208	741,910	(175,703)			(175,703)		566,208		189,080	189,080	7,280	XXX
00287Y 10 9	ABBVIE ORD	..	05/15/2018.	DEUTSCHE BANK SECURITIES, INC	4,500.000	411,088	XXX	309,788	435,195	(125,408)			(125,408)		309,788		101,301	101,301	7,515	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD	..	07/01/2018.	VARIOUS	4,300.000	696,063	XXX	700,459	1,148,560	(57,937)			(57,937)		700,459		(4,396)	(4,396)	4,085	XXX
018802 10 8	ALLIANT ENERGY ORD	..	12/03/2018.	VARIOUS	15,000.000	632,498	XXX	632,675	340,880	(9,800)			(9,800)		632,675		(177)	(177)	5,025	XXX
023608 10 2	AMEREN ORD	..	04/24/2018.	VARIOUS	15,000.000	852,145	XXX	890,075	471,920	40,540			40,540		890,075		(37,930)	(37,930)	3,203	XXX
024835 10 0	AMERICAN CAMPUS COMM REIT ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	216,422	XXX	197,625					0		197,625		18,797	18,797		XXX
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	07/01/2018.	VARIOUS	16,500.000	1,069,637	XXX	1,155,963	367,850	975			975		1,155,963		(86,325)	(86,325)	10,230	XXX
02553E 10 6	AMERICAN EAGLE OUTFITTERS ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	205,445	XXX	122,350	188,000	(65,650)			(65,650)		122,350		83,095	83,095	1,375	XXX
03027X 10 0	AMERICAN TOWER REIT	..	02/12/2018.	Jefferies	5,000.000	674,637	XXX	717,588	713,350	4,238			4,238		717,588		(42,951)	(42,951)	3,500	XXX
030420 10 3	AMERICAN WATER WORKS ORD	..	10/01/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	262,572	XXX	264,375					0		264,375		(1,803)	(1,803)	1,365	XXX
032359 30 9	AMTRUST FINANCIAL SERVICES ORD	..	01/10/2018.	BARCLAYS CAPITAL INC./LE	16,000.000	202,955	XXX	214,800	161,120	53,680			53,680		214,800		(11,845)	(11,845)	2,720	XXX
032654 10 5	ANALOG DEVICES ORD	..	07/26/2018.	BTIG LLC	1,100.000	107,463	XXX	86,290	97,933	(11,644)			(11,644)		86,290		21,174	21,174	1,056	XXX
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	20,000.000	207,095	XXX	206,300	237,800	(31,500)			(31,500)		206,300		795	795	6,000	XXX
037833 10 0	APPLE ORD	..	12/06/2018.	VARIOUS	35,000.000	6,372,067	XXX	4,626,186	5,923,050	(1,296,865)			(1,296,865)		4,626,186		1,745,882	1,745,882	54,900	XXX
03784Y 20 0	APPLE HOSPITALITY REIT ORD	..	03/06/2018.	Jefferies	12,000.000	204,055	XXX	226,740	235,320	(8,580)			(8,580)		226,740		(22,685)	(22,685)	3,600	XXX
039483 10 2	ARCHER DANIELS MIDLAND ORD	..	10/01/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	250,522	XXX	249,875					0		249,875		647	647	1,675	XXX
04316A 10 8	ARTISAN PARTNERS ASSET MGMT CL A ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	166,971	XXX	146,275	197,500	(51,225)			(51,225)		146,275		20,696	20,696	6,950	XXX
053015 10 3	AUTOMATIC DATA PROCESSING ORD	..	07/01/2018.	Jefferies	3,000.000	341,077	XXX	324,165	691,421	(70,862)			(70,862)		324,165		16,912	16,912	3,780	XXX
053484 10 1	AVALONBAY COMMUNITIES REIT ORD	..	07/01/2018.	VARIOUS	3,500.000	582,364	XXX	633,938	624,435	9,503			9,503		633,938		(51,573)	(51,573)	4,970	XXX
054937 10 7	BB AND T ORD	..	12/17/2018.	VARIOUS	12,000.000	594,432	XXX	590,400	497,200	(2,350)			(2,350)		590,400		4,032	4,032	16,410	XXX
05508R 10 6	B AND G FOODS ORD	..	07/01/2018.	VARIOUS	6,000.000	166,309	XXX	203,745	210,900	(7,155)			(7,155)		203,745		(37,436)	(37,436)	4,185	XXX
06652V 20 8	BANNER ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	165,941	XXX	169,697	165,360	4,337			4,337		169,697		(3,756)	(3,756)	750	XXX
097023 10 5	BOEING ORD	..	11/21/2018.	VARIOUS	2,000.000	660,091	XXX	367,013	589,820	(222,808)			(222,808)		367,013		293,079	293,079	10,260	XXX
099502 10 6	BOOZ ALLEN HAMILTON HOLDING CL A ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	153,613	XXX	104,235	114,390	(10,155)			(10,155)		104,235		49,378	49,378	1,710	XXX
110122 10 8	BRISTOL MYERS SQUIBB ORD	..	11/21/2018.	VARIOUS	15,000.000	897,482	XXX	927,400	612,800	4,075			4,075		927,400		(29,918)	(29,918)	6,000	XXX
11120U 10 5	BRIXMOR PROPERTY GROUP REIT ORD	..	01/12/2018.	Jefferies	10,000.000	168,221	XXX	184,575	186,600	(2,025)			(2,025)		184,575		(16,354)	(16,354)	2,750	XXX
118440 10 6	BUCKLE ORD	..	02/12/2018.	Jefferies	5,000.000	105,710	XXX	122,538	118,750	3,788			3,788		122,538		(16,827)	(16,827)	10,000	XXX
125269 10 0	CF INDUSTRIES HOLDINGS ORD	..	05/18/2018.	DEUTSCHE BANK SECURITIES, INC	5,000.000	206,722	XXX	161,088	212,700	(51,613)			(51,613)		161,088		45,635	45,635	3,000	XXX
12572Q 10 5	CME GROUP CL A ORD	..	07/01/2018.	VARIOUS	8,000.000	1,285,260	XXX	1,102,370	1,898,650	(211,605)			(211,605)		1,102,370		182,890	182,890	31,500	XXX
125896 10 0	CMS ENERGY ORD	..	05/29/2018.	Jefferies	7,000.000	320,150	XXX	303,570	47,300	(1,055)			(1,055)		303,570		16,580	16,580	2,860	XXX
126117 10 0	CNA FINANCIAL ORD	..	07/01/2018.	Jefferies			XXX		159,150	(32,145)			(32,145)					0		XXX
126408 10 3	CSX ORD	..	10/29/2018.	DEUTSCHE BANK SECURITIES, INC	4,500.000	295,579	XXX	122,738	247,545	(124,808)			(124,808)		122,738		172,841	172,841	2,970	XXX
126650 10 0	CVS HEALTH ORD	..	12/04/2018.	VARIOUS	9,000.600	614,197	XXX	724,973	652,500	72,425			72,425		724,973		(110,776)	(110,776)	4,500	XXX
12673P 10 5	CA ORD	..	11/05/2018.	VARIOUS	5,400.000	240,300	XXX	178,605	179,712	(1,107)			(1,107)		178,605		61,695	61,695	4,131	XXX
14057J 10 1	CAPITOL FEDERAL FINANCIAL ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	131,189	XXX	133,275	134,100	(825)			(825)		133,275		(2,086)	(2,086)	850	XXX
149123 10 1	CATERPILLAR ORD	..	05/21/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	431,315	XXX	222,713	472,740	(250,028)			(250,028)		222,713		208,603	208,603	4,680	XXX
15189T 10 7	CENTERPOINT ENERGY ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	2,600.000	72,292	XXX	55,783	73,736	(17,953)			(17,953)		55,783		16,509	16,509	2,165	XXX
166764 10 0	CHEVRON ORD	..	07/01/2018.	VARIOUS	4,000.000	462,289	XXX	473,780	3,004,560	(431,440)			(431,440)		473,780		(11,491)	(11,491)	4,480	XXX
16934Q 20 8	CHIMERA INVESTMENT REIT	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	89,873	XXX	93,175	92,400	775			775		93,175		(3,302)	(3,302)	2,500	XXX
172062 10 1	CINCINNATI FINANCIAL ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	229,120	XXX	223,583	449,820	(18,083)			(18,083)		223,583		5,537	5,537	1,500	XXX
17275R 10 2	CISCO SYSTEMS ORD	..	11/21/2018.	VARIOUS	60,000.000	2,651,941	XXX	2,324,170	2,757,600	(298,678)			(298,678)		2,324,170		327,771	327,771	27,760	XXX
172908 10 5	CINTAS ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	1,000.000	170,991	XXX	116,115	155,830	(39,715)			(39,715)		116,115		54,876	54,876		XXX
189054 10 9	CLOROX ORD	..	07/01/2018.	Jefferies	2,000.000	240,604	XXX	272,750	446,220	(48,325)			(48,325)		272,750		(32,146)	(32,146)	3,600	XXX
191216 10 0	COCA-COLA ORD	..	07/26/2018.	VARIOUS	74,000.000	3,257,730	XXX	3,374,315	3,188,660	(12,698)			(12,698)		3,374,315		(116,585)	(116,585)	42,120	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
19247A 10 0	COHEN & STEERS ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	118,302	XXX	132,244	141,870	(9,626)			(9,626)		132,244		(13,942)	(13,942)		XXX
194162 10 3	COLGATE PALMOLIVE ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	15,000.000	942,706	XXX	1,050,325	754,500	(39,550)			(39,550)		1,050,325		(107,619)	(107,619)	10,300	XXX
19625W 10 4	COLONY NORTHSTAR CL A ORD	..	01/10/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	109,447	XXX	125,750	114,100	11,650			11,650		125,750		(16,303)	(16,303)	2,700	XXX
20030N 10 1	COMCAST CL A ORD	..	11/21/2018.	VARIOUS	60,000.000	1,993,904	XXX	2,286,855	2,162,700	(88,995)			(88,995)		2,286,855		(292,951)	(292,951)	24,465	XXX
205887 10 2	CONAGRA BRANDS ORD	..	12/03/2018.	VARIOUS	15,000.000	524,065	XXX	502,025	376,700	(41,950)			(41,950)		502,025		22,040	22,040	3,188	XXX
209115 10 4	CONSOLIDATED EDISON ORD	..	06/12/2018.	BTIG LLC	4,500.000	326,133	XXX	384,773	382,275	2,498			2,498		384,773		(58,639)	(58,639)	6,435	XXX
21871N 10 1	CORECIVIC REIT ORD	..	02/12/2018.	Jefferies	6,000.000	121,272	XXX	134,205	135,000	(795)			(795)		134,205		(12,933)	(12,933)	2,520	XXX
219350 10 5	CORNING ORD	..	07/06/2018.	BARCLAYS CAPITAL INC./LE	33,000.000	929,107	XXX	917,175	639,800	(68,100)			(68,100)		917,175		11,932	11,932	5,940	XXX
22282E 10 2	COVANTA HOLDING ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	121,557	XXX	116,440	135,200	(18,760)			(18,760)		116,440		5,117	5,117	4,000	XXX
231021 10 6	CUMMINS ORD	..	12/17/2018.	VARIOUS	4,300.000	627,112	XXX	683,906	794,880	(101,918)			(101,918)		683,906		(56,793)	(56,793)	6,108	XXX
23317H 10 2	DDR REIT ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE			XXX						0					0	2,850	XXX
233331 10 7	DTE ENERGY ORD	..	07/01/2018.	VARIOUS	11,000.000	1,146,039	XXX	1,178,345	656,760	15,560			15,560		1,178,345		(32,306)	(32,306)	9,708	XXX
237194 10 5	DARDEN RESTAURANTS ORD	..	05/18/2018.	DEUTSCHE BANK SECURITIES, INC	3,000.000	255,162	XXX	184,455	288,060	(103,605)			(103,605)		184,455		70,707	70,707	3,780	XXX
25264R 20 7	DIAMOND HILL INVESTMENT GRP CL A ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	500.000	105,706	XXX	104,593	103,330	1,263			1,263		104,593		1,113	1,113		XXX
254423 10 6	DINE BRANDS GLOBAL ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	600,017	XXX	330,473	405,840	(75,368)			(75,368)		330,473		269,544	269,544	12,800	XXX
254687 10 6	WALT DISNEY ORD	..	04/24/2018.	DEUTSCHE BANK SECURITIES, INC	5,000.000	497,264	XXX	551,309	537,550	13,759			13,759		551,309		(54,045)	(54,045)	4,200	XXX
25746U 10 9	DOMINION ENERGY ORD	..	10/16/2018.	VARIOUS	27,000.000	1,927,759	XXX	2,027,005	1,378,020	(58,765)			(58,765)		2,027,005		(99,246)	(99,246)	17,953	XXX
260003 10 8	DOVER ORD	..	12/03/2018.	Jefferies	3,000.000	258,462	XXX	245,355					0		245,355		13,107	13,107	1,440	XXX
26078J 10 0	DOWDUPONT ORD	..	12/03/2018.	Jefferies	3,000.000	177,463	XXX	192,045	213,660	(21,615)			(21,615)		192,045		(14,582)	(14,582)	4,560	XXX
26138E 10 9	DR PEPPER SNAPPLE GROUP ORD	C	07/01/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	474,809	XXX	372,420	630,890	(28,258)			(28,258)		372,420		102,389	102,389	2,320	XXX
26441C 20 4	DUKE ENERGY ORD	..	07/01/2018.	VARIOUS	14,000.000	1,040,192	XXX	1,173,197	1,202,773	(7,098)			(7,098)		1,173,197		(133,005)	(133,005)	13,706	XXX
265504 10 0	DUNKIN' BRANDS GROUP ORD	..	05/29/2018.	Jefferies	5,000.000	318,821	XXX	261,325	322,350	(61,025)			(61,025)		261,325		57,496	57,496	3,475	XXX
26884U 10 9	EPR PROPERTIES REIT ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	233,095	XXX	283,060	261,840	21,220			21,220		283,060		(49,965)	(49,965)	2,800	XXX
278265 10 3	EATON VANCE COM NON VTG ORD	..	05/18/2018.	DEUTSCHE BANK SECURITIES, INC	5,000.000	287,621	XXX	216,475	281,950	(65,475)			(65,475)		216,475		71,146	71,146	3,100	XXX
281020 10 7	EDISON INTERNATIONAL ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	7,000.000	434,795	XXX	560,435	442,680	117,755			117,755		560,435		(125,640)	(125,640)	4,235	XXX
291011 10 4	EMERSON ELECTRIC ORD	..	07/01/2018.	DEUTSCHE BANK SECURITIES, INC	4,000.000	292,536	XXX	246,034	278,760	(32,726)			(32,726)		246,034		46,502	46,502	2,377	XXX
29476L 10 7	EQUITY RESIDENTIAL REIT ORD	..	11/02/2018.	Jefferies	4,000.000	257,737	XXX	247,460					0		247,460		10,277	10,277	4,320	XXX
297178 10 5	ESSEX PROPERTY REIT ORD	..	11/02/2018.	Jefferies	600.000	148,723	XXX	143,181					0		143,181		5,542	5,542	2,232	XXX
30040W 10 8	EVERSOURCE ENERGY ORD	..	11/02/2018.	VARIOUS	23,000.000	1,307,052	XXX	1,438,530	631,800	10,375			10,375		1,438,530		(131,478)	(131,478)	7,575	XXX
30161N 10 1	EXELON ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	359,555	XXX	338,200					0		338,200		21,355	21,355	2,760	XXX
30231G 10 2	EXXON MOBIL ORD	..	09/10/2018.	VARIOUS	58,000.000	4,594,070	XXX	4,849,110	5,938,440	(48,745)			(48,745)		4,849,110		(255,040)	(255,040)	84,194	XXX
30303M 10 2	FACEBOOK CL A ORD	..	07/26/2018.	BTIG LLC	8,500.000	1,608,642	XXX	1,241,774	1,499,910	(258,136)			(258,136)		1,241,774		366,868	366,868		XXX
313747 20 6	FEDERAL REIT ORD	..	11/02/2018.	Jefferies	1,000.000	122,763	XXX	117,055					0		117,055		5,708	5,708	2,020	XXX
314211 10 3	FEDERATED INVESTORS CL B ORD	..	05/29/2018.	Jefferies	5,000.000	121,973	XXX	158,975	180,400	(21,425)			(21,425)		158,975		(37,002)	(37,002)	2,600	XXX
31847R 10 2	FIRST AMERICAN FINANCIAL ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	521,238	XXX	378,550	560,400	(181,850)			(181,850)		378,550		142,688	142,688	3,800	XXX
34959J 10 8	FORTIVE ORD	..	03/29/2018.	BARCLAYS CAPITAL INC./LE	1,000.000	77,753	XXX	46,846	72,350	(25,504)			(25,504)		46,846		30,908	30,908	70	XXX
35906A 30 6	FRONTIER COMMUNICATIONS ORD	..	02/02/2018.	VARIOUS	20,000.000	161,271	XXX	238,150	135,200	102,950			102,950		238,150		(76,879)	(76,879)		XXX
36174X 10 1	GGP ORD	..	12/19/2017.	GOLDMAN			XXX						0					0	2,200	XXX
364760 10 8	GAP ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	18,000.000	499,460	XXX	477,513	374,660	(98,223)			(98,223)		477,513		21,948	21,948	6,895	XXX
369550 10 8	GENERAL DYNAMICS ORD	..	11/09/2018.	VARIOUS	1,500.000	272,979	XXX	283,658					0		283,658		(10,679)	(10,679)	1,395	XXX
369604 10 3	GENERAL ELECTRIC ORD	..	04/02/2018.	BARCLAYS CAPITAL INC./LE	43,000.000	609,811	XXX	1,055,190	750,350	304,840			304,840		1,055,190		(445,379)	(445,379)	11,160	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
370334 10 4	GENERAL MILLS ORD	..	11/21/2018.	VARIOUS	23,000.000	1,175,402	XXX	1,331,775	1,185,800	17,950			17,950		1,331,775		(156,373)	(156,373)	13,720	XXX
37045V 10 0	GENERAL MOTORS ORD	..	07/26/2018.	VARIOUS	5,000.000	198,357	XXX	192,120	204,950	(12,830)			(12,830)		192,120		6,237	6,237	2,280	XXX
372460 10 5	GENUINE PARTS ORD	..	07/06/2018.	BARCLAYS CAPITAL INC./LE	7,500.000	662,590	XXX	699,968	427,545	(4,703)			(4,703)		699,968		(37,378)	(37,378)	8,438	XXX
384802 10 4	WW GRAINGER ORD	..	05/29/2018.	Jefferies	2,500.000	757,278	XXX	416,863	590,625	(173,763)			(173,763)		416,863		340,415	340,415	6,600	XXX
397624 10 7	GREIF CL A ORD	..	04/06/2018.	Jefferies	5,000.000	271,219	XXX	197,748	302,900	(105,153)			(105,153)		197,748		73,471	73,471	4,200	XXX
401617 10 5	GUESS ORD	..	01/10/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	83,023	XXX	88,938	84,400	4,538			4,538		88,938		(5,914)	(5,914)	1,125	XXX
404303 10 9	HSN, INC	..	01/02/2018.	CORPORATE ACTION	9,000.000	325,845	XXX	325,845	363,150	(37,305)			(37,305)		325,845			0		XXX
40434L 10 5	HP ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	25,000.000	532,863	XXX	371,875	525,250	(153,375)			(153,375)		371,875		160,988	160,988	6,965	XXX
412822 10 8	HARLEY DAVIDSON ORD	..	03/12/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	224,070	XXX	233,275	254,400	(21,125)			(21,125)		233,275		(9,205)	(9,205)	1,850	XXX
416515 10 4	HARTFORD FINANCIAL SERVICES GRUP ORD	..	12/06/2018.	VARIOUS	3,000.000	135,263	XXX	159,645					0		159,645		(24,382)	(24,382)	720	XXX
423452 10 1	HELMERICH AND PAYNE ORD	..	11/09/2018.	VARIOUS	5,000.000	324,739	XXX	246,738	323,200	(76,463)			(76,463)		246,738		78,001	78,001	7,740	XXX
42809H 10 7	HESS ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	238,919	XXX	227,088	237,350	(10,263)			(10,263)		227,088		11,832	11,832		XXX
438516 10 6	HONEYWELL INTERNATIONAL ORD	..	10/01/2018.	VARIOUS	20,000.000	2,563,554	XXX	2,580,671	3,067,200	(486,529)			(486,529)		2,580,671		(17,116)	(17,116)	37,250	XXX
443510 60 7	HUBBELL ORD	..	06/25/2018.	BTIG LLC	2,000.000	220,267	XXX	251,110	270,680	(19,570)			(19,570)		251,110		(30,843)	(30,843)	3,080	XXX
446150 10 4	HUNTINGTON BANCSHARES ORD	..	10/29/2018.	DEUTSCHE BANK SECURITIES, INC	7,500.000	104,061	XXX	89,513	109,200	(19,688)			(19,688)		89,513		14,549	14,549	3,525	XXX
452308 10 9	ILLINOIS TOOL ORD	..	10/29/2018.	DEUTSCHE BANK SECURITIES, INC	4,300.000	540,997	XXX	588,692	717,455	(128,764)			(128,764)		588,692		(47,694)	(47,694)	14,362	XXX
45774W 10 8	INSTEEL INDUSTRIES ORD	..	05/18/2018.	DEUTSCHE BANK SECURITIES, INC	4,000.000	127,242	XXX	104,825	113,280	(8,455)			(8,455)		104,825		22,417	22,417	4,240	XXX
458140 10 0	INTEL ORD	..	12/17/2018.	VARIOUS	63,000.000	3,025,152	XXX	2,591,235	3,198,888	(492,546)			(492,546)		2,591,235		433,917	433,917	18,100	XXX
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD	..	12/06/2018.	VARIOUS	8,000.000	1,045,406	XXX	1,185,730	1,227,360	(41,630)			(41,630)		1,185,730		(140,324)	(140,324)	37,120	XXX
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	6,000.000	94,708	XXX	100,305	106,980	(6,675)			(6,675)		100,305		(5,597)	(5,597)	2,520	XXX
46284V 10 1	IRON MOUNTAIN ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	168,271	XXX	189,038	188,650	388			388		189,038		(20,766)	(20,766)	2,938	XXX
46625H 10 0	JPMORGAN CHASE ORD	..	08/31/2018.	BTIG LLC	10,000.000	1,145,735	XXX	1,047,950					0		1,047,950		97,785	97,785	5,600	XXX
478160 10 4	JOHNSON & JOHNSON ORD	..	09/24/2018.	VARIOUS	35,000.000	4,540,790	XXX	4,574,933	5,602,772	(594,126)			(594,126)		4,574,933		(34,143)	(34,143)	33,660	XXX
487836 10 8	KELLOGG ORD	..	03/15/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	267,934	XXX	254,990	271,920	(16,930)			(16,930)		254,990		12,944	12,944		XXX
494368 10 3	KIMBERLY CLARK ORD	..	10/29/2018.	VARIOUS	16,500.000	1,769,814	XXX	1,873,434	1,387,590	(38,331)			(38,331)		1,873,434		(103,620)	(103,620)	27,455	XXX
500255 10 4	KOHL'S ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	315,918	XXX	190,825	271,150	(80,325)			(80,325)		190,825		125,093	125,093	3,050	XXX
500754 10 6	KRAFT HEINZ ORD	..	05/29/2018.	VARIOUS	10,000.000	626,778	XXX	787,875	777,600	10,275			10,275		787,875		(161,097)	(161,097)	8,750	XXX
501797 10 4	L BRANDS ORD	..	03/12/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	210,720	XXX	221,175	301,100	(79,925)			(79,925)		221,175		(10,455)	(10,455)	3,000	XXX
515098 10 1	LANDSTAR SYSTEM ORD	..	05/29/2018.	Jefferies	2,000.000	226,687	XXX	212,115	208,200	3,915			3,915		212,115		14,572	14,572	3,600	XXX
517834 10 7	LAS VEGAS SANDS ORD	..	07/01/2018.	DEUTSCHE BANK SECURITIES, INC			XXX		208,470	(67,755)			(67,755)					0		XXX
524660 10 7	LEGGETT & PLATT ORD	..	07/26/2018.	VARIOUS	5,000.000	215,561	XXX	226,938	238,650	(11,713)			(11,713)		226,938		(11,377)	(11,377)	4,360	XXX
525327 10 2	LEIDOS HOLDINGS ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	335,667	XXX	289,825	322,850	(33,025)			(33,025)		289,825		45,842	45,842		XXX
532457 10 8	ELI LILLY ORD	..	10/08/2018.	VARIOUS	19,000.000	1,706,914	XXX	1,580,407	1,520,280	(27,665)			(27,665)		1,580,407		126,507	126,507	18,563	XXX
534187 10 9	LINCOLN NATIONAL ORD	..	05/29/2018.	Jefferies	2,500.000	163,660	XXX	170,138	192,175	(22,038)			(22,038)		170,138		(6,477)	(6,477)	1,650	XXX
548661 10 7	LOWE'S COMPANIES ORD	..	07/01/2018.	VARIOUS	1,500.000	143,661	XXX	119,018	232,350	(40,748)			(40,748)		119,018		24,643	24,643	1,230	XXX
552690 10 9	MDU RESOURCES GROUP ORD	..	12/19/2017.	GOLDMAN			XXX						0					0	1,185	XXX
553530 10 6	MSC INDUSTRIAL CL A ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	439,565	XXX	346,975	483,300	(136,325)			(136,325)		346,975		92,590	92,590	5,800	XXX
554382 10 1	MACERICH REIT ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	173,531	XXX	171,165	197,040	(25,875)			(25,875)		171,165		2,366	2,366	2,220	XXX
55616P 10 4	MACYS ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	314,443	XXX	217,163	377,850	(56,813)			(56,813)		217,163		97,280	97,280	7,550	XXX
571748 10 2	MARSH & MCLENNAN ORD	..	12/06/2018.	DEUTSCHE BANK SECURITIES, INC	5,000.000	426,119	XXX	417,675					0		417,675		8,444	8,444	2,075	XXX
579780 20 6	MCCORMICK ORD	..	11/02/2018.	Jefferies	2,000.000	286,906	XXX	207,670					0		207,670		79,236	79,236	3,120	XXX
580135 10 1	MCDONALD'S ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	1,277,251	XXX	1,323,240	1,893,320	(209,645)			(209,645)		1,323,240		(45,990)	(45,990)	8,080	XXX

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
58463J 30 4	MEDICAL PROPERTIES REIT ORD	..	12/12/2017.	BARCLAYS CAPITAL INC./LE			XXX						0					0	2,400	XXX
58933Y 10 5	MERCK & CO ORD	..	07/26/2018.	VARIOUS	61,600.000	3,653,214	XXX	3,647,496	1,778,132	152,014			152,014		3,647,496		5,718	5,718	28,460	XXX
594918 10 4	MICROSOFT ORD	..	07/01/2018.	VARIOUS	53,000.000	4,975,618	XXX	4,113,705	6,672,120	(1,038,277)			(1,038,277)		4,113,705		861,913	861,913	15,960	XXX
59522J 10 3	MID AMERICA APT COMMUNITI REIT ORD	..	12/03/2018.	VARIOUS	5,000.000	481,317	XXX	482,770	201,120	(17,045)			(17,045)		482,770		(1,453)	(1,453)	4,613	XXX
61166W 10 1	MONSANTO ORD	C	06/07/2018.	Not Available	6,000.000	768,000	XXX	710,190	700,680	9,510			9,510		710,190		57,810	57,810	6,480	XXX
61945C 10 3	MOSAIC ORD	..	03/15/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	211,075	XXX	159,880	205,280	(45,400)			(45,400)		159,880		51,195	51,195	200	XXX
631103 10 8	NASDAQ ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	2,000.000	160,666	XXX	151,875	153,660	(1,785)			(1,785)		151,875		8,791	8,791		XXX
632347 10 0	NATHANS FAMOUS ORD	..	12/27/2017.	Jefferies			XXX						0					0	2,500	XXX
636180 10 1	NATL FUEL GAS ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	3,500.000	174,768	XXX	199,938	192,185	7,753			7,753		199,938		(25,169)	(25,169)	1,453	XXX
63633D 10 4	NATIONAL HEALTH INVESTORS REIT ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	1,500.000	104,690	XXX	117,503	113,070	4,433			4,433		117,503		(12,812)	(12,812)	1,425	XXX
637417 10 6	NATIONAL RETAIL PROPERTIES REIT ORD	..	12/03/2018.	Jefferies	5,000.000	250,022	XXX	224,475					0		224,475		25,547	25,547	2,500	XXX
63938C 10 8	NAVIENT ORD	..	12/06/2018.	DEUTSCHE BANK SECURITIES, INC	15,000.000	162,073	XXX	179,325	199,800	(20,475)			(20,475)		179,325		(17,252)	(17,252)	9,600	XXX
64828T 20 1	NEW RESIDENTIAL INVESTMENT REIT ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	7,000.000	119,662	XXX	128,013	125,160	2,853			2,853		128,013		(8,350)	(8,350)	3,500	XXX
649445 10 3	NEW YORK COMMUNITY BANCORP ORD	..	06/25/2018.	BTIG LLC	12,000.000	136,138	XXX	152,700	156,240	(3,540)			(3,540)		152,700		(16,562)	(16,562)	4,080	XXX
65158N 10 2	NEWMARK GROUP CL A ORD	..	12/04/2018.	Unknown	0.740	8	XXX	6					0		6		2	2		XXX
65339F 10 1	NEXTERA ENERGY ORD	..	07/01/2018.	VARIOUS	5,200.000	822,137	XXX	797,654	921,521	(36,917)			(36,917)		797,654		24,483	24,483	777	XXX
65473P 10 5	NISOURCE ORD	..	02/21/2018.	BTIG LLC	10,000.000	227,945	XXX	237,975	256,700	(18,725)			(18,725)		237,975		(10,030)	(10,030)	1,950	XXX
655844 10 8	NORFOLK SOUTHERN ORD	..	05/29/2018.	Jefferies	2,300.000	348,756	XXX	207,265	333,270	(126,006)			(126,006)		207,265		141,491	141,491	1,656	XXX
670346 10 5	NUCOR ORD	..	02/12/2018.	Jefferies	5,000.000	317,155	XXX	312,175	317,900	(5,725)			(5,725)		312,175		4,980	4,980	1,900	XXX
670837 10 3	OGE ENERGY ORD	..	05/18/2018.	VARIOUS	19,000.000	608,719	XXX	613,910	329,100	(1,525)			(1,525)		613,910		(5,191)	(5,191)	6,318	XXX
674599 10 5	OCCIDENTAL PETROLEUM ORD	..	04/02/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	193,991	XXX	210,195	220,980	(10,785)			(10,785)		210,195		(16,204)	(16,204)	4,620	XXX
681919 10 6	OMNICOM GROUP ORD	..	07/26/2018.	VARIOUS	8,000.000	574,990	XXX	590,490	582,640	7,850			7,850		590,490		(15,501)	(15,501)	9,600	XXX
690732 10 2	OWENS & MINOR ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	176,746	XXX	193,475	188,800	4,675			4,675		193,475		(16,729)	(16,729)		XXX
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD	..	08/21/2018.	BTIG LLC	4,000.000	580,452	XXX	544,020					0		544,020		36,432	36,432	3,800	XXX
69351T 10 6	PPL ORD	..	07/01/2018.	VARIOUS	18,000.000	558,367	XXX	687,730	557,100	130,630			130,630		687,730		(129,363)	(129,363)	8,135	XXX
693718 10 8	PACCAR ORD	..	02/12/2018.	Jefferies	5,000.000	341,155	XXX	359,588	355,400	4,188			4,188		359,588		(18,433)	(18,433)	7,250	XXX
695263 10 3	PACW PACWEST BANCORP ORD	..	07/01/2018.	VARIOUS	12,000.000	625,190	XXX	492,228	604,800	(112,572)			(112,572)		492,228		132,962	132,962	11,400	XXX
704326 10 7	PAYCHEX ORD	..	07/01/2018.	Jefferies	7,000.000	459,229	XXX	406,095	476,560	(70,465)			(70,465)		406,095		53,134	53,134	7,420	XXX
70931T 10 3	PENNYMAC MORTGAGE INVEST REIT ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	12,000.000	204,895	XXX	190,620	192,840	(2,220)			(2,220)		190,620		14,275	14,275	5,640	XXX
713448 10 8	PEPSICO ORD	..	07/26/2018.	VARIOUS	32,000.000	3,415,818	XXX	3,621,109	2,878,080	(202,648)			(202,648)		3,621,109		(205,290)	(205,290)	52,226	XXX
717081 10 3	PFIZER ORD	..	10/01/2018.	VARIOUS	63,000.000	2,532,751	XXX	2,317,105	2,104,382	(149,986)			(149,986)		2,317,105		215,646	215,646	21,420	XXX
718546 10 4	PHILLIPS 66 ORD	..	07/01/2018.	BTIG LLC	2,500.000	223,932	XXX	236,088	252,875	(16,788)			(16,788)		236,088		(12,155)	(12,155)	1,750	XXX
723484 10 1	PINNACLE WEST ORD	..	12/03/2018.	Jefferies	8,000.000	654,275	XXX	672,460	425,900	(4,075)			(4,075)		672,460		(18,185)	(18,185)	3,475	XXX
74005P 10 4	PRAXAIR ORD	C	10/31/2018.	VARIOUS	7,500.000	1,018,381	XXX	1,024,393	1,160,100	(135,708)			(135,708)		1,024,393		(6,012)	(6,012)	15,263	XXX
74144T 10 8	T ROWE PRICE GROUP ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	547,162	XXX	357,675	524,650	(166,975)			(166,975)		357,675		189,487	189,487	3,500	XXX
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	297,068	XXX	292,075	705,600	(200,100)			(200,100)		292,075		4,993	4,993	2,550	XXX
74267C 10 6	PROASSURANCE ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	220,744	XXX	251,486	228,600	22,886			22,886		251,486		(30,743)	(30,743)	20,000	XXX
742718 10 9	PROCTER & GAMBLE ORD	..	12/03/2018.	VARIOUS	73,000.000	6,191,035	XXX	6,493,218	4,869,640	(24,523)			(24,523)		6,493,218		(302,182)	(302,182)	75,278	XXX
74340W 10 3	PROLOGIS REIT	..	10/29/2018.	DEUTSCHE BANK SECURITIES, INC	5,000.000	333,131	XXX	328,775					0		328,775		4,356	4,356	1,280	XXX
74460D 10 9	PUBLIC STORAGE REIT ORD	..	03/15/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	777,422	XXX	806,380	836,000	(29,620)			(29,620)		806,380		(28,958)	(28,958)	4,000	XXX
747301 10 9	QUAD GRAPHICS CL A ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	6,000.000	93,089	XXX	115,665	135,600	(19,935)			(19,935)		115,665		(22,576)	(22,576)	7,200	XXX
747525 10 3	QUALCOMM ORD	..	10/29/2018.	VARIOUS	15,900.000	1,002,510	XXX	839,388	1,017,918	(178,531)			(178,531)		839,388		163,123	163,123	22,579	XXX

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
74967R 10 6	RMR GROUP CL A ORD	..	10/29/2018.	DEUTSCHE BANK SECURITIES, INC	1,700.000	129,577	XXX	81,665	100,810	(19,145)			(19,145)		81,665		47,912	47,912	1,870	XXX
755111 50 7	RAYTHEON ORD	..	07/01/2018.	DEUTSCHE BANK SECURITIES, INC	1,000.000	218,790	XXX	160,355	281,775	(53,881)			(53,881)		160,355		58,435	58,435	798	XXX
758766 10 9	REGAL ENTERTAINMENT CL A ORD	C	03/01/2018.	Not Available	10,000.000	230,000	XXX	157,750	230,100	(72,350)			(72,350)		157,750		72,250	72,250	2,200	XXX
760759 10 0	REPUBLIC SERVICES ORD	..	11/09/2018.	DEUTSCHE BANK SECURITIES, INC	3,500.000	261,569	XXX	258,073					0		258,073		3,497	3,497	1,313	XXX
761152 10 7	RESMED ORD	..	05/29/2018.	Jefferies	5,000.000	505,468	XXX	287,138	423,450	(136,313)			(136,313)		287,138		218,331	218,331	1,750	XXX
773903 10 9	ROCKWELL AUTOMAT ORD	..	11/09/2018.	VARIOUS	2,000.000	345,676	XXX	334,433	196,350	(45,993)			(45,993)		334,433		11,243	11,243	1,755	XXX
775711 10 4	ROLLINS ORD	..	12/11/2018.	VARIOUS			XXX		(16,286)	4,615			4,615					0		XXX
80589M 10 2	SCANA ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	346,752	XXX	341,420	318,240	23,180			23,180		341,420		5,332	5,332	4,900	XXX
806857 10 8	SCHLUMBERGER ORD	C	10/29/2018.	VARIOUS	30,000.000	1,988,997	XXX	1,875,485	2,021,700	(146,215)			(146,215)		1,875,485		113,512	113,512	41,000	XXX
816851 10 9	SEMPRA ENERGY ORD	..	04/24/2018.	VARIOUS	8,000.000	861,820	XXX	919,270	855,360	63,910			63,910		919,270		(57,450)	(57,450)	10,160	XXX
828806 10 9	SIMON PROP GRP REIT ORD	..	11/21/2018.	VARIOUS	400.000	73,205	XXX	61,998	68,696	(6,698)			(6,698)		61,998		11,207	11,207	2,360	XXX
832696 40 5	JM SMUCKER ORD	..	04/06/2018.	Jefferies	3,500.000	433,762	XXX	349,983	434,840	(84,858)			(84,858)		349,983		83,780	83,780	2,730	XXX
842587 10 7	SOUTHERN ORD	..	08/21/2018.	VARIOUS	30,000.000	1,325,563	XXX	1,380,250	336,630	21,385			21,385		1,380,250		(54,687)	(54,687)	22,200	XXX
85254J 10 2	STAG INDUSTRIAL REIT ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	227,345	XXX	256,750	273,300	(16,550)			(16,550)		256,750		(29,405)	(29,405)	3,542	XXX
855244 10 9	STARBUCKS ORD	..	08/31/2018.	BTIG LLC	20,900.000	1,116,986	XXX	1,200,918	1,200,287	631			631		1,200,918		(83,932)	(83,932)	20,064	XXX
85571B 10 5	STARWOOD PROPERTY REIT	..	07/01/2018.	VARIOUS	18,000.000	375,676	XXX	382,335	213,500	2,475			2,475		382,335		(6,659)	(6,659)	8,640	XXX
867892 10 1	SUNSTONE HOTEL INVESTORS REIT ORD	..	02/12/2018.	Jefferies	8,000.000	126,337	XXX	133,340	132,240	1,100			1,100		133,340		(7,003)	(7,003)	4,640	XXX
867914 10 3	SUNTRUST BANKS ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	1,000.000	70,563	XXX	56,525	64,590	(8,065)			(8,065)		56,525		14,038	14,038		XXX
871829 10 7	SYSCO ORD	..	10/29/2018.	VARIOUS	8,600.000	541,878	XXX	455,069	668,030	(88,335)			(88,335)		455,069		86,809	86,809	5,904	XXX
872540 10 9	TJX ORD	..	11/07/2018.	VARIOUS			XXX		(412,884)	3,429			3,429					0		XXX
876030 10 7	TAPESTRY ORD	..	05/03/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	460,839	XXX	362,850	442,300	(79,450)			(79,450)		362,850		97,989	97,989	6,750	XXX
87901J 10 5	TEGNA ORD	..	04/06/2018.	Jefferies	15,000.000	164,321	XXX	189,975	211,200	(21,225)			(21,225)		189,975		(25,654)	(25,654)	2,100	XXX
882508 10 4	TEXAS INSTRUMENTS ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	322,958	XXX	269,835	313,320	(43,485)			(43,485)		269,835		53,123	53,123		XXX
884903 10 5	THOMSON REUTERS ORD	C	12/17/2018.	BTIG LLC	5,000.000	198,520	XXX	206,138	217,950	(11,813)			(11,813)		206,138		(7,617)	(7,617)	1,294	XXX
88579Y 10 1	3M ORD	..	07/01/2018.	DEUTSCHE BANK SECURITIES, INC	3,000.000	601,051	XXX	590,265	706,110	(115,845)			(115,845)		590,265		10,786	10,786	8,160	XXX
899896 10 4	TUPPERWARE BRANDS ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	272,719	XXX	315,488	313,500	1,988			1,988		315,488		(42,769)	(42,769)	3,400	XXX
90187B 40 8	TWO HARBORS INVESTMENT REIT ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	116,926	XXX	131,560	130,080	1,480			1,480		131,560		(14,634)	(14,634)		XXX
902973 30 4	US BANCORP ORD	..	07/10/2018.	Jefferies	6,000.000	308,066	XXX	320,930	321,480	(550)			(550)		320,930		(12,864)	(12,864)	5,100	XXX
911312 10 6	UNITED PARCEL SERVICE CL B ORD	..	07/01/2018.	BTIG LLC	10,000.000	1,063,925	XXX	1,126,710	2,025,550	(148,619)			(148,619)		1,126,710		(62,785)	(62,785)	9,100	XXX
91324P 10 2	UNITEDHEALTH GRP ORD	..	07/01/2018.	BARCLAYS CAPITAL INC./LE	3,500.000	819,489	XXX	566,563	771,610	(205,048)			(205,048)		566,563		252,926	252,926	2,625	XXX
91325V 10 8	UNITI GROUP ORD	..	02/02/2018.	BARCLAYS CAPITAL INC./LE	8,000.000	120,757	XXX	142,700	142,320	380			380		142,700		(21,943)	(21,943)	4,800	XXX
919794 10 7	VALLEY NATIONAL ORD	..	07/26/2018.	BTIG LLC	15,000.000	179,773	XXX	173,175	168,300	4,875			4,875		173,175		6,598	6,598	4,950	XXX
92240G 10 1	VECTREN ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	243,894	XXX	264,820	260,080	4,740			4,740		264,820		(20,926)	(20,926)	1,800	XXX
92276F 10 0	VENTAS REIT ORD	..	01/10/2018.	BARCLAYS CAPITAL INC./LE	2,000.000	113,667	XXX	128,515	120,020	8,495			8,495		128,515		(14,848)	(14,848)	1,580	XXX
92343V 10 4	VERIZON COMMUNICATIONS ORD	..	10/16/2018.	VARIOUS	100,000.000	5,048,321	XXX	5,114,838	6,086,950	(268,388)			(268,388)		5,114,838		(66,516)	(66,516)	109,150	XXX
92936U 10 9	W P CAREY REIT ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	3,000.000	194,231	XXX	209,543	206,700	2,843			2,843		209,543		(15,312)	(15,312)	3,030	XXX
92939U 10 6	WEC ENERGY GROUP ORD	..	03/12/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	304,418	XXX	338,275	332,150	6,125			6,125		338,275		(33,857)	(33,857)	2,763	XXX
930059 10 0	WADDELL REED FINANCIAL CL A ORD	..	07/26/2018.	BTIG LLC	8,000.000	153,958	XXX	154,920	178,720	(23,800)			(23,800)		154,920		(962)	(962)	6,000	XXX
931142 10 3	WALMART ORD	..	10/29/2018.	VARIOUS	19,100.000	1,904,095	XXX	1,703,627	2,873,625	(568,336)			(568,336)		1,703,627		200,468	200,468	11,914	XXX
931427 10 8	WALGREEN BOOTS ALLIANCE ORD	..	08/31/2018.	BTIG LLC	13,000.000	891,203	XXX	872,495	944,060	(71,565)			(71,565)		872,495		18,708	18,708	16,120	XXX
93627C 10 1	WARRIOR MET COAL ORD	..	02/27/2018.	BARCLAYS CAPITAL INC./LE	7,000.000	228,790	XXX	190,295	176,050	14,245			14,245		190,295		38,495	38,495	350	XXX
94106L 10 9	WASTE MANAGEMENT ORD	..	07/26/2018.	VARIOUS	6,000.000	531,083	XXX	495,930	371,090	(83,994)			(83,994)		495,930		35,153	35,153	2,790	XXX

SCHEDULE D - PART 4

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

1			2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
												11	12	13	14	15						
CUSIP Identification			Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
949746	10	1	WELLS FARGO ORD	..	11/21/2018.	BARCLAYS CAPITAL INC./LE	10,000.000	524,243	XXX	544,450	606,700	(62,250)			(62,250)		544,450		(20,207)	(20,207)	12,100	XXX
95709T	10	0	WESTAR ENERGY ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	254,719	XXX	277,038	264,000	13,038			13,038		277,038		(22,318)	(22,318)	2,000	XXX
958102	10	5	WESTERN DIGITAL ORD	..	01/10/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	404,516	XXX	430,475	397,650	32,825			32,825		430,475		(25,959)	(25,959)	2,500	XXX
959802	10	9	WESTERN UNION ORD	..	10/08/2018.	VARIOUS	14,000.000	262,205	XXX	266,910	266,140	770			770		266,910		(4,705)	(4,705)	4,180	XXX
969457	10	0	WILLIAMS ORD	..	01/19/2018.	BARCLAYS CAPITAL INC./LE	6,000.000	193,766	XXX	174,330	182,940	(8,610)			(8,610)		174,330		19,436	19,436		XXX
969904	10	1	WILLIAMS SONOMA ORD	..	07/26/2018.	BTIG LLC	2,000.000	120,008	XXX	95,030	103,400	(8,370)			(8,370)		95,030		24,978	24,978	2,500	XXX
98389B	10	0	XCEL ENERGY ORD	..	07/26/2018.	VARIOUS	27,000.000	1,218,013	XXX	1,283,085	721,650	18,375			18,375		1,283,085		(65,072)	(65,072)	12,620	XXX
983919	10	1	XILINX ORD	..	05/18/2018.	DEUTSCHE BANK SECURITIES, INC	2,400.000	170,938	XXX	103,404	161,808	(58,404)			(58,404)		103,404		67,534	67,534	840	XXX
984121	60	8	XEROX ORD	..	07/10/2018.	Jefferies	8,000.000	202,117	XXX	226,680	233,200	(6,520)			(6,520)		226,680		(24,563)	(24,563)	6,000	XXX
G1151C	10	1	ACCENTURE CL A ORD	C	07/01/2018.	VARIOUS	2,000.000	313,783	XXX	268,510	841,995	(172,753)			(172,753)		268,510		45,273	45,273		XXX
G29183	10	3	EATON ORD	C	07/01/2018.	BARCLAYS CAPITAL INC./LE			XXX		158,020	(15,350)			(15,350)					0		XXX
G51502	10	5	JOHNSON CONTROLS INTERNATIONAL ORD	D	12/19/2017.	GOLDMAN			XXX						0					0	2,080	XXX
G5960L	10	3	MEDTRONIC ORD	C	11/02/2018.	VARIOUS	49,000.000	4,196,825	XXX	4,095,603	3,472,250	27,453			27,453		4,095,603		101,222	101,222	31,180	XXX
G7S00T	10	4	PENTAIR ORD	C	04/30/2018.	CORPORATE ACTION	3,000.000	189,375	XXX	189,375	211,860	(22,485)			(22,485)		189,375			0	2,100	XXX
G9078F	10	7	TRITON INTERNATIONAL ORD	D	03/12/2018.	BARCLAYS CAPITAL INC./LE	5,000.000	155,071	XXX	176,425	187,250	(10,825)			(10,825)		176,425		(21,354)	(21,354)	2,250	XXX
H1467J	10	4	CHUBB ORD	D	11/02/2018.	Jefferies	1,000.000	126,223	XXX	131,435	146,130	(14,695)			(14,695)		131,435		(5,212)	(5,212)	2,880	XXX
H2906T	10	9	GARMIN ORD	C	02/02/2018.	BARCLAYS CAPITAL INC./LE	4,000.000	249,614	XXX	246,110	238,280	7,830			7,830		246,110		3,504	3,504		XXX
9099999.			Total - Common Stocks - Industrial and Miscellaneous					153,807,218	XXX	149,647,628	151,258,250	(12,225,361)	0	0	(12,225,361)	0	149,647,628	0	4,159,621	4,159,621	1,926,752	XXX
Common Stocks - Parent, Subsidiaries and Affiliates																						
65511#	10	1	NOBLE HEALTH	..	09/28/2018.	Adjustment		54,750,000	XXX	54,750,000	39,848,535				0		54,750,000			0		XXX
9199999.			Total - Common Stocks - Parent, Subsidiaries and Affiliates					54,750,000	XXX	54,750,000	39,848,535	0	0	0	0	0	54,750,000	0	0	0	0	XXX
Common Stocks - Mutual Funds																						
003021	71	4	ABERDEEN:EM MKT;I	C	01/02/2018.	Unknown	407.897	6,681	XXX	6,218	6,583	(366)			(366)		6,218		464	464		XXX
02368A	20	8	AM BEACON:LCV;INST	..	01/02/2018.	Unknown	55.530	1,632	XXX	1,335	1,619	(283)			(283)		1,335		297	297		XXX
197199	81	3	COLUMBIA ACORN INTL;I	..	05/03/2018.	Not Available	1,811,115.149	86,390,279	XXX	69,497,924	84,343,632	(14,845,709)			(14,845,709)		69,497,924		16,892,355	16,892,355		XXX
315792	23	4	FIDELITY ABERDEEN STREET TRUST	..	10/19/2018.	Unknown	969.414	16,009	XXX	16,351	16,364	(13)			(13)		16,351		(342)	(342)	202	XXX
315792	24	2	FIDELITY ABERDEEN STREET TRUST	..	10/01/2018.	Unknown	1,878.957	24,571	XXX	24,959	25,103	(144)			(144)		24,959		(388)	(388)	631	XXX
315910	28	1	FIDELITY DVSD INTL;K	..	01/02/2018.	Unknown	125.470	5,040	XXX	4,137	5,010	(873)			(873)		4,137		903	903		XXX
315911	87	5	FIDELITY ITL IDX;PR	..	01/02/2018.	Unknown	22.932	996	XXX	740	990	(251)			(251)		740		256	256		XXX
316200	85	6	FIDELITY GRO COMPANY K	..	10/01/2018.	Unknown	188.650	6,918	XXX	5,404	3,179	(1,173)			(1,173)		5,404		1,514	1,514		XXX
316345	80	0	FIDELITY LOW-PRCD STK K	..	10/01/2018.	Unknown	53.858	2,836	XXX	2,279	2,934	(655)			(655)		2,279		557	557	170	XXX
38141W	61	2	GOLDMAN:SM CAP VAL;A	..	01/02/2018.	Unknown	73.292	4,149	XXX	4,066	4,124	(58)			(58)		4,066		83	83		XXX
413838	40	0	OAKMARK EQTY & INC;INV	C	01/10/2018.	Unknown	1,078.810	35,417	XXX	35,827	37,262	(1,435)			(1,435)		35,827		(410)	(410)		XXX
55273W	47	5	MFS MID CAP VALUE;R6	..	01/02/2018.	Unknown	58.927	1,409	XXX	1,222	1,403	(181)			(181)		1,222		187	187		XXX
57630A	59	2	MASSMUTUAL SEL:MC GR;I	..	01/02/2018.	Unknown	55.982	1,213	XXX	1,116	1,202	(86)			(86)		1,116		97	97		XXX
592905	76	4	MET WEST:TOTAL RETURN PL	..	10/01/2018.	Unknown	2,167.116	21,462	XXX	22,343	21,736	607			607		22,343		(881)	(881)	78	XXX
921937	60	3	VANGUARD TOT BD;ADM	..	03/29/2018.	Unknown	103.793	1,092	XXX	1,107	1,116	(9)			(9)		1,107		(15)	(15)	5	XXX
922040	20	9	VANGUARD INSTL INDX INSP	..	12/18/2018.	Unknown		773,087	XXX						0				773,087	773,087		XXX
922908	39	7	VANGUARD SM-CP IDX;INSP	..	04/09/2018.	Unknown	211,136.705	42,253,058	XXX	10,818,582	43,135,229	(32,316,647)			(32,316,647)		10,818,582		31,434,476	31,434,476	7,183	XXX
922908	64	5	VANGUARD MD-CP IDX;ADM	..	01/02/2018.	Unknown	8.114	1,565	XXX	1,235	1,554	(319)			(319)		1,235		330	330		XXX
922908	68	6	VANGUARD SM-CP IDX;ADM	..	01/02/2018.	Unknown	22.954	1,638	XXX	1,291	1,625	(333)			(333)		1,291		347	347		XXX

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										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date
922908 71 0	VANGUARD 500 INDEX;ADM	..	01/02/2018.	Unknown	6.869	1,709	XXX	1,209	1,695	(487)			(487)		1,209		501	501		XXX
9299999.	Total - Common Stocks - Mutual Funds					129,550,761	XXX	80,447,345	127,612,360	(47,168,415)	0	0	(47,168,415)	0	80,447,345	0	49,103,418	49,103,418	8,269	XXX
9799997.	Total - Common Stocks - Part 4					338,107,979	XXX	284,844,973	318,719,145	(59,393,776)	0	0	(59,393,776)	0	284,844,973	0	53,263,039	53,263,039	1,935,021	XXX
9799998	Total - Common Stocks - Summary Item from Part 5					165,870,017	XXX	171,164,681					0		171,164,681		(5,294,640)	(5,294,640)	2,631,229	XXX
9799999.	Total - Common Stocks					503,977,996	XXX	456,009,654	318,719,145	(59,393,776)	0	0	(59,393,776)	0	456,009,654	0	47,968,399	47,968,399	4,566,250	XXX
9899999.	Total - Preferred and Common Stocks					507,655,271	XXX	459,682,600	322,399,660	(59,401,345)	0	0	(59,401,345)	0	459,683,379	0	47,971,949	47,971,949	4,580,571	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					1,642,485,690	XXX	1,628,963,410	1,265,445,027	(59,167,601)	(2,946,917)	0	(62,114,518)	0	1,609,450,658	0	32,982,222	32,982,222	39,418,527	XXX

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
912828 M5 6	UNITED STATES TREASURY	..	04/02/2018	TORONTO DOMINION SECS USA INC..	12/11/2018	VARIOUS	9,000,000	8,721,599	8,536,137	8,740,311		18,712		18,712			(204,174)	(204,174)	191,643	78,315
912828 WJ 5	UNITED STATES TREASURY	..	01/26/2018	NOMURA SECURITIES/FIXED INCOME.	12/07/2018	VARIOUS	7,850,000	7,818,754	7,733,480	7,821,599		2,845		2,845			(88,119)	(88,119)	156,121	41,202
0599999. Total - Bonds - U.S. Government							16,850,000	16,540,353	16,269,617	16,561,910	0	21,557	0	21,557	0	0	(292,293)	(292,293)	347,764	119,517
Bonds - All Other Government																				
000000 00 0	ECUADOR, REPUBLIC OF (GOVERNMENT)	C	01/18/2018	Deutsche Bank AG New York Branch	02/07/2018	HSBC SECURITIES (USA), INC	330,000	330,000	326,535	330,000				0			(3,465)	(3,465)	1,155	
035198 AB 6	ANGOLA, REPUBLIC OF (GOVERNMENT)	C	05/02/2018	GOLDMAN SACHS & CO, NY	07/26/2018	CITIGROUP GLOBAL MARKETS INC	700,000	699,909	728,875	699,910		1		1			28,965	28,965	12,994	
035198 AC 4	ANGOLA, REPUBLIC OF (GOVERNMENT)	C	07/16/2018	GOLDMAN SACHS & CO, NY	10/12/2018	VARIOUS	870,000	875,411	892,650	875,441		29		29			17,209	17,209	16,482	3,854
040114 GW 4	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	01/24/2018	JP MORGAN CHASE BANK/HSBCSI	08/29/2018	Citigroup (SSB)	400,000	429,600	372,324	424,476		(5,124)		(5,124)			(52,152)	(52,152)	23,604	7,181
040114 GY 0	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	04/04/2018	JEFFERIES & CO. - BONDS DIRECT	06/25/2018	BARCLAYS BANK PLC, LONDON BRANCH	300,000	297,750	256,260	297,774		24		24			(41,514)	(41,514)	15,568	10,326
040114 HF 0	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	07/19/2018	VARIOUS	10/12/2018	MORGAN STANLEY AND CO INC	350,000	307,300	276,955	307,975		675		675			(31,020)	(31,020)	6,505	1,012
040114 HQ 6	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	01/04/2018	HSBC SECURITIES	01/24/2018	HSBC SECURITIES	430,000	426,001	420,110	426,013		12		12			(5,903)	(5,903)	1,053	
040114 HR 4	ARGENTINA, REPUBLIC OF (GOVERNMENT)	C	01/04/2018	HSBC SECURITIES (USA), INC	04/03/2018	VARIOUS	640,000	633,984	576,069	633,992		8		8			(57,923)	(57,923)	5,575	
07737J AC 7	BELARUS, REPUBLIC OF (GOVERNMENT)	C	02/21/2018	CITIGROUP GLOBAL MARKETS INC	04/03/2018	BANK OF AMERICA NATL TR & SVGS, NEW YORK	400,000	400,000	396,100	400,000				0			(3,900)	(3,900)	2,549	
445545 AE 6	HUNGARY, REPUBLIC OF (GOVERNMENT)	C	06/26/2018	BNP PARIBAS LONDON BRANCH	09/27/2018	VARIOUS	600,000	641,940	640,590	638,555		(3,385)		(3,385)			2,035	2,035	18,434	9,456
470160 CB 6	JAMAICA (GOVERNMENT)	C	10/05/2018	VARIOUS	12/07/2018	NOMURA SECURITIES INTERNATIONAL	400,000	470,300	456,000	470,153		(147)		(147)			(14,153)	(14,153)	11,638	5,950
491798 AG 9	KENYA, REPUBLIC OF (GOVERNMENT)	C	02/21/2018	Citigroup (SSB)	04/03/2018	GOLDMAN	200,000	200,000	209,760	200,000				0			9,760	9,760	1,490	
491798 AH 7	KENYA, REPUBLIC OF (GOVERNMENT)	C	02/21/2018	Citigroup (SSB)	04/03/2018	JEFFERIES & CO. - BONDS DIRECT	340,000	340,000	365,160	340,000				0			25,160	25,160	2,883	
65412J AH 6	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	02/16/2018	VARIOUS	04/03/2018	MERRILL LYNCH INTERNATIONAL	480,000	489,940	506,400	489,914		(26)		(26)			16,486	16,486	4,310	
65412J AK 9	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	11/14/2018	CITIGROUP GLOBAL MARKETS INC	12/17/2018	CITIGROUP GLOBAL MARKETS INC	400,000	400,000	393,760	400,000				0			(6,240)	(6,240)	2,721	
65412J AL 7	NIGERIA, FEDERAL REPUBLIC OF (GOVERNMENT	C	11/14/2018	CITIGROUP GLOBAL MARKETS INC	12/17/2018	STANDARD CHARTERED BANK LONDON	210,000	210,000	208,740	210,000				0			(1,260)	(1,260)	1,511	
682051 AJ 6	OMAN, SULTANATE OF (GOVERNMENT)	C	01/10/2018	HSBC SECURITIES	06/11/2018	VARIOUS	900,000	889,164	873,688	889,179		15		15			(15,492)	(15,492)	8,231	
698299 BB 9	PANAMA, REPUBLIC OF (GOVERNMENT)	C	05/07/2018	CITIGROUP GLOBAL MARKETS INC	11/16/2018	GOLDMAN SACHS & CO, NY	200,000	187,500	178,000	187,585		85		85			(9,585)	(9,585)	4,802	239
698299 BE 3	PANAMA, REPUBLIC OF (GOVERNMENT)	C	06/26/2018	VARIOUS	10/12/2018	Jefferies	1,000,000	996,820	985,500	996,914		94		94			(11,414)	(11,414)	21,979	7,604
698299 BH 6	PANAMA, REPUBLIC OF (GOVERNMENT)	C	04/09/2018	BNYM/DBAG LONDON GLOBAL MARKET	04/27/2018	VARIOUS	1,040,000	1,035,518	1,022,291	1,035,519		2		2			(13,229)	(13,229)	1,223	
71654Q CC 4	PETROLEOS MEXICANOS	C	01/26/2018	Citigroup (SSB)	10/12/2018	VARIOUS	1,500,000	1,571,250	1,395,893	1,570,949		(301)		(301)			(175,056)	(175,056)	92,018	36,281

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consideration	11 Book/Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Change in B./A.C.V. (12+13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
71654Q CE 0	PETROLEOS MEXICANOS	C	03/28/2018	Unknown	12/06/2018	VARIOUS	2,200,000	2,325,326	2,162,600	2,305,594		(19,732)		(19,732)			(142,994)	(142,994)	83,617	4,927
71654Q CH 3	PETROLEOS MEXICANOS	C	02/01/2018	CITIGROUP GLOBAL MARKETS INC	02/22/2018	Jefferies	390,000	390,000	376,350	390,000				0			(13,650)	(13,650)	811	
71654Q CJ 9	PETROLEOS MEXICANOS	C	02/05/2018	VARIOUS	10/31/2018	VARIOUS	1,670,000	1,668,009	1,594,465	1,668,014		5		5			(73,550)	(73,550)	15,961	
71654Q CM 2	PETROLEOS MEXICANOS	C	10/16/2018	HSBC SECURITIES	11/26/2018	MORGAN STANLEY CO	190,000	189,913	173,375	189,904		(9)		(9)			(16,529)	(16,529)	1,201	
74727P AY 7	QATAR, STATE OF (GOVERNMENT)	C	04/12/2018	BNYM/DBAG LONDON GLOBAL MARKET	04/19/2018	MORGAN STANLEY CO	590,000	590,000	589,855	590,000				0			(145)	(145)	38	
760942 BA 9	URUGUAY, ORIENTAL REPUBLIC OF (GOVERNMEN	C	08/06/2018	CITIGROUP GLOBAL MARKETS INC	11/06/2018	BNP PARIBAS LONDON BRANCH	266,667	270,000	251,334	270,000				0			(18,667)	(18,667)	5,289	1,889
81720T AD 7	SENEGAL, REPUBLIC OF (GOVERNMENT)	C	03/06/2018	CITIGROUP GLOBAL MARKETS INC	04/03/2018	MORGAN STANLEY & CO INC, NY	317,000	317,000	310,264	317,000				0			(6,736)	(6,736)	1,308	
85227S AV 8	SRI LANKA, DEMOCRATIC SOCIALIST REPUBLIC	C	04/11/2018	HSBC SECURITIES	06/12/2018	JEFFERIES & CO. - BONDS DIRECT	710,000	710,000	690,883	710,000				0			(19,117)	(19,117)	6,302	
900123 CA 6	TURKEY, REPUBLIC OF (GOVERNMENT)	C	05/11/2018	MORGAN STANLEY & CO INC, NY	06/04/2018	NOMURA INTERNATIONAL PLC	500,000	452,163	444,550	452,699		536		536			(8,149)	(8,149)	3,295	2,321
91086Q BE 7	MEXICO (UNITED MEXICAN STATES) (GOVERNME	C	05/07/2018	MERRILL LYNCH PIERCE FENNER	11/09/2018	VARIOUS	220,000	228,965	218,114	228,905		(60)		(60)			(10,792)	(10,792)	9,739	3,663
M1487W BQ 7	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	D	04/03/2018	MORGAN STANLEY & CO INC, NY	12/17/2018	BARCLAYS BANK PLC	400,000	415,252	394,640	412,683		(2,569)		(2,569)			(18,043)	(18,043)	21,710	4,424
M1487W CP 8	EGYPT, ARAB REPUBLIC OF (GOVERNMENT)	D	07/12/2018	MERRILL LYNCH INTERNATIONAL	10/12/2018	BANK OF AMERICA NATL TR & SVGS, NEW YORK	450,000	433,250	411,840	433,344		94		94			(21,504)	(21,504)	23,314	14,149
M5269U AJ 3	JORDAN, HASHEMITE KINGDOM OF (GOVERNMENT	D	10/02/2018	HSBC SECURITIES (USA), INC	12/17/2018	BARCLAYS BANK PLC	600,000	571,394	536,037	571,467		73		73			(35,430)	(35,430)	30,729	21,282
M56820 AB 5	IRAQ, REPUBLIC OF (GOVERNMENT)	D	01/11/2018	CITIGROUP GLOBAL MARKETS INC	10/12/2018	STANDARD CHARTERED BANK LONDON	200,000	207,750	197,000	206,781		(969)		(969)			(9,781)	(9,781)	16,054	5,889
M6320U AJ 8	SAUDI ARABIA, KINGDOM OF (GOVERNMENT)	D	08/22/2018	CITIGROUP GLOBAL MARKETS INC	12/21/2018	VARIOUS	1,200,000	1,213,500	1,164,360	1,213,532		32		32			(49,172)	(49,172)	33,207	21,167
M6S21B AM 5	LEBANON, REPUBLIC OF (GOVERNMENT)	D	01/31/2018	MORGAN STANLEY & CO INC, NY	04/23/2018	MERRILL LYNCH INTERNATIONAL	550,000	536,947	510,125	537,321		374		374			(27,196)	(27,196)	22,639	14,645
M75242 BG 7	OMAN, SULTANATE OF (GOVERNMENT)	D	03/23/2018	MERRILL LYNCH INTERNATIONAL	12/20/2018	CITIGROUP GLOBAL MARKETS INC	1,100,000	1,058,750	1,012,000	1,064,546		5,796		5,796			(52,546)	(52,546)	42,482	8,823
M8489S AG 2	QATAR, STATE OF (GOVERNMENT)	D	09/07/2018	HSBC SECURITIES (USA), INC	10/10/2018	VARIOUS	700,000	724,500	704,438	724,496		(4)		(4)			(20,059)	(20,059)	16,631	13,693
M87883 CE 8	LEBANON (REPUBLIC OF)	D	03/16/2018	MORGAN STANLEY & CO INC, NY	06/25/2018	MERRILL LYNCH INTERNATIONAL	268,000	284,323	259,290	283,010		(1,313)		(1,313)			(23,720)	(23,720)	15,661	9,686
M87883 CZ 1	LEBANON, REPUBLIC OF (GOVERNMENT)	D	03/19/2018	MORGAN STANLEY & CO INC, NY	05/15/2018	VARIOUS	382,000	386,106	370,678	385,813		(293)		(293)			(15,135)	(15,135)	4,444	812
P01012 AN 6	EL SALVADOR (REPUBLIC OF)	C	04/03/2018	CITIGROUP GLOBAL MARKETS INC	09/10/2018	VARIOUS	900,000	954,375	906,956	953,981		(394)		(394)			(47,025)	(47,025)	36,181	16,713
P01012 AR 7	EL SALVADOR, REPUBLIC OF (GOVERNMENT)	C	07/13/2018	VARIOUS	08/31/2018	VARIOUS	1,300,000	1,351,535	1,300,450	1,351,353		(182)		(182)			(50,903)	(50,903)	48,133	25,121
P3579E BV 8	(GOVERNMENT)	C	02/15/2018	MERRILL LYNCH INTERNATIONAL	04/03/2018	CITIGROUP GLOBAL MARKETS INC	400,000	423,000	418,459	422,783		(217)		(217)			(4,324)	(4,324)	4,321	1,653
P3699P GH 4	COSTA RICA, REPUBLIC OF (GOVERNMENT)	C	09/06/2018	BARCLAYS BANK PLC	10/15/2018	HSBC SECURITIES (USA), INC	200,000	187,750	176,700	187,782		32		32			(11,082)	(11,082)	7,506	6,067
P3699P GJ 0	COSTA RICA, REPUBLIC OF (GOVERNMENT)	C	09/07/2018	VARIOUS	10/17/2018	VARIOUS	400,000	391,135	378,734	391,147		12		12			(12,413)	(12,413)	14,634	10,976

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
P75744 AB 1	PARAGUAY, REPUBLIC OF (GOVERNMENT)	C	01/10/2018	MERRILL LYNCH INTERNATIONAL	02/23/2018	CITIGROUP GLOBAL MARKETS INC	200,000	233,900	220,500	233,832		(68)		(68)			(13,332)	(13,332)	6,642	5,117
P78625 DE 0	PETROLEOS MEXICANOS	D	04/19/2018	Jefferies	05/03/2018	Deutsche Bank AG New York Branch	260,000	247,975	232,700	247,984		9		9			(15,284)	(15,284)	3,898	3,256
P8054Q AW 3	ECUADOR, REPUBLIC OF (GOVERNMENT)	D	10/31/2018	VARIOUS	11/01/2018	VARIOUS	700,000	608,750	623,500	608,863		113		113			14,637	14,637	11,353	10,347
S26996 AF 5	ESKOM HOLDINGS LTD	D	01/25/2018	BARCLAYS BANK PLC	02/28/2018	MERRILL LYNCH INTERNATIONAL	650,000	658,706	656,500	658,455		(252)		(252)			(1,955)	(1,955)	3,738	163
V21735 AA 9	ANGOLA, REPUBLIC OF (GOVERNMENT)	D	01/31/2018	HSBC SECURITIES (USA), INC	08/23/2018	VARIOUS	300,000	353,250	339,000	350,516		(2,734)		(2,734)			(11,516)	(11,516)	21,138	6,333
V36283 AB 1	GABON, REPUBLIC OF (GOVERNMENT)	D	01/11/2018	CITIGROUP GLOBAL MARKETS INC	03/12/2018	VARIOUS	500,000	513,250	486,201	512,974		(276)		(276)			(26,773)	(26,773)	7,933	3,010
V50249 AA 5	KENYA, REPUBLIC OF (GOVERNMENT)	D	09/24/2018	GOLDMAN SACHS & CO, NY	10/12/2018	Jefferies	200,000	186,250	183,980	186,259		9		9			(2,279)	(2,279)	2,246	1,283
V5311V AB 6	MOROCCO, KINGDOM OF (GOVERNMENT)	D	02/16/2018	BARCLAYS BANK PLC	10/12/2018	NOMURA INTERNATIONAL PLC	404,000	442,885	411,676	442,370		(515)		(515)			(30,694)	(30,694)	18,881	4,395
V6745W AA 0	ETHIOPIA, FEDERAL DEMOCRATIC REPUBLIC OF	D	07/05/2018	VARIOUS	12/17/2018	Jefferies	500,000	503,625	486,540	503,400		(225)		(225)			(16,860)	(16,860)	24,954	5,447
V71795 AH 7	GHANA, REPUBLIC OF (GOVERNMENT)	D	04/13/2018	Jefferies	07/27/2018	CITIGROUP GLOBAL MARKETS INC	400,000	438,400	432,000	436,654		(1,746)		(1,746)			(4,654)	(4,654)	15,138	6,125
V71795 AJ 3	GHANA, REPUBLIC OF (GOVERNMENT)	D	02/09/2018	CITIGROUP GLOBAL MARKETS INC	03/26/2018	VARIOUS	400,000	539,000	525,000	538,233		(767)		(767)			(13,233)	(13,233)	18,454	13,975
V71795 AL 8	GHANA, REPUBLIC OF (GOVERNMENT)	D	08/16/2018	HSBC SECURITIES (USA), INC	11/09/2018	BARCLAYS BANK PLC	300,000	290,250	280,875	290,355		105		105			(9,480)	(9,480)	12,797	6,758
V7179U AD 1	ZAMBIA, REPUBLIC OF (GOVERNMENT)	D	03/21/2018	HSBC SECURITIES (USA), INC	05/17/2018	Jefferies	600,000	564,271	522,000	565,398		1,127		1,127			(43,398)	(43,398)	5,465	175
X5S005 UF 6	UKRAINE, REPUBLIC OF (GOVERMENT)	D	04/05/2018	GOLDMAN SACHS & CO, NY	10/12/2018	Credit Suisse Securities (Europe) LT	201,000	212,809	201,101	211,152		(1,657)		(1,657)			(10,051)	(10,051)	9,779	1,644
X7330Z FG 2	CROATIA, REPUBLIC OF (GOVERNMENT)	D	04/26/2018	CITIGROUP GLOBAL MARKETS INC	06/26/2018	Jefferies	200,000	219,500	214,880	219,018		(482)		(482)			(4,138)	(4,138)	5,067	3,133
X7344W AK 9	BELARUS, REPUBLIC OF (GOVERNMENT)	D	01/17/2018	CITIGROUP GLOBAL MARKETS INC	10/12/2018	VARIOUS	500,000	578,840	523,075	574,450		(4,390)		(4,390)			(51,375)	(51,375)	27,514	1,705
X7344W AL 7	BELARUS, REPUBLIC OF (GOVERNMENT)	D	02/07/2018	CITIGROUP GLOBAL MARKETS INC	06/29/2018	CITIGROUP GLOBAL MARKETS INC	200,000	217,600	206,250	216,367		(1,233)		(1,233)			(10,117)	(10,117)	11,649	6,149
X7344W AM 5	BELARUS, REPUBLIC OF (GOVERNMENT)	D	06/29/2018	CITIGROUP GLOBAL MARKETS INC	08/24/2018	CITIGROUP GLOBAL MARKETS INC	200,000	190,750	188,200	190,852		102		102			(2,652)	(2,652)	6,200	4,306
X74359 AC 8	RUSSIAN FEDERATION (GOVERNMENT)	D	04/03/2018	VARIOUS	12/20/2018	VARIOUS	2,000,000	2,267,400	2,116,486	2,265,446		(1,954)		(1,954)			(148,960)	(148,960)	55,649	10,738
Y5S01W AA 8	ARMENIA, REPUBLIC OF (GOVERNMENT)	D	04/24/2018	CITIGROUP GLOBAL MARKETS INC	10/03/2018	VARIOUS	800,000	826,000	813,900	821,550		(4,450)		(4,450)			(7,650)	(7,650)	24,467	3,467
1099999.	Total - Bonds - All Other Government						37,308,667	38,206,741	36,699,521	38,160,632	0	(46,110)	0	(46,110)	0	0	(1,461,117)	(1,461,117)	1,014,894	367,329
Bonds - Industrial and Miscellaneous																				
00972B AC 3	AKBANK TAS	C	03/01/2018	Citigroup (SSB)	08/30/2018	CITIBANK, NA	210,000	210,000	122,850	210,000				0			(87,150)	(87,150)	7,414	
035242 AL 0	ANHEUSER-BUSCH INBEV FINANCE INC	C	03/05/2018	MORGAN STANLEY CO	04/13/2018	Amherst Pierpont Securities	1,000,000	996,390	1,001,570	996,472		82		82			5,098	5,098	6,967	3,300
12517M AA 0	CEMIG GERACAO E TRANSMISSAO SA	C	07/12/2018	BNYM/DBAG LONDON GLOBAL MARKET	10/24/2018	BNY MELLON/NOMURA INT'L PLC REPO	200,000	201,000	213,800	200,985		(15)		(15)			12,815	12,815	7,246	2,210
24422E UK 3	JOHN DEERE CAPITAL CORP	..	09/05/2018	GOLDMAN	11/19/2018	MERRILL LYNCH PIERCE FENNER	3,750,000	3,748,838	3,733,838	3,748,912		74		74			(15,074)	(15,074)	23,112	
37561P AA 5	GILEX HOLDING SARL	C	04/25/2018	BNYM/DBAG LONDON GLOBAL MARKET	04/26/2018	JPMorgan Chase Bank/Euroclear Bank	150,000	150,000	151,875	150,000				0			1,875	1,875		

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1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
46556U AC 8	ITAU UNIBANCO HOLDING SA (CAYMAN ISLANDS	C	03/12/2018	MERRILL LYNCH PIERCE FENNER	09/07/2018	Bank of New York Mellon	200,000	200,000	182,702	200,000				0			(17,298)	(17,298)	6,211	
48667Q AS 4	NK KAZMUNAYGAZ AO	C	04/17/2018	CITIGROUP GLOBAL MARKETS LIMITED	10/12/2018	STANDARD CHARTERED BANK LONDON	968,000	958,368	997,572	958,419		50		50			39,154	39,154	29,655	
59284B AG 3	MEXICHEM SAB DE CV	C	04/18/2018	MERRILL LYNCH INTERNATIONAL	05/16/2018	VARIOUS	400,000	376,880	352,921	376,914		34		34			(23,993)	(23,993)	7,443	5,806
64045D AA 2	NEMAK SAB DE CV	C	01/11/2018	MORGAN STANLEY CO	12/06/2018	BANK OF NEW YORK/BARCLAYS LONDON, NY	200,000	200,000	186,750	200,000				0			(13,250)	(13,250)	8,365	
67077M AL 2	NUTRIEN LTD	C	07/09/2018	VARIOUS	12/13/2018	VARIOUS	3,120,000	2,939,476	2,920,779	2,950,970		11,494		11,494			(30,191)	(30,191)	79,093	28,133
67778M 2C 3	OIL AND GAS HOLDING CO BSC CLOSED - CMO	C	10/31/2018	CITIGROUP GLOBAL MARKETS INC	12/17/2018	BANK OF AMERICA NATL TR & SVGS, NEW YORK	210,000	210,000	216,668	210,000				0			6,668	6,668	1,868	
67778M 2D 1	OIL AND GAS HOLDING CO BSC CLOSED	C	11/01/2018	JPMorgan Chase Bank/Euroclear Bank	12/17/2018	BANK OF AMERICA NATL TR & SVGS, NEW YORK	200,000	202,000	204,650	201,985		(15)		(15)			2,665	2,665	1,954	
67778N AA 6	OIL AND GAS HOLDING CLOSED CO BSC	D	07/11/2018	MERRILL LYNCH INTERNATIONAL	09/27/2018	CITIGROUP GLOBAL MARKETS LIMITED	200,000	181,250	195,000	181,569		319		319			13,431	13,431	6,500	3,250
69370P AC 5	PERTAMINA (PERSERO) PT	C	10/31/2018	Deutsche Bank AG New York Branch	11/06/2018	BARCLAYS BANK PLC	290,000	284,377	285,650	284,377				0			1,273	1,273	52	
71647N AM 1	PETROBRAS GLOBAL FINANCE BV	C	02/15/2018	NOMURA SECURITIES/FIXED INCOME.	05/29/2018	CREDIT SUISSE SECURITIES (USA)	140,000	145,845	142,625	145,622		(223)		(223)			(2,997)	(2,997)	6,149	3,719
71647N AQ 2	PETROBRAS GLOBAL FINANCE BV	C	02/05/2018	NOMURA SECURITIES/FIXED INCOME.	06/04/2018	VARIOUS	500,000	598,343	548,212	595,319		(3,024)		(3,024)			(47,107)	(47,107)	23,290	8,953
71647N AS 8	PETROBRAS GLOBAL FINANCE BV	C	04/18/2018	PERSHING DIV OF DLJ SEC LNDING	06/01/2018	VARIOUS	300,000	329,520	308,014	329,240		(280)		(280)			(21,226)	(21,226)	8,216	5,716
80007R AC 9	SANDS CHINA LTD	..	08/03/2018	MORGAN STANLEY CO	12/17/2018	VARIOUS	400,000	402,976	395,496	402,876		(100)		(100)			(7,380)	(7,380)	5,609	
86787E AN 7	SUNTRUST BANK	..	04/12/2018	MERRILL LYNCH PIERCE FENNER	09/27/2018	BNY/SUNTRUST CAPITAL MARKETS	2,300,000	2,213,980	2,214,164	2,221,197		7,217		7,217			(7,033)	(7,033)	57,979	28,990
88167A AJ 0	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	03/07/2018	BARCLAYS CAPITAL INC FIXED INC	05/22/2018	CORPORATE ACTION	200,000	200,000	200,000	200,000				0				0	2,550	
88167A AK 7	TEVA PHARMACEUTICAL FINANCE NETHERLANDS	C	05/22/2018	CORPORATE ACTION	06/25/2018	GOLDMAN SACHS INTL	200,000	200,000	205,800	200,000				0			5,800	5,800	3,863	2,550
92189F 49 4	VNECK VCTRS:JPM EM LC BD	..	10/05/2018	PERSHING DIV OF DLJ SEC LNDING	10/26/2018	VARIOUS	94,403,250	90,723,845	94,403,250					0			(3,679,405)	(3,679,405)	2,248,081	
92917G AA 1	VRIO FINCO 1 LLC	..	04/18/2018	VARIOUS	06/08/2018	Call @ 101.00	400,000	402,704	404,000	402,684		(20)		(20)			1,316	1,316	4,889	573
984848 AK 7	YAPI VE KREDI BANKASI AS	C	03/12/2018	J.P. MORGAN CHASE BANK/GG1	08/22/2018	CITIBANK, NA	200,000	200,000	151,000	200,000				0			(49,000)	(49,000)	5,354	
G1988C AA 8	CDBL FUNDING 2	D	04/18/2018	BARCLAYS CAPITAL SECURITIES	08/23/2018	BARCLAYS CAPITAL SECURITIES	400,000	383,736	383,840	384,984		1,248		1,248			(1,144)	(1,144)	6,867	2,633
G31307 AA 2	EMG SUKUK LTD	D	04/18/2018	MERRILL LYNCH INTERNATIONAL	04/19/2018	CITIGROUP GLOBAL MARKETS LIMITED	400,000	407,920	406,000	407,912		(8)		(8)			(1,912)	(1,912)	6,339	6,187
G3704M AA 5	FWD LTD	D	01/24/2018	HSBC Bank PLC	08/10/2018	HSBC Bank PLC	444,000	465,978	451,592	464,403		(1,575)		(1,575)			(12,811)	(12,811)	19,733	7,523
G463PC AC 3	HUARONG FINANCE II CO LTD	D	07/16/2018	HSBC Bank PLC	10/12/2018	CITIGROUP GLOBAL MARKETS LIMITED	200,000	205,230	200,882	205,061		(169)		(169)			(4,179)	(4,179)	2,750	61
G6389W AF 7	NAN FUNG TREASURY LTD	..	04/18/2018	Deutsche Bank AG New York Branch	10/12/2018	DBS BANK LTD, SINGAPORE	400,000	374,120	355,512	375,204		1,084		1,084			(19,692)	(19,692)	8,310	732
G8763J AB 7	TEWOO GROUP FINANCE NO 3 LTD	..	02/06/2018	BARCLAYS CAPITAL SECURITIES	10/12/2018	UBS AG London	270,000	272,916	254,070	272,024		(892)		(892)			(17,954)	(17,954)	12,834	4,232
G93249 AF 0	VEB FINANCE PLC	D	04/03/2018	BNY/VTB CAPITAL PLC	09/11/2018	VARIOUS	1,000,000	1,064,500	951,238	1,058,487		(6,013)		(6,013)			(107,249)	(107,249)	41,163	15,063
M5753L AB 3	OZTEL HOLDINGS SPC LTD	D	07/31/2018	MERRILL LYNCH INTERNATIONAL	10/12/2018	GOLDMAN SACHS INTL	200,000	199,000	197,100	199,039		39		39			(1,939)	(1,939)	6,331	3,607
M6263A AA 0	KUWAIT PROJECTS CO SPC LTD	D	08/07/2018	MIZUHO INTERNATIONAL PLC	10/12/2018	HSBC Bank PLC	200,000	189,000	183,750	189,196		196		196			(5,446)	(5,446)	5,825	4,150
P3143N AW 4	CORPORACION NACIONAL DEL COBRE DE CHILE	C	06/26/2018	MORGAN STANLEY AND CO INC	10/12/2018	MORGAN STANLEY & CO INC, NY	500,000	511,600	503,190	511,202		(398)		(398)			(8,012)	(8,012)	13,188	6,313
P6629M AB 8	MEXICO CITY AIRPORT TRUST	C	10/24/2018	CITIGROUP GLOBAL MARKETS INC	12/12/2018	HSBC SECURITIES (USA), INC	200,000	166,000	182,750	166,057		57		57			16,693	16,693	6,844	5,378
P6629M AD 4	MEXICO CITY AIRPORT TRUST	D	10/29/2018	MORGAN STANLEY AND CO INC	12/12/2018	HSBC SECURITIES (USA), INC	300,000	246,375	274,875	246,464		89		89			28,411	28,411	6,142	4,125

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Y1639J AZ 1	CITIC LTD	D	04/18/2018	HSBC Bank PLC	07/18/2018	BARCLAYS CAPITAL SECURITIES	630,000	595,980	586,473	596,703		723		723			(10,231)	(10,231)	13,162	6,930
Y1670Y AB 1	CNAC HK FINBRIDGE CO LTD	D	07/24/2018	MERRILL LYNCH INTERNATIONAL	10/12/2018	CITIGROUP GLOBAL MARKETS INC	400,000	380,140	373,848	380,546		406		406			(6,698)	(6,698)	4,033	321
Y7138A AC 4	PERTAMINA (PERSERO) PT	C	04/13/2018	Deutsche Bank AG New York Branch	10/12/2018	BNP PARIBAS LONDON BRANCH	600,000	620,790	610,062	618,411		(2,379)		(2,379)			(8,349)	(8,349)	27,950	13,325
Y7138A AE 0	PERTAMINA (PERSERO) PT	C	04/18/2018	SOCIETE GENERALE - LONDON	07/13/2018	MERRILL LYNCH INTERNATIONAL	300,000	304,200	298,500	304,027		(173)		(173)			(5,527)	(5,527)	8,493	5,375
Y8158K AB 7	AZERBAIJAN RESPUBLIKASI DOVLAT NEFT SHIR	D	03/23/2018	HSBC SECURITIES (USA), INC	04/30/2018	NOMURA INTERNATIONAL PLC	300,000	297,750	298,875	297,791		41		41			1,084	1,084	1,940	554
3899999. Total - Bonds - Industrial and Miscellaneous							22,482,000	116,640,432	112,572,338	116,648,302	0	7,869	0	7,869	0	0	(4,075,964)	(4,075,964)	2,743,764	179,709
Bonds - Hybrid Securities																				
05533U AF 5	BBVA BANCOMER SA (TEXAS BRANCH)	C	01/11/2018	BNP Paribas	03/13/2018	BANK OF NEW YORK/BARCLAYS LONDON, NY	260,000	258,713	250,900	258,722		9		9			(7,822)	(7,822)	2,147	
G27581 AA 8	DIANJIAN HAIYU LTD	D	05/01/2018	BARCLAYS CAPITAL SECURITIES	12/12/2018	NOMURA INTERNATIONAL PLC	200,000	190,250	183,000	190,363		113		113			(7,363)	(7,363)	7,000	2,450
Y9529Z AB 4	WEICHAI INTERNATIONAL HONG KONG ENERGY G	D	04/18/2018	Morgan Stanley	06/06/2018	BARCLAYS CAPITAL SECURITIES	400,000	378,000	370,250	378,048		48		48			(7,798)	(7,798)	3,417	1,500
4899999. Total - Bonds - Hybrid Securities							860,000	826,963	804,150	827,133	0	170	0	170	0	0	(22,983)	(22,983)	12,564	3,950
8399998. Total - Bonds							77,500,667	172,214,489	166,345,626	172,197,977	0	(16,514)	0	(16,514)	0	0	(5,852,357)	(5,852,357)	4,118,986	670,505
Common Stocks - Industrial and Miscellaneous																				
000957 10 0	ABM INDUSTRIES ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	05/18/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	164,075	148,623	164,075				0			(15,452)	(15,452)	875	
001055 10 2	AFLAC ORD	..	10/16/2018	DEUTSCHE BANK SECURITIES, INC	12/03/2018	VARIOUS	15,000.000	667,725	691,816	667,725				0			24,091	24,091	5,200	
00123Q 10 4	AGNC INVESTMENT REIT ORD	..	10/08/2018	BTIG LLC	12/03/2018	VARIOUS	15,000.000	276,275	273,021	276,275				0			(3,254)	(3,254)	8,100	
00130H 10 5	AES ORD	..	10/08/2018	VARIOUS	12/03/2018	VARIOUS	50,000.000	650,200	678,741	650,200				0			28,541	28,541	6,500	
00165C 10 4	AMC ENTERTAINMENT HOLDINGS CL A ORD	C	08/31/2018	VARIOUS	12/17/2018	VARIOUS	14,000.000	259,370	203,227	259,370				0			(56,143)	(56,143)	20,300	
00206R 10 2	AT&T ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	11/02/2018	VARIOUS	71,000.000	2,610,795	2,186,217	2,610,795				0			(424,578)	(424,578)	81,000	
00287Y 10 9	ABBVIE ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	4,500.000	431,363	410,827	431,363				0			(20,535)	(20,535)	4,320	
00817Y 10 8	AETNA ORD	..	07/10/2018	Jefferies	11/28/2018	CORPORATE ACTION	2,000.000	376,530	424,500	376,530				0			47,970	47,970	2,000	
009158 10 6	AIR PRODUCTS AND CHEMICALS ORD	..	09/10/2018	VARIOUS	10/29/2018	VARIOUS	14,400.000	2,413,634	2,260,949	2,413,634				0			(152,685)	(152,685)	15,840	
018802 10 8	ALLIANT ENERGY ORD	..	04/16/2018	BTIG LLC	08/31/2018	BTIG LLC	7,000.000	291,165	299,841	291,165				0			8,676	8,676	4,690	
020002 10 1	ALLSTATE ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	2,000.000	189,850	184,308	189,850				0			(5,542)	(5,542)	920	
02005N 10 0	ALLY FINANCIAL ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC	11/02/2018	Jefferies	10,000.000	269,550	252,247	269,550				0			(17,303)	(17,303)	1,500	
023608 10 2	AMEREN ORD	..	09/10/2018	Jefferies	11/02/2018	VARIOUS	14,000.000	873,180	891,338	873,180				0			18,158	18,158	6,405	
024835 10 0	AMERICAN CAMPUS COMM REIT ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	03/12/2018	BARCLAYS CAPITAL INC./LE	3,000.000	111,735	113,772	111,735				0			2,037	2,037		
025537 10 1	AMERICAN ELECTRIC POWER ORD	..	10/29/2018	VARIOUS	12/17/2018	DEUTSCHE BANK SECURITIES, INC	11,000.000	796,495	823,384	796,495				0			26,889	26,889	7,070	
026874 78 4	AMERICAN INTERNATIONAL GROUP ORD	..	08/31/2018	BTIG LLC	10/16/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	537,310	492,944	537,310				0			(44,366)	(44,366)	4,480	
03027X 10 0	AMERICAN TOWER REIT	..	09/24/2018	VARIOUS	10/01/2018	BARCLAYS CAPITAL INC./LE	7,000.000	1,027,545	1,008,162	1,027,545				0			(19,383)	(19,383)	5,530	
03076C 10 6	AMERIPRISE FINANCE ORD	..	10/29/2018	DEUTSCHE BANK SECURITIES, INC	12/17/2018	DEUTSCHE BANK SECURITIES, INC	2,000.000	246,190	217,307	246,190				0			(28,883)	(28,883)	1,800	
031162 10 0	AMGEN ORD	..	10/29/2018	DEUTSCHE BANK SECURITIES, INC	12/17/2018	DEUTSCHE BANK SECURITIES, INC	1,000.000	188,195	190,073	188,195				0			1,878	1,878	1,320	
032654 10 5	ANALOG DEVICES ORD	..	04/06/2018	Jefferies	07/01/2018	BTIG LLC	6,900.000	609,374	677,192	609,374				0			67,818	67,818	3,312	
035710 40 9	ANNALY CAPITAL MANAGEMENT REIT ORD	..	02/21/2018	BTIG LLC	10/29/2018	DEUTSCHE BANK SECURITIES, INC	25,000.000	254,125	246,872	254,125				0			(7,253)	(7,253)	22,500	
037411 10 5	APACHE ORD	..	10/01/2018	VARIOUS	11/21/2018	VARIOUS	15,500.000	687,773	600,063	687,773				0			(87,710)	(87,710)	5,125	
03762U 10 5	APOLLO COMM REAL EST FIN REIT ORD	..	06/12/2018	BTIG LLC	10/01/2018	BARCLAYS CAPITAL INC./LE	10,000.000	188,150	186,648	188,150				0			(1,502)	(1,502)	9,200	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
037833 10 0	APPLE ORD	..	05/03/2018	VARIOUS	07/01/2018	Adjustment	4,000.000	690,560	728,651	690,560				0			38,091	38,091	2,920	
038923 10 8	ARBOR REALTY REIT ORD	..	11/02/2018	Jefferies	11/21/2018	BARCLAYS CAPITAL INC./LE	20,000.000	244,924	237,437	244,924				0			(7,487)	(7,487)	5,400	
04013V 10 8	ARES COMMERCIAL REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	04/02/2018	BARCLAYS CAPITAL INC./LE	5,000.000	63,651	61,094	63,651				0			(2,557)	(2,557)	1,400	
042315 50 7	ARMOUR RESIDENTIAL REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	07/01/2018	Adjustment	5,000.000	114,325	113,424	114,325				0			(901)	(901)	2,850	
04316A 10 8	ARTISAN PARTNERS ASSET MGMT CL A ORD	..	10/29/2018	VARIOUS	12/17/2018	VARIOUS	14,000.000	414,130	383,265	414,130				0			(30,865)	(30,865)	12,000	
045487 10 5	ASSOCIATED BANCORP ORD	..	05/03/2018	VARIOUS	12/06/2018	VARIOUS	8,000.000	201,540	191,358	201,540				0			(10,182)	(10,182)	2,800	
04621X 10 8	ASSURANT ORD	..	10/16/2018	DEUTSCHE BANK SECURITIES, INC	12/03/2018	Jefferies	2,500.000	260,488	243,234	260,488				0			(17,253)	(17,253)	1,500	
053484 10 1	AVALONBAY COMMUNITIES REIT ORD	..	06/12/2018	VARIOUS	11/02/2018	Jefferies	3,500.000	579,368	595,332	579,368				0			15,965	15,965	8,085	
054937 10 7	BB AND T ORD	..	07/26/2018	BTIG LLC	09/24/2018	BARCLAYS CAPITAL INC./LE	6,000.000	306,390	304,046	306,390				0			(2,344)	(2,344)	2,430	
05508R 10 6	B AND G FOODS ORD	..	05/29/2018	VARIOUS	10/08/2018	VARIOUS	8,000.000	222,190	213,177	222,190				0			(9,013)	(9,013)	8,995	
05541T 10 1	BGC PARTNERS CL A ORD	..	10/29/2018	VARIOUS	12/03/2018	VARIOUS	24,000.000	273,960	267,838	273,960				0			(6,122)	(6,122)	6,480	
075896 10 0	BED BATH AND BEYOND ORD	..	05/29/2018	Jefferies	10/01/2018	BARCLAYS CAPITAL INC./LE	10,000.000	179,650	147,448	179,650				0			(32,202)	(32,202)	3,200	
086516 10 1	BEST BUY ORD	..	06/12/2018	VARIOUS	10/08/2018	VARIOUS	5,500.000	394,653	401,630	394,653				0			6,978	6,978	3,825	
092113 10 9	BLACK HILLS ORD	..	05/10/2018	Jefferies	08/31/2018	BTIG LLC	3,000.000	174,375	176,533	174,375				0			2,158	2,158	2,850	
09247X 10 1	BLACKROCK ORD	..	08/31/2018	VARIOUS	10/29/2018	VARIOUS	5,600.000	2,865,382	2,563,985	2,865,382				0			(301,396)	(301,396)	23,239	
09739D 10 0	BOISE CASCADE ORD	..	08/21/2018	BTIG LLC	10/08/2018	BTIG LLC	3,000.000	139,665	104,804	139,665				0			(34,861)	(34,861)	3,210	
101121 10 1	BOSTON PROPERTIES REIT ORD	..	09/24/2018	BARCLAYS CAPITAL INC./LE	10/08/2018	BTIG LLC	3,000.000	370,665	359,260	370,665				0			(11,405)	(11,405)	2,850	
109641 10 0	BRINKER INTERNATIONAL ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	3,000.000	130,335	147,463	130,335				0			17,128	17,128	1,140	
110122 10 8	BRISTOL MYERS SQUIBB ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	05/18/2018	VARIOUS	10,000.000	641,300	520,741	641,300				0			(120,559)	(120,559)	4,000	
11120U 10 5	BRIXMOR PROPERTY GROUP REIT ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	10/08/2018	BTIG LLC	10,000.000	171,350	165,248	171,350				0			(6,102)	(6,102)	2,750	
11135F 10 1	BROADCOM ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	2,000.000	496,270	440,214	496,270				0			(56,056)	(56,056)	3,500	
11282X 10 3	BROOKFIELD PROPERTY REIT CL A ORD	C	11/02/2018	Jefferies	12/03/2018	Jefferies	11,000.000	203,555	193,872	203,555				0			(9,683)	(9,683)	3,465	
115637 20 9	BROWN FORMAN CL B ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	06/25/2018	VARIOUS	5,000.000	349,375	321,533	349,375				0			(27,842)	(27,842)	7,712	
118440 10 6	BUCKLE ORD	..	10/01/2018	VARIOUS	11/21/2018	VARIOUS	20,000.000	494,619	464,812	494,619				0			(29,807)	(29,807)	13,750	
124830 10 0	CBL AND ASSOCIATES PROP REIT ORD	..	09/17/2018	VARIOUS	10/08/2018	VARIOUS	40,000.000	202,002	166,398	202,002				0			(35,604)	(35,604)	8,000	
12541W 20 9	CH ROBINSON WORLDWIDE ORD	..	03/22/2018	DEUTSCHE BANK SECURITIES, INC	10/29/2018	DEUTSCHE BANK SECURITIES, INC	2,000.000	185,330	174,108	185,330				0			(11,222)	(11,222)	1,840	
126117 10 0	CNA FINANCIAL ORD	..	02/21/2018	VARIOUS	07/01/2018	Jefferies	6,000.000	315,278	282,190	315,278				0			(33,087)	(33,087)	15,600	
12662P 10 8	CVR ENERGY ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	11/02/2018	Jefferies	5,000.000	153,375	210,522	153,375				0			57,147	57,147	12,500	
126650 10 0	CVS HEALTH ORD	..	04/06/2018	Jefferies	07/26/2018	VARIOUS	44,000.000	3,189,405	2,893,079	3,189,405				0			(296,326)	(296,326)	39,500	
12673P 10 5	CA ORD	..	05/10/2018	Jefferies	11/05/2018	Not Available	10,600.000	366,726	418,371	366,726				0			51,646	51,646	4,131	
133131 10 2	CAMDEN PROPERTY REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	04/02/2018	BARCLAYS CAPITAL INC./LE	3,500.000	289,573	290,686	289,573				0			1,113	1,113	2,695	
134429 10 9	CAMPBELL SOUP ORD	..	07/06/2018	BARCLAYS CAPITAL INC./LE	08/21/2018	VARIOUS	12,000.000	505,360	449,634	505,360				0			(55,726)	(55,726)	4,200	
14057J 10 1	CAPITOL FEDERAL FINANCIAL ORD	..	10/29/2018	DEUTSCHE BANK SECURITIES, INC	12/17/2018	DEUTSCHE BANK SECURITIES, INC	15,000.000	183,098	196,434	183,098				0			13,337	13,337	7,125	
14149Y 10 8	CARDINAL HEALTH ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	20,000.000	1,071,620	1,025,765	1,071,620				0			(45,855)	(45,855)	9,498	
143658 30 0	CARNIVAL ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	08/31/2018	VARIOUS	11,000.000	729,605	691,973	729,605				0			(37,632)	(37,632)	8,250	
149123 10 1	CATERPILLAR ORD	..	07/10/2018	Jefferies	08/31/2018	BTIG LLC	2,000.000	282,510	277,686	282,510				0			(4,824)	(4,824)	1,720	
156700 10 6	CENTURYLINK ORD	..	05/29/2018	VARIOUS	12/03/2018	Jefferies	15,000.000	272,255	281,771	272,255				0			9,516	9,516	28,620	

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1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
166764 10 0	CHEVRON ORD	..	07/26/2018	VARIOUS	09/10/2018	Jefferies	51,000.000	6,484,625	6,011,428	6,484,625				0			(473,197)	(473,197)	57,120	
16934Q 20 8	CHIMERA INVESTMENT REIT	..	05/29/2018	VARIOUS	10/08/2018	VARIOUS	22,000.000	387,490	383,743	387,490				0			(3,747)	(3,747)	17,000	
17275R 10 2	CISCO SYSTEMS ORD	..	10/01/2018	VARIOUS	11/21/2018	BARCLAYS CAPITAL INC./LE	27,000.000	1,261,625	1,225,974	1,261,625				0			(35,651)	(35,651)	8,910	
191216 10 0	COCA-COLA ORD	..	08/31/2018	BTIG LLC	10/16/2018	DEUTSCHE BANK SECURITIES, INC	24,000.000	1,069,800	1,091,626	1,069,800				0			21,826	21,826	9,360	
19239V 30 2	COGENT COMMUNICATIONS HOLDINGS ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	05/29/2018	Jefferies	5,000.000	217,525	250,472	217,525				0			32,947	32,947	5,100	
194162 10 3	COLGATE PALMOLIVE ORD	..	03/15/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	17,000.000	1,182,605	1,112,781	1,182,605				0			(69,824)	(69,824)	16,380	
19625W 10 4	COLONY NORTHSTAR CL A ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	04/24/2018	DEUTSCHE BANK SECURITIES, INC	40,000.000	239,800	237,395	239,800				0			(2,405)	(2,405)	4,400	
19626G 10 8	NORTHSTAR ASSET MANAGEMENT GROUP INC.	..	06/12/2018	BTIG LLC	07/26/2018	BTIG LLC	20,000.000	122,100	119,098	122,100				0			(3,002)	(3,002)	2,200	
197236 10 2	COLUMBIA BANKING SYSTEM ORD	..	10/29/2018	DEUTSCHE BANK SECURITIES, INC	12/17/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	184,425	181,373	184,425				0			(3,052)	(3,052)	2,000	
20030N 10 1	COMCAST CL A ORD	..	03/15/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	30,000.000	1,084,650	1,108,576	1,084,650				0			23,926	23,926	15,960	
20451N 10 1	COMPASS MINERALS INTERNATIONAL ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	5,000.000	343,525	329,971	343,525				0			(13,554)	(13,554)	3,600	
205887 10 2	CONAGRA BRANDS ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	10/29/2018	DEUTSCHE BANK SECURITIES, INC	8,000.000	287,160	296,396	287,160				0			9,236	9,236	2,550	
209034 10 7	CONSOLIDATED COMMUNICATIONS HLDG ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	50,000.000	618,673	610,109	618,673				0			(8,564)	(8,564)	19,369	
209115 10 4	CONSOLIDATED EDISON ORD	..	07/26/2018	BTIG LLC	09/24/2018	BARCLAYS CAPITAL INC./LE	2,000.000	156,610	153,208	156,610				0			(3,402)	(3,402)	1,430	
21870U 50 2	CORENERGY INFRASTRUCTURE REIT ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	08/31/2018	BTIG LLC	4,000.000	153,060	149,744	153,060				0			(3,316)	(3,316)	6,000	
21871N 10 1	CORECIVIC REIT ORD	..	05/29/2018	VARIOUS	11/02/2018	VARIOUS	20,000.000	427,600	416,693	427,600				0			(10,907)	(10,907)	12,900	
222070 20 3	COTY CL A ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	12,000.000	168,060	169,858	168,060				0			1,798	1,798	1,500	
22282E 10 2	COVANTA HOLDING ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	18,000.000	293,382	273,005	293,382				0			(20,377)	(20,377)	4,500	
22410J 10 6	CRACKER BARREL OLD COUNTRY STORE ORD	..	10/01/2018	VARIOUS	11/21/2018	BARCLAYS CAPITAL INC./LE	3,500.000	543,828	566,595	543,828				0			22,768	22,768	10,000	
22822V 10 1	CROWN CASTLE INTERNATIONAL REIT ORD	..	08/31/2018	BTIG LLC	09/17/2018	DEUTSCHE BANK SECURITIES, INC	2,500.000	285,088	281,734	285,088				0			(3,354)	(3,354)	2,625	
229663 10 9	CUBESMART REIT ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC	10/01/2018	BARCLAYS CAPITAL INC./LE	9,000.000	269,595	253,482	269,595				0			(16,113)	(16,113)	2,700	
231021 10 6	CUMMINS ORD	..	07/26/2018	BTIG LLC	11/21/2018	VARIOUS	5,300.000	801,982	770,918	801,982				0			(31,063)	(31,063)	6,804	
232806 10 9	CYPRESS SEMICONDUCTOR ORD	..	06/12/2018	BTIG LLC	10/01/2018	BARCLAYS CAPITAL INC./LE	10,000.000	173,650	143,448	173,650				0			(30,202)	(30,202)	2,200	
23317H 10 2	DDR REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	04/02/2018	BARCLAYS CAPITAL INC./LE	30,000.000	226,650	218,545	226,650				0			(8,105)	(8,105)	5,700	
23317H 85 4	DDR REIT ORD	..	07/02/2018	VARIOUS	07/26/2018	VARIOUS	30,000.000	405,654	429,747	405,654				0			24,094	24,094	5,700	
233331 10 7	DTE ENERGY ORD	..	08/31/2018	VARIOUS	11/02/2018	VARIOUS	9,500.000	1,015,198	1,052,139	1,015,198				0			36,941	36,941	8,384	
237194 10 5	DARDEN RESTAURANTS ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	BARCLAYS CAPITAL INC./LE	1,400.000	152,915	155,685	152,915				0			2,770	2,770	1,050	
25746U 10 9	DOMINION ENERGY ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	06/25/2018	BTIG LLC	8,000.000	594,120	542,993	594,120				0			(51,127)	(51,127)	13,360	
257867 20 0	RR DONNELLEY AND SONS ORD	..	05/10/2018	VARIOUS	08/14/2018	VARIOUS	30,000.000	238,650	175,198	238,650				0			(63,452)	(63,452)	4,650	
26078J 10 0	DOWDUPONT ORD	..	05/03/2018	VARIOUS	12/03/2018	VARIOUS	15,000.000	967,175	964,102	967,175				0			(3,073)	(3,073)	14,440	
264411 50 5	DUKE REALTY REIT ORD	..	08/14/2018	BARCLAYS CAPITAL INC./LE	12/06/2018	DEUTSCHE BANK SECURITIES, INC	7,000.000	200,235	201,772	200,235				0			1,537	1,537	2,905	
26441C 20 4	DUKE ENERGY ORD	..	10/29/2018	VARIOUS	12/17/2018	DEUTSCHE BANK SECURITIES, INC	15,000.000	1,233,415	1,273,178	1,233,415				0			39,763	39,763	13,913	
277432 10 0	EASTMAN CHEMICAL ORD	..	09/10/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	509,725	397,080	509,725				0			(112,645)	(112,645)	3,920	
278265 10 3	EATON VANCE COM NON VTG ORD	..	10/16/2018	DEUTSCHE BANK SECURITIES, INC	12/10/2018	VARIOUS	5,000.000	234,225	197,462	234,225				0			(36,763)	(36,763)	1,750	
281020 10 7	EDISON INTERNATIONAL ORD	..	09/10/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	621,050	664,997	621,050				0			43,947	43,947	8,470	

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1			2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
													12	13	14	15	16					
CUSIP Identification			Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
291011	10	4	EMERSON ELECTRIC ORD		08/08/2018	VARIOUS	11/21/2018	BARCLAYS CAPITAL INC./LE	12,600.000	925,512	849,353	925,512				0			(76,159)	(76,159)	11,305	
29364G	10	3	ENTERGY ORD		02/02/2018	BARCLAYS CAPITAL INC./LE	11/09/2018	DEUTSCHE BANK SECURITIES, INC	3,500.000	265,948	299,439	265,948				0			33,491	33,491	12,530	
29444U	70	0	EQUINIX REIT ORD		11/09/2018	DEUTSCHE BANK SECURITIES, INC	11/21/2018	BARCLAYS CAPITAL INC./LE	1,000.000	384,945	382,880	384,945				0			(2,065)	(2,065)	2,280	
294628	10	2	EQUITY COMMONWEALTH REIT ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	10/08/2018	BTIG LLC	10,000.000	321,631	296,346	321,631				0			(25,285)	(25,285)	25,000	
296689	10	2	ESSENDANT ORD		03/12/2018	BARCLAYS CAPITAL INC./LE	11/02/2018	Jefferies	5,000.000	38,975	63,624	38,975				0			24,649	24,649	2,100	
297178	10	5	ESSEX PROPERTY REIT ORD		03/06/2018	Jefferies	05/03/2018	BARCLAYS CAPITAL INC./LE	1,000.000	230,055	238,419	230,055				0			8,364	8,364	1,860	
30034W	10	6	EVERGY ORD		08/14/2018	BARCLAYS CAPITAL INC./LE	10/01/2018	BARCLAYS CAPITAL INC./LE	6,000.000	344,670	330,746	344,670				0			(13,924)	(13,924)	2,760	
30224P	20	0	EXTENDED STAY AMERICA UNT		05/03/2018	BARCLAYS CAPITAL INC./LE	08/31/2018	BTIG LLC	10,000.000	195,350	201,747	195,350				0			6,397	6,397	4,400	
30231G	10	2	EXXON MOBIL ORD		07/26/2018	VARIOUS	09/10/2018	Jefferies	76,000.000	6,415,670	5,840,021	6,415,670				0			(575,649)	(575,649)	60,070	
30303M	10	2	FACEBOOK CL A ORD		04/16/2018	VARIOUS	07/01/2018	Adjustment	4,000.000	635,015	785,370	635,015				0			150,355	150,355		
313747	20	6	FEDERAL REIT ORD		03/06/2018	Jefferies	03/15/2018	BARCLAYS CAPITAL INC./LE	2,000.000	233,930	234,325	233,930				0			395	395	2,000	
314211	10	3	FEDERATED INVESTORS CL B ORD		04/24/2018	DEUTSCHE BANK SECURITIES, INC	06/12/2018	BTIG LLC	5,000.000	155,775	121,823	155,775				0			(33,952)	(33,952)	1,350	
31620R	30	3	FIDELITY NATIONAL FINANCIAL ORD		08/31/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	384,250	332,446	384,250				0			(51,804)	(51,804)	7,200	
31847R	10	2	FIRST AMERICAN FINANCIAL ORD		05/29/2018	Jefferies	10/29/2018	VARIOUS	6,000.000	322,230	298,866	322,230				0			(23,364)	(23,364)	4,800	
337932	10	7	FIRSTENERGY ORD		07/26/2018	VARIOUS	09/17/2018	VARIOUS	20,000.000	639,620	712,051	639,620				0			72,431	72,431	11,520	
345370	86	0	FORD MOTOR ORD		10/16/2018	VARIOUS	12/03/2018	VARIOUS	35,000.000	342,225	361,770	342,225				0			19,545	19,545	5,250	
354613	10	1	FRANKLIN RESOURCES ORD		09/10/2018	VARIOUS	11/02/2018	VARIOUS	30,000.000	1,063,230	971,383	1,063,230				0			(91,847)	(91,847)	50,050	
36162J	10	6	GEO GROUP REIT ORD		01/10/2018	BARCLAYS CAPITAL INC./LE	02/16/2018	BTIG LLC	8,000.000	182,120	160,836	182,120				0			(21,284)	(21,284)	3,760	
36174X	10	1	GGP ORD		04/02/2018	BARCLAYS CAPITAL INC./LE	05/18/2018	DEUTSCHE BANK SECURITIES, INC	8,000.000	163,320	162,198	163,320				0			(1,122)	(1,122)	1,760	
36467J	10	8	GAMING AND LEISURE PROPERTIES REIT ORD		10/29/2018	VARIOUS	12/17/2018	VARIOUS	17,000.000	571,195	575,595	571,195				0			4,400	4,400	14,110	
36467W	10	9	GAMESTOP CL A ORD		09/10/2018	VARIOUS	12/17/2018	VARIOUS	25,000.000	394,635	337,121	394,635				0			(57,514)	(57,514)	19,000	
36473H	10	4	GANNETT ORD		08/31/2018	VARIOUS	10/16/2018	VARIOUS	35,000.000	358,025	351,370	358,025				0			(6,655)	(6,655)	8,000	
364760	10	8	GAP ORD		07/06/2018	BARCLAYS CAPITAL INC./LE	08/21/2018	BTIG LLC	6,000.000	187,590	193,827	187,590				0			6,237	6,237	1,455	
366505	10	5	GARRETT MOTION ORD	C	10/01/2018	CORPORATE ACTION	10/29/2018	DEUTSCHE BANK SECURITIES, INC	2,300.000	33,336	34,028	33,336				0			692	692		
369604	10	3	GENERAL ELECTRIC ORD		09/10/2018	VARIOUS	10/29/2018	VARIOUS	110,000.000	1,560,720	1,420,432	1,560,720				0			(140,288)	(140,288)	18,480	
370334	10	4	GENERAL MILLS ORD		06/25/2018	VARIOUS	11/02/2018	VARIOUS	35,000.000	1,684,325	1,520,749	1,684,325				0			(163,576)	(163,576)	19,600	
37045V	10	0	GENERAL MOTORS ORD		08/31/2018	VARIOUS	10/16/2018	VARIOUS	14,000.000	522,450	487,093	522,450				0			(35,357)	(35,357)	5,320	
372460	10	5	GENUINE PARTS ORD		08/21/2018	BTIG LLC	11/02/2018	Jefferies	2,000.000	199,570	194,027	199,570				0			(5,543)	(5,543)	1,440	
385002	30	8	GRAMERCY PROPERTY REIT ORD		03/12/2018	BARCLAYS CAPITAL INC./LE	04/02/2018	BARCLAYS CAPITAL INC./LE	10,000.000	225,450	213,645	225,450				0			(11,805)	(11,805)	3,750	
40414L	10	9	HCP REIT ORD		10/16/2018	DEUTSCHE BANK SECURITIES, INC	12/03/2018	Jefferies	14,000.000	339,370	375,405	339,370				0			36,035	36,035	5,180	
40418F	10	8	HFF CL A ORD		02/02/2018	BARCLAYS CAPITAL INC./LE	04/04/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	142,965	135,623	142,965				0			(7,342)	(7,342)	5,250	
410345	10	2	HANESBRANDS ORD		05/03/2018	VARIOUS	11/21/2018	VARIOUS	14,000.000	247,850	247,207	247,850				0			(643)	(643)	5,100	
412822	10	8	HARLEY DAVIDSON ORD		04/16/2018	BTIG LLC	10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	210,225	182,573	210,225				0			(27,652)	(27,652)	3,700	
418056	10	7	HASBRO ORD		10/01/2018	BARCLAYS CAPITAL INC./LE	12/06/2018	VARIOUS	8,000.000	766,610	745,005	766,610				0			(21,605)	(21,605)	6,180	
423452	10	1	HELMERICH AND PAYNE ORD		07/26/2018	BTIG LLC	11/09/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	323,775	318,961	323,775				0			(4,814)	(4,814)	5,660	
42824C	10	9	HEWLETT PACKARD ENTERPRISE ORD		09/10/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC	12,000.000	196,980	174,778	196,980				0			(22,202)	(22,202)	1,350	
431284	10	8	HIGHWOODS PROPERTIES REIT ORD		10/29/2018	VARIOUS	12/17/2018	VARIOUS	11,000.000	474,778	461,647	474,778				0			(13,131)	(13,131)	5,088	
437076	10	2	HOME DEPOT ORD		08/21/2018	VARIOUS	10/08/2018	BTIG LLC	20,000.000	3,727,970	4,005,748	3,727,970				0			277,778	277,778	24,720	
438516	10	6	HONEYWELL INTERNATIONAL ORD		10/01/2018	VARIOUS	10/29/2018	CORPORATE ACTION	31,000.000	4,111,950	4,111,950	4,111,950				0				0	11,920	
440452	10	0	HORMEL FOODS ORD		04/02/2018	BARCLAYS CAPITAL INC./LE	07/26/2018	VARIOUS	10,000.000	334,950	361,255	334,950				0			26,305	26,305	2,438	

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1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
44106M 10 2	HOSPITALITY PROPERTIES REIT ORD	..	04/06/2018	Jefferies	05/29/2018	Jefferies	6,000.000	149,190	172,528	149,190				0			23,338	23,338	3,180	
44107P 10 4	HOST HOTELS & RESORTS REIT ORD.	..	09/24/2018	BARCLAYS CAPITAL INC./LE	11/02/2018	Jefferies	20,000.000	417,900	373,495	417,900				0			(44,405)	(44,405)	4,000	
443510 60 7	HUBBELL ORD	..	08/21/2018	BTIG LLC	12/03/2018	Jefferies	4,000.000	500,860	446,374	500,860				0			(54,486)	(54,486)	6,440	
444097 10 9	HUDSON PACIFIC PROPERTIES REIT ORD	..	06/12/2018	BTIG LLC	07/26/2018	BTIG LLC	5,000.000	178,675	167,973	178,675				0			(10,702)	(10,702)	1,250	
446150 10 4	HUNTINGTON BANCSHARES ORD	..	06/12/2018	BTIG LLC	08/08/2018	DEUTSCHE BANK SECURITIES, INC	7,500.000	116,963	120,561	116,963				0			3,598	3,598	825	
452308 10 9	ILLINOIS TOOL ORD	..	09/10/2018	Jefferies	10/29/2018	VARIOUS	5,000.000	715,415	659,926	715,415				0			(55,489)	(55,489)	4,560	
457187 10 2	INGREDION ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	6,000.000	650,910	610,402	650,910				0			(40,508)	(40,508)	3,675	
458140 10 0	INTEL ORD	..	07/26/2018	VARIOUS	09/10/2018	Jefferies	75,000.000	3,876,875	3,692,577	3,876,875				0			(184,298)	(184,298)	22,500	
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD	..	08/08/2018	VARIOUS	11/09/2018	DEUTSCHE BANK SECURITIES, INC	16,000.000	2,492,580	2,232,251	2,492,580				0			(260,329)	(260,329)	44,900	
460146 10 3	INTERNATIONAL PAPER ORD	..	05/10/2018	Jefferies	08/21/2018	BTIG LLC	4,000.000	211,380	209,457	211,380				0			(1,923)	(1,923)	3,800	
460335 20 1	INTERNATIONAL SPEEDWAY CL A ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	07/26/2018	BTIG LLC	4,000.000	162,765	175,378	162,765				0			12,613	12,613	1,880	
460690 10 0	INTERPUBLIC GROUP OF COMPANIES ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	5,000.000	118,875	114,274	118,875				0			(4,601)	(4,601)	1,050	
46131B 10 0	INVESCO MORTGAGE CAPITAL REIT ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC	10/08/2018	BTIG LLC	11,000.000	179,242	167,253	179,242				0			(11,989)	(11,989)	4,620	
46284V 10 1	IRON MOUNTAIN ORD	..	06/12/2018	VARIOUS	10/01/2018	BARCLAYS CAPITAL INC./LE	13,000.000	436,045	434,947	436,045				0			(1,098)	(1,098)	10,575	
46625H 10 0	JPMORGAN CHASE ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	BARCLAYS CAPITAL INC./LE	12,000.000	1,362,060	1,291,603	1,362,060				0			(70,457)	(70,457)	9,600	
478160 10 4	JOHNSON & JOHNSON ORD	..	04/16/2018	VARIOUS	07/01/2018	Adjustment	25,000.000	3,356,525	3,086,050	3,356,525				0			(270,475)	(270,475)	22,260	
49271V 10 0	KEURIG DR PEPPER ORD	C	07/02/2018	BTIG LLC	10/01/2018	BARCLAYS CAPITAL INC./LE	1,500.000	185,528	34,642	185,528				0			(150,885)	(150,885)	155,625	
494368 10 3	KIMBERLY CLARK ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	04/24/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	561,725	501,963	561,725				0			(59,762)	(59,762)	5,000	
49446R 10 9	KIMCO REALTY REIT ORD	..	03/15/2018	BARCLAYS CAPITAL INC./LE	04/24/2018	DEUTSCHE BANK SECURITIES, INC	10,000.000	144,450	133,047	144,450				0			(11,403)	(11,403)	2,800	
49456B 10 1	KINDER MORGAN CL P ORD	..	10/16/2018	VARIOUS	12/03/2018	VARIOUS	33,000.000	568,475	552,425	568,475				0			(16,050)	(16,050)	6,600	
500754 10 6	KRAFT HEINZ ORD	..	04/24/2018	DEUTSCHE BANK SECURITIES, INC	08/31/2018	BTIG LLC	6,000.000	339,210	349,585	339,210				0			10,375	10,375	7,500	
501797 10 4	L BRANDS ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	08/31/2018	BTIG LLC	6,000.000	207,270	158,548	207,270				0			(48,722)	(48,722)	7,200	
502175 10 2	LTC PROPERTIES REIT ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	03/22/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	199,117	187,321	199,117				0			(11,796)	(11,796)	1,900	
512816 10 9	LAMAR ADVERTISING CL A REIT	..	06/12/2018	BTIG LLC	07/06/2018	BARCLAYS CAPITAL INC./LE	2,500.000	183,288	173,735	183,288				0			(9,552)	(9,552)	2,275	
517834 10 7	LAS VEGAS SANDS ORD	..	03/15/2018	BARCLAYS CAPITAL INC./LE	07/01/2018	Adjustment	3,000.000	224,325	233,712	224,325				0			9,387	9,387	2,250	
524660 10 7	LEGGETT & PLATT ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	10,000.000	433,030	404,785	433,030				0			(28,245)	(28,245)	4,560	
529043 10 1	LEXINGTON REALTY REIT ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC	11/02/2018	Jefferies	10,000.000	82,250	77,549	82,250				0			(4,701)	(4,701)	1,775	
53071M 10 4	QURATE RETAIL SRS A ORD	..	01/02/2018	CORPORATE ACTION	07/26/2018	BTIG LLC	14,850.000	325,845	320,533	325,845				0			(5,312)	(5,312)		
53223X 10 7	LIFE STORAGE ORD	..	07/10/2018	Jefferies	07/26/2018	BTIG LLC	2,000.000	196,990	192,408	196,990				0			(4,583)	(4,583)	2,000	
532457 10 8	ELI LILLY ORD	..	07/26/2018	BTIG LLC	10/01/2018	BARCLAYS CAPITAL INC./LE	9,000.000	856,665	968,342	856,665				0			111,677	111,677	5,063	
539830 10 9	LOCKHEED MARTIN ORD	..	08/14/2018	BARCLAYS CAPITAL INC./LE	12/06/2018	DEUTSCHE BANK SECURITIES, INC	2,500.000	796,488	715,853	796,488				0			(80,634)	(80,634)	10,500	
548661 10 7	LOWE'S COMPANIES ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	07/01/2018	Adjustment	1,000.000	84,595	86,334	84,595				0			1,739	1,739	410	
552690 10 9	MDU RESOURCES GROUP ORD	..	06/12/2018	BTIG LLC	09/17/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	166,770	162,388	166,770				0			(4,382)	(4,382)	2,370	
55272X 10 2	MFA FINANCIAL REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	10/29/2018	VARIOUS	40,000.000	297,400	284,196	297,400				0			(13,204)	(13,204)	24,000	
554382 10 1	MACERICH REIT ORD	..	10/29/2018	VARIOUS	11/21/2018	VARIOUS	9,000.000	491,395	464,879	491,395				0			(26,516)	(26,516)	6,710	
55608B 10 5	MACQUARIE INFRASTRUCTURE ORD	..	10/16/2018	VARIOUS	12/10/2018	VARIOUS	8,000.000	342,720	311,776	342,720				0			(30,944)	(30,944)	15,200	
56418H 10 0	MANPOWERGROUP ORD	..	05/18/2018	VARIOUS	07/06/2018	VARIOUS	4,000.000	381,660	354,225	381,660				0			(27,435)	(27,435)	4,040	

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1			2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
													12	13	14	15	16					
CUSIP Identification			Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
571748	10	2	MARSH & MCLENNAN ORD	..	06/12/2018	BTIG LLC	08/31/2018	BTIG LLC	7,000.000	571,935	592,367	571,935				0			20,432	20,432	2,905	
580135	10	1	MCDONALD'S ORD	..	05/18/2018	VARIOUS	10/01/2018	VARIOUS	14,000.000	2,265,480	2,254,381	2,265,480				0			(11,099)	(11,099)	27,270	
58463J	30	4	MEDICAL PROPERTIES REIT ORD	..	03/12/2018	BARCLAYS CAPITAL INC./LE	03/22/2018	DEUTSCHE BANK SECURITIES, INC.	18,000.000	238,590	227,065	238,590				0			(11,525)	(11,525)	4,500	
58933Y	10	5	MERCK & CO ORD	..	09/10/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	30,600.000	2,128,689	2,186,189	2,128,689				0			57,500	57,500	14,688	
589400	10	0	MERCURY GENERAL ORD	..	05/29/2018	VARIOUS	07/26/2018	VARIOUS	7,000.000	336,615	312,101	336,615				0			(24,514)	(24,514)	6,250	
594918	10	4	MICROSOFT ORD	..	04/04/2018	DEUTSCHE BANK SECURITIES, INC.	07/01/2018	Adjustment	5,000.000	461,675	490,019	461,675				0			28,344	28,344	2,100	
59522J	10	3	MID AMERICA APT COMMUNITI REIT ORD	..	07/10/2018	VARIOUS	07/26/2018	VARIOUS	6,000.000	579,830	579,941	579,830				0			111	111	5,535	
609207	10	5	MONDELEZ INTERNATIONAL CL A ORD	..	09/10/2018	Jefferies	11/02/2018	Jefferies	17,000.000	729,385	713,566	729,385				0			(15,819)	(15,819)	4,420	
626717	10	2	MURPHY OIL ORD	..	04/16/2018	BTIG LLC	11/21/2018	BARCLAYS CAPITAL INC./LE	5,000.000	143,375	157,873	143,375				0			14,498	14,498	3,750	
63633D	10	4	NATIONAL HEALTH INVESTORS REIT ORD	..	06/12/2018	BTIG LLC	10/08/2018	BTIG LLC	2,000.000	149,570	147,463	149,570				0			(2,107)	(2,107)	4,000	
637215	10	4	NATIONAL PRESTO INDUSTRIES ORD.	..	02/16/2018	BTIG LLC	04/04/2018	DEUTSCHE BANK SECURITIES, INC.	2,000.000	204,010	192,491	204,010				0			(11,519)	(11,519)	12,000	
64704V	10	6	NEW MEDIA INVESTMENT GROUP ORD	..	05/10/2018	Jefferies	08/14/2018	BARCLAYS CAPITAL INC./LE	10,000.000	168,350	157,548	168,350				0			(10,802)	(10,802)	7,400	
649445	10	3	NEW YORK COMMUNITY BANCORP ORD	..	07/26/2018	BTIG LLC	10/01/2018	BARCLAYS CAPITAL INC./LE	15,000.000	158,325	153,823	158,325				0			(4,502)	(4,502)	2,550	
651229	10	6	NEWELL BRANDS ORD	..	08/21/2018	VARIOUS	10/08/2018	VARIOUS	10,000.000	242,900	198,747	242,900				0			(44,153)	(44,153)	3,450	
65339F	10	1	NEXTERA ENERGY ORD	..	08/08/2018	VARIOUS	10/01/2018	BARCLAYS CAPITAL INC./LE	12,300.000	2,053,838	2,007,905	2,053,838				0			(45,932)	(45,932)	13,653	
65473P	10	5	NISOURCE ORD	..	07/06/2018	BARCLAYS CAPITAL INC./LE	08/21/2018	BTIG LLC	7,000.000	188,195	190,153	188,195				0			1,958	1,958	1,365	
655664	10	0	NORDSTROM ORD	..	05/10/2018	Jefferies	12/03/2018	Jefferies	3,000.000	145,755	159,433	145,755				0			13,678	13,678	3,330	
668074	30	5	NORTHWESTERN ORD	..	06/12/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	9,000.000	466,085	508,886	466,085				0			42,801	42,801	7,150	
670346	10	5	NUCOR ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	7,500.000	483,868	463,726	483,868				0			(20,141)	(20,141)	4,180	
670837	10	3	OGE ENERGY ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	15,000.000	541,825	572,268	541,825				0			30,443	30,443	5,313	
674599	10	5	OCCIDENTAL PETROLEUM ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC.	09/10/2018	Jefferies	1,500.000	128,138	115,311	128,138				0			(12,827)	(12,827)	2,325	
681919	10	6	OMNICOM GROUP ORD	..	05/29/2018	Jefferies	11/09/2018	DEUTSCHE BANK SECURITIES, INC.	7,000.000	508,555	522,136	508,555				0			13,581	13,581	6,600	
681936	10	0	OMEGA HEALTHCARE REIT ORD	..	10/08/2018	VARIOUS	12/03/2018	Jefferies	15,000.000	429,255	494,569	429,255				0			65,314	65,314	9,900	
682680	10	3	ONEOK ORD	..	03/22/2018	DEUTSCHE BANK SECURITIES, INC.	05/18/2018	DEUTSCHE BANK SECURITIES, INC.	4,000.000	229,340	265,057	229,340				0			35,717	35,717	3,180	
690732	10	2	OWENS & MINOR ORD	..	03/12/2018	VARIOUS	10/01/2018	VARIOUS	15,000.000	257,225	247,822	257,225				0			(9,403)	(9,403)	11,700	
69351T	10	6	PPL ORD	..	05/18/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	37,500.000	1,022,828	1,110,833	1,022,828				0			88,006	88,006	26,035	
695156	10	9	PACKAGING CORP OF AMERICA ORD	..	06/12/2018	BTIG LLC	09/24/2018	VARIOUS	2,000.000	247,230	231,237	247,230				0			(15,993)	(15,993)	3,160	
700416	20	9	PARK ELECTROCHEM ORD	..	01/19/2018	BARCLAYS CAPITAL INC./LE	03/06/2018	Jefferies	4,000.000	90,796	67,816	90,796				0			(22,980)	(22,980)	12,000	
700517	10	5	PARK HOTELS RESORTS ORD	..	09/17/2018	VARIOUS	10/08/2018	VARIOUS	28,000.000	858,230	843,937	858,230				0			(14,293)	(14,293)	18,790	
70338P	10	0	PATTERN ENERGY GROUP CL A ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	21,000.000	408,545	387,750	408,545				0			(20,795)	(20,795)	8,862	
703395	10	3	PATTERSON COMPANIES ORD	..	04/06/2018	VARIOUS	08/31/2018	VARIOUS	17,000.000	484,645	448,287	484,645				0			(36,358)	(36,358)	7,020	
704326	10	7	PAYCHEX ORD	..	07/26/2018	BTIG LLC	11/21/2018	VARIOUS	7,000.000	501,865	498,789	501,865				0			(3,076)	(3,076)	5,600	
709102	10	7	PENNSYLVANIA REIT ORD	..	05/10/2018	Jefferies	09/17/2018	DEUTSCHE BANK SECURITIES, INC.	12,000.000	121,140	117,298	121,140				0			(3,842)	(3,842)	5,040	
70931T	10	3	PENNYMAC MORTGAGE INVEST REIT ORD	..	10/01/2018	VARIOUS	10/29/2018	VARIOUS	30,000.000	575,252	566,757	575,252				0			(8,495)	(8,495)	14,100	
712704	10	5	PEOPLES UNITED FINANCIAL ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	05/18/2018	DEUTSCHE BANK SECURITIES, INC.	10,000.000	183,750	186,248	183,750				0			2,498	2,498	1,750	
713448	10	8	PEPSICO ORD	..	08/31/2018	VARIOUS	10/16/2018	VARIOUS	15,000.000	1,685,675	1,627,354	1,685,675				0			(58,321)	(58,321)	13,913	
717081	10	3	PFIZER ORD	..	01/19/2018	BARCLAYS CAPITAL INC./LE	07/01/2018	Adjustment	14,000.000	517,230	502,238	517,230				0			(14,992)	(14,992)	4,760	

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											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
718546 10 4	PHILLIPS 66 ORD	..	05/17/2018	DEUTSCHE BANK SECURITIES, INC.	08/21/2018	BTIG LLC	2,500.000	304,688	291,259	304,688				0			(13,429)	(13,429)	4,000	
723484 10 1	PINNACLE WEST ORD	..	04/16/2018	BTIG LLC	08/31/2018	BTIG LLC	4,000.000	317,180	314,176	317,180				0			(3,004)	(3,004)	5,560	
724078 10 0	PIPER JAFFRAY ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	04/04/2018	DEUTSCHE BANK SECURITIES, INC.	2,000.000	184,500	165,431	184,500				0			(19,069)	(19,069)	3,990	
724479 10 0	PITNEY BOWES ORD	..	04/06/2018	Jefferies	05/29/2018	Jefferies	15,000.000	161,025	131,773	161,025				0			(29,252)	(29,252)	2,813	
736508 84 7	PORTLAND GENERAL ELECTRIC ORD	..	09/10/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	5,000.000	236,025	226,322	236,025				0			(9,703)	(9,703)	1,813	
737630 10 3	POTLATCHDELTIC ORD	..	09/10/2018	Jefferies	10/01/2018	BARCLAYS CAPITAL INC./LE	3,000.000	142,683	120,313	142,683				0			(22,370)	(22,370)	11,814	
74005P 10 4	PRAXAIR ORD	..	07/26/2018	BTIG LLC	09/10/2018	Jefferies	4,500.000	749,048	701,383	749,048				0			(47,664)	(47,664)	3,713	
74144T 10 8	T ROWE PRICE GROUP ORD	..	06/12/2018	BTIG LLC	10/01/2018	VARIOUS	5,100.000	643,850	555,753	643,850				0			(88,096)	(88,096)	7,140	
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC.	07/06/2018	BARCLAYS CAPITAL INC./LE	3,000.000	176,415	160,843	176,415				0			(15,572)	(15,572)	1,560	
742718 10 9	PROCTER & GAMBLE ORD	..	01/10/2018	BARCLAYS CAPITAL INC./LE	08/31/2018	VARIOUS	31,000.000	2,804,725	2,419,864	2,804,725				0			(384,861)	(384,861)	54,369	
74340W 10 3	PROLOGIS REIT	..	09/10/2018	Jefferies	09/17/2018	DEUTSCHE BANK SECURITIES, INC.	3,000.000	199,635	202,542	199,635				0			2,907	2,907	1,440	
744320 10 2	PRUDENTIAL FINANCIAL ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC.	08/21/2018	BTIG LLC	2,000.000	204,870	199,327	204,870				0			(5,543)	(5,543)	3,600	
744573 10 6	PUBLIC SERVICE ENTERPRISE GROUP ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	4,000.000	195,180	220,897	195,180				0			25,717	25,717	5,400	
74460D 10 9	PUBLIC STORAGE REIT ORD	..	05/29/2018	VARIOUS	09/24/2018	VARIOUS	8,000.000	1,636,515	1,614,199	1,636,515				0			(22,316)	(22,316)	27,000	
747301 10 9	QUAD GRAPHICS CL A ORD	..	05/17/2018	DEUTSCHE BANK SECURITIES, INC.	11/21/2018	BARCLAYS CAPITAL INC./LE	5,000.000	98,725	77,574	98,725				0			(21,151)	(21,151)	4,500	
747525 10 3	QUALCOMM ORD	..	04/24/2018	DEUTSCHE BANK SECURITIES, INC.	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	2,000.000	99,890	124,328	99,890				0			24,438	24,438	2,480	
74834L 10 0	QUEST DIAGNOSTICS ORD	..	03/22/2018	DEUTSCHE BANK SECURITIES, INC.	11/02/2018	Jefferies	1,000.000	102,305	93,374	102,305				0			(8,931)	(8,931)	1,500	
76118Y 10 4	RESIDEO TECHNOLOGIES ORD	..	10/29/2018	CORPORATE ACTION	11/02/2018	VARIOUS	3,833.333	94,255	91,137	94,255				0			(3,118)	(3,118)		
76133Q 10 2	RETAIL VALUE ORD	..	07/02/2018	CORPORATE ACTION	09/10/2018	Jefferies	1,500.000	38,796	48,637	38,796				0			9,841	9,841		
783549 10 8	RYDER SYSTEM ORD	..	05/10/2018	Jefferies	11/21/2018	BARCLAYS CAPITAL INC./LE	2,000.000	137,290	106,849	137,290				0			(30,441)	(30,441)	3,200	
78440X 10 1	SL GREEN RLTY REIT ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC.	10/08/2018	BTIG LLC	2,500.000	253,938	236,859	253,938				0			(17,078)	(17,078)	2,031	
78573L 10 6	SABRA HEALTH CARE REIT ORD	..	11/09/2018	VARIOUS	12/06/2018	VARIOUS	31,000.000	594,085	604,545	594,085				0			10,460	10,460	13,950	
78573M 10 4	SABRE ORD	..	06/12/2018	BTIG LLC	09/24/2018	BARCLAYS CAPITAL INC./LE	8,000.000	209,800	206,597	209,800				0			(3,203)	(3,203)	2,240	
800422 10 7	JOHN B SANFILIPPO AND SON ORD	..	08/01/2018	BTIG LLC	09/17/2018	DEUTSCHE BANK SECURITIES, INC.	3,500.000	271,840	251,984	271,840				0			(19,856)	(19,856)	8,925	
80589M 10 2	SCANA ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	06/25/2018	VARIOUS	8,000.000	319,480	291,314	319,480				0			(28,166)	(28,166)	4,900	
806857 10 8	SCHLUMBERGER ORD	C	08/31/2018	VARIOUS	10/29/2018	VARIOUS	12,000.000	869,280	773,130	869,280				0			(96,150)	(96,150)	6,000	
81618T 10 0	SELECT INCOME REIT ORD	..	04/24/2018	DEUTSCHE BANK SECURITIES, INC.	05/29/2018	Jefferies	8,000.000	151,160	171,958	151,160				0			20,798	20,798	4,080	
81663A 10 5	SEMGROUP CL A ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	08/21/2018	BTIG LLC	7,000.000	166,285	177,063	166,285				0			10,778	10,778	6,615	
816851 10 9	SEMPRA ENERGY ORD	..	09/10/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	4,000.000	470,420	450,134	470,420				0			(20,286)	(20,286)	3,580	
81721M 10 9	SENIOR HOUSING REIT ORD	..	10/08/2018	VARIOUS	11/09/2018	VARIOUS	25,000.000	403,975	423,119	403,975				0			19,144	19,144	9,750	
828806 10 9	SIMON PROP GRP REIT ORD	..	10/29/2018	VARIOUS	11/21/2018	VARIOUS	12,100.000	2,077,917	2,116,890	2,077,917				0			38,974	38,974	24,075	
832696 40 5	JM SMUCKER ORD	..	07/26/2018	BTIG LLC	09/10/2018	Jefferies	2,000.000	220,310	220,327	220,310				0			17	17	1,700	
842587 10 7	SOUTHERN ORD	..	04/16/2018	BTIG LLC	08/21/2018	BTIG LLC	16,000.000	721,200	735,910	721,200				0			14,710	14,710	19,200	
84265V 10 5	SOUTHERN COPPER ORD	C	07/26/2018	BTIG LLC	09/10/2018	Jefferies	5,000.000	238,475	200,172	238,475				0			(38,303)	(38,303)	2,000	
84860W 10 2	SPIRIT REALTY CAPITAL REIT ORD	..	03/15/2018	BARCLAYS CAPITAL INC./LE	07/26/2018	BTIG LLC	20,000.000	159,900	166,898	159,900				0			6,998	6,998	25,440	
84861U 10 5	SPIRIT MTA REIT ORD	..	06/01/2018	CORPORATE ACTION	07/26/2018	BTIG LLC	2,000.000	18,240	20,650	18,240				0			2,410	2,410		
854502 10 1	STANLEY BLACK AND DECKER ORD	..	05/29/2018	Jefferies	12/06/2018	DEUTSCHE BANK SECURITIES, INC.	1,300.000	185,075	164,467	185,075				0			(20,607)	(20,607)	2,535	
85571B 10 5	STARWOOD PROPERTY REIT	..	05/29/2018	VARIOUS	10/01/2018	VARIOUS	17,000.000	367,855	360,359	367,855				0			(7,496)	(7,496)	13,440	
857477 10 3	STATE STREET ORD	..	09/10/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	5,000.000	435,525	332,021	435,525				0			(103,504)	(103,504)	2,350	
867914 10 3	SUNTRUST BANKS ORD	..	08/21/2018	BTIG LLC	10/08/2018	BTIG LLC	3,000.000	223,665	200,862	223,665				0			(22,803)	(22,803)	1,500	
871829 10 7	SYSCO ORD	..	04/02/2018	VARIOUS	10/29/2018	DEUTSCHE BANK SECURITIES, INC.	5,000.000	296,055	331,231	296,055				0			35,176	35,176	3,240	

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Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
876030 10 7	TAPESTRY ORD	..	05/29/2018	Jefferies	10/29/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	218,975	203,972	218,975				0			(15,003)	(15,003)	3,375	
87612G 10 1	TARGA RESOURCES ORD	..	10/08/2018	VARIOUS	12/03/2018	VARIOUS	14,000.000	681,380	659,469	681,380				0			(21,911)	(21,911)	12,740	
88104R 10 0	TERRAFORM POWER CL A ORD	..	08/21/2018	BTIG LLC	10/08/2018	BTIG LLC	15,000.000	170,925	168,599	170,925				0			(2,326)	(2,326)	2,850	
882508 10 4	TEXAS INSTRUMENTS ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	BARCLAYS CAPITAL INC./LE	17,000.000	1,794,405	1,761,992	1,794,405				0			(32,413)	(32,413)	17,320	
88579Y 10 1	3M ORD	..	08/21/2018	BTIG LLC	11/21/2018	BARCLAYS CAPITAL INC./LE	5,000.000	1,028,475	993,412	1,028,475				0			(35,063)	(35,063)	13,600	
886885 10 2	TILLY'S CL A ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	04/02/2018	BARCLAYS CAPITAL INC./LE	7,000.000	100,127	78,840	100,127				0			(21,287)	(21,287)	7,000	
88870P 10 6	TIVO ORD	..	03/05/2018	Jefferies	07/10/2018	Jefferies	15,000.000	219,825	197,922	219,825				0			(21,903)	(21,903)	5,400	
89417E 10 9	TRAVELERS COMPANIES ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/10/2018	Jefferies	1,500.000	194,783	188,795	194,783				0			(5,987)	(5,987)	1,155	
899896 10 4	TUPPERWARE BRANDS ORD	..	09/10/2018	Jefferies	10/29/2018	VARIOUS	21,000.000	867,385	783,563	867,385				0			(83,822)	(83,822)	14,280	
90187B 40 8	TWO HARBORS INVESTMENT REIT ORD	..	05/29/2018	Jefferies	07/26/2018	BTIG LLC	15,000.000	234,075	234,372	234,075				0			297	297	9,426	
904214 10 3	UMPQUA HOLDINGS ORD	..	09/17/2018	DEUTSCHE BANK SECURITIES, INC	11/02/2018	Jefferies	10,000.000	216,950	193,347	216,950				0			(23,603)	(23,603)	2,100	
907818 10 8	UNION PACIFIC ORD	..	08/21/2018	BTIG LLC	12/03/2018	Jefferies	5,000.000	757,825	785,615	757,825				0			27,790	27,790	8,000	
910340 10 8	UNITED FIRE GROUP ORD	..	08/01/2018	BTIG LLC	09/17/2018	DEUTSCHE BANK SECURITIES, INC	5,900.000	359,095	299,605	359,095				0			(59,490)	(59,490)	19,529	
911312 10 6	UNITED PARCEL SERVICE CL B ORD	..	04/16/2018	BTIG LLC	12/03/2018	Jefferies	7,000.000	764,785	806,845	764,785				0			42,060	42,060	19,110	
91325V 10 8	UNITI GROUP ORD	..	09/10/2018	VARIOUS	10/01/2018	VARIOUS	39,000.000	721,955	666,403	721,955				0			(55,552)	(55,552)	23,400	
91913Y 10 0	VALERO ENERGY ORD	..	07/26/2018	VARIOUS	12/03/2018	VARIOUS	5,000.000	536,895	508,028	536,895				0			(28,867)	(28,867)	8,800	
92276F 10 0	VENTAS REIT ORD	..	09/17/2018	VARIOUS	11/02/2018	VARIOUS	10,000.000	534,250	514,521	534,250				0			(19,729)	(19,729)	10,270	
92339V 10 0	VEREIT ORD	..	06/12/2018	VARIOUS	11/02/2018	VARIOUS	55,000.000	392,125	389,868	392,125				0			(2,257)	(2,257)	11,000	
92343V 10 4	VERIZON COMMUNICATIONS ORD	..	04/02/2018	BARCLAYS CAPITAL INC./LE	07/26/2018	BTIG LLC	45,000.000	2,122,425	2,302,845	2,122,425				0			180,420	180,420	53,100	
92553P 20 1	VIACOM CL B ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	04/24/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	161,125	154,571	161,125				0			(6,554)	(6,554)	1,000	
92936U 10 9	W P CAREY REIT ORD	..	05/29/2018	VARIOUS	07/26/2018	VARIOUS	7,000.000	444,585	445,077	444,585				0			492	492	7,120	
931142 10 3	WALMART ORD	..	07/26/2018	BTIG LLC	10/29/2018	DEUTSCHE BANK SECURITIES, INC	17,900.000	1,609,017	1,640,869	1,609,017				0			31,853	31,853	13,988	
93627C 10 1	WARRIOR MET COAL ORD	..	04/06/2018	VARIOUS	05/29/2018	Jefferies	8,000.000	227,390	205,557	227,390				0			(21,833)	(21,833)	52,629	
93964W 10 8	WASHINGTON PRIME GROUP ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	03/12/2018	BARCLAYS CAPITAL INC./LE	12,000.000	78,180	77,338	78,180				0			(842)	(842)	3,000	
94106L 10 9	WASTE MANAGEMENT ORD	..	03/06/2018	Jefferies	07/01/2018	DEUTSCHE BANK SECURITIES, INC	5,000.000	429,125	406,966	429,125				0			(22,159)	(22,159)	2,325	
942622 20 0	WATSCO ORD	..	10/01/2018	BARCLAYS CAPITAL INC./LE	11/21/2018	VARIOUS	3,500.000	624,633	562,865	624,633				0			(61,767)	(61,767)	7,975	
95040Q 10 4	WELLTOWER ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	02/27/2018	BARCLAYS CAPITAL INC./LE	2,500.000	146,138	130,534	146,138				0			(15,603)	(15,603)	2,175	
95709T 10 0	EVERGY ORD	..	02/27/2018	BARCLAYS CAPITAL INC./LE	06/04/2018	VARIOUS	6,000.000	294,750	313,944	294,750				0			19,194	19,194	2,800	
958102 10 5	WESTERN DIGITAL ORD	..	09/10/2018	VARIOUS	10/29/2018	VARIOUS	7,000.000	517,665	413,590	517,665				0			(104,075)	(104,075)	3,500	
959802 10 9	WESTERN UNION ORD	..	08/21/2018	VARIOUS	10/08/2018	BTIG LLC	17,000.000	327,695	325,291	327,695				0			(2,404)	(2,404)	3,230	
962166 10 4	WEYERHAEUSER REIT	..	08/31/2018	BTIG LLC	10/01/2018	VARIOUS	16,000.000	555,740	523,991	555,740				0			(31,749)	(31,749)	5,320	
969457 10 0	WILLIAMS ORD	..	08/31/2018	VARIOUS	10/16/2018	VARIOUS	24,000.000	672,370	661,900	672,370				0			(10,470)	(10,470)	8,160	
974155 10 3	WINGSTOP ORD	..	02/02/2018	BARCLAYS CAPITAL INC./LE	04/06/2018	Jefferies	3,000.000	143,736	143,262	143,736				0			(474)	(474)	9,720	
98310W 10 8	WYNDHAM DESTINATIONS ORD	..	06/12/2018	BTIG LLC	08/08/2018	DEUTSCHE BANK SECURITIES, INC	3,000.000	144,585	131,743	144,585				0			(12,842)	(12,842)	1,230	
98389B 10 0	XCEL ENERGY ORD	..	08/31/2018	BTIG LLC	11/02/2018	VARIOUS	11,000.000	528,605	541,758	528,605				0			13,153	13,153	4,180	
984121 60 8	XEROX ORD	..	09/17/2018	VARIOUS	11/02/2018	Jefferies	9,000.000	252,565	248,732	252,565				0			(3,833)	(3,833)	2,250	
988498 10 1	YUM BRANDS ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	06/25/2018	BTIG LLC	5,000.000	413,375	392,920	413,375				0			(20,455)	(20,455)	1,800	
98983V 10 6	ZUORA CL A ORD	..	10/29/2018	Unknown	10/29/2018	DEUTSCHE BANK SECURITIES, INC	68,271.000	428,742	1,470,541	428,742				0			1,041,799	1,041,799		
G0084W 10 1	ADIENT ORD	D	10/08/2018	BTIG LLC	12/03/2018	Jefferies	5,000.000	172,125	124,173	172,125				0			(47,952)	(47,952)	1,375	
G0129K 10 4	AIRCASTLE ORD	..	05/18/2018	DEUTSCHE BANK SECURITIES, INC	07/06/2018	BARCLAYS CAPITAL INC./LE	8,000.000	169,240	163,638	169,240				0			(5,602)	(5,602)	2,240	
G02602 10 3	AMDOCS ORD	..	04/06/2018	Jefferies	10/08/2018	BTIG LLC	2,000.000	131,190	127,208	131,190				0			(3,982)	(3,982)	1,000	

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1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
G05384 10 5	ASPEN INSURANCE HOLDINGS ORD	C	10/16/2018	VARIOUS	12/03/2018	VARIOUS	10,000.000	399,450	398,245	399,450				0			(1,205)	(1,205)	3,600	
G1151C 10 1	ACCENTURE CL A ORD	C	04/02/2018	BARCLAYS CAPITAL INC./LE	07/01/2018	Adjustment	2,000.000	295,970	310,606	295,970				0			14,636	14,636	2,660	
G16962 10 5	BUNGE ORD	..	05/17/2018	DEUTSCHE BANK SECURITIES, INC	08/21/2018	BTIG LLC	4,000.000	282,780	255,497	282,780				0			(27,283)	(27,283)	3,840	
G29183 10 3	EATON ORD	C	07/06/2018	VARIOUS	11/02/2018	VARIOUS	15,000.000	1,188,395	1,097,145	1,188,395				0			(91,250)	(91,250)	19,800	
G491BT 10 8	INVESCO ORD	..	05/03/2018	BARCLAYS CAPITAL INC./LE	08/21/2018	BTIG LLC	6,000.000	167,790	148,708	167,790				0			(19,082)	(19,082)	3,600	
G51502 10 5	JOHNSON CONTROLS INTERNATIONAL ORD	D	09/17/2018	VARIOUS	11/02/2018	VARIOUS	12,000.000	445,660	402,955	445,660				0			(42,705)	(42,705)	4,940	
G54050 10 2	LAZARD CL A ORD	C	02/02/2018	BARCLAYS CAPITAL INC./LE	03/15/2018	BARCLAYS CAPITAL INC./LE	3,000.000	174,375	166,151	174,375				0			(8,224)	(8,224)	5,130	
G6518L 10 8	NIELSEN HOLDINGS ORD	..	10/16/2018	VARIOUS	12/03/2018	VARIOUS	19,000.000	596,305	529,267	596,305				0			(67,038)	(67,038)	9,750	
G6700G 10 7	NVENT ELECTRIC PLC	C	04/30/2018	CORPORATE ACTION	07/26/2018	BTIG LLC	3,000.000	62,206	81,584	62,206				0			19,378	19,378		
G7S00T 10 4	PENTAIR ORD	C	04/30/2018	CORPORATE ACTION	05/29/2018	Jefferies	3,000.000	127,169	132,493	127,169				0			5,324	5,324		
G9078F 10 7	TRITON INTERNATIONAL ORD	D	08/21/2018	VARIOUS	10/08/2018	BTIG LLC	11,000.000	408,205	345,411	408,205				0			(62,794)	(62,794)	5,720	
H1467J 10 4	CHUBB ORD	D	06/12/2018	VARIOUS	10/29/2018	VARIOUS	8,400.000	1,122,170	1,109,099	1,122,170				0			(13,071)	(13,071)	10,764	
N53745 10 0	LYONDELLBASELL INDUSTRIES CL A ORD	C	08/31/2018	BTIG LLC	10/16/2018	DEUTSCHE BANK SECURITIES, INC	6,000.000	676,710	585,742	676,710				0			(90,968)	(90,968)	6,000	
9099999.	Total - Common Stocks - Industrial and Miscellaneous							170,886,472	165,601,829	170,886,472	0	0	0	0	0	0	(5,284,618)	(5,284,618)	2,630,759	0
Common Stocks - Mutual Funds																				
315792 23 4	FIDELITY ABERDEEN STREET TRUST.	..	03/16/2018	Unknown	10/10/2018	Unknown	1,214.997	20,400	19,905	20,400				0			(495)	(495)	470	
316345 80 0	FIDELITY LOW-PRCD STK K	..	09/14/2018	Unknown	10/01/2018	Unknown	25.537	1,326	1,341	1,326				0			14	14		
922908 39 7	VANGUARD SM-CP IDX;INSP	..	03/21/2018	Unknown	04/09/2018	Unknown	1,231.080	256,483	246,942	256,483				0			(9,541)	(9,541)		
9299999.	Total - Common Stocks - Mutual Funds							278,209	268,188	278,209	0	0	0	0	0	0	(10,022)	(10,022)	470	0
9799998.	Total - Common Stocks							171,164,681	165,870,017	171,164,681	0	0	0	0	0	0	(5,294,640)	(5,294,640)	2,631,229	0
9899999.	Total - Preferred and Common Stocks							171,164,681	165,870,017	171,164,681	0	0	0	0	0	0	(5,294,640)	(5,294,640)	2,631,229	0
9999999.	Total - Bonds, Preferred and Common Stocks							343,379,170	332,215,643	343,362,658	0	(16,514)	0	(16,514)	0	0	(11,146,997)	(11,146,997)	6,750,215	670,505

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	9	10	Stock of Such Company Owned by Insurer on Statement Date	
										11	12
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code	ID Number	NAIC Valuation Method	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Nonadmitted Amount	Number of Shares	% of Outstanding
Common Stocks - U.S. Health Entity											
000000 00 0	BCBSNC Senior Health		15999	81-1191645	8bi			1,500,000		1.000	100.0
1399999. Total - Common Stocks - U.S. Health Entity							0	1,500,000	0	XXX	XXX
Common Stocks - Other Affiliates											
000000 00 0	BEACON HEALTH			82-3396002	8biii			3,338,462		1.000	100.0
65511# 10 1	NOBLE HEALTH			26-0529453	8biii			197,450,339		372.000	100.0
1799999. Total - Common Stocks - Other Affiliates							0	200,788,801	0	XXX	XXX
1899999. Total - Common Stocks							0	202,288,801	0	XXX	XXX
1999999. Total - Preferred and Common Stock							0	202,288,801	0	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.

2. Total amount of intangible assets nonadmitted $.....0.

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	Codes		4	5	6	7	Change in Book/Adjusted Carrying Value				12	13	Interest						20
	2	3					8	9	10	11			14	15	16	17	18	19	
Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
U.S. Government Bonds - Issuer Obligations																			
UNITED STATES TREASURY		..	10/04/2018.	Citigroup (SSB)	04/30/2019.	398,443		1,146			400,000	397,297	856		1.25	2.45	AO	6,250	25,761
0199999. U.S. Government Bonds - Issuer Obligations						398,443	0	1,146	0	0	400,000	397,297	856	0	XXX	XXX	XXX	6,250	25,761
0599999. Total - U.S. Government Bonds						398,443	0	1,146	0	0	400,000	397,297	856	0	XXX	XXX	XXX	6,250	25,761
Total Bonds																			
7799999. Subtotals - Issuer Obligations						398,443	0	1,146	0	0	400,000	397,297	856	0	XXX	XXX	XXX	6,250	25,761
8399999. Subtotals - Bonds						398,443	0	1,146	0	0	400,000	397,297	856	0	XXX	XXX	XXX	6,250	25,761
9199999. Total - Short-Term Investments						398,443	0	1,146	0	0	XXX	397,297	856	0	XXX	XXX	XXX	6,250	25,761

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate of Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Undiscounted Premium (Received) Paid	Current Year Initial Cost of Undiscounted Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Adjustment to Carrying Value of Hedged Items	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (b)

NONE

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Undiscounted Premium (Received) Paid	Current Year Initial Cost of Undiscounted Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/Adjusted Carrying Value	Code	Unrealized Valuation Increase (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination - Deferred	Hedge Effectiveness at Inception and at Termination (b)

NONE

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18		
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Hedge Effectiveness at Inception and at Termination (b)	Value of One (1) Point

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

NONE

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

NONE

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

(Securities lending collateral assets reported in aggregate on one Line 10 of the Assets page and not included on Schedules A, B, BA, D, DB and E.)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation and Administative Symbol / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

NONE

SCHEDULE DL - PART 2

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

(Securities lending collateral assets included on Schedules A, B, BA, D, DB and E and not reported in aggregate on Line 10 of the Assets page).

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation and Administrative Symbol / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories							
General Fund-Bank of America	Bank of America					403,793	XXX
Claims-FEP Std Option-Wachovia	Wachovia					(399,377)	XXX
Clms-FEP Basic Opt Wachovia	Wachovia					(677,519)	XXX
Dental Blue Select ACS	Wachovia					(685,385)	XXX
Claims Master Account	Wachovia					49,576,173	XXX
FEP Master Account	Wachovia					9,220,792	XXX
Fiscal Agent-Mellon	Mellon					3,934	XXX
FHLB Checking Account	FHLB Atlanta					572,934	XXX
Wachovia - Payroll	Wachovia					14,332,680	XXX
Wells Fargo Money Market	Wells Fargo					(116,754)	XXX
A/P Wach - 2079900141205	Wachovia					(6,821,742)	XXX
Broker Comm Cash	Wachovia					(184,475)	XXX
BB&T General Fund	BB&T					145,297,655	XXX
Workers' Compensation Wachovia	Wachovia					15,901	XXX
Bank of America - Accounts payable	Bank of America					(2,974,359)	XXX
Wells Fargo- Facets IPP Host	Wells Fargo					(41,767,402)	XXX
Cash-Claims Payments-BE	Wachovia					(17,695,341)	XXX
MedSupp Premium Refunds	Wachovia					(1,193,015)	XXX
Cash Clearing-Nonunderw-BE	Wachovia					(20,319,634)	XXX
PNCB FEP Carefirst Checks	PNC					816,346	XXX
PNCB FEPCarefirst ACHs	PNC					(11,942,589)	XXX
Draft Representments	Wachovia					6,785	XXX
BB&T Check returns	BB&T					316,694	XXX
Med supp Claims Disburs	BB&T					(3,248,831)	XXX
Credit Memos Cash	Wachovia					(4,745,143)	XXX
PARTNERS-General Cash	Wachovia					(833,308)	XXX
Bank-Claims Disbursement account	Wachovia					(73,736,530)	XXX
Bank-Premium Refunds	Wachovia					(1,502,013)	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	31,720,270	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	31,720,270	XXX
0599999. Total Cash		XXX	XXX	0	0	31,720,270	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(69,594,595)	4. April	(113,350,936)	7. July	(87,214,684)	10. October	(48,223,629)
2. February	11,858,552	5. May	(51,558,709)	8. August	127,404,093	11. November	96,242,271
3. March	(30,348,174)	6. June	(140,502,666)	9. September	(76,786,607)	12. December	31,720,270

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Exempt Money Market Mutual Funds as Identified by the SVO								
261941 10 8	DREYFUS TRS SEC INST		11/30/2018	2.240		178,981	378	2,628
31846V 41 9	FIRST AMER:TRS OBG V	SD	12/04/2018	2.300		500,004	881	7,378
8599999. Total - Exempt Money Market Mutual Funds as Identified by the SVO						678,985	1,259	10,006
All Other Money Market Mutual Funds								
262006 20 8	DREYFUS GVT CSH MGT INST		12/31/2018	2.380		65,782,099	117,471	56,792
262006 20 8	DREYFUS GVT CSH MGT INST		12/31/2018	2.380		5,159,977	8,896	1,712
31617H 10 2	FIDELITY:GOVT MNY MKT		12/31/2018	2.010		8,577	15	123
38141W 27 3	GOLDMAN:FS GOVT INST		12/03/2018	2.410			13,115	
72701U 10 4	PLAN INVMNT:GOVERNMENT		12/03/2018	2.420			96,476	
825252 88 5	INVESCO GOV&AGENCY INST		12/03/2018	2.380		10,000,000	25,430	
8699999. Total - All Other Money Market Mutual Funds						80,950,654	261,403	58,627
8899999. Total - Cash Equivalents						81,629,639	262,661	68,633

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusting Carrying Value	4 Fair Value	5 Book/Adjusting Carrying Value	6 Fair Value
1. Alabama AL						
2. Alaska AK						
3. Arizona AZ						
4. Arkansas AR						
5. California CA						
6. Colorado CO						
7. Connecticut CT						
8. Delaware DE						
9. District of Columbia DC						
10. Florida FL						
11. Georgia GA						
12. Hawaii HI						
13. Idaho ID						
14. Illinois IL						
15. Indiana IN						
16. Iowa IA						
17. Kansas KS						
18. Kentucky KY						
19. Louisiana LA						
20. Maine ME						
21. Maryland MD						
22. Massachusetts MA						
23. Michigan MI						
24. Minnesota MN						
25. Mississippi MS						
26. Missouri MO						
27. Montana MT						
28. Nebraska NE						
29. Nevada NV						
30. New Hampshire NH						
31. New Jersey NJ						
32. New Mexico NM						
33. New York NY						
34. North Carolina NC	ST	Coll St Employees MM Plan (NCGS Ch 58), DOI dep, HMO-LOB dep	500,004	500,004		
35. North Dakota ND						
36. Ohio OH						
37. Oklahoma OK						
38. Oregon OR						
39. Pennsylvania PA						
40. Rhode Island RI						
41. South Carolina SC						
42. South Dakota SD						
43. Tennessee TN						
44. Texas TX						
45. Utah UT						
46. Vermont VT						
47. Virginia VA						
48. Washington WA						
49. West Virginia WV						
50. Wisconsin WI						
51. Wyoming WY						
52. American Samoa AS						
53. Guam GU						
54. Puerto Rico PR						
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	500,004	500,004	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2018
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....758
NAIC Company Code.....54631
Address (City, State and Zip Code).....4705 University Drive, Durham, NC 27707
Person Completing This Exhibit.....Robin Ashford
Title.....Senior Accountant.....Telephone Number.....919-489-7431

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2015				Policies Issued in 2016, 2017 & 2018			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
YES	M4	P	NO	35	02/23/1968		05/22/2000	10/01/1982	BC65 High Option	133,489	66,922	50.1	36			0.0	
YES	M140	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 1	872	547	62.7				0.0	
YES	M141	P	NO	35	08/17/1982		05/22/2000	09/07/1986	Med. Supp Plan 2			0.0				0.0	
YES	M142	P	NO	35	08/17/1982		09/08/1999	07/01/1984	Med. Supp Plan 3	22,858	19,107	83.6	7			0.0	
YES	M143	P	NO	35	08/17/1982		05/22/2000	01/01/1992	Med. Supp Plan 4	1,597,558	1,288,155	80.6	317			0.0	
YES	M144	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 5	2,990	3,007	100.6	2			0.0	
YES	M145	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 6	41,328	21,044	50.9	17			0.0	
YES	M146	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 7	12,387	6,620	53.4	5			0.0	
YES	M147	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 8			0.0				0.0	
YES	M148	P	NO	35	06/08/1984		09/08/1999	01/01/1992	Med. Supp Plan 9	1,457,414	1,156,571	79.4	430			0.0	
YES	M150	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 11	5,577	632	11.3	1			0.0	
YES	M151	P	NO	35	06/08/1984		05/22/2000	01/01/1992	Med. Supp Plan 12	827,816	663,261	80.1	114			0.0	
YES	K74A	A	NO	2346	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan A	1,114,148	913,587	82.0	402			0.0	
YES	K74B	B	NO	2346	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan B	1,909,178	1,370,350	71.8	681			0.0	
YES	K74C	C	NO	2346	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan C	3,714,457	3,454,973	93.0	1,063			0.0	
YES	K74D	D	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan D	1,389,666	958,381	69.0	475			0.0	
YES	K74E	E	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan E	647,549	438,782	67.8	223			0.0	
YES	K74F	F	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan F	102,189,556	76,864,154	75.2	35,954			0.0	
YES	K74H	H	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan H	478,537	321,694	67.2	165			0.0	
YES	K74I	I	NO	234	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan I	2,693,482	2,044,887	75.9	945			0.0	
YES	K74J	J	NO	2346	11/26/1991		09/08/1999	03/11/2010	Med. Supp Plan J	32,166,689	25,816,204	80.3	10,149			0.0	
YES	BMS A	A	NO	2346	03/14/2011				Med. Supp Plan A	3,347,917	4,171,061	124.6	416	1,764,253	2,001,062	113.4	231
YES	BMS B	B	NO	2346	03/14/2011				Med. Supp Plan B	671,212	578,262	86.2	201	197,195	108,255	54.9	54
YES	BMS C	C	NO	2346	03/14/2011				Med. Supp Plan C	1,108,349	802,159	72.4	236	771,604	478,153	62.0	147
YES	BMS D	D	NO	234	03/14/2011				Med. Supp Plan D	212,503	107,957	50.8	82	78,193	59,919	76.6	40
YES	BMS F	F	NO	234	03/14/2011				Med. Supp Plan F	163,091,497	121,714,684	74.6	63,103	39,560,250	31,982,060	80.8	19,299
YES	BMS HDF	F	NO	234	03/14/2011				Med. Supp Plan HDF	3,788,863	2,629,761	69.4	8,147	3,214,595	1,896,628	59.0	8,257
YES	BMS G	G	NO	234	03/14/2011				Med. Supp Plan G	5,189,962	4,106,655	79.1	2,189	7,800,370	6,767,537	86.8	7,599

Supplement for the year 2018 of the **Blue Cross and Blue Shield of North Carolina**

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2018
(To Be Filed by March 1)
FOR THE STATE OF.....North Carolina

NAIC Group Code.....758
NAIC Company Code.....54631
Address (City, State and Zip Code).....4705 University Drive, Durham, NC 27707
Person Completing This Exhibit.....Robin Ashford
Title.....Senior Accountant.....Telephone Number.....919-489-7431

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2015				Policies Issued in 2016, 2017 & 2018			
										11	Incurred Claims		14	15	Incurred Claims		18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	12 Amount	13 Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	16 Amount	17 Percent of Premiums Earned	Number of Covered Lives
.....YES.....	BMS K.....	K.....	.....NO...	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan K.....	38,257	17,625	.....46.1	29	21,638	8,153	.....37.7	23
.....YES.....	BMS L.....	L.....	.....NO...	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan L.....	86,506	45,120	.....52.2	52	47,837	19,257	.....40.3	32
.....YES.....	BMS M.....	M.....	.....NO...	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan M.....	61,885	29,085	.....47.0	32	60,597	38,639	.....63.8	38
.....YES.....	BMS N.....	N.....	.....NO...	....234.....	.03/14/2011	.....	.....	.....	Med. Supp Plan N.....	406,922	190,234	.....46.7	161	131,482	85,386	.....64.9	70
0199999.	Total Policy Experience on Individual Policies.....									328,409,424	249,801,481	.....76.1	125,634	53,648,014	43,445,049	.....81.0	35,790

360.NC.1

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address..... 4705 University Drive Durham NC 27707
   2.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address..... 4705 University Drive Durham NC 27707
   3.2 Contact person and phone number..... Daniel F Atherton 919-765-1558
4. Explain any policies identified as policy type "O".

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....758 (To Be Filed By March 1) NAIC Company Code.....54631

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage	56,042,571	XXX		XXX	56,042,571
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage	(234,079)	XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage	(402,250)	XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	56,210,742	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	56,210,742	XXX	0	XXX	56,042,571
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage	43,122,584	XXX		XXX	43,122,584
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage	1,376,707	XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage	1,228,742	XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	43,270,549	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	43,270,549	XXX	0	XXX	43,122,584
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX	(347,943)	XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid	12,005,650	XXX		XXX	12,005,650
15. Expenses Incurred	12,005,650	XXX		XXX	XXX
16. Underwriting Gain/Loss	934,543	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	914,337

HMO Line of Business

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member months	XXX	95,210	109,851
2.	Net premium income (including $.....0 non-health premium income)	XXX	43,469,464	46,660,629
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	43,469,464	46,660,629
Hospital and Medical:				
9.	Hospital/medical benefits		23,227,501	25,742,699
10.	Other professional services		1,596,886	1,626,392
11.	Outside referrals		2,990,831	3,115,819
12.	Emergency room and out-of-area			
13.	Prescription drugs		7,460,335	9,464,859
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	0	35,275,553	39,949,769
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	0	35,275,553	39,949,769
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....937,153 cost containment expenses	15,593	2,077,430	3,254,572
21.	General administrative expenses		4,305,189	3,978,827
22.	Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	15,593	41,658,172	47,183,168
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,811,292	(522,539)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		779,768	633,692
26.	Net realized capital gains or (losses) less capital gains tax of $.....0		312,682	18,616
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	1,092,450	652,308
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	2,903,742	129,769
31.	Federal and foreign income taxes incurred	XXX	1,016,310	45,419
32.	Net income (loss) (Lines 30 minus 31)	XXX	1,887,432	84,350

DETAILS OF WRITE-INS

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	43,469,464	43,469,464								
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	43,469,464	43,469,464	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	23,227,501	23,227,501								XXX
9. Other professional services	1,596,886	1,596,886								XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	2,990,831	2,990,831								XXX
12. Prescription drugs	7,460,335	7,460,335								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	35,275,553	35,275,553	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	35,275,553	35,275,553	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....937,153 cost containment expenses	2,077,430	2,077,430								
20. General administrative expenses	4,305,189	4,305,189								
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	41,658,172	41,658,172	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,811,292	1,811,292	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0									XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	43,469,464			43,469,464
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid				0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	43,469,464	0	0	43,469,464
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	43,469,464	0	0	43,469,464

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and 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	35,011,677	35,011,677								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	35,011,677	35,011,677	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,783,429	1,783,429								
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	1,783,429	1,783,429	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,519,550	1,519,550								
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	1,519,550	1,519,550	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	35,275,556	35,275,556	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	35,275,556	35,275,556	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(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 (Medical and Hospital)	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	542,162	542,162								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	542,162	542,162	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct	1,241,267	1,241,267								
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	1,241,267	1,241,267	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	1,783,429	1,783,429	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	1,783,429	1,783,429	0	0	0	0	0	0	0	0

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)	885,439	34,126,238	123,941	1,659,488	1,009,380	1,519,550
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	885,439	34,126,238	123,941	1,659,488	1,009,380	1,519,550
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	885,439	34,126,238	123,941	1,659,488	1,009,380	1,519,550

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,611	2,610	2,610	2,610	2,611
2. 2014	21,054	21,628	21,638	21,638	21,638
3. 2015	XXX	11,028	12,048	12,048	12,048
4. 2016	XXX	XXX	22,186	26,580	26,579
5. 2017	XXX	XXX	XXX	38,233	39,120
6. 2018	XXX	XXX	XXX	XXX	34,126

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,611	2,611	2,611	2,611	2,611
2. 2014	22,963	21,628	21,638	21,638	21,638
3. 2015	XXX	12,412	12,048	12,048	12,048
4. 2016	XXX	XXX	26,384	26,580	26,579
5. 2017	XXX	XXX	XXX	39,753	39,120
6. 2018	XXX	XXX	XXX	XXX	35,910

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	30,652	21,638	869	4.0	22,507	73.4			22,507	73.4
2. 2015	18,232	12,048	521	4.3	12,569	68.9			12,569	68.9
3. 2016	30,090	26,579	118	0.4	26,697	88.7			26,697	88.7
4. 2017	46,660	39,120	1,193	3.0	40,313	86.4			40,313	86.4
5. 2018	43,469	34,126	801	2.3	34,927	80.3	1,783	71	36,781	84.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

($000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,611	2,610	2,610	2,610	2,611
2. 2014	21,054	21,628	21,638	21,638	21,638
3. 2015	XXX	11,028	12,048	12,048	12,048
4. 2016	XXX	XXX	22,186	26,580	26,579
5. 2017	XXX	XXX	XXX	38,233	39,120
6. 2018	XXX	XXX	XXX	XXX	34,126

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,611	2,611	2,611	2,611	2,611
2. 2014	22,963	21,628	21,638	21,638	21,638
3. 2015	XXX	12,412	12,048	12,048	12,048
4. 2016	XXX	XXX	26,384	26,580	26,579
5. 2017	XXX	XXX	XXX	39,753	39,120
6. 2018	XXX	XXX	XXX	XXX	35,910

12.HM

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014	30,652	21,638	869	4.0	22,507	73.4			22,507	73.4
2. 2015	18,232	12,048	521	4.3	12,569	68.9			12,569	68.9
3. 2016	30,090	26,579	118	0.4	26,697	88.7			26,697	88.7
4. 2017	46,660	39,120	1,193	3.0	40,313	86.4			40,313	86.4
5. 2018	43,469	34,126	801	2.3	34,927	80.3	1,783	71	36,781	84.6

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims

NONE

Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only

NONE

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)	15,436	20,817	30,034		66,287
2. Salaries, wages and other benefits	610,155	797,845	1,792,996	947	3,201,943
3. Commissions (less $.....0 ceded plus $.....0 assumed)			952,421		952,421
4. Legal fees and expenses	564	790	29,769		31,123
5. Certifications and accreditation fees	3,056	3,588	10,686		17,330
6. Auditing, actuarial and other consulting services	201,130	252,697	436,198		890,025
7. Traveling expenses	3,352	8,869	33,829		46,050
8. Marketing and advertising			137,677		137,677
9. Postage, express and telephone	11,495	42,169	48,497		102,161
10. Printing and office supplies	4,888	25,621	45,040		75,549
11. Occupancy, depreciation and amortization	(17,991)	(13,769)	(28,487)		(60,247)
12. Equipment	680	1,256	1,557		3,493
13. Cost or depreciation of EDP equipment and software	65,245	91,263	158,438		314,946
14. Outsourced services including EDP, claims, and other services	274,201	211,280	329,814	6,424	821,719
15. Boards, bureaus and association fees	6,846	2,392	27,482		36,720
16. Insurance, except on real estate	22	26	17,698		17,746
17. Collection and bank service charges		1	45,462		45,463
18. Group service and administration fees	154,686	132,688	55,348		342,722
19. Reimbursements by uninsured plans	(339,978)	(351,354)	(693,510)		(1,384,842)
20. Reimbursements from fiscal intermediaries	(88,068)	(153,083)	(96,589)		(337,740)
21. Real estate expenses	242	23,029	22,702	5,238	51,211
22. Real estate taxes	2,413	2,936	5,264		10,613
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			874,492		874,492
23.3 Regulatory authority licenses and fees	3		613		616
23.4 Payroll taxes	28,776	41,216	67,758		137,750
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	937,153	1,140,277	4,305,189	12,609	(a) 6,395,228
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year					0
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	937,153	1,140,277	4,305,189	12,609	6,395,228

DETAILS OF WRITE-INS

2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	8,142		8,142							
2. First quarter	8,018		8,018							
3. Second quarter	7,806		7,806							
4. Third quarter	7,892		7,892							
5. Current year	8,419		8,419							
6. Current year member months	95,210		95,210							
Total Member Ambulatory Encounters for Year:										
7. Physician	2,922		2,922							
8. Non-physician	0									
9. Totals	2,922	0	2,922	0	0	0	0	0	0	0
10. Hospital patient days incurred	154		154							
11. Number of inpatient admissions	33		33							
12. Health premiums written (b)	43,469,464		43,469,464							
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	43,469,464		43,469,464							
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	35,011,677		35,011,677							
18. Amount incurred for provision of health care services	35,275,556		35,275,556							

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....BCBSNC DIRECT HMO Business 2. ,

BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR (Location)

NAIC Group Code.....0

NAIC Company Code.....54631

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3				Federal			
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	8,142		8,142							
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(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

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