



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
ATRIO Health Plans, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 10123 Employer's ID Number 43-2071108
(Current Period) (Prior Period)

Organized under the Laws of Oregon , State of Domicile or Port of Entry OR

Country of Domicile United States of America

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

Incorporated/Organized 12/23/2004 Commenced Business 01/04/2005

Statutory Home Office 2270 NW Aviation Drive, Suite 3 , Roseburg, OR, US 97470
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2270 NW Aviation Drive, Suite 3
(Street and Number)

Roseburg, OR, US 97470 (541)672-8620
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2270 NW Aviation Drive, Suite 3 , Roseburg, OR, US 97470
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2270 NW Aviation Drive, Suite 3
(Street and Number)

Roseburg, OR, US 97470 (541)672-8620
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.atriohp.com

Statutory Statement Contact Katie Cook (971)239-5038
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Katie.Cook@atriohp.com (541)672-8670
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Ruth Rogers Bauman	President
Jeffrey R Davis	Secretary
Dean Andretta	Treasurer #

OTHERS

DIRECTORS OR TRUSTEES

Tayo Akins	Jeffrey R. Davis
Jan L. Buffa PhD	Russell Francis Noah
Brent Eichman #	Bart J. Bruns MD
Raul A. Miranda MD #	Charles Wilson MD

State of Oregon
 County of _____ ss

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

(Signature)
 Samuel Porter

(Printed Name)
 1.
 Interim CEO

(Title)

(Signature)
 Jeffrey R Davis

(Printed Name)
 2.
 Secretary

(Title)

(Signature)
 Katie Cook

(Printed Name)
 3.
 Interim Chief Financial Officer

(Title)

Subscribed and sworn to before me this _____ day of _____, 2017

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

Yes[X] No []

(Notary Public Signature)

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)	19,401,018		19,401,018	20,558,000
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....5,109,905, Schedule E Part 1), cash equivalents (\$.....8,279,396, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	13,389,301		13,389,301	10,890,481
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	2,367,848		2,367,848	1,136,510
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	35,158,167		35,158,167	32,584,991
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	32,041		32,041	23,537
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	725,498	221,499	503,999	141,903
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....7,538,163)	7,538,163		7,538,163	8,725,160
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	885,021		885,021	349,601
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	742,211		742,211	1,974,972
18.1 Current federal and foreign income tax recoverable and interest thereon	1,344,950		1,344,950	353,631
18.2 Net deferred tax asset	758,300		758,300	414,700
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	710,683	252,420	458,263	491,128
21. Furniture and equipment, including health care delivery assets (\$.....0)	200,268	200,268		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	3,022,885		3,022,885	243,509
24. Health care (\$.....1,316,349) and other amounts receivable	2,974,787	1,658,438	1,316,349	771,641
25. Aggregate write-ins for other than invested assets	497,640	497,640		423,920
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	54,590,613	2,830,265	51,760,348	46,498,692
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	54,590,613	2,830,265	51,760,348	46,498,692
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	497,640	497,640		
2502. State Income Tax Receivable				423,920
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	497,640	497,640		423,920

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	10,884,048		10,884,048	11,950,412
2. Accrued medical incentive pool and bonus amounts				1,304,988
3. Unpaid claims adjustment expenses	286,440		286,440	27,530
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	4,151,796		4,151,796	677,253
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,719,105		1,719,105	342,375
9. General expenses due or accrued	1,849,491		1,849,491	1,166,956
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	56,392		56,392	56,076
12. Amounts withheld or retained for the account of others	37,351		37,351	86,842
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	2,374,915		2,374,915	2,750,787
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	1,140,790		1,140,790	
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	22,500,327		22,500,327	18,363,218
25. Aggregate write-ins for special surplus funds	X X X	X X X		2,413,539
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X	20,498,899	18,934,702
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	8,761,122	6,787,234
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	29,260,021	28,135,474
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	51,760,348	46,498,693
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501. 2016 ACA Estimated 9010 Tax	X X X	X X X		2,413,539
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		2,413,539
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	240,191	185,862
2. Net premium income (including \$.....0 non-health premium income)	X X X	203,213,137	176,129,313
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	203,213,137	176,129,313
Hospital and Medical:			
9. Hospital/medical benefits		92,469,942	74,959,225
10. Other professional services		57,147,765	46,697,311
11. Outside referrals			
12. Emergency room and out-of-area		4,484,624	3,843,046
13. Prescription drugs		20,988,456	15,935,185
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		654,646	6,362,307
16. Subtotal (Lines 9 to 15)		175,745,432	147,797,074
Less:			
17. Net reinsurance recoveries		1,270,186	317
18. TOTAL Hospital and Medical (Lines 16 minus 17)		174,475,246	147,796,757
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....3,084,961 cost containment expenses		7,345,447	5,101,165
21. General administrative expenses		23,262,286	18,742,871
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)		205,082,980	171,640,792
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,869,843)	4,488,520
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		188,114	83,638
26. Net realized capital gains (losses) less capital gains tax of \$.....0			
27. Net investment gains (losses) (Lines 25 plus 26)		188,114	83,638
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....16,926)]		(16,926)	(37,711)
29. Aggregate write-ins for other income or expenses			(69,405)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(1,698,655)	4,465,042
31. Federal and foreign income taxes incurred	X X X	438,500	3,177,073
32. Net income (loss) (Lines 30 minus 31)	X X X	(2,137,155)	1,287,969
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. CMS Penalty			(69,405)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			(69,405)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	28,135,474	23,351,536
34. Net income or (loss) from Line 32	(2,137,155)	1,287,969
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	1,781,338	1,139,044
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		877,100
39. Change in nonadmitted assets	(83,832)	(1,179,877)
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	1,564,197	2,659,702
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		
48. Net change in capital and surplus (Lines 34 to 47)	1,124,548	4,783,938
49. Capital and surplus end of reporting year (Line 33 plus 48)	29,260,022	28,135,474
DETAILS OF WRITE-INS		
4701. Correction of an Error		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	208,751,487	168,353,195
2.	Net investment income	179,612	73,307
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	208,931,099	168,426,502
5.	Benefit and loss related payments	178,111,677	149,813,605
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	27,309,664	24,534,806
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	1,429,819	2,697,003
10.	TOTAL (Lines 5 through 9)	206,851,159	177,045,413
11.	Net cash from operations (Line 4 minus Line 10)	2,079,940	(8,618,911)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	20,471,000	14,917,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	550,000	
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	(1)	276,200
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	21,020,999	15,193,200
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	19,314,020	20,558,000
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	19,314,020	20,558,000
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,706,979	(5,364,800)
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	1,564,197	2,659,702
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)	(2,852,296)	7,555,332
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,288,099)	10,215,034
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,498,820	(3,768,678)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	10,890,481	14,659,159
19.2	End of year (Line 18 plus Line 19.1)	13,389,301	10,890,481

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

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
	Total									
1. Net premium income	203,213,137	9,927,995					193,285,141			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	203,213,137	9,927,995					193,285,141			
8. Hospital/medical benefits	92,469,942	8,860,302					83,609,640			X X X
9. Other professional services	57,147,765	3,532,050					53,615,714			X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	4,484,624	318,344					4,166,280			X X X
12. Prescription drugs	20,988,456	1,433,026					19,555,430			X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts	654,646						654,646			X X X
15. Subtotal (Lines 8 to 14)	175,745,432	14,143,722					161,601,710			X X X
16. Net reinsurance recoveries	1,270,186	603,624					666,561			X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	174,475,246	13,540,097					160,935,149			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....3,084,961 cost containment expenses	7,345,447	496,659					6,848,788			
20. General administrative expenses	23,262,286	813,647					22,448,639			
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	205,082,980	14,850,403					190,232,576			
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,869,843)	(4,922,408)					3,052,565			
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	10,234,120		306,124	9,927,995
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	193,939,176		654,035	193,285,141
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	204,173,296		960,159	203,213,137
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	204,173,296		960,159	203,213,137

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	176,886,809	13,232,322					163,654,487			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	734,766	(231,765)					966,531			
1.4 Net	176,152,043	13,464,087					162,687,956			
2. Paid medical incentive pools and bonuses	1,959,634						1,959,634			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	10,884,048	1,085,000					9,799,048			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	10,884,048	1,085,000					9,799,048			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	729,658						729,658			
7. Amounts recoverable from reinsurers December 31, current year	885,021	835,389					49,631			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	11,950,413	173,601					11,776,812			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	11,950,413	173,601					11,776,812			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	1,304,988						1,304,988			
11. Amounts recoverable from reinsurers December 31, prior year	349,601						349,601			
12. Incurred benefits:										
12.1 Direct	175,090,785	14,143,721					160,947,064			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	1,270,186	603,624					666,561			
12.4 Net	173,820,600	13,540,097					160,280,503			
13. Incurred medical incentive pools and bonuses	654,646						654,646			

(a) Excludes \$.00 loans or advances to providers not yet expensed.

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

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	5,525,096						5,525,096			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	5,525,096						5,525,096			
2. Incurred but Unreported:										
2.1 Direct	5,358,951	1,085,000					4,273,951			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	5,358,951	1,085,000					4,273,951			
3. Amounts Withheld from Paid Claims and Capitulations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	10,884,048	1,085,000					9,799,048			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	10,884,048	1,085,000					9,799,048			

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1.	Comprehensive (hospital and medical)	57,172	12,571,525		1,085,000	57,172	173,600
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	5,920,970	157,066,955		9,799,047	5,920,970	11,776,812
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	5,978,142	169,638,481		10,884,047	5,978,142	11,950,412
10.	Healthcare receivables (a)		2,974,787				2,245,129
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	3,027,129	(1,067,494)			3,027,129	1,304,988
13.	TOTALS (Lines 9 - 10 + 11 + 12)	9,005,271	165,596,200		10,884,047	9,005,271	11,010,271

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

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	6,623	3,805	3,805	3,805	3,805
2. 2012	42,920	49,781	49,793	49,793	49,793
3. 2013	X X X	45,108	56,329	56,385	55,930
4. 2014	X X X	X X X	118,433	134,036	132,963
5. 2015	X X X	X X X	X X X	133,029	143,561
6. 2016	X X X	X X X	X X X	X X X	167,187

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	6,623	3,805	3,805	3,805	3,805
2. 2012	52,393	49,781	49,793	49,793	49,793
3. 2013	X X X	54,300	56,329	56,385	55,930
4. 2014	X X X	X X X	132,549	134,036	132,963
5. 2015	X X X	X X X	X X X	146,285	143,561
6. 2016	X X X	X X X	X X X	X X X	178,071

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2012	135,500	49,793	3,591	7.212	53,384	39.398			53,384	39.398
2. 2013	148,082	55,930	3,722	6.654	59,652	40.283			59,652	40.283
3. 2014	159,840	132,963	4,801	3.610	137,764	86.188			137,764	86.188
4. 2015	176,129	143,561	5,209	3.628	148,770	84.466			148,770	84.466
5. 2016	206,518	167,187	5,872	3.512	173,059	83.798	10,884	287	184,230	89.208

12 Total

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

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X				
4. 2014	X X X	X X X	102	122	120
5. 2015	X X X	X X X	X X X	1,440	1,498
6. 2016	X X X	X X X	X X X	X X X	12,572

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	X X X				
4. 2014	X X X	X X X	122	122	120
5. 2015	X X X	X X X	X X X	1,614	1,498
6. 2016	X X X	X X X	X X X	X X X	13,657

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2012										
2. 2013										
3. 2014	113	120	28	23.392	148	131.036			148	131.036
4. 2015	1,233	1,498	243	16.239	1,741	141.221			1,741	141.221
5. 2016	9,927	12,572	418	3.322	12,990	130.852	1,085	33	14,108	142.114

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

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

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

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

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

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

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

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

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

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE

- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE

- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

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

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	6,623	3,805	3,805	3,805	3,805
2.	2012	42,920	49,781	49,793	49,793	49,793
3.	2013	X X X	45,108	56,329	56,385	55,930
4.	2014	X X X	X X X	118,331	133,914	132,843
5.	2015	X X X	X X X	X X X	131,589	142,063
6.	2016	X X X	X X X	X X X	X X X	154,615

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	6,623	3,805	3,805	3,805	3,805
2.	2012	52,393	49,781	49,793	49,793	49,793
3.	2013	X X X	54,300	56,329	56,385	55,930
4.	2014	X X X	X X X	132,427	133,914	132,843
5.	2015	X X X	X X X	X X X	144,671	142,063
5.	2016	X X X	X X X	X X X	X X X	164,414

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012	135,500	49,793	3,591	7.212	53,384	39.398			53,384	39.398
2. 2013	148,082	55,930	3,722	6.654	59,652	40.283			59,652	40.283
3. 2014	159,727	132,843	4,772	3.593	137,615	86.157			137,615	86.157
4. 2015	174,896	142,063	4,966	3.495	147,029	84.066			147,029	84.066
5. 2016	196,591	154,615	5,454	3.527	160,069	81.422	9,799	254	170,122	86.536

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

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

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

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

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

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

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.0 for investment income)									
5. Aggregate write-ins for other policy reserves	4,151,796	3,391,739					760,057		
6. TOTALS (Gross)	4,151,796	3,391,739					760,057		
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	4,151,796	3,391,739					760,057		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.	4,151,796	3,391,739					760,057		
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	4,151,796	3,391,739					760,057		
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	29,885	174,121	359,389		563,395
2. Salaries, wages and other benefits	2,819,877	2,716,007	8,813,263		14,349,147
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			3,019,236		3,019,236
4. Legal fees and expenses			234,985		234,985
5. Certifications and accreditation fees			24,900		24,900
6. Auditing, actuarial and other consulting services			789,741		789,741
7. Traveling expenses			196,156		196,156
8. Marketing and advertising			593,089		593,089
9. Postage, express and telephone	25,057	145,994	301,334		472,385
10. Printing and office supplies	43,658	254,370	525,026		823,054
11. Occupancy, depreciation and amortization					
12. Equipment	13,548	78,936	162,925		255,409
13. Cost or depreciation of EDP equipment and software	145,359	846,916	1,748,055		2,740,329
14. Outsourced services including EDP, claims, and other services			660,997		660,997
15. Boards, bureaus and association fees			151,461		151,461
16. Insurance, except on real estate	7,576	44,143	91,112		142,832
17. Collection and bank service charges			121,101		121,101
18. Group service and administration fees			1,052,294		1,052,294
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes			7,086		7,086
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			109,100		109,100
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees			2,870,525		2,870,525
23.4 Payroll taxes			85,428		85,428
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses			1,345,083		1,345,083
26. TOTAL Expenses Incurred (Lines 1 to 25)	3,084,961	4,260,486	23,262,286		(a) 30,607,733
27. Less expenses unpaid December 31, current year		286,440	1,849,491		2,135,931
28. Add expenses unpaid December 31, prior year		27,530	1,166,956		1,194,486
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,084,961	4,001,576	22,579,751		29,666,288
DETAILS OF WRITE-INS					
2501. Community Sponsorship			36,640		36,640
2502. Contributions			44,311		44,311
2503. Miscellaneous Admin Expenses			1,264,133		1,264,133
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			1,345,083		1,345,083

(a) Includes management fees of \$.....5,687,161 to affiliates and \$.....4,991,727 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 117,587	126,141
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 61,799	61,973
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	179,386	188,114
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		188,114
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$.....0 accrual of discount less \$.....2 amortization of premium and less \$.....6 paid for accrued interest on purchases. (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets				1,781,338	
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)				1,781,338	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	221,499	83,360	(138,139)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset		343,600	343,600
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	252,420	154,798	(97,621)
21. Furniture and equipment, including health care delivery assets	200,268	227,146	26,878
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	1,658,438	1,473,488	(184,950)
25. Aggregate write-ins for other than invested assets	497,640	464,041	(33,599)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,830,265	2,746,433	(83,832)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	2,830,265	2,746,433	(83,832)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expense	497,640	464,041	(33,599)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	497,640	464,041	(33,599)

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	15,586	19,658	20,016	20,464	20,538	240,191
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	15,586	19,658	20,016	20,464	20,538	240,191
DETAILS OF WRITE-INS							
0601.						
0602.						
0603.						
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

I. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of ATRIO Health Plans, Inc. (the "Company" or "ATRIO") have been prepared in conformity with accounting practices prescribed or permitted by the state of Oregon for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Oregon Insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Oregon.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Oregon is shown below:

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) ATRIO Health Plans, Inc. state basis (Page 4, Line 32, Columns 2 & 3)				\$(2,137,155)	\$1,287,969
(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)				\$(2,137,155)	\$1,287,969
SURPLUS					
(5) ATRIO Health Plans, Inc. state basis (Page 3, Line 33, Columns 3 & 4)				\$29,260,021	\$28,135,474
(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)				\$29,260,021	\$28,135,474

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

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

C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are authorized, as well as when services are provided without authorization to the extent such services are expected to be ultimately authorized. Expenses are charged to operations as incurred.

- (1) The Company had no short-term investments.
- (2) Bonds are stated at amortized cost using the scientific interest method.
- (3) The Company had no common stock.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.
- (7) The Company had no investments in subsidiaries, controlled or affiliated investments.
- (8) The Company has an investment in a joint ventures and it is valued based on the underlying audited US GAAP equity of the investee.

Notes to Financial Statements

(9) The Company had no derivatives.

(10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

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

(12) The Company's capitalization policy has not changed.

(13) The Company's pharmaceutical rebate receivables are estimated based on past experience on a per member per month basis.

D. Going Concern

None

2. Accounting Changes and Corrections of Errors

There were no material changes in accounting principles and/or correction of errors.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans – None

B. Debt Restructuring – None

C. Reverse Mortgages – None

D. Loan-Backed Securities – None

E. Repurchase Agreements and/or Securities Lending Transactions – None

F. Real Estate – None

G. Low-income housing tax credits (LIHTC) – None

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$%%
b. Collateral held under security lending agreements
c. Subject to repurchase agreements
d. Subject to reverse repurchase agreements
e. Subject to dollar repurchase agreements
f. Subject to dollar reverse repurchase agreements
g. Placed under option contracts
h. Letter stock or securities restricted as to sale— excluding FHLB capital stock
i. FHLB capital stock

Notes to Financial Statements

j. On deposit with states	\$261,000	\$261,000	\$0	\$261,000	\$0	0.557%	0.591%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$261,000	\$261,000	\$0	\$261,000	\$0	0.557%	0.591%

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

I. Working Capital Finance Investments – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes – None

L. 5* Securities - None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

B. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

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

1.

Description	12/31/2016			12/31/2015			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Gross Deferred Tax Assets	1,630,400		1,630,400	1,630,400		1,630,400			
b. Statutory Valuation Allowance Adjustments		-			-				
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	1,630,400		1,630,400	1,630,400		1,630,400			
d. Deferred Tax Assets Non-admitted	343,600		343,600	343,600		343,600			
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	1,286,800	-	1,286,800	1,286,800	-	1,286,800			
f. Deferred Tax Liabilities	285,300	586,800	285,300	285,300	586,800	285,300			
g. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	1,001,500	(586,800)	414,700	1,001,500	(586,800)	414,700			

2.

Description	12/31/2016			12/31/2015			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	414,700	-	414,700	414,700	-	414,700			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The		-			-				

Notes to Financial Statements

	Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)								
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date		-			-			
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold		XXX	4,193,169		XXX	4,193,169		
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities	872,100	-	872,100	872,100	-	872,100		
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b - 2c)	1,286,800	-	1,286,800	1,286,800	-	1,286,800		

3.

	Description	2016	2015
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	648%	648%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	\$27,229,646	\$27,229,646

4.

	Description	12/31/2016		12/31/2015		Change	
		1	2	3	4	5	8
		Ordinary	Capital	Ordinary	Capital	(Col. 1 + 3) Ordinary	(Col. 2 + 4) Capital
Impact of Tax-Planning Strategies							
a.	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage						
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	1,630,400	-	1,630,400	-		
2.	Percentage of Adjusted Gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%		
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9a1(c)	1,286,800		1,286,800			
4.	Percentage of Net Admitted Adjusted Gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%		

b.	Does the Company's tax-planning strategies include the use of reinsurance? (Yes / No)	No
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B. Regarding deferred tax liabilities that are not recognized: Not Applicable

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

	Description	1	2	3
		12/31/2016	12/31/2015	(Col. 1 - 2) Change
1.	Current Income Tax			
a.	Federal	3,177,073	3,177,073	
b.	Foreign			
c.	Subtotal	3,177,073	3,177,073	
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred	3,177,073	3,177,073	
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	38,700	38,700	
2.	Unearned premium reserve	23,300	23,300	
3.	Bonus accrual	56,600	56,600	
4.	Accrued Liabilities	138,400	138,400	
5.	Investments	1,215,600	1,215,600	
6.	Nonadmitted Assets	157,800	157,800	
99.	Subtotal	1,630,400	1,630,400	
b.	Statutory valuation allowance adjustment			
c.	Nonadmitted	343,600	343,600	
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,286,800	1,286,800	
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g)			
i.	Admitted deferred tax assets (2d + 2h)	1,286,800	1,286,800	
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Fixed assets	285,300	285,300	
2.	Amortization of bond discount			
3.	Other (including items < 5% of total ordinary tax assets)			
99.	Subtotal	285,300	285,300	
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)	586,800	586,800	
99.	Subtotal	586,800	586,800	
c.	Deferred tax liabilities (3a99 + 3b99)	872,100	872,100	
4.	Net deferred tax assets/liabilities (2i - 3c)	414,700	414,700	

Notes to Financial Statements

- D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate.
Among the more significant book to tax adjustments were the following:

	2016	
	Amount	Effective Tax Rate (%)
Provision computed at statutory rate		
ACA premium tax		
Change in nonadmitted assets		
Other		
Totals		
Federal and foreign income taxes incurred		
Change in net deferred income taxes		
Total statutory income taxes		

- E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

(1) At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

(2) The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses.

Year	Amount
2016	
2015	\$2,787,014

(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

- F. Consolidated Federal Income Tax Return

- (1) The Company does not file a consolidated federal income tax return. The Company files a tax return as a single corporation.
(2) There are no intercompany tax allocations.

- G. Federal or Foreign Federal Income Tax Loss Contingencies

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

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, & C – The Company has management service agreements with each of its parent companies whereby the parent companies provide services that may include, but are not limited to, Credentialing and Recredentialing, Medical Case Management, Performance Improvement, Quality Assessment, Utilization Management, Grievance System, and Medical Records Review, based upon standards adopted by the Company.

On April 29, 2016 Cascade Comprehensive Care, Inc. purchased an additional 300 shares of Series B preferred stock in the amount of \$1,564,197, which brings their ownership percentage to 33.33%. Consequently, both Architrave Health, LLC and Marion Polk Community Health Plan Advantage, Inc.'s ownership percentage changed to 33.33%.

D. Amounts Due from or to Related Parties – As of December 31, 2016 the Company has reported \$3,022,885 due from parent companies for reimbursements for employment reimbursements and member collections. As of December 31, 2016 the Company reported \$2,374,915 due to parents for (SAC) Service Area Contract fees for December that were paid in January.

E. Guarantees – None

F. Material management contracts – The Company has management service agreements with each of its parent companies whereby the parent companies provide services that may include, but are not limited to, Credentialing and Recredentialing, Medical Case Management, Performance Improvement, Quality Assessment, Utilization Management, Grievance System, and Medical Records Review, based upon standards adopted by the Company.

G. Common Control – The Company is owned 33.33% by Architrave Health LLC (DCIPA), 33.33% by Cascade Comprehensive Care, Inc. (CCC) and 33.33% by Marion Polk Community Health Plan Advantage, Inc (MPCHP).

H. Deductions in Value – There have been no deductions in value between affiliated companies.

I. Investment in SCA – None

J. Investment in Impaired SCAs – None

K. Investment in Foreign Insurance Subsidiary – None

L. The Company does not have any investments in a downstream non-insurance holding company.

Notes to Financial Statements

M. The Company does not have any SCA investments.

N. The Company does not have any insurance SCAs.

11. Debt

A. Debt – None

B. FHLB (Federal Home Loan Bank) Agreements – None

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

A. Defined Benefit Plan – None

B. Investment Policies and Strategies – None

C. Fair Value of Plan Assets – None

D. Long-term Rate-of-return-on-assets Assumption – None

E. Defined Contribution Plans – None

F. Multiemployer Plan – None

G. Consolidated/Holding Company Plans – None

H. Post-Employment Benefits and Compensated Absences – None

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

(1) The Company has no common stock issued or outstanding.

(2) The Company has issued and outstanding 6,237 shares of preferred stock. The Company issued an additional 300 shares of Series B preferred stock in the amount of \$1,564,197 in 2016 to Cascade Comprehensive Care, Inc.

(3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Oregon. These laws dictate that an extraordinary dividend together with that of other dividends paid or credited and distributions made within the preceding 12 months, cannot exceed the lesser of the following:

(a) Ten percent of the insurer's surplus with regard to policyholders as of the preceding December 31.

(b) The greater of the following:

a. The net income of the insurer for the calendar year preceding the date of the dividend or distribution, minus realized capital gains for that calendar year.

b. The aggregate of the net income of the insurer for the 3 calendar years preceding the date of the dividend or distribution, minus realized capital gains for those calendar years and minus dividends paid or credited and distributions made within the first 2 of the preceding 3 calendar years.

(4) The Company did not issue dividends.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$1,781,338.

(11) The Company did not issue any surplus debentures or similar obligations.

(12) and (13) There have been no quasi-reorganizations.

Notes to Financial Statements

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None
- E. Joint and Several Liabilities – None
- F. All Other Contingencies - None

15. Leases

A. Lessee Operating Leases –

(1) The Company leases office space under a non-cancellable operating lease agreement that expires 9/30/2018. Rent expense was \$170,093 and \$341,930 for the 12 months ended December 31, 2015 and December 31, 2016, respectively. One of the leases currently has 5 renewal options of 5 years and the other has a renewal option for 5 years. In addition, the Company has rental commitments for some office equipment.

(2) At January 1, 2017, the remaining minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
2017	\$386,268
2018	\$284,440
2019	\$64,704
2020	
Total	\$1,247,435

(3) The Company is not involved in any material sales-leaseback transactions.

B. Lessor Leases – None

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

None

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

- A. Transfers of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales – None

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

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

(1) Revenue from the Medicare Part D cost based reimbursement portion of the contract for the year 2016, consisted of \$15,966,045 for reinsurance subsidy and \$12,500,898 for low-income cost sharing subsidy.

(2) As of December 31, 2016, the Company has recorded receivables from the following payors whose account balances are greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000:

CMS \$212,996

(3) In connection with the Company's Medicare D cost based reimbursement portion of the contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$0 at 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.

Notes to Financial Statements

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

None

20. Fair Value Measurements

A. Fair Market Value at Reporting Date

(1) Fair Market Value - None

(2) Fair Value Measurements in (Level 3) of the Fair Value - None

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 2 or 3.

(5) Derivative assets and liabilities- None

B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements - None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	19,376,643	19,401,018		19,376,643		
Cash Equivalents	8,279,396	8,279,396	8,279,396			
Other Invested Assets	2,367,848	2,367,848			2,367,848	

D. Not Practicable to Estimate Fair Value - None

21. Other Items

A. Unusual or Infrequent Items - None

B. Troubled Debt Restructuring: Debtors - None

C. Other Disclosures - None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-transferable Tax Credits - None

F. Subprime-Mortgage-Related Risk Exposure - None

G. Retained Assets - None

H. Insurance-Linked Securities (ILS) Contracts - None

22. Events Subsequent

Type I - Recognized Subsequent Events

Subsequent events have been considered through February 28, 2017 for the statutory statement issued on December 31, 2016.

None

Type II - Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2017 for the statutory statement issued on December 31, 2016.

In 2017 the section 9010 of the Federal Affordable Care Act (ACA) fee was waived for all insurers. 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 the 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, 2016, the Company has written health insurance subject to the ACA

Notes to Financial Statements

assessment, expects to conduct health insurance business in 2017, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2017, to be \$0. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 0 percentage points. Reporting the ACA assessment as of December 31, 2016, 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 subject to Section 9010 of Federal Affordable Care Act (YES/NO)? YES		
B. ACA fee assessment payable for the upcoming year	\$0	\$2,413,539
C. ACA fee assessment paid	\$2,488,011	\$2,354,340
D. Premium written subject to ACA 9010 assessment		\$176,746,913
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$29,260,022	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B)	\$29,260,022	
G. Authorized Control Level (Five-Year Historical Line 15)	\$5,153,177	
H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)? 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?

Yes () No (x)

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

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (x)

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

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B – None

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Medicare Part D Risk Corridor adjustment based on the contract with CMS and actuarial estimates.

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

Notes to Financial Statements

- C. The amount of net premiums written by the Company as of December 31, 2016 that are subject to retrospective rating features was \$16,960,974 that represented 8.78% of total net premiums written for Medicare. 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.

	Description	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	\$0	\$0	\$0	\$0	\$0
2.	Medical Loss Ratio Rebates Paid	\$0	\$0	\$0	\$0	\$0
3.	Medical Loss Ratio Rebates Unpaid	\$0	\$0	\$0	\$0	\$0
4.	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
5.	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
6.	Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0
Current Reporting Year-to-Date						
7.	Medical Loss Ratio Rebates Incurred	\$0	\$0	\$0	\$0	\$0
8.	Medical Loss Ratio Rebates Paid	\$0	\$0	\$0	\$0	\$0
9.	Medical Loss Ratio Rebates Unpaid	\$0	\$0	\$0	\$0	\$0
10.	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
11.	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
12.	Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0

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

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

AMOUNT

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment \$-0-

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$-0-

3. Premium adjustments payable due to ACA Risk Adjustment \$3,391,739

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$3,391,739

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$259

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance \$835,389

2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) \$-0-

3. Amounts receivable relating to uninsured plans for \$-0-

Notes to Financial Statements

contributions for ACA Reinsurance

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$1,548
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$56,392
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$-0-

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance	\$40,694
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$-0-
9. ACA Reinsurance contributions – not reported as ceded premium	\$646

c. Temporary ACA 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 (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$-0-
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$-0-

Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year 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
a. Permanent ACA Risk Adjustment Program										
1. Premium adjustments receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	B	\$0
2. Premium adjustments (payable)	\$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
b. Transitional ACA Reinsurance Program										
1. Amounts recoverable for claims paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	C	\$0
2. Amounts recoverable for claims unpaid (contra liability)	\$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
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$0	\$646	\$0	\$646	\$0	\$0	\$0	\$0		\$0
5. Ceded reinsurance premiums payable	\$0	\$15,698	\$0	\$15,698	\$0	\$0	\$0	\$0		\$0
6. Liability for amounts held under uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
7. Subtotal ACA Transitional Reinsurance Program	\$0	\$16,343	\$0	\$16,343	\$0	\$0	\$0	\$0		\$0
c. Temporary ACA Risk Corridors Program										
1. Accrued retrospective premium	\$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
3. Subtotal ACA Risk Corridors Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
d. Total for ACA Risk Sharing Provisions	\$0	\$16,343	\$0	\$16,343	\$0	\$0	\$0	\$0		\$0

Roll Forward of ACA Risk Corridor Asset and Liability Balances

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
2014 Program Benefit Year Risk Corridor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
2015 Program Benefit Year Risk Corridor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0

Notes to Financial Statements

ACA Risk Corridor Receivable:

Program Benefit Year	2014	2015	2016
Estimated amount to be filed or final amounts filed with federal agency	\$0	\$0	\$0
Amounts impaired or amounts not accrued for other reasons (not withstanding collectability concerns)	\$0	\$0	\$0
Amounts received from federal agency	\$0	\$0	\$0
Asset balance gross of nonadmission	\$0	\$0	\$0
Nonadmitted amounts	\$0	\$0	\$0
Net admitted assets	\$0	\$0	\$0

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2015 were \$13,282,930. As of December 31, 2016, \$9,032,801 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$-0- as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$4,250,129 favorable prior-year development since December 31, 2015 to December 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	\$1,062,374	\$1,062,374			
09/30/2016	\$1,183,827	\$1,183,827			
06/30/2016	\$1,286,906	\$1,286,906			
03/31/2016	\$1,223,175	\$1,223,175			
12/31/2015	\$771,641	\$771,641			
09/30/2015	\$929,342	\$929,342			
06/30/2015	\$784,302	\$784,302		\$3,429	\$457,545
03/31/2015	\$963,481	\$963,481		\$392,066	\$350,598
12/31/2014	\$757,977	\$757,977		\$154,503	\$506,860
09/30/2014	\$695,601	\$695,601		\$507,468	\$106,217
06/30/2014	\$590,613	\$590,613		\$336,130	\$191,032
03/31/2014	\$630,531	\$630,531		\$142,520	\$360,848

B. Risk Sharing Receivables - None

29. Participating Policies

None

30. Premium Deficiency Reserves

- Liability carried for premium deficiency reserves
- Date of the most recent evaluation of this liability
- Was anticipated investment income utilized in the calculation? (Yes / No)

\$0
12/31/2016
No

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
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[X]
Oregon
- 1.3 State Regulating?
- 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.12/31/2015.....
- 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).10/02/2012.....
- 3.4 By what department or departments?
Oregon Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 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 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
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, 1300 SW Fifth Avenue, Suite 38, Portland, OR 97201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman 1301 Fifth Avenue, Suite 3800 Seattle, WA 98101-2605

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation 0
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 [X] N/A []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$ 3,022,885

INVESTMENT

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

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.103 Total payable for securities lending reported on the liability page. \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[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 \$ 261,000
 - 25.29 On deposit with other regulatory bodies \$ 0
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 - 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A[X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No []
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
First Clearing, LLC	1 N. Jefferson Ave., St. Louis, MO 63103

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

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

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation
Kimberly Rocha I

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No[X]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No[X]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

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

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29 2999 Total		

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	19,401,018	19,376,643	(24,375)
30.2 Preferred stocks			
30.3 Totals	19,401,018	19,376,643	(24,375)

- 30.4 Describe the sources or methods utilized in determining the fair values:
These are values of long-term CDs with Fair Value from Umpqua Bank statements
- 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 [] N/A []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No []
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$ 86,000
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Garvey Schubert Barer	51,863
Burchfield Group, Inc.	34,137

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	203,213,137	176,129,313
2.2 Premium Denominator	203,213,137	176,129,313
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	15,035,843	13,932,653
2.5 Reserve Denominator	15,035,843	13,932,653
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes No
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes No
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes No N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 300,000
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Member financial protection provisions in provider contracts hold members harmless in the event of insolvency. For services being rendered prior to insolvency, providers agree to continue to provide services.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 2,578
- 8.2 Number of providers at end of reporting year 6,090
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 3,577,082
- 10.22 Amount actually paid for year bonuses \$ 1,959,634
- 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
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Oregon
- 11.4 If yes, show the amount required. \$ 2,500,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Marion County
Polk County
Douglas County
Klamath County
Josephine County

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0

GENERAL INTERROGATORIES (Continued)

13.3 Do you act as an administrator for health savings accounts?

Yes No

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

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes No N/A

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

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

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

15.1 Direct Premium Written

\$ 0

15.2 Total incurred claims

\$ 0

15.2 Number of covered lives

..... 0

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

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	51,760,348	46,498,692	40,332,292	38,551,303	30,981,645
2. TOTAL Liabilities (Page 3, Line 24)	22,500,327	18,363,218	16,980,755	17,434,175	12,646,060
3. Statutory minimum capital and surplus requirement	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	29,260,021	28,135,474	23,351,536	21,117,128	18,335,586
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	203,213,137	176,129,313	159,839,987	148,081,886	135,500,367
6. TOTAL Medical and Hospital Expenses (Line 18)	174,475,246	147,796,757	134,590,609	125,886,997	115,155,695
7. Claims adjustment expenses (Line 20)	7,345,447	5,101,165	4,735,918	3,565,004	3,585,856
8. TOTAL Administrative Expenses (Line 21)	23,262,286	18,742,871	15,890,534	15,010,655	12,772,384
9. Net underwriting gain (loss) (Line 24)	(1,869,843)	4,488,520	4,622,926	3,619,230	3,986,432
10. Net investment gain (loss) (Line 27)	188,114	83,638	58,558	60,252	34,754
11. TOTAL Other Income (Lines 28 plus 29)	(16,926)	(107,116)	(80,828)		12,314
12. Net income or (loss) (Line 32)	(2,137,155)	1,287,969	2,540,047	2,001,076	2,715,751
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	2,079,940	(8,618,911)	14,469,046	5,095,554	(392,663)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	29,260,021	28,135,474	23,351,536	21,117,128	18,335,586
15. Authorized control level risk-based capital	5,153,177	4,255,204	3,886,089	3,667,032	3,399,584
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	20,538	15,586	13,728	13,038	12,375
17. TOTAL Members Months (Column 6, Line 7)	240,191	185,862	163,923	155,582	147,162
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	85.9	83.9	84.2	85.0	85.0
20. Cost containment expenses	1.5	1.2	1.3	0.5	0.5
21. Other claims adjustment expenses	2.1	1.7	1.6	2.0	2.1
22. TOTAL Underwriting Deductions (Line 23)	100.9	97.5	97.1	97.6	97.1
23. TOTAL Underwriting Gain (Loss) (Line 24)	(0.9)	2.5	2.9	2.4	2.9
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	9,005,271	12,519,781	11,232,623	8,743,393	8,020,747
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	11,010,271	12,722,199	9,191,179	9,472,208	10,242,595
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated		1,136,510	273,666	273,666	273,666
32. TOTAL of Above Lines 26 to 31		1,136,510	273,666	273,666	273,666
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain:.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							9
			2	3	4	5	6	7	8	
State, Etc.	Active Status		Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	N									
2. Alaska (AK)	N									
3. Arizona (AZ)	N									
4. Arkansas (AR)	N									
5. California (CA)	N									
6. Colorado (CO)	N									
7. Connecticut (CT)	N									
8. Delaware (DE)	N									
9. District of Columbia (DC)	N									
10. Florida (FL)	N									
11. Georgia (GA)	N									
12. Hawaii (HI)	N									
13. Idaho (ID)	N									
14. Illinois (IL)	N									
15. Indiana (IN)	N									
16. Iowa (IA)	N									
17. Kansas (KS)	N									
18. Kentucky (KY)	N									
19. Louisiana (LA)	N									
20. Maine (ME)	N									
21. Maryland (MD)	N									
22. Massachusetts (MA)	N									
23. Michigan (MI)	N									
24. Minnesota (MN)	N									
25. Mississippi (MS)	N									
26. Missouri (MO)	N									
27. Montana (MT)	N									
28. Nebraska (NE)	N									
29. Nevada (NV)	N									
30. New Hampshire (NH)	N									
31. New Jersey (NJ)	N									
32. New Mexico (NM)	N									
33. New York (NY)	N									
34. North Carolina (NC)	N									
35. North Dakota (ND)	N									
36. Ohio (OH)	N									
37. Oklahoma (OK)	N									
38. Oregon (OR)	L		10,234,120	193,939,176					204,173,296	
39. Pennsylvania (PA)	N									
40. Rhode Island (RI)	N									
41. South Carolina (SC)	N									
42. South Dakota (SD)	N									
43. Tennessee (TN)	N									
44. Texas (TX)	N									
45. Utah (UT)	N									
46. Vermont (VT)	N									
47. Virginia (VA)	N									
48. Washington (WA)	N									
49. West Virginia (WV)	N									
50. Wisconsin (WI)	N									
51. Wyoming (WY)	N									
52. American Samoa (AS)	N									
53. Guam (GU)	N									
54. Puerto Rico (PR)	N									
55. U.S. Virgin Islands (VI)	N									
56. Northern Mariana Islands (MP)	N									
57. Canada (CAN)	N									
58. Aggregate other alien (OT)	X X X									
59. Subtotal	X X X		10,234,120	193,939,176					204,173,296	
60. Reporting entity contributions for Employee Benefit Plans	X X X									
61. TOTAL (Direct Business)	(a) 1		10,234,120	193,939,176					204,173,296	

DETAILS OF WRITE-INS

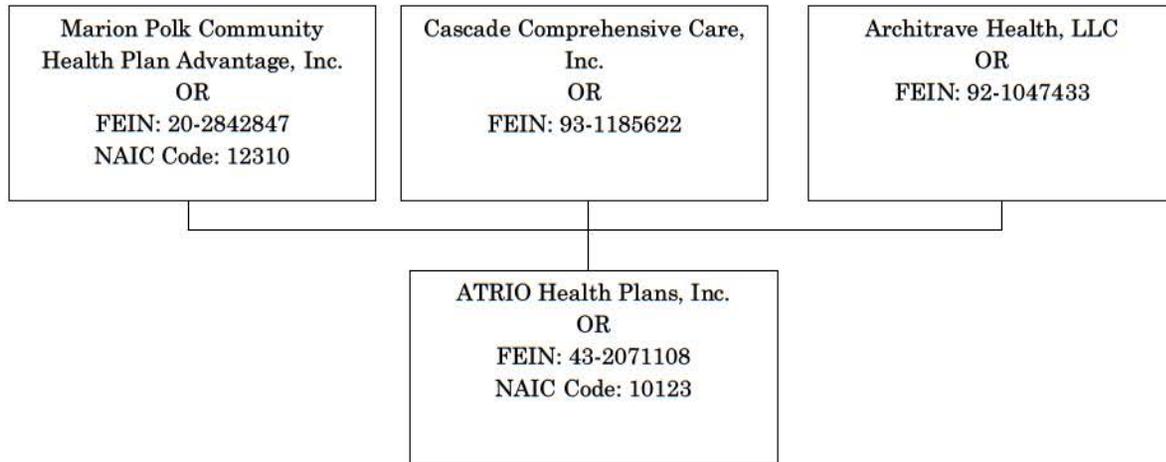
58001	X X X									
58002	X X X									
58003	X X X									
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

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

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

Explanation of basis of allocation by state, premiums by state, etc.: The company only has business in the State of Oregon with residents of Oregon.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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