



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## Zoom Health Plan, Inc

NAIC Group Code 0000 NAIC Company Code 15578 Employer's ID Number 46-3220666  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Care Service Contractor

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 07/19/2013 Commenced Business 08/04/2014

Statutory Home Office 1455 NW Irving St, Suite 600 Portland, OR, US 97209-2277  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1455 NW Irving St, Suite 600  
(Street and Number) Portland, OR, US 97209-2277 844-966-6777  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1455 NW Irving St, Suite 600 Portland, OR, US 97209-2277  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1455 NW Irving St, Suite 600  
(Street and Number) Portland, OR, US 97209-2277 844-966-6777  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address zoomcare.com

Statutory Statement Contact Roy Larsen 844-966-6777  
(Name) (Area Code) (Telephone Number)  
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### OFFICERS

President David G. Sanders Assistant Secretary Lauren R. Wallace #  
Secretary & Treasurer Albert R. DiPiero

### OTHER

### DIRECTORS OR TRUSTEES

J. Bart McMullan David G. Sanders Albert R. DiPiero

State of Oregon SS:  
County of Multnomah

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

David G. Sanders  
President

Albert R. DiPiero  
Secretary & Treasurer

Lauren R. Wallace  
Assistant Secretary

Subscribed and sworn to before me this 27th day of February 2017  
[Signature]

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



**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....				
2. 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 \$ .....				
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ .....				
encumbrances) .....				
4.3 Properties held for sale (less \$ .....				
encumbrances) .....				
5. Cash (\$ .....5,877,611 , Schedule E - Part 1), cash equivalents				
(\$ ..... , Schedule E - Part 2) and short-term				
investments (\$ ..... , Schedule DA) .....	5,877,611		5,877,611	4,266,509
6. Contract loans, (including \$ ..... premium notes) .....				
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) .....	5,877,611		5,877,611	4,266,509
13. Title plants less \$ ..... charged off (for Title insurers				
only) .....				
14. Investment income due and accrued .....				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	120,186	11,740	108,446	
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$ .....				
earned but unbilled premiums) .....				
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 .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	548,928	462,733	86,195	114,435
21. Furniture and equipment, including health care delivery assets				
(\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	2,654,359		2,654,359	
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	10,888	10,888		
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	9,211,972	485,361	8,726,611	4,380,944
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....				
28. Total (Lines 26 and 27) .....	9,211,972	485,361	8,726,611	4,380,944
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. PREPAID EXPENSES .....	10,888	10,888		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	10,888	10,888		



**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ _____ reinsurance ceded) .....	1,301,120		1,301,120	150,529
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	76,681		76,681	43,248
4. Aggregate health policy reserves, including the liability of \$ _____ for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves.....				
6. Property/casualty unearned premium reserves.....				
7. Aggregate health claim reserves.....				
8. Premiums received in advance.....	84,728		84,728	274,007
9. General expenses due or accrued.....	382,622		382,622	402,234
10.1 Current federal and foreign income tax payable and interest thereon (including \$ _____ on realized capital gains (losses)) .....				
10.2 Net deferred tax liability.....				
11. Ceded reinsurance premiums payable.....	37,192		37,192	2,975
12. Amounts withheld or retained for the account of others.....				
13. Remittances and items not allocated.....				
14. Borrowed money (including \$ _____ current) and interest thereon \$ _____ (including \$ _____ current).....				
15. Amounts due to parent, subsidiaries and affiliates.....	750,746		750,746	102,100
16. Derivatives.....				
17. Payable for securities.....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ _____ authorized reinsurers, \$ _____ unauthorized reinsurers and \$ _____ certified reinsurers).....				
20. Reinsurance in unauthorized and certified (\$ _____ ) companies.....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans.....				
23. Aggregate write-ins for other liabilities (including \$ _____ current).....	3,220,354		3,220,354	
24. Total liabilities (Lines 1 to 23).....	5,853,443		5,853,443	975,093
25. Aggregate write-ins for special surplus funds.....	XXX	XXX		
26. Common capital stock.....	XXX	XXX	63	63
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	2,000,567	2,000,567
29. Surplus notes.....	XXX	XXX	10,750,000	6,750,000
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX		
31. Unassigned funds (surplus).....	XXX	XXX	(9,877,462)	(5,344,779)
32. Less treasury stock, at cost:				
32.1 _____ shares common (value included in Line 26 \$ _____ ) .....	XXX	XXX		
32.2 _____ shares preferred (value included in Line 27 \$ _____ ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	2,873,168	3,405,851
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	8,726,611	4,380,944
<b>DETAILS OF WRITE-INS</b>				
2301. RISK ADJUSTMENT ESTIMATE .....	3,220,354		3,220,354	
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	3,220,354		3,220,354	
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	30,121	1,193
2. Net premium income ( including \$ ..... non-health premium income).....	XXX	4,721,047	374,859
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX		
7. Aggregate write-ins for other non-health revenues.....	XXX		
8. Total revenues (Lines 2 to 7).....	XXX	4,721,047	374,859
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		3,055,214	194,934
10. Other professional services.....		2,631,597	33,956
11. Outside referrals.....		44,199	
12. Emergency room and out-of-area.....		221,332	4,889
13. Prescription drugs.....		517,093	34,307
14. Aggregate write-ins for other hospital and medical.....			
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....		6,469,435	268,086
<b>Less:</b>			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....		6,469,435	268,086
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$ .....103,858 cost containment expenses.....		454,154	283,342
21. General administrative expenses.....		2,519,832	3,683,971
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		33,433	43,248
23. Total underwriting deductions (Lines 18 through 22).....		9,476,854	4,278,647
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(4,755,807)	(3,903,788)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		9,320	3,854
26. Net realized capital gains (losses) less capital gains tax of \$ .....			
27. Net investment gains (losses) (Lines 25 plus 26).....		9,320	3,854
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )].....			
29. Aggregate write-ins for other income or expenses.....			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(4,746,487)	(3,899,934)
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	(4,746,487)	(3,899,934)
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above).....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX		
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above).....	XXX		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....			
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....			
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above).....			

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	3,405,851	2,654,950
34. Net income or (loss) from Line 32 .....	(4,746,487)	(3,899,934)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	213,804	(699,165)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....	4,000,000	5,350,000
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	(532,683)	750,901
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,873,168	3,405,851
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)		



**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	4,445,799	651,841
2. Net investment income .....	9,320	3,854
3. Miscellaneous income .....		
4. Total (Lines 1 through 3) .....	4,455,119	655,695
5. Benefit and loss related payments .....	5,352,277	160,805
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	2,960,165	3,615,485
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....		
10. Total (Lines 5 through 9) .....	8,312,442	3,776,290
11. Net cash from operations (Line 4 minus Line 10) .....	(3,857,323)	(3,120,595)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....		
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....		
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....		
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) .....		
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) .....		
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	4,000,000	5,350,000
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	1,468,425	(762,596)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	5,468,425	4,587,404
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	1,611,102	1,466,809
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	4,266,509	2,799,700
19.2 End of year (Line 18 plus Line 19.1) .....	5,877,611	4,266,509

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

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	4,721,047	4,721,047								
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$ ..... medical expenses)										XXX
4. Risk revenue .....										XXX
5. Aggregate write-ins for other health care related revenues .....										XXX
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6) .....	4,721,047	4,721,047								
8. Hospital/medical benefits .....	3,055,214	3,055,214								XXX
9. Other professional services .....	2,631,597	2,631,597								XXX
10. Outside referrals .....	44,199	44,199								XXX
11. Emergency room and out-of-area .....	221,332	221,332								XXX
12. Prescription drugs .....	517,093	517,093								XXX
13. Aggregate write-ins for other hospital and medical .....										XXX
14. Incentive pool, withhold adjustments and bonus amounts .....										XXX
15. Subtotal (Lines 8 to 14) .....	6,469,435	6,469,435								XXX
16. Net reinsurance recoveries .....										XXX
17. Total medical and hospital (Lines 15 minus 16) .....	6,469,435	6,469,435								XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....103,858 cost containment expenses .....	454,154	454,154								
20. General administrative expenses .....	2,519,832	2,519,832								
21. Increase in reserves for accident and health contracts .....	33,433	33,433								XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	9,476,854	9,476,854								
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	(4,755,807)	(4,755,807)								
DETAILS OF WRITE-INS										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....										XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....										XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	5,156,937			4,721,047
2. Medicare Supplement .....			435,890	
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....				
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	5,156,937		435,890	4,721,047
10. Life .....				
11. Property/casualty .....				
12. Totals (Lines 9 to 11) .....	5,156,937		435,890	4,721,047



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.  
**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.....	5,319,397	5,319,397								
1.2 Reinsurance assumed.....										
1.3 Reinsurance ceded.....										
1.4 Net.....	5,319,397	5,319,397								
2. Paid medical incentive pools and bonuses.....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	1,301,120	1,301,120								
3.2 Reinsurance assumed.....										
3.3 Reinsurance ceded.....										
3.4 Net.....	1,301,120	1,301,120								
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).....										
7. Amounts recoverable from reinsurers December 31, current year.....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	150,529	150,529								
8.2 Reinsurance assumed.....										
8.3 Reinsurance ceded.....										
8.4 Net.....	150,529	150,529								
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	553	553								
9.2 Reinsurance assumed.....										
9.3 Reinsurance ceded.....										
9.4 Net.....	553	553								
10. Accrued medical incentive pools and bonuses, prior year.....										
11. Amounts recoverable from reinsurers December 31, prior year.....										
12. Incurred Benefits:										
12.1 Direct.....	6,469,435	6,469,435								
12.2 Reinsurance assumed.....										
12.3 Reinsurance ceded.....										
12.4 Net.....	6,469,435	6,469,435								
13. Incurred medical incentive pools and bonuses.....										

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & 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 .....	124,722	124,722								
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	124,722	124,722								
2. Incurred but Unreported:										
2.1 Direct .....	1,176,398	1,176,398								
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	1,176,398	1,176,398								
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS:										
4.1 Direct .....	1,301,120	1,301,120								
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	1,301,120	1,301,120								

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**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	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	24,598	5,294,246	553	1,300,567	25,151	150,529
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	24,598	5,294,246	553	1,300,567	25,151	150,529
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Lines 9 - 10 + 11 + 12)	24,598	5,294,246	553	1,300,567	25,151	150,529

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



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012					
3.	2013	XXX				
4.	2014	XXX	XXX			
5.	2015	XXX	XXX	XXX	118	.24
6.	2016	XXX	XXX	XXX	XXX	5,407

**Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012					
3.	2013	XXX				
4.	2014	XXX	XXX			
5.	2015	XXX	XXX	XXX	268	(126)
6.	2016	XXX	XXX	XXX	XXX	6,595

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Eamed	2 Claims Payment	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										
4. 2015	375	142	285	200.7	427	113.9	1		428	114.1
5. 2016	4,721	5,407	452	8.4	5,859	124.1	1,300	77	7,236	153.3

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012					
3.	2013	XXX				
4.	2014	XXX	XXX			
5.	2015	XXX	XXX	XXX	118	.24
6.	2016	XXX	XXX	XXX	XXX	5,407

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior					
2.	2012					
3.	2013	XXX				
4.	2014	XXX	XXX			
5.	2015	XXX	XXX	XXX	268	(126)
6.	2016	XXX	XXX	XXX	XXX	6,595

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Eamed	2 Claims Payment	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										
4. 2015	375	142	285	200.7	427	113.9	1		428	114.1
5. 2016	4,721	5,407	452	8.4	5,859	124.1	1,300	77	7,236	153.3

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health 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 \$ ..... ) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net)(Page 3, Line 4) .....									
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. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....									

**NONE**

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



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ _____ for occupancy of own building) _____					
2. Salary, wages and other benefits _____	38,777	123,620	1,043,537		1,205,934
3. Commissions (less \$ _____ ceded plus \$ _____ assumed) _____			73,950		73,950
4. Legal fees and expenses _____	3,076	5,712	33,060		41,848
5. Certifications and accreditation fees _____	1,857	3,448	19,958		25,263
6. Auditing, actuarial and other consulting services _____	6,358	95,101	435,627		537,086
7. Traveling expenses _____			3,437		3,437
8. Marketing and advertising _____			712		712
9. Postage, express and telephone _____	346	883	6,522		7,751
10. Printing and office supplies _____	3,514	7,679	42,240		53,433
11. Occupancy, depreciation and amortization _____					
12. Equipment _____					
13. Cost or depreciation of EDP equipment and software _____	26,082	48,438	280,339		354,859
14. Outsourced services including EDP, claims, and other services _____	20,395	38,645	222,101		281,141
15. Boards, bureaus and association fees _____					
16. Insurance, except on real estate _____	1,931	3,586	20,754		26,271
17. Collection and bank service charges _____	441	21,176	81,321		102,938
18. Group service and administration fees _____	1,081	2,008	115,655		118,744
19. Reimbursements by uninsured plans _____					
20. Reimbursements from fiscal intermediaries _____					
21. Real estate expenses _____					
22. Real estate taxes _____					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes _____					
23.2 State premium taxes _____					
23.3 Regulatory authority licenses and fees _____			22,478		22,478
23.4 Payroll taxes _____					
23.5 Other (excluding federal income and real estate taxes) _____					
24. Investment expenses not included elsewhere _____					
25. Aggregate write-ins for expenses _____			118,141		118,141
26. Total expenses incurred (Lines 1 to 25) _____	103,858	350,296	2,519,832		(a) 2,973,986
27. Less expenses unpaid December 31, current year _____		76,681	382,622		459,303
28. Add expenses unpaid December 31, prior year _____		43,248	402,234		445,482
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) _____	103,858	316,863	2,539,444		2,960,165
<b>DETAILS OF WRITE-INS</b>					
2501. MISCELLANEOUS EXPENSES _____			118,141		118,141
2502. _____					
2503. _____					
2598. Summary of remaining write-ins for Line 25 from overflow page _____					
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) _____			118,141		118,141

(a) Includes management fees of \$ 1,390,058 to affiliates and \$ \_\_\_\_\_ to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. government bonds	(a)	
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) 9,320	9,320
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	9,320	9,320
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)		9,320
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 thru 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 thru 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	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 investme					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

NONE



**EXHIBIT OF NON-ADMITTED 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. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,740		(11,740)
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 .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	462,733	658,064	195,331
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivable from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....	10,888	41,101	30,213
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	485,361	699,165	213,804
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27)	485,361	699,165	213,804
<b>DETAILS OF WRITE-INS</b>			
1101. _____			
1102. _____			
1103. _____			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. PREPAID EXPENSES .....	10,888	41,101	30,213
2502. _____			
2503. _____			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	10,888	41,101	30,213



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	217	2,421	2,482	2,834	2,750	30,121
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. Total	217	2,421	2,482	2,834	2,750	30,121
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)						

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Zoom Health Plan, Inc. are presented on the statutory basis of accounting practices (Statutory Accounting Principles) prescribed or permitted by the Oregon Division of Financial Regulation. The Oregon Division of Financial Regulation has adopted the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, March 2016 version, as its statutory basis of accounting.

A reconciliation of the Company's net income and capital and surplus between NAIC statutory accounting practices and practices prescribed and permitted by the Oregon Insurance Division is shown below:

	SSAP#	F/S Page	F/S Line#	2016	2015
<u>NET INCOME</u>					
(1) Zoom Health Plan state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	<u>(\$4,746,487)</u>	<u>(\$3,899,934)</u>
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				<u>\$0</u>	<u>\$0</u>
(3) State Permitted Practices that increase/(decrease) NAIC SAP				<u>\$0</u>	<u>\$0</u>
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>(\$4,746,487)</u>	<u>(\$3,899,934)</u>
<u>SURPLUS</u>					
(5) Zoom Health Plan state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	<u>\$2,873,168</u>	<u>\$3,405,851</u>
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				<u>\$0</u>	<u>\$0</u>
(7) State Permitted Practices that increase/(decrease) NAIC SAP				<u>\$0</u>	<u>\$0</u>
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$2,873,168</u>	<u>\$3,405,851</u>

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

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

C. Accounting Policy

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

In addition, the Company follows the accounting policies below:

- 1) Zoom Health Plan, Inc. does not own any short-term investments
- 2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- 3) Zoom Health Plan, Inc. does not own any common stock.
- 4) Zoom Health Plan, Inc. does not own any preferred stock.
- 5) Zoom Health Plan, Inc. does not own any mortgage loans or real estate
- 6) Zoom Health Plan, Inc. does not own any loan-backed securities
- 7) Zoom Health Plan, Inc. does not hold any investments in subsidiaries, controlled or affiliated entities.
- 8) Zoom Health Plan, Inc. does not hold any investments in joint ventures, partnerships, or limited liability companies
- 9) Zoom Health Plan, Inc. does not hold any derivative investments
- 10) Zoom Health Plan, Inc. anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54 – Individual and Group Accident and Health Contracts.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount 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 is continually reviewed.
- 12) Zoom Health Plan, Inc. has not modified its capitalization policy from the prior period.
- 13) Zoom Health Plan, Inc. does not estimate pharmaceutical rebate receivables.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

**D. Going Concern**

Zoom Health Plan, Inc.'s management has not been made aware of any substantial doubt about the Company's ability to continue as a going concern.

**2. Accounting Changes and Corrections of Errors**

Not applicable.

**3. Business Combinations and Goodwill**

Not applicable.

**4. Discontinued Operations**

Not applicable.

**5. Investments**

**A. Mortgage Loans**

Not applicable.

**B. Debt Restructuring**

Not applicable.

**C. Reverse Mortgages**

Not applicable.

**D. Loan-Backed Securities**

Not applicable.

**E. Repurchase Agreements under/or Securities Lending Transactions**

Not applicable.

**F. Real Estate**

Not applicable.

**G. Low Income Housing Tax Credits**

Not applicable.

**H. Restricted Assets:**

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1. Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2. Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3. Increase/ (Decrease) (1 minus 2)	4. Total Current Year Nonadmitted Restricted	5. Total Current Year Admitted Restricted (1 minus 4)	6. Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7. Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$0	\$0	\$0	\$0	\$0	%	%
b. Collateral held under security lending agreements	\$0	\$0	\$0	\$0	\$0	%	%
c. Subject to repurchase agreements	\$0	\$0	\$0	\$0	\$0	%	%
d. Subject to reverse repurchase agreements	\$0	\$0	\$0	\$0	\$0	%	%
e. Subject to dollar repurchase agreements	\$0	\$0	\$0	\$0	\$0	%	%
f. Subject to dollar reverse repurchase agreements	\$0	\$0	\$0	\$0	\$0	%	%
g. Place under option contracts	\$0	\$0	\$0	\$0	\$0	%	%
h. Letter stock or securities restricted as to sale	\$0	\$0	\$0	\$0	\$0	%	%
i. FHLB capital stock	\$0	\$0	\$0	\$0	\$0	%	%
j. On deposit with states	\$260,000	\$260,000	\$0	\$0	\$260,000	2.8%	3.0%
k. On deposit with other regulatory bodies	\$0	\$0	\$0	\$0	\$0	%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$0	\$0	\$0	\$0	\$0	%	%
m. Pledged as collateral not captured in other categories	\$0	\$0	\$0	\$0	\$0	%	%
n. Other restricted assets	\$0	\$0	\$0	\$0	\$0	%	%
<b>o. Total Restricted Assets</b>	<b>\$260,000</b>	<b>\$260,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$260,000</b>	<b>2.8%</b>	<b>3.0%</b>

(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

Not applicable.

(3) Detail of Other Restricted Assets

Not applicable.



## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statement  
Not applicable.

- I. Working Capital Finance Investments  
Not applicable.
- J. Offsetting and Netting of Assets and Liabilities  
Not applicable.
- K. Structured Notes  
Not applicable.
- L. 5\* Securities  
Not applicable.

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

Not applicable.

### 7. Investment Income

- A. No investment income due and accrued has been excluded from the presentation of this statement.
- B. Zoom Health Plan, Inc. does not have any investment income excluded from surplus

### 8. Derivative Instruments

Not applicable.

### 9. Income Taxes

Zoom Health Plan, Inc. is in a loss position and has not had a gain since incorporation, therefore no income taxes have been accrued as of December 31, 2016.

### 10. Information Concerning Parents, Subsidiaries, Affiliates, and Other Related Parties

- A. Zoom Health Plan, Inc. has, through common ownership, directors, and Management Agreement, an affiliated company, Zoom Management Inc.
- B. Zoom Health Plan, Inc. received cash capital surplus notes from Zoom Management Inc. in these amounts: \$250,000 on March 25, 2016, \$750,000 on September 23, 2016, and \$3,000,000 on December 30, 2016, for a total of \$4,000,000 year-to-date.
- C. Not applicable.
- D. Receivables for related parties at December 31, 2016:  
Zoom Management Inc.                      \$ 2,654,359  
Payables for related parties at December 31, 2016:  
ZoomCare P.C.                                  \$ 750,746
- E. Not applicable.
- F. Zoom Health Plan, Inc. has recorded \$1,390,058 of expense for the year to date period ended December 31, 2016 under a Management Agreement with Zoom Management, Inc. (ZMI). Under the Management Agreement, ZMI is the exclusive provider of the following services to Zoom Health Plan, Inc.: business management, information management, administration, and utilization of equipment and supplies.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.
- M. Not applicable.
- N. Not applicable.

### 11. Debt

Not applicable.

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

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. Not applicable.
- E. Defined Contribution Plan  
All personnel are employees of Zoom Management Inc. (ZMI), and, under the terms of the Management Agreement (see Note 10), Zoom Health Plan, Inc. contributes to a defined contribution plan which permits ZMI employees to contribute eligible compensation and have those contributions, up to 6%, matched 50%. The company's recognition of the ZMI contributions was \$30,602 year-to-date as of December 31, 2016.
- F. Multiemployer Plans  
Not applicable.
- G. Consolidated/Holding Company Plans  
Not applicable.
- H. Postemployment Benefits and Compensated Absences  
Not applicable.
- I. Impact of Medicare Modernization Act on Postretirement Benefits  
Not applicable.

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

- 1. Zoom Health Plan, Inc. has 100,000 shares authorized and 62,751 shares issued and outstanding as of December 31, 2016. All shares are common stock with a par value of \$.001.
- 2. Not applicable.
- 3. Not applicable.
- 4. Not applicable.
- 5. Not applicable.
- 6. Not applicable.
- 7. Not applicable.
- 8. Not applicable.
- 9. Zoom Health Plan, Inc. has issued a total of \$4,000,000 in surplus notes to affiliate Zoom Management Inc. for the year to date period ending December 31, 2016.
- 10. Not applicable.
- 11. Zoom Health Plan, Inc. issued the following surplus notes outstanding at December 31, 2016:

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
6/27/2014	6%	\$1,000,000	\$1,000,000	\$0	\$0	\$160,541	6/27/2020
12/31/2014	6%	400,000	400,000	0	0	43,938	12/31/2020
2/26/2015	6%	600,000	600,000	0	0	66,107	2/26/2021
3/15/2015	6%	1,000,000	1,000,000	0	0	109,845	3/15/2021
5/7/2015	6%	1,000,000	1,000,000	0	0	98,829	5/7/2021
6/25/2015	6%	1,000,000	1,000,000	0	0	93,443	6/25/2021
9/15/2015	6%	1,000,000	1,000,000	0	0	77,284	9/15/2021
12/15/2015	6%	750,000	750,000	0	0	46,023	12/15/2021
3/25/2016	6%	250,000	250,000	0	0	11,420	3/25/2022
9/23/2016	6%	750,000	750,000	0	0	11,250	9/23/2022
12/30/2016	6%	3,000,000	3,000,000	0	0	0	12/30/2022
<b>Totals</b>		<b>\$10,750,000</b>	<b>\$10,750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$718,680</b>	

Each surplus note was issued in exchange of cash received from affiliate Zoom Management Inc. (ZMI) on the date issued and in the amount set forth in the table above.

The surplus notes have the following repayment conditions and restrictions: Each payment of interest on and principal of any surplus note may be made only with the prior approval of the Commissioner of Insurance of the State of Oregon and only to the extent the company has sufficient surplus earnings to make such payment.

- 12. Not applicable.
- 13. Not applicable.

**14. Liabilities, Contingencies and Assessments**

- A. Contingent Commitments  
Not applicable.
- B. Assessments  
The company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity.
- C. Gain Contingencies.  
Not applicable.
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits  
The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	<b>Direct</b>
<b>Claims related ECO and bad faith losses paid during the reporting period</b>	<b>\$0</b>

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	More than 500 claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim       (g) Per Claimant

- E. Joint and Several Liabilities  
Not applicable.
- F. All Other Contingencies  
Not applicable.

**15. Leases**

Not applicable.

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

Not applicable.

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

Not applicable.

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

- A. ASO Plans  
Not applicable.
- B. ASC Plans  
Not applicable.
- C. Medicare of Similarly Structured Cost Based Reimbursement Contracts  
Not applicable.

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

Zoom Health Plan, Inc. has not had any direct premiums written or produced by managing general agents or third party administrators.

**20. Fair Value Measures**

- A. 1. – 5. Zoom Health Plan, Inc. does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2016.
- B. Fair Value Information under SSAP No. 100 combined with Fair Value information under other Accounting Pronouncements  
Not applicable.
- C. Aggregate Fair Value of all Financial Instruments  
Not applicable.
- D. Not Practicable to Estimate Fair Value  
Not applicable.



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

21. Other Items

- A. Extraordinary Items  
Not applicable.
- B. Troubled Debt Restructuring Debtors  
Not applicable.
- C. Other Disclosures and Unusual Items  
Not applicable.
- D. Business Interruptions Insurance Recoveries  
Not applicable.
- E. State Transferable and Non-transferable Tax Credits  
Not applicable.
- F. Subprime Mortgage-Related Risk Exposure  
Not applicable.
- G. Retained Assets  
Not applicable.
- H. Insurance-Linked Securities (ILS) Contracts  
Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events

Subsequent events have been considered through February 9, 2017 for the statutory statement issued on December 31, 2016.

Not applicable.

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 9, 2017 for the statutory statement issued on December 31, 2016.

Zoom Health Plan, Inc. is now subject to an annual fee under Section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2016, the company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in future years, and estimates its portion of the annual health insurance industry fee payable on December 31, 2016 to be \$0. This amount is reflected in aggregate write-ins for special surplus funds.

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?.....	YES	
B. ACA fee assessment payable for the upcoming year.....	\$ 0	\$ 0
C. ACA fee assessment paid .....	\$ 0	\$ 0
D. Premium written subject to ACA 9010 assessment.....	\$ 5,156,937	\$ 374,859
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14) .....	\$ 2,873,168	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above).....	\$ 2,873,168	
G. Authorized Control level (Five-Year Historical Line 15).....	\$ 502,020	
H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)? .....	NO	

There are no other events subsequent to December 31, 2016 that require disclosure.

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 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)
  - a. Not applicable.
  - b. Not applicable.
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 the offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 1 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? \$0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes ( ) No (X)

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

D. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Zoom Health Plan, Inc. estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B. Zoom Health Plan, Inc. records accrued retrospective premium as an adjustment to earned premium.
- C. Zoom Health Plan, Inc. recorded net premiums written at December 31, 2016 that are subject to retrospective rating features of \$1.5M, that represented 32% of the total net premiums written. No other premiums are subject to retrospective rating features.
- D. Zoom Health Plan, Inc. has determined that there is no incurred medical loss ratio rebates required pursuant to the Public Health Service Act for the current reporting year.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
<b>Prior Reporting Year</b>					
Medical loss ratio rebates incurred	\$0	\$0	\$0	\$0	\$0
Medical loss ratio rebates paid	\$0	\$0	\$0	\$0	\$0
Medical loss ratio rebates unpaid	\$0	\$0	\$0	\$0	\$0
Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0
<b>Current Reporting Year-to-Date</b>					
Medical loss ratio rebates incurred	\$0	\$0	\$0	\$0	\$0
Medical loss ratio rebates paid	\$0	\$0	\$0	\$0	\$0
Medical loss ratio rebates unpaid	\$0	\$0	\$0	\$0	\$0
Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$0
Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$0
Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$0

E. Risk-Sharing Provisions of the Affordable Care Act

- (1) Zoom Health Plan, Inc. has written accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions.
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year.

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 \$ 1,541
- 3. Premium adjustments payable due to ACA Risk Adjustment \$3,220,354

Operations (Revenue & Expense)

- 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ 0
- 5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 1,541

b. Transitional ACA Reinsurance Program

Assets

- 1. Amounts recoverable for claims paid due to ACA Reinsurance \$ 0
- 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) \$ 0
- 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance \$ 0

Liabilities

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

Operations (Revenue & Expense)

- 7. Ceded reinsurance premiums due to ACA Reinsurance \$ 39,197
- 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments \$ 0
- 9. ACA Reinsurance contributions - not reported as ceded premium \$ 24,732



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

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

(3) 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 adjustment 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	
	1.	2.	3.	4.	Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
					5.	6.					
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	A	\$0	\$0
2. Premium adjustments (payable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	B	\$0	\$0
3. Subtotal of ACA Permanent Risk Adjustment Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	C	\$0	\$0
2. Amounts recoverable for claims unpaid (contra liability)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	D	\$0	\$0
3. Amounts receivable relating to uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	F	\$0	\$0
5. Ceded reinsurance premiums payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	G	\$0	\$0
6. Liability for amounts held under uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	H	\$0	\$0
7. Subtotal ACA Transitional Reinsurance Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	I	\$0	\$0
2. Reserve for the rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	J	\$0	\$0
3. Subtotal ACA Risk Corridors Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
d. Total for ACA Risk Sharing Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0

Explanations of Adjustments:

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.

- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit 2016

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	1.	2.	3.	4.	Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
					5.	6.				7.	8.
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	A	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	B	\$0	\$0
b. 2015											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	C	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	D	\$0	\$0
c. 2016											
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	F	\$0	\$0
c. Total for Risk Corridors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0

Explanations of Adjustments:

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.

(5) ACA Risk Corridors Receivable as of Reporting December 31, 2016

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4-5)
a. 2014	\$0	\$0	\$0	\$0	\$0	\$0
b. 2015	\$0	\$0	\$0	\$0	\$0	\$0
c. 2016	\$0	\$0	\$0	\$0	\$0	\$0
d. Total (a+b+c)	\$0	\$0	\$0	\$0	\$0	\$0

**25. Change in Incurred Claims and Claim Adjustment Expense**

Reserves as of December 31, 2015 were \$193,777. As of December 31, 2016, \$24,598 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$553 as a result of re-estimation of unpaid claims and claim adjustment expenses on the Large Group line of insurance. Therefore, there has been a \$168,626 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**

Not applicable.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables**

- A. Pharmaceutical Rebate Receivables  
Not applicable.
- B. Risk Sharing Receivables  
Not applicable.

**29. Participating Policies**

Not applicable.

**30. Premium Deficiency Reserves**

- |   |                  |
|---|------------------|
| 1. Liability carried for premium deficiency reserves        | \$0              |
| 2. Date of the most recent evaluation of this liability     | January 30, 2017 |
| 3. Was anticipated investment utilized in the calculations? | NO               |

**31. Anticipated Salvage and Subrogation**

Not applicable.



**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [  ] No [  ]  
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [  ] No [  ] N/A [  ]
- 1.3 State Regulating? ..... OREGON
- 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 [  ]
- 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. .... 07/03/2014
- 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). .... 08/26/2014
- 3.4 By what department or departments?  
STATE OF OREGON, DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCIAL REGULATION \_\_\_\_
- 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 [  ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [  ] No [  ] N/A [  ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [  ] No [  ]  
4.12 renewals? ..... Yes [  ] No [  ]
- 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 [  ]  
4.22 renewals? ..... Yes [  ] No [  ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [  ] No [  ]
- 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 [  ]
- 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 [  ]
- 7.2 If yes,  
7.21 State the percentage of foreign control: ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. ....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption: .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption: .....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain .....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company \_\_\_\_\_
- 12.12 Number of parcels involved \_\_\_\_\_
- 12.13 Total book/adjusted carrying value \_\_\_\_\_ \$ \_\_\_\_\_
- 12.2 If, yes provide explanation: .....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? .....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 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). .....



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Zoom Health Plan, Inc.  
**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict 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 \$
  - 20.12 To stockholders not officers \$
  - 20.13 Trustees, supreme or grand (Fraternal Only) \$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$
  - 20.22 To stockholders not officers \$
  - 20.23 Trustees, supreme or grand (Fraternal Only) \$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$
  - 21.22 Borrowed from others \$
  - 21.23 Leased from others \$
  - 21.24 Other \$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$
  - 22.22 Amount paid as expenses \$
  - 22.23 Other amounts paid \$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

**INVESTMENT**

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



**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.103 Total payable for securities lending reported on the liability page .....	\$ .....

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

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

25.21 Subject to repurchase agreements .....	\$ .....
25.22 Subject to reverse repurchase agreements .....	\$ .....
25.23 Subject to dollar repurchase agreements .....	\$ .....
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....
25.25 Placed under option agreements .....	\$ .....
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .....	\$ .....
25.27 FHLB Capital Stock .....	\$ .....
25.28 On deposit with states .....	\$ 260,000
25.29 On deposit with other regulatory bodies .....	\$ .....
25.30 Pledged as collateral - excluding collateral pledged to an FHLB .....	\$ .....
25.31 Pledged as collateral to FHLB - including assets backing funding agreements .....	\$ .....
25.32 Other .....	\$ .....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
PREMIER COMMUNITY BANK .....	314 E MAIN STREET, HILLSBORO, OR 97123 .....

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

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

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

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

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

**GENERAL INTERROGATORIES**

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

1 Name of Firm or Individual	2 Affiliation

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.

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 .....			
30.2 Preferred stocks .....			
30.3 Totals			

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

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

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

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:  
Zoom Health Plan has no assets that are subject to fair value determination. ....

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

32.2 If no, list exceptions:  
.....

**GENERAL INTERROGATORIES**

**OTHER**

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

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? .....\$ .....41,848

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

1 Name	2 Amount Paid
John Robert Christiansen .....	29,160

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

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

1 Name	2 Amount Paid



**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]  
 1.2 If yes, indicate premium earned on U.S. business only. .... \$ \_\_\_\_\_  
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ \_\_\_\_\_  
 1.31 Reason for excluding \_\_\_\_\_

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ \_\_\_\_\_  
 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ \_\_\_\_\_

- 1.6 Individual policies:  
 Most current three years:  
 1.61 Total premium earned ..... \$ \_\_\_\_\_  
 1.62 Total incurred claims ..... \$ \_\_\_\_\_  
 1.63 Number of covered lives ..... \_\_\_\_\_  
 All years prior to most current three years:  
 1.64 Total premium earned ..... \$ \_\_\_\_\_  
 1.65 Total incurred claims ..... \$ \_\_\_\_\_  
 1.66 Number of covered lives ..... \_\_\_\_\_

- 1.7 Group policies:  
 Most current three years:  
 1.71 Total premium earned ..... \$ \_\_\_\_\_  
 1.72 Total incurred claims ..... \$ \_\_\_\_\_  
 1.73 Number of covered lives ..... \_\_\_\_\_  
 All years prior to most current three years:  
 1.74 Total premium earned ..... \$ \_\_\_\_\_  
 1.75 Total incurred claims ..... \$ \_\_\_\_\_  
 1.76 Number of covered lives ..... \_\_\_\_\_

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	6,861,679	374,859
2.2 Premium Denominator .....	4,721,047	374,859
2.3 Premium Ratio (2.1/2.2) .....	1.453	1.000
2.4 Reserve Numerator .....	1,554,315	150,529
2.5 Reserve Denominator .....	1,301,120	150,529
2.6 Reserve Ratio (2.4/2.5) .....	1.195	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

3.2 If yes, give particulars:

- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [ X ] No [ ]

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

- 5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ X ] No [ ]

5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions)  
 5.31 Comprehensive Medical ..... \$ 300,000  
 5.32 Medical Only ..... \$ \_\_\_\_\_  
 5.33 Medicare Supplement ..... \$ \_\_\_\_\_  
 5.34 Dental & Vision ..... \$ \_\_\_\_\_  
 5.35 Other Limited Benefit Plan ..... \$ \_\_\_\_\_  
 5.36 Other ..... \$ \_\_\_\_\_

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 \_\_\_\_\_

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? ..... Yes [ X ] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:  
 8.1 Number of providers at start of reporting year .....  
 8.2 Number of providers at end of reporting year .....

- 9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]

- 9.2 If yes, direct premium earned:  
 9.21 Business with rate guarantees between 15-36 months. .... \$ \_\_\_\_\_  
 9.22 Business with rate guarantees over 36 months ..... \$ \_\_\_\_\_

**GENERAL INTERROGATORIES**

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ ] No [ X ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....

10.22 Amount actually paid for year bonuses.....\$ .....

10.23 Maximum amount payable withholds.....\$ .....

10.24 Amount actually paid for year withholds.....\$ .....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ X ] No [ ]

11.13 An Individual Practice Association (IPA), or, ..... Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? ..... Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... 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 [ X ]

11.6 If the amount is calculated, show the calculation

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

1
Name of Service Area
STATE OF OREGON .....

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

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

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

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

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

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

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

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

15.1 Direct Premium Written .....\$ .....

15.2 Total Incurred Claims .....\$ .....

15.3 Number of Covered Lives .....

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

**FIVE-YEAR HISTORICAL DATA**

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28) .....	8,726,611	4,380,944	3,199,699		
2. Total liabilities (Page 3, Line 24) .....	5,853,443	975,093	544,749		
3. Statutory minimum capital and surplus requirement .....	2,500,000	2,500,000	2,500,000		
4. Total capital and surplus (Page 3, Line 33) .....	2,873,168	3,405,851	2,654,950		
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8) .....	4,721,047	374,859			
6. Total medical and hospital expenses (Line 18) .....	6,469,435	268,086			
7. Claims adjustment expenses (Line 20) .....	454,154	283,342			
8. Total administrative expenses (Line 21) .....	2,519,832	3,683,971	746,947		
9. Net underwriting gain (loss) (Line 24) .....	(4,755,807)	(3,903,788)	(746,947)		
10. Net investment gain (loss) (Line 27) .....	9,320	3,854	1,267		
11. Total other income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	(4,746,487)	(3,899,934)	(745,680)		
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(3,857,323)	(3,120,595)	(652,025)		
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	2,873,168	3,405,851	2,654,950		
15. Authorized control level risk-based capital .....	502,020	400,170	12,146		
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	2,750	217			
17. Total members months (Column 6, Line 7) .....	30,121	1,193			
<b>Operating Percentage (Page 4)</b> (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) .....	137.0	71.5			
20. Cost containment expenses .....	2.2	11.3			
21. Other claims adjustment expenses .....	7.4	64.3			
22. Total underwriting deductions (Line 23) .....	200.7	1,141.4			
23. Total underwriting gain (loss) (Line 24) .....	(100.7)	(1,041.4)			
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	25,151				
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	150,529				
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					
33. Total investment in parent included in Lines 26 to 31 above .....					

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



**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
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	5,156,937					5,156,937		
39. Pennsylvania..... PA	N								
40. Rhode Island..... RI	N								
41. South Carolina..... SC	N								
42. South Dakota..... SD	N								
43. Tennessee..... TN	N								
44. Texas..... TX	N								
45. Utah..... UT	N								
46. Vermont..... VT	N								
47. Virginia..... VA	N								
48. Washington..... WA	N								
49. West Virginia..... WV	N								
50. Wisconsin..... WI	N								
51. Wyoming..... WY	N								
52. American Samoa..... AS	N								
53. Guam..... GU	N								
54. Puerto Rico..... PR	N								
55. U.S. Virgin Islands..... VI	N								
56. Northern Mariana Islands..... MP	N								
57. Canada..... CAN	N								
58. Aggregate other alien..... OT	XXX								
59. Subtotal	XXX	5,156,937					5,156,937		
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a) 1	5,156,937					5,156,937		
DETAILS OF WRITE-INS									
58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page.....	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

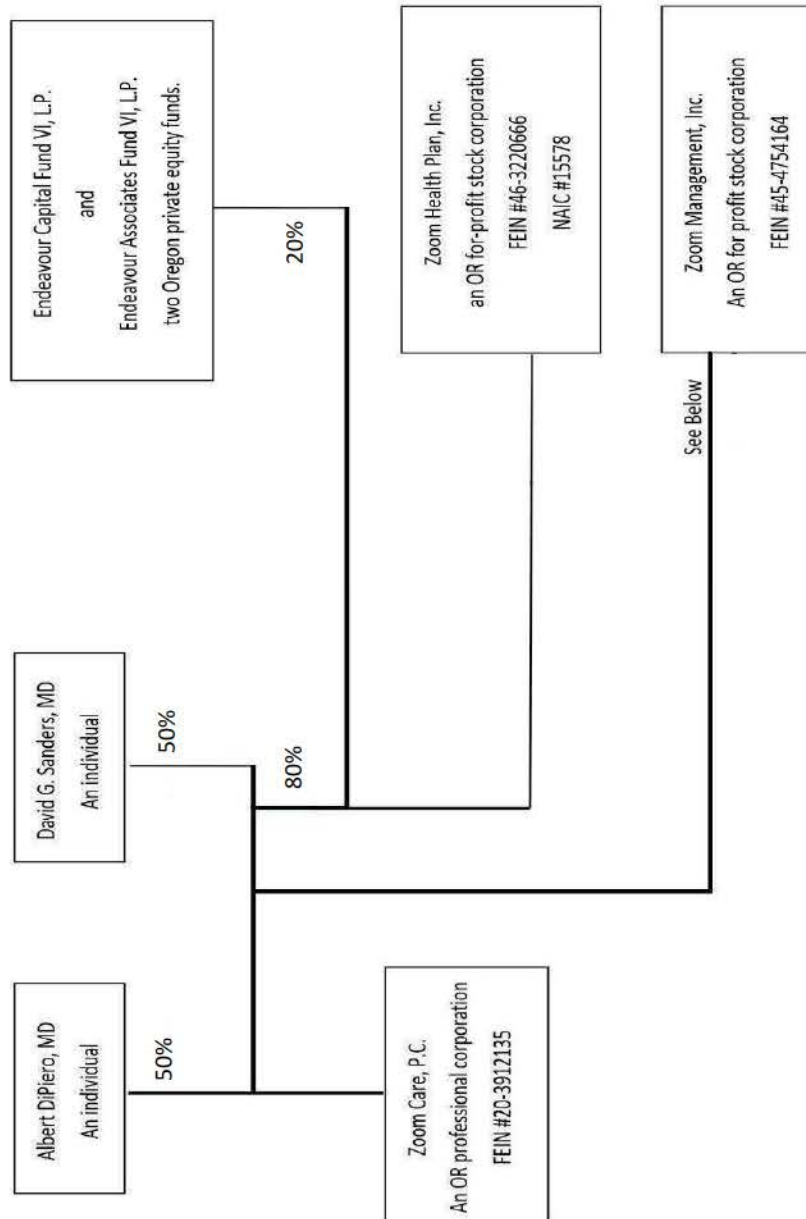
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Allocated to states based on domicile of contracting party.

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

**Zoom Health Plan, Inc. Holding System**



Zoom Management, Inc. sold Series and Series B preferred stock to the two Endeavour funds that own 20% of Zoom Health Plan, Inc. After the sale of Series B preferred stock of Zoom Management, Inc., the two Endeavour funds own a total of 38.2% of the total equity of Zoom Management, Inc. Other owners own 7.5% of the total equity of Zoom Management, Inc. Dr. Sanders and Dr. DiPiero each own about 27.1% of the total equity of Zoom Management, Inc. All ownership percentages are figured on an as-converted to common stock basis.

Dr. DiPiero and Dr. Sanders each own 50% of Zoom Care, P.C.

Zoom Management, Inc. and Zoom Care, P.C. are considered affiliates of Zoom Health Plan, Inc. by common ownership.

**OVERFLOW PAGE FOR WRITE-INS**



## ALPHABETICAL INDEX

### ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business .....	7
Assets .....	2
Cash Flow .....	6
Exhibit 1 - Enrollment By Product Type for Health Business Only .....	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid .....	18
Exhibit 3 - Health Care Receivables .....	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued .....	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus .....	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates .....	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates .....	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers .....	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries .....	24
Exhibit 8 - Furniture, Equipment and Supplies Owned .....	25
Exhibit of Capital Gains (Losses) .....	15
Exhibit of Net Investment Income .....	15
Exhibit of Nonadmitted Assets .....	16
Exhibit of Premiums, Enrollment and Utilization (State Page) .....	30
Five-Year Historical Data .....	29
General Interrogatories .....	27
Jurat Page .....	1
Liabilities, Capital and Surplus .....	3
Notes To Financial Statements .....	26
Overflow Page For Write-ins .....	44
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10
Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23
Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E24
Schedule DL - Part 2 .....	E25
Schedule E - Part 1 - Cash .....	E26
Schedule E - Part 2 - Cash Equivalents .....	E27
Schedule E - Part 3 - Special Deposits .....	E28
Schedule E - Verification Between Years .....	SI15

**ANNUAL STATEMENT BLANK (Continued)**

Schedule S - Part 1 - Section 2 .....	31
Schedule S - Part 2 .....	32
Schedule S - Part 3 - Section 2 .....	33
Schedule S - Part 4 .....	34
Schedule S - Part 5 .....	35
Schedule S - Part 6 .....	36
Schedule S - Part 7 .....	37
Schedule T - Part 2 - Interstate Compact .....	39
Schedule T - Premiums and Other Considerations .....	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	42
Statement of Revenue and Expenses .....	4
Summary Investment Schedule .....	SI01
Supplemental Exhibits and Schedules Interrogatories .....	43
Underwriting and Investment Exhibit - Part 1 .....	8
Underwriting and Investment Exhibit - Part 2 .....	9
Underwriting and Investment Exhibit - Part 2A .....	10
Underwriting and Investment Exhibit - Part 2B .....	11
Underwriting and Investment Exhibit - Part 2C .....	12
Underwriting and Investment Exhibit - Part 2D .....	13
Underwriting and Investment Exhibit - Part 3 .....	14