



HEALTH ANNUAL STATEMENT

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

Moda Health Plan, Inc.

NAIC Group Code 1313 1313 NAIC Company Code 47098 Employer's ID Number 93-0989307
(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: HMDI

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 11/03/1988 Commenced Business 12/28/1988

Statutory Home Office 601 SW Second Ave Portland, OR, US 97204
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 601 SW Second Ave
(Street and Number)
Portland, OR, US 97204 503-228-6554
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Main Address 601 SW Second Ave Portland, OR, US 97204
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 601 SW Second Ave
(Street and Number)
Portland, OR, US 97204 503-228-6554
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.odsccompanies.com

Statutory Statement Contact Katherine Stalsberg 503-412-4030
(Name) (Area Code) (Telephone Number)
katie.stalsberg@modahealth.com 503-243-4495
(E-mail Address) (FAX Number)

OFFICERS

President Williams Ellis Johnson Treasurer David Wayne Evans
Secretary Thomas James Bikales

OTHER

DIRECTORS OR TRUSTEES

Molly Hering Bardonaro George Jim Darke Robert Glenn Gootee
David Wesley Howerton Carlton James McLeod

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.

William Ellis Johnson Thomas James Bikales David Wayne Evans
President Secretary Treasurer

Subscribed and sworn to before me this 27th day of January 2017
Dianne M Warren

- 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.....





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President Secretary Treasurer

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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)	13,920,140		13,920,140	39,925,027
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	42,600,287		42,600,287	51,699,976
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(21,681,851) , Schedule E - Part 1), cash equivalents (\$1,999,735 , Schedule E - Part 2) and short-term investments (\$17,591,688 , Schedule DA)	(2,090,428)		(2,090,428)	(32,916,937)
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	6,182,611		6,182,611	7,455,502
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	60,612,610	0	60,612,610	66,163,568
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	22,210		22,210	233,240
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	18,225,522	424,609	17,800,913	11,539,094
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$42,081,658) and contracts subject to redetermination (\$21,579,912)	273,658,116	251,320,832	22,337,284	8,134,306
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	62,652,005		62,652,005	348,571,490
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	38,312,477	66,761	38,245,716	27,915,374
18.1 Current federal and foreign income tax recoverable and interest thereon	33,517,565		33,517,565	69,117,940
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	548,525	548,525	0	154,217
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	78,624,457		78,624,457	19,556,819
24. Health care (\$5,366,652) and other amounts receivable	8,592,650	3,225,998	5,366,652	6,714,106
25. Aggregate write-ins for other than invested assets	48,640,200	1,441,222	47,198,978	633,536
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	623,406,337	257,027,947	366,378,390	558,733,690
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	623,406,337	257,027,947	366,378,390	558,733,690
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Miscellaneous Prepaids	1,441,222	1,441,222	0	0
2502. Other Receivables	47,198,978		47,198,978	633,536
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	48,640,200	1,441,222	47,198,978	633,536

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 10,729,915 reinsurance ceded)	159,008,721	13,508,064	172,516,785	88,335,503
2. Accrued medical incentive pool and bonus amounts			.0	.0
3. Unpaid claims adjustment expenses	8,444,925	717,411	9,162,336	7,381,000
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	33,704,105		33,704,105	37,244,171
5. Aggregate life policy reserves			.0	.0
6. Property/casualty unearned premium reserves			.0	.0
7. Aggregate health claim reserves			.0	.0
8. Premiums received in advance	8,474,260		8,474,260	14,103,432
9. General expenses due or accrued	15,153,037		15,153,037	21,237,871
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			.0	.0
10.2 Net deferred tax liability			.0	.0
11. Ceded reinsurance premiums payable	1,231,235		1,231,235	260,699,653
12. Amounts withheld or retained for the account of others	252,936		252,936	516,668
13. Remittances and items not allocated			.0	.0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			.0	.0
15. Amounts due to parent, subsidiaries and affiliates	692,351		692,351	242,343
16. Derivatives			.0	.0
17. Payable for securities	1,999,735		1,999,735	2,052,968
18. Payable for securities lending			.0	.0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			.0	.0
20. Reinsurance in unauthorized and certified (\$) companies			.0	.0
21. Net adjustments in assets and liabilities due to foreign exchange rates			.0	.0
22. Liability for amounts held under uninsured plans	44,885,827		44,885,827	59,661,194
23. Aggregate write-ins for other liabilities (including \$ current)	733,227	.0	733,227	240,597
24. Total liabilities (Lines 1 to 23)	274,580,359	14,225,475	288,805,834	491,715,400
25. Aggregate write-ins for special surplus funds	XXX	XXX	.0	29,678,901
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	199,132,906	45,578,582
29. Surplus notes	XXX	XXX	95,950,000	153,000,000
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	.0	.0
31. Unassigned funds (surplus)	XXX	XXX	(220,010,350)	(163,739,193)
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	77,572,556	67,018,290
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	366,378,390	558,733,690
DETAILS OF WRITE-INS				
2301. Unclaimed Property	733,227		733,227	240,597
2302.			.0	.0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	733,227	0	733,227	240,597
2501. Surplus appropriated for CY ACA Section 9010 Fee	XXX	XXX		29,678,901
2502.	XXX	XXX		.0
2503.	XXX	XXX		.0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	29,678,901
3001.	XXX	XXX		.0
3002.	XXX	XXX		.0
3003.	XXX	XXX		.0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	.0	.0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,719,487	2,612,932
2. Net premium income (including \$ non-health premium income).....	XXX	903,914,876	777,092,615
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0
5. Risk revenue.....	XXX	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	903,914,876	777,092,615
Hospital and Medical:			
9. Hospital/medical benefits.....		603,299,009	792,203,468
10. Other professional services.....		62,845,169	92,911,630
11. Outside referrals.....		31,084,669	39,535,219
12. Emergency room and out-of-area.....		82,735,881	100,283,062
13. Prescription drugs.....		116,553,076	149,858,113
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		0	0
16. Subtotal (Lines 9 to 15).....	0	896,517,804	1,174,791,492
Less:			
17. Net reinsurance recoveries.....		22,188,369	395,974,365
18. Total hospital and medical (Lines 16 minus 17).....	0	874,329,435	778,817,127
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$10,082,015 cost containment expenses.....		38,492,066	27,047,760
21. General administrative expenses.....		44,330,725	34,732,646
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	967,152,226	840,597,533
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(53,237,350)	(63,504,918)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		26,816,483	(85,450)
26. Net realized capital gains (losses) less capital gains tax of \$151,336.....		6,708,858	1,508,062
27. Net investment gains (losses) (Lines 25 plus 26).....	0	33,525,341	1,422,612
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.....	0	168,217	(142,814)
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	(19,543,791)	(62,225,120)
31. Federal and foreign income taxes incurred.....	XXX	(6,639,142)	(12,695,690)
32. Net income (loss) (Lines 30 minus 31).....	XXX	(12,904,649)	(49,529,430)
DETAILS OF WRITE-INS			
0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above).....	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above).....	XXX	0	0
1401.		0	0
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	0	0	0
2901. Miscellaneous Income (Expense).....		281,027	(34,512)
2902. Grants & Donations.....		(112,810)	(108,302)
2903.		0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above).....	0	168,217	(142,814)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	67,018,290	121,061,663
34. Net income or (loss) from Line 32.....	(12,904,649)	(49,529,430)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 742,144.....	(21,947,051)	11,573,225
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	27,772,219	56,125,204
39. Change in nonadmitted assets.....	(78,870,578)	(165,212,372)
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	(57,050,000)	93,000,000
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	131,954,325	0
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.....	21,600,000	0
48. Net change in capital and surplus (Lines 34 to 47).....	10,554,266	(54,043,373)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	77,572,556	67,018,290
DETAILS OF WRITE-INS		
4701. Additional capital from proceeds.....	21,600,000	0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above).....	21,600,000	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	538,457,731	948,864,463
2. Net investment income	27,157,210	485,323
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	565,614,941	949,349,786
5. Benefit and loss related payments	504,007,213	1,016,483,793
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	104,423,915	46,503,910
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(6,048,334)	3,313,143
10. Total (Lines 5 through 9)	602,382,794	1,066,300,846
11. Net cash from operations (Line 4 minus Line 10)	(36,767,852)	(116,951,060)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	49,765,299	82,489,563
12.2 Stocks	20,864,892	15,280,257
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	337,888
12.8 Total investment proceeds (Lines 12.1 to 12.7)	70,630,191	98,107,708
13. Cost of investments acquired (long-term only):		
13.1 Bonds	22,926,058	57,816,075
13.2 Stocks	5,847,267	2,436,361
13.3 Mortgage loans	0	0
13.4 Real estate	0	(32,359)
13.5 Other invested assets	0	1,334,000
13.6 Miscellaneous applications	53,233	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	28,826,558	61,554,077
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	41,803,633	36,553,631
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	93,000,000
16.2 Capital and paid in surplus, less treasury stock	30,000,000	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(4,209,272)	(14,772,806)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	25,790,728	78,227,194
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	30,826,509	(2,170,235)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(32,916,937)	(30,746,702)
19.2 End of year (Line 18 plus Line 19.1)	(2,090,428)	(32,916,937)

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

20.0001. Refer to Note 13 on surplus notes	80,000,000	
20.0002. Refer to Note 1 C7 on subsidiary investments	21,954,325	
20.0003. Refer to Note 22 on subsequent events	21,600,000	
20.0004. Refer to Note 22 on subsequent events and Note 13 on surplus notes	22,950,000	
20.0005. Refer to Note 1 C8 on other invested assets	2,000,000	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	903,914,876	759,732,921					140,431,225		3,750,730	
2. Change in unearned premium reserves and reserve for rate credit .....	.0									
3. Fee-for-service (net of \$ medical expenses) .....	.0									XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6)	903,914,876	759,732,921					140,431,225		3,750,730	
8. Hospital/medical benefits	603,299,009	487,533,305					100,413,074		15,352,630	XXX
9. Other professional services	62,845,169	52,348,531					9,923,710		572,928	XXX
10. Outside referrals	31,084,669	25,712,310					4,854,788		517,571	XXX
11. Emergency room and out-of-area	82,735,881	68,315,691					13,830,873		589,317	XXX
12. Prescription drugs	116,553,076	105,963,690					10,589,386		.0	XXX
13. Aggregate write-ins for other hospital and medical .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	.0									XXX
15. Subtotal (Lines 8 to 14)	896,517,804	739,873,527					139,611,831		17,032,446	XXX
16. Net reinsurance recoveries	22,188,369	22,177,475							10,894	XXX
17. Total medical and hospital (Lines 15 minus 16)	874,329,435	717,696,052					139,611,831		17,021,552	XXX
18. Non-health claims (net) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$10,064,631 cost containment expenses	38,492,065	36,890,588					300,891		1,300,586	
20. General administrative expenses	44,330,725	42,842,962					200,594		1,287,169	
21. Increase in reserves for accident and health contracts .....	.0									XXX
22. Increase in reserves for life contracts .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	957,152,225	797,429,602					140,113,316		19,609,307	.0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(53,237,349)	(37,696,681)	.0	.0	.0	.0	317,909	.0	(15,858,577)	.0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	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 .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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)	769,852,653		10,119,732	759,732,921
2. Medicare Supplement .....				.0
3. Dental only .....				.0
4. Vision only .....				.0
5. Federal Employees Health Benefits Plan	0			.0
6. Title XVIII - Medicare	140,555,385		124,160	140,431,225
7. Title XIX - Medicaid	0			.0
8. Other health	4,242,557		491,827	3,750,730
9. Health subtotal (Lines 1 through 8)	914,650,595	0	10,735,719	903,914,876
10. Life	0			.0
11. Property/casualty	0			.0
12. Totals (Lines 9 to 11)	914,650,595	0	10,735,719	903,914,876

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	860,891,104	716,157,184					127,701,474		17,032,446	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	356,662,436	356,659,186							3,250	
1.4 Net	504,228,668	359,497,998	0	0	0	0	127,701,474	0	17,029,196	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	183,246,700	164,767,239	0	0	0	0	17,479,461	0	1,000,000	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	10,729,915	10,729,915	0	0	0	0	0	0	0	0
3.4 Net	172,516,785	154,037,324	0	0	0	0	17,479,461	0	1,000,000	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	62,652,005	62,591,733							60,272	
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	147,620,000	141,050,897	0	0	0	0	5,569,103	0	1,000,000	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	59,284,497	59,284,497	0	0	0	0	0	0	0	0
8.4 Net	88,335,503	81,766,400	0	0	0	0	5,569,103	0	1,000,000	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	348,571,490	348,518,862							52,628	
12. Incurred Benefits:										
12.1 Direct	896,517,804	739,873,526	0	0	0	0	139,611,832	0	17,032,446	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	22,188,369	22,177,475	0	0	0	0	0	0	10,894	0
12.4 Net	874,329,435	717,696,051	0	0	0	0	139,611,832	0	17,021,552	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	123,344,233	116,848,402					6,495,831			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	123,344,233	116,848,402	0	0	0	0	6,495,831	0	0	0
2. Incurred but Unreported:										
2.1 Direct	59,902,467	47,918,837					10,983,630		1,000,000	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	10,729,915	10,729,915								
2.4 Net	49,172,552	37,188,922	0	0	0	0	10,983,630	0	1,000,000	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	183,246,700	164,767,239	0	0	0	0	17,479,461	0	1,000,000	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	10,729,915	10,729,915	0	0	0	0	0	0	0	0
4.4 Net	172,516,785	154,037,324	0	0	0	0	17,479,461	0	1,000,000	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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)	88,112,560	557,312,568		154,037,324	88,112,560	81,766,400
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare	4,454,417	123,247,056		17,479,461	4,454,417	5,569,103
7. Title XIX - Medicaid .....					.0	.0
8. Other health		17,021,552		1,000,000	.0	1,000,000
9. Health subtotal (Lines 1 to 8)	92,566,977	697,581,176	0	172,516,785	92,566,977	88,335,503
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9 - 10 + 11 + 12)	92,566,977	697,581,176	0	172,516,785	92,566,977	88,335,503

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	18,210	18,143	18,118	18,118	18,111
2.	2012	179,950	203,004	203,170	203,246	176,955
3.	2013	XXX	215,149	246,617	246,605	203,184
4.	2014	XXX	XXX	575,589	623,332	248,166
5.	2015	XXX	XXX	XXX	632,261	721,434
6.	2016	XXX	XXX	XXX	XXX	498,076

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	18,246	18,158	18,118	18,118	18,111
2.	2012	205,723	203,301	203,170	203,246	176,955
3.	2013	XXX	243,995	246,617	246,605	203,184
4.	2014	XXX	XXX	660,730	623,332	248,166
5.	2015	XXX	XXX	XXX	714,027	721,434
6.	2016	XXX	XXX	XXX	XXX	652,113

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	2	3	4	5	6	7	8	9	10
	Premiums Eamed	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2012	235,358	176,955	10,808	6.1	187,763	79.8			187,763	79.8
2. 2013	273,316	203,184	12,526	6.2	215,710	78.9			215,710	78.9
3. 2014	745,133	248,166	22,691	9.1	270,857	36.4			270,857	36.4
4. 2015	1,004,216	721,434	29,865	4.1	751,299	74.8			751,299	74.8
5. 2016	769,853	498,076	29,778	6.0	527,854	68.6	154,037	8,181	690,072	89.6

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	1,559	1,551	1,548	1,553	1,551
2.	2012	9,573	11,264	11,264	11,266	11,265
3.	2013	XXX	13,616	15,259	15,259	11,263
4.	2014	XXX	XXX	14,966	17,677	15,258
5.	2015	XXX	XXX	XXX	32,695	19,422
6.	2016	XXX	XXX	XXX	XXX	123,247

Section B - Incurred Health Claims - Title XVIII

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	1,562	1,551	1,548	1,552	1,551
2.	2012	10,891	11,268	11,264	11,266	11,267
3.	2013	XXX	15,636	15,259	15,259	11,263
4.	2014	XXX	XXX	17,078	17,677	15,258
5.	2015	XXX	XXX	XXX	38,264	19,422
6.	2016	XXX	XXX	XXX	XXX	140,726

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Eamed	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2012	10,641	.1	.375	37,500.0	.376	3.5			.376	3.5
2. 2013	15,345	(1)	.60	(6,000.0)	.59	0.4			.59	0.4
3. 2014	17,105	(1)	.118	(11,800.0)	.117	0.7			.117	0.7
4. 2015	34,882	4,456	.195	4.4	4,651	13.3			4,651	13.3
5. 2016	140,555	123,247	.266	0.2	123,513	87.9	17,479	928	141,921	101.0

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	0	0	0	0	
2.	2012	3,290	3,290	3,290	3,290	10,240
3.	2013	XXX	3,161	3,161	3,161	3,290
4.	2014	XXX	XXX	15,746	15,746	3,161
5.	2015	XXX	XXX	XXX	18,938	15,746
6.	2016	XXX	XXX	XXX	XXX	17,024

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	0	0	0	0	
2.	2012	4,065	3,290	3,290	3,290	10,240
3.	2013	XXX	4,111	3,161	3,161	3,290
4.	2014	XXX	XXX	16,746	15,746	3,161
5.	2015	XXX	XXX	XXX	19,938	15,746
6.	2016	XXX	XXX	XXX	XXX	18,024

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Eamed	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2012	5,318	10,240	249	2.4	10,489	197.2			10,489	197.2
2. 2013	6,675	3,290	461	14.0	3,751	56.2			3,751	56.2
3. 2014	6,635	3,161	1,028	32.5	4,189	63.1			4,189	63.1
4. 2015	6,818	15,746	716	4.5	16,462	241.4			16,462	241.4
5. 2016	4,243	17,024	1,171	6.9	18,195	428.8	1,000	53	19,248	453.6

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	19,769	19,694	19,666	19,671	19,662
2.	2012	192,813	217,558	217,724	217,802	198,460
3.	2013	XXX	231,926	265,037	265,025	217,737
4.	2014	XXX	XXX	606,301	656,755	266,585
5.	2015	XXX	XXX	XXX	683,894	756,602
6.	2016	XXX	XXX	XXX	XXX	638,347

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	19,808	19,709	19,666	19,670	19,662
2.	2012	220,679	217,859	217,724	217,802	198,462
3.	2013	XXX	263,742	265,037	265,025	217,737
4.	2014	XXX	XXX	694,554	656,755	266,585
5.	2015	XXX	XXX	XXX	772,229	756,602
6.	2016	XXX	XXX	XXX	XXX	810,863

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Eamed	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2012	251,317	187,196	11,432	6.1	198,628	79.0	0	0	198,628	79.0
2. 2013	285,336	206,473	13,047	6.3	219,520	74.3	0	0	219,520	74.3
3. 2014	768,873	251,326	23,837	9.5	275,163	35.8	0	0	275,163	35.8
4. 2015	1,045,916	741,636	30,776	4.1	772,412	73.9	0	0	772,412	73.9
5. 2016	914,651	638,347	31,215	4.9	669,562	73.2	172,516	9,162	851,241	93.1

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	33,704,105	33,704,105							
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	33,704,105	33,704,105	0	0	0	0	0	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	33,704,105	33,704,105	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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) _____	953,163	3,095,240	1,252,610	0	5,301,014
2. Salary, wages and other benefits _____	10,900,144	26,331,391	12,760,215	0	49,991,749
3. Commissions (less \$ _____ ceded plus \$ _____ assumed) _____	0	0	14,268,866	0	14,268,866
4. Legal fees and expenses _____	0	2,200	1,036,448	0	1,038,648
5. Certifications and accreditation fees _____	0	0	0	0	0
6. Auditing, actuarial and other consulting services _____	296,714	697,543	942,242	0	1,936,499
7. Traveling expenses _____	127,983	83,268	398,190	0	609,441
8. Marketing and advertising _____	32,178	2,649	2,728,963	0	2,763,791
9. Postage, express and telephone _____	17,548	1,964,759	359,908	0	2,342,214
10. Printing and office supplies _____	12,896	403,753	128,023	0	544,672
11. Occupancy, depreciation and amortization _____	0	575	532,303	0	532,878
12. Equipment _____	8,681	489,042	77,678	0	575,401
13. Cost or depreciation of EDP equipment and software _____	2,640,575	10,189,912	5,788,953	0	18,619,440
14. Outsourced services including EDP, claims, and other services _____	0	1,755,006	1,442,576	0	3,197,583
15. Boards, bureaus and association fees _____	718,152	1,017,188	864,196	0	2,599,536
16. Insurance, except on real estate _____	0	0	569,705	0	569,705
17. Collection and bank service charges _____	0	1,913,949	702,114	0	2,616,063
18. Group service and administration fees _____	1,135,387	0	0	0	1,135,387
19. Reimbursements by uninsured plans _____	(7,663,329)	(21,594,451)	(33,695,740)	0	(62,953,521)
20. Reimbursements from fiscal intermediaries _____	0	0	0	0	0
21. Real estate expenses _____	200	1,568	146,251	0	148,019
22. Real estate taxes _____	0	0	6,556	0	6,556
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes _____	0	0	(1,718,933)	0	(1,718,933)
23.2 State premium taxes _____	0	0	4,377,818	0	4,377,818
23.3 Regulatory authority licenses and fees _____	0	0	30,301,006	0	30,301,006
23.4 Payroll taxes _____	901,723	2,056,459	991,209	0	3,949,390
23.5 Other (excluding federal income and real estate taxes) _____	0	0	69,569	0	69,569
24. Investment expenses not included elsewhere _____	0	0	0	63,494	63,494
25. Aggregate write-ins for expenses _____	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25) _____	10,082,015	28,410,051	44,330,725	63,494	(a) 82,886,284
27. Less expenses unpaid December 31, current year _____		9,162,336	15,153,037	0	24,315,373
28. Add expenses unpaid December 31, prior year _____		7,381,000	21,237,871		28,618,871
29. Amounts receivable relating to uninsured plans, prior year _____	3,303,039	8,918,629	15,694,124		27,915,792
30. Amounts receivable relating to uninsured plans, current year _____	8,168,331	23,017,494	35,916,240	0	67,102,065
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) _____	14,947,307	40,727,580	70,637,675	63,494	126,376,056
DETAILS OF WRITE-INS					
2501. _____					
2502. _____					
2503. _____					
2598. Summary of remaining write-ins for Line 25 from overflow page _____	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) _____	0	0	0	0	0

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 50,361	25,908
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 552,969	366,392
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	141,354	141,354
2.21 Common stocks of affiliates	26,387,577	26,387,577
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 7,061	7,061
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	27,139,322	26,928,292
11. Investment expenses		(g) 63,494
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 48,315
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		111,809
17. Net investment income (Line 10 minus Line 16)		26,816,483
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 16,959 accrual of discount less \$ 146,656 amortization of premium and less \$ 74,012 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 \$ 735 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	177,886	0	177,886	(1,674)	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	787,626	0	787,626	221	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	(520,933)	0	(520,933)	1,048,100	0
2.21 Common stocks of affiliates	6,415,090	0	6,415,090	(22,978,663)	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	526	0	526	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	727,109	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	6,860,195	0	6,860,195	(21,204,907)	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF 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) .....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			.0
2.2 Common stocks .....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			.0
3.2 Other than first liens .....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			.0
4.2 Properties held for the production of income .....			.0
4.3 Properties held for sale .....			.0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			.0
6. Contract loans .....			.0
7. Derivatives (Schedule DB) .....			.0
8. Other invested assets (Schedule BA) .....			.0
9. Receivables for securities .....			.0
10. Securities lending reinvested collateral assets (Schedule DL) .....			.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.0	.0	.0
13. Title plants (for Title insurers only) .....			.0
14. Investment income due and accrued .....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	424,609	279,810	(144,799)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination	251,320,832	175,110,939	(76,209,893)
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			.0
16.2 Funds held by or deposited with reinsured companies .....			.0
16.3 Other amounts receivable under reinsurance contracts .....			.0
17. Amounts receivable relating to uninsured plans	66,761	418	(66,343)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			.0
18.2 Net deferred tax asset .....			.0
19. Guaranty funds receivable or on deposit .....			.0
20. Electronic data processing equipment and software	548,525		(548,525)
21. Furniture and equipment, including health care delivery assets .....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0
23. Receivable from parent, subsidiaries and affiliates .....			.0
24. Health care and other amounts receivable	3,225,998	2,100,000	(1,125,998)
25. Aggregate write-ins for other than invested assets	1,441,222	666,202	(775,020)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	257,027,947	178,157,369	(78,870,578)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			.0
28. Total (Lines 26 and 27)	257,027,947	178,157,369	(78,870,578)
DETAILS OF WRITE-INS			
1101. ....		.0	.0
1102. ....		.0	.0
1103. ....		.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous prepaids	1,441,222	666,202	(775,020)
2502. ....		.0	.0
2503. ....		.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,441,222	666,202	(775,020)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda 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	213,990	149,232	140,108	136,497	127,205	1,689,545
4. Point of Service						
5. Indemnity Only	771	825	849	898	933	10,387
6. Aggregate write-ins for other lines of business	1,506	1,613	1,651	1,625	1,655	19,555
7. Total	216,267	151,670	142,608	139,020	129,793	1,719,487
DETAILS OF WRITE-INS						
0601. Managed Care	1,506	1,613	1,651	1,625	1,655	19,555
0602.	0					
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	1,506	1,613	1,651	1,625	1,655	19,555

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the State of Oregon, Department of Consumer and Business Services, Insurance Division. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, March 2016 version has been adopted as a component of prescribed or permitted practices by the State of Oregon.

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

	State of	2016	2015
	Domicile		
NET INCOME			
(1) Moda Health Plan, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	OR	\$ (2,904,649)	\$ (49,529,430)
(2) State Prescribed Practices that increase/(decrease)NAIC SAP		-	-
(3) State Permitted Practices that increase/(decrease)NAIC SAP		-	-
(4) NAIC SAP (1-2-3=4)	OR	\$ (2,904,649)	\$ (49,529,430)
SURPLUS			
(5) Moda Health Plan, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	OR	\$ 77,572,556	\$ 67,018,290
(6) State Prescribed Practices that increase/(decrease)NAIC SAP		-	-
(7) State Permitted Practices that increase/(decrease)NAIC SAP		-	-
(8) NAIC SAP (5-6-7=8)	OR	\$ 77,572,556	\$ 67,018,290

B. Use of Estimates in Preparation of Financial Statements

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

C. Accounting Policy

The Company uses the following accounting policies:

- 1) Short-term investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost.
- 3) Common stocks are stated at market.
- 4) Not applicable.
- 5) Not applicable.
- 6) Loan-backed securities are stated at either the amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.
- 7) The Company carries Dentists Benefits Insurance Company at statutory equity. BenefitHelp Solutions, Inc., ODS Community Health, Inc., and PayLess, Inc. are carried at GAAP equity. PayLess, Inc. was contributed to the Company by Moda, Inc. effective as of September 30, 2016. The value of the entity at that date was \$21,954,325; this contribution was a non-cash transaction and the associated capital change is therefore excluded from the Statement of Cash Flow.
- 8) The Company has an ownership interest in a limited liability corporation, ODS Bend Property LLC. The Company's ownership interest is valued based on the GAAP equity basis as described in SSAP No. 48 and is recorded in other invested assets. Effective as of December 31, 2016, the Company sold its interest 14% ownership interest in Propel Health, LLC for \$2 million. The cash consideration associated with this transaction was received subsequent to December 31, 2016, and therefore the impact of the transaction has been excluded from the Statement of Cash Flow.
- 9) Not applicable.
- 10) Not applicable.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) Pharmaceutical rebate receivables are estimated based on contractual rebate terms.

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 Back Securities

1) Prepayment assumptions were obtained from third party market sources.

2) Not applicable.

3) Not applicable.

4) Not applicable.

5) Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda Health Plan, Inc.
NOTES TO FINANCIAL STATEMENTS

- E. Repurchase Agreements and/or Securities Lending Transactions
Not applicable.
- F. Real Estate
Not applicable.
- G. Investments in low-income housing tax credits (LIHTC)
Not applicable.

H. Restricted Assets

1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6
Restricted Assets (Including Pledged)	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dohr repurchase agreements	-	-	-	-	-	-
f. Subject to dohr reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-
j. On deposit with states	17,396,555	2,400,775	14,995,780	17,396,555	2.79%	4.75%
k. On deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged collateral to FHLB	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	10,345,058	(10,345,058)	-	0.00%	0.00%
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	17,396,555	12,745,833	4,650,722	17,396,555	2.79%	4.75%

The Company has \$15 million on deposit with the State of Alaska, \$1.29 million on deposit with the State of Oregon, and an additional \$1.11 million on deposit with the State of Washington.

- 2) Not applicable.
- 3) Not applicable.

- I. Working Capital Finance Investments
Not applicable.
 - J. Offsetting and Netting of Assets and Liabilities
Not applicable.
 - K. Structured Notes
Not applicable.
6. Joint Ventures, Partnerships and Limited Liability Companies
- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
 - B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.
7. Investment Income
- A. No investment income earned by the Company has been excluded from the financial presentation of this statement.
 - B. Not applicable.
8. Derivative Instruments
Not applicable.
9. Federal Income Taxes
- A. Not applicable; no deferred taxes.
 - B. Not applicable; no deferred taxes.

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

NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	12/31/2016	12/31/2015	(col 1-2) Change
1. Current Income Tax			
a) Federal	\$ (6,595,806)	\$(12,788,229)	\$ 6,192,423
b) Foreign	-	-	-
c) Subtotal	(6,595,806)	(12,788,229)	6,192,423
d) Federal income tax on net capital gain	151,336	776,881	(625,545)
e) Utilization of capital loss carry-forwards	-	-	-
f) Other	(43,336)	92,539	(135,875)
g) Federal and foreign income taxes incurred	\$ (6,487,806)	\$(11,918,809)	\$ 5,431,003

D. The provision for federal income taxes incurred is different from that which would have been obtained by applying the statutory federal income tax rate to income before incomes taxes primarily due to prior period true-ups, changes in nonadmitted assets, and the effect of tax on realized gains and losses.

	12/31/2016	Effective Tax Rate
Provision computed at statutory rate	\$ (6,595,576)	34.0%
Tax exempt income deduction	(4,470)	0.0%
Dividends received deduction	(11,175,519)	57.6%
Proration	4,062	0.0%
Meals & Entertainment	6,249	0.0%
ACA fee	10,479,377	-54.0%
Change in nonadmitted assets	(26,815,996)	138.2%
Other	(158,152)	0.8%
Total	\$ (34,260,025)	176.61%
Federal income taxes incurred	\$ (6,639,142)	34.2%
Tax on Capital Gains/(Losses)	151,336	-0.8%
Change in net deferred income taxes	(27,772,219)	143.2%
Total statutory income taxes	\$ (34,260,025)	176.61%

- E. 1. Not applicable.
 2. The Company has federal taxes incurred available for recoupment in future years as follows: 2014, \$2,346,252.
 3. Not applicable.
- F. The Company is included in a consolidated federal income tax return with its parent company, Moda, Inc., and other affiliated entities. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors whereby allocations is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.
- G. Not applicable.

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

- A. The Company is a co-borrower on the US Bank credit facility with parent company Moda, Inc. and affiliated entity Oregon Dental Service. Refer to Note 11A for further details on this credit facility.
- B. Not applicable.
- C. Not applicable.
- D. Receivables for related parties at December 31, 2016:

Moda, Inc.	\$ 65,724,301
ODS Community Health, Inc.	\$ 4,388,316
ODS Plaza, Inc.	\$ 8,511,840

Payables for related parties at December 31, 2016:

Eastern Oregon Coordinated Care Organization, LLC	\$ 521,608
Dentists Benefits Insurance Company	\$ 94,293
Oregon Dental Service	\$ 69,824
Moda Health Services, LLC	\$ 4,335
Ardon Health, LLC	\$ 1,890
BenefitHelp Solutions, Inc.	\$ 401

Amounts due to or from related parties are the result of the entity's allocation portion of the transactions described in Note 10F below. The \$4.38 million receivable from ODS Community Health, Inc. is a dividend receivable. The \$8.51 million receivable from ODS Plaza, Inc. is the final distribution based on that entity's dissolution; the dissolution was final as of December 31, 2016; however, the cash settled subsequent to year-end and as such, is classified within receivables from related parties.

NOTES TO FINANCIAL STATEMENTS

- E. Not applicable.
- F. Allocation of Corporate Expenses
 Moda, Inc. provides certain administrative services including accounting, data processing, facilities, purchasing, legal and senior executive management. Moda, Inc. and Oregon Dental Service provide facilities to subsidiaries. The expenses incurred as a result of using the services and facilities, are estimated and allocated to the subsidiaries, including Moda Health Plan, Inc., in a manner which management believes is reasonable.
- G. The Company owns 100% of the outstanding shares of Dentists Benefits Insurance Company (DBIC), a property and casualty insurer; refer to Note 22 Subsequent Events for discussion on the sale of DBIC. The shares of DBIC are reported at a statutory value of \$12,283,271 on the Company's financial statements. The Company owns 100% of the outstanding shares of BenefitHelp Solutions, Inc., a third party administrator, and is reported using the equity method for a value of \$909,959. The Company owns 100% of the outstanding shares of ODS Community Health, Inc. and is reported using the equity method for a value of \$1,860,041. The Company owns 100% of the outstanding shares of PayLess, Inc., a pharmaceutical company, and is reported using the equity method for a value of \$21,918,016. The Company owns 100% of ODS Bend Property LLC and is reported in other invested assets with a value of \$6,182,611. During the current year, the previously owned company ODS Plaza, Inc. was dissolved.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.
- M. SCA investments are disclosed above in G.
- N. Insurance SCA investments are disclosed above in G.
11. Debt
- A.
- 1) In September 2011, Moda, Inc., ODS and MHP (co-borrowers) entered into a Credit Agreement with US Bank. This revolving credit facility note most recently amended and restated as of October 21, 2016.
 - 2) This is a line of credit.
 - 3) The face amount of the line of credit is \$18,500,000.
 - 4) As of December 31, 2016, the line of credit had an outstanding balance of \$4.0 million, plus accrued and unpaid interest of \$17,637.
 - 5) Interest accrues based on the monthly reset LIBOR rate plus 390 basis points.
 - 6) The effective interest rate is LIBOR rate plus 390 basis points.
 - 7) The obligations of the joint borrowers are secured by ODS' property in LaGrande Oregon (estimated fair market value of \$5.3 million).
 - 8) There has been no interest paid on the new facility note in the current year.
 - 9) The only significant debt term not previously described above is the maturity date of December 31, 2016. No violations on the current agreement are noted. The Company is currently negotiating new terms with US Bank.
 - 10) Not applicable for line of credit.
 - 11) Not applicable for line of credit.
 - 12) Not applicable for line of credit.
- B. 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. Not applicable.
- F. Not applicable.
- G. Consolidated/Holding Company Plans
 The Company participates in a qualified defined contribution plan sponsored by Moda, Inc., an affiliate. The Company has no legal obligation for benefits under the plan. Amounts are allocated to the Company based on headcount. The Company's share of net expense for the defined contribution plan for the period ended December 31, 2016 and 2015 was \$2,035,279 and \$2,130,746 respectively.
- H. Not applicable.
- I. Not applicable.
13. Capital and Surplus, Shareholders' Dividends Restrictions and Quasi-Reorganizations
- 1) 2,000,000 shares issued and outstanding; par value \$1.25 per share.
 - 2) Not applicable.
 - 3) Not applicable.
 - 4) Not applicable.
 - 5) Not applicable.
 - 6) Not applicable.
 - 7) Not applicable.
 - 8) Not applicable.
 - 9) Special surplus funds as reported on Line 25 of page 3 are for the ACA fee; the balance changed from the prior year, as there is no ACA fee for 2017. This is consistent with the Consolidated Appropriations Act of 2016, Title II, Section 201, Moratorium on Annual Fee on Health Insurance Providers, which suspends collection of the health insurance provider fee for the 2017 calendar year.
 - 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(21,947,051).

**ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda Health Plan, Inc.
NOTES TO FINANCIAL STATEMENTS**

11) Surplus Notes

The Company issued the following surplus debenture or similar obligation in 2017 and prior years:

Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal
7/1/2012	4.500%	10,000,000	10,000,000	-	1,462,500	562,500
12/15/2014	4.000%	50,000,000	50,000,000	-	1,500,000	2,583,333
12/31/2015	4.000%	13,000,000	13,000,000	-	-	520,000
2/28/2017	0.000%	22,950,000	22,950,000	-	-	-
1311999 Total		95,950,000	95,950,000	-	2,962,500	3,665,833

In December 2009, the Company issued a surplus note to OEA Choice Welfare Benefit Trust (OEA) for \$18 million cash at an interest rate of 6% maturing June 30, 2012. \$8 million principal and \$2.7 million interest was paid on the OEA note and the remaining \$10 million was extended on July 1, 2012 at an interest rate of 4.5% maturing June 30, 2017.

In December 2014, the Company issued a surplus note to Oregon Health & Science University (OHSU) for \$50 million cash at an interest rate of 4% maturing December 15, 2024.

In December 2015 the Company issued a surplus note to Oregon Dental Service (ODS) for \$13 million cash and securities at an interest rate of 4% with no specific maturity date.

During the current year, \$80 million of surplus notes from parent company were converted to contributed capital; as this was a non-cash transaction, the impact to capital has been excluded from the Statement of Cash Flow. There is \$922,222 unapproved and unpaid interest associated with these forgiven notes.

On February 28, 2017 the Company issued a surplus note to Healthy Living Alliance, LLC for \$22,950,000 with no interest and no specific maturity date. As this was a non-cash transaction as of December 31, 2016, the impact to capital has been excluded from the Statement of Cash Flow and is included within other receivables on line 25 of the Balance Sheet. Refer to Note 22 for further discussion.

The above surplus notes have the following repayment conditions and restrictions: Each payment of interest on and principal of the surplus note may be made only with prior approval of the Director of the Department of Consumer and Business Services of the State of Oregon and only to the extent the Company has sufficient surplus earnings to make such payments.

In the event of the liquidation or dissolution of the Company, payment of the principal balance and all accrued interest is subordinated to the claims of: 1) Policyholders; 2) Beneficiaries and other claimants; and 3) The debts and liabilities owed to all creditors of the company other than holders of Other Surplus Notes.

12) Not applicable.

13) Not applicable.

14. Liabilities, Contingencies and Assessments

A. Contingency Commitments

1) As referenced in Note 10A and 11A, the Company is a co-borrower on the US Bank credit facility, which has a \$4 million outstanding balance as of December 31, 2016.

2a-b) Moda Health Plan, Inc. is a co-borrower on a line of credit with its affiliates, Moda, Inc. and ODS. The line of credit is secured by certain assets and in the event of a default those assets would be utilized to satisfy and outstanding balances. In the event the security did not satisfy the outstanding balance the three above mentioned entities would be responsible to satisfy the obligation. As a result, if there was a default on the line of credit all three entities could be responsible for repayment.

2c) Not applicable.

2d) Not applicable.

B. Assessments

Not applicable.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable.

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

The Company, in common with the Insurance Industry in general, is subject to litigation in the normal course of their business. The Company's management does not believe that such litigation will have a material effect on its statutory basis financial statements. The Company has no assets that it considers to be impaired.

15. Leases

A. Lessee Operating Lease

1. The Company leases office space and equipment under various noncancelable operating lease agreements that expire through December 2031. Rental expense for the period ended December 31, 2016 and 2015, was approximately \$6,338,700 and \$6,655,032, respectively.

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

NOTES TO FINANCIAL STATEMENTS

2. At January 1, 2017, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Lease Commitments
2017	\$ 2,982,883
2018	\$ 2,763,192
2019	\$ 2,688,839
2020	\$ 2,851,986
2021	\$ 2,878,220
Thereafter	\$ 15,459,213
Total	\$ 29,624,333

3. During the current year, the Company ended its sales-leaseback transaction and has resumed title of those assets, which are non-admitted EDP that are fully depreciated based on SSAP 16R as of December 31, 2016.

- B. Lessor Leases
Not applicable.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration 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 Plans

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016:

	ASO Uninsured Plans	Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 19,457	\$ -	\$ 19,457
b. Total net other income or expenses (including interest paid to or received from plans)	-	-	-
c. Net gain or (loss) from operations	\$ 19,457	\$ -	\$ 19,457
d. Total claim payment volume	\$ 21867,672	\$ -	\$ 21867,672

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical costs incurred	\$ 539,509,407	\$ 657,168,485	\$ 1,196,677,892
b. Gross administrative fees accrued	-	-	-
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	\$ 536,459,002	\$ 654,059,853	\$ 1,190,518,855
e. Total net gain or loss from operations	\$ 3,050,405	\$ 3,108,632	\$ 6,159,037

- C. Medicare of Similarly Structured Cost Based Reimbursement Contract
Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
Not applicable.

20. Fair Value Measurements

A. 1. Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Common Stock				
Mutual Funds	\$ 5,629,000	\$ -	\$ -	\$ 5,629,000
Total Common Stock	\$ 5,629,000	\$ -	\$ -	\$ 5,629,000
Total assets at fair value	\$ 5,629,000	\$ -	\$ -	\$ 5,629,000

- b. Not applicable.

2. Not applicable.

3. Not applicable.

4. The Company has elected to use the practical expedient method for measuring investments in certain entities that calculate net asset value per share.

5. Not applicable.

- B. Not applicable.

C. Aggregate Fair Value of all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Short-Term Investments	17,591,688	17,591,688	-	17,591,688	-	-
Bonds	13,914,752	13,920,140	-	13,914,752	-	-
Common Stocks	5,629,000	5,629,000	5,629,000	-	-	-
Total	\$ 37,135,440	\$ 37,140,828	\$ 5,629,000	\$ 31,506,440	\$ -	\$ -

- D. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda Health Plan, Inc.
NOTES TO FINANCIAL STATEMENTS

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 Interruption Insurance Recoveries
Not applicable.
 - E. State Transferable Tax Credits
Not applicable.
 - F. Subprime Mortgage Related Risk Exposure
Not applicable.
 - G. Retained Assets
Not applicable.

22. Events Subsequent

Subsequent events have been considered through 2/28/2017 for the statutory statement issued on 3/1/2017.

Type I – Recognized Subsequent Events

On February 28, 2017 the Company issued a surplus note to Healthy Living Alliance, LLC for \$22,950,000 with no interest and no specific maturity date. Consistent with SSAP 72, this has been recognized as a Type 1 subsequent event and is reflected in the December 31, 2016 financial results. On February 28, 2017 the Company completed its sale of three Moda held companies, including Dentists Benefits Insurance Company. Consistent with SSAP 72, this has been recognized as a Type 1 subsequent event and is reflected in the December 31, 2016 financial results.

Type II – Nonrecognized Subsequent Events:

On January 1, 2017, the Company will not be subject to an annual fee under Section 9010 of the Federal Affordable Care Act (ACA). This is consistent with the Consolidated Appropriations Act of 2016, Title II, Section 201, Moratorium on Annual Fee on Health Insurance Providers, which suspends collection of the health insurance provider fee for the 2017 calendar year. The Company has opted to keep this footnote included here based on the direction of 2016 NAIC instructions, but does not consider there to be a subsequent event related to the 2017 ACA fee.

	<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	YES
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 29,678,901
C. ACA fee assessment paid	\$ 30,821,697	\$ 26,881,191
D. Premium written subject to ACA 9010 assessment	\$ 1,736,065,274	\$ 1,730,128,181
E. Total Adjusted Capital before surplus adjustment	\$ 75,622,557	\$ 67,018,290
F. Total Adjusted Capital after surplus adjustment	\$ 44,800,860	\$ 37,339,389
G. Authorized Control Level after surplus adjustment	\$ 33,034,477	\$ 30,163,722
H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action?	N/A	YES

23. Reinsurance

- A. Ceded Reinsurance Report
Section 1 – General Interrogatories
 - 1. No
 - 2. No
Section 2 – Ceded Reinsurance Report – Part A
 - 1. No
 - 2. No
Section 3 – Ceded Reinsurance Report – Part B
 - 1. Not applicable.
 - 2. No
- B. Uncollectible Reinsurance
Not applicable.
- C. Commutation of Ceded Reinsurance
Not applicable.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. As of December 31, 2016, no medical loss ratio rebates were incurred or paid by the Company.

**ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda Health Plan, Inc.
NOTES TO FINANCIAL STATEMENTS**

- E. Risk Sharing Provisions of the Affordable Care Act
1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions? Yes
 2. Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment \$ 21,579,912

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ 301,402
3. Premium adjustments payable due to ACA Risk Adjustment \$ 19,461,990

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ 2,117,922
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid) \$ 156,627

Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance \$ 28,112,491
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) \$ 10,729,915
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance \$ -

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums \$ 2,683,708
5. Ceded reinsurance premiums payable due to ACA Reinsurance \$ 1,231,235
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance \$ 2,716,538

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance \$ 949,558
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments \$ 38,842,406
9. ACA Reinsurance contributions - not reported as ceded premium \$ 3,540,580

Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors \$ -
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors \$ -

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received) \$ 42,081,658
4. Effect of ACA Risk Corridors on change in reserves for rate credits \$ -

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 adjustments to prior year balance:

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Revised or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Business as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col. 1) - (Col. 2)	Prior Year Accrued Less Payments (Col. 3) - (Col. 4)	To Prior Year Balance	To Prior Year Balance	Cumulative Balance from Prior Years (Col. 1-4)	Cumulative Balance from Prior Years (Col. 3-4)	
											Receivable
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 3,427,857	\$ -	\$ 6,318,469	\$ -	\$ (2,890,612)	\$ -	\$ 3,591,174	\$ -	A	\$ 700,562	\$ -
2. Premium adjustments payable	\$ -	\$ (21,710,628)	\$ -	\$ (22,916,284)	\$ -	\$ 1,205,656	\$ -	\$ (8,817,711)	B	\$ -	\$ (612,055)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 3,427,857	\$ (21,710,628)	\$ 6,318,469	\$ (22,916,284)	\$ (2,890,612)	\$ 1,205,656	\$ 3,591,174	\$ (8,817,711)		\$ 700,562	\$ (612,055)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ 107,780,029	\$ -	\$ 69,133,191	\$ -	\$ 38,646,838	\$ -	\$ (5,988,971)	\$ -	C	\$ 22,657,867	\$ -
2. Amounts recoverable for claims unpaid (contra liability)	\$ 24,405,520	\$ -	\$ 24,405,520	\$ -	\$ -	\$ -	\$ -	\$ -	D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	F	\$ -	\$ -
5. Ceded reinsurance premiums payable	\$ -	\$ 7,440,746	\$ -	\$ 7,462,071	\$ -	\$ (21,325)	\$ -	\$ 21,325.00	G	\$ -	\$ -
6. Liability for amounts held under uninsured plans	\$ -	\$ 10,376,710	\$ -	\$ 7,414,087	\$ -	\$ 2,962,623	\$ -	\$ (2,962,623.00)	H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$ 132,185,549	\$ 17,817,456	\$ 93,538,711	\$ 14,876,158	\$ 38,646,838	\$ 2,941,298	\$ (5,988,971)	\$ (2,941,298)		\$ 22,657,867	\$ -
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ 96,852,336	\$ -	\$ -	\$ -	\$ 96,852,336	\$ -	\$ 37,098,827	\$ -	I	\$ 133,951,163	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ 96,852,336	\$ -	\$ -	\$ -	\$ 96,852,336	\$ -	\$ 37,098,827	\$ -		\$ 133,951,163	\$ -
d. Total for ACA Risk Sharing Provisions	\$ 232,465,742	\$ (8,893,172)	\$ 99,857,180	\$ (8,040,126)	\$ 132,608,562	\$ 4,146,954	\$ 24,701,030	\$ (8,759,009)		\$ 137,309,592	\$ (612,055)
Explanation of Adjustments											
A Adjustment to reflect the final payments calculated by CMS											
B Adjustment to reflect the final payments calculated by CMS											
C Adjustment to reflect the final payments calculated by CMS											
D											
E											
F											
G											
H											
I Adjustment to reflect the final payments calculated by the 2014 Risk Corridor Plan Leave Form											
J Adjustment to reflect the final payments calculated by the 2014 Risk Corridor Plan Leave Form											

**ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Moda Health Plan, Inc.
NOTES TO FINANCIAL STATEMENTS**

4. Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year:

Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
				Prior Year Accrued Less Payments (Col-3)	Prior Year Accrued Less Payments (Col-4)	To Prior Year Balances	To Prior Year Balances	Combinable Balance from Prior Years (Col-3-7)	Combinable Balance from Prior Years (Col-4-8)	
1	2	3	4	5	6	7	8	9	10	
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)

a. 2014										
1. Accrued retrospective premium	\$ 79,854,800	\$ 3,618,777	\$ -	\$ 76,236,028	\$ -	\$ (14,309)	\$ -	A	\$ 76,121,719	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
b. 2015										
1. Accrued retrospective premium	\$ 96,852,336	\$ -	\$ -	\$ 96,852,336	\$ -	\$ 37,098,827	\$ -	A	\$ 133,951,163	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

Explanation of Adjustments
A Adjustment to reflect the final amounts calculated by CMS

5. ACA Risk Corridors Receivable as of Reporting Date:

	1	2	3	4	5	6
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
Risk Corridors Prog						
a. 2014	89,426,430		(13,304,711)	76,121,719	75,173,702	948,017
b. 2015	133,951,163			133,951,163	133,951,163	-
c. 2016	42,195,967			42,195,967	42,195,967	-
d Total (a+b+c)	265,573,560	-	(13,304,711)	252,268,849	251,320,832	948,017

25. Change in Incurred Claims and Claims Adjustment Expenses

Unpaid claims as of December 31, 2015 were \$88.3 million. As of December 31, 2016, approximately \$92.6 million has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims. Therefore, there has been a \$4.2 million unfavorable prior-year development from December 31, 2015 to December 31, 2016. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known.

26. Intercompany Pooling Arrangements
Not applicable.

27. Structured Settlements
Not applicable.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

- A. Pharmaceutical rebate receivables are derived from quarterly pharmacy rebate billings to drug manufacturers and are included in health care and other amounts receivable. Admitted and nonadmitted amounts are recorded in health care and other receivable and are summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	2,625,354	-	-	-	-
9/30/2016	2,741,299	2,741,299	-	-	-
6/30/2016	2,607,346	2,607,346	-	1,516,991	-
3/31/2016	2,527,417	2,527,417	-	1,518,193	973,582
12/31/2015	3,026,739	3,026,739	-	3,079,935	390,236
9/30/2015	3,058,286	3,058,286	-	2,926,521	455,524
6/30/2015	2,542,877	2,542,877	-	1,873,366	1,566,068
3/31/2015	3,118,651	3,118,651	-	2,205,282	458,047
12/31/2014	860,292	860,292	-	997,229	693,940
9/30/2014	899,337	899,337	-	1,167,135	252,539
6/30/2014	758,131	758,131	-	677,310	400,666
3/31/2014	535,618	535,618	-	369,745	693,940
12/31/2013	464,242	464,242	-	248,439	195,145
9/30/2013	439,734	439,734	-	327,779	81,899
6/30/2013	418,537	418,537	-	201,290	205,429
3/31/2013	369,227	369,227	-	209,434	157,648
12/31/2012	339,859	339,859	-	208,346	119,531
9/30/2012	335,998	335,998	-	181,425	129,930
6/30/2012	274,570	274,570	-	145,430	101,240
3/31/2012	276,663	276,663	-	142,882	98,024

- B. Risk Sharing Receivables
Not applicable.

29. Participating Policies
Not applicable.

30. Premium Deficiency Reserves
Not applicable.

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 [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? 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 [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
- 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). 12/31/2013
- 3.4 By what department or departments?
Oregon Department of Consumer and Business Services, Insurance Division
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control: %
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?
 Deloitte & Touche LLP
 111 SW Fifth Ave, Suite 3900
 Portland, OR 97204
- 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?
 David Thoen, Deloitte Consulting LLP
 Suite 2800
 50 South Sixth Street
 Minneapolis, MN 55402-1538
- 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 Moda 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 [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 2,041,609
 - 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: \$ 65,724,301

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 .....	\$	.....	.0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$	.....	.0
24.103	Total payable for securities lending reported on the liability page .....	\$	.....	.0

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

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	\$	17,396,555
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
U.S. Bank Custodial Services	555 SW Oak St, Portland, OR 97204

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
R.V. Kuhns & Associates, Inc.	U
Pacific Investment Management Company, LLC	U
Prime Advisors, Inc.	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] 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
	R.V. Kuhns & Associates, Inc.		U.S. Securities and Exchange Commission	DS
	Pacific Investment Management Company, LLC	549300KGPYQZXGMYYN38	U.S. Securities and Exchange Commission	OS
	Prime Advisors, Inc.		U.S. Securities and Exchange Commission	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
0075W0-77-5	WESTWOOD INCOME OPPORTUNITY	1,401,822
00764Q-40-5	CHAMPLAIN SMALL CO FD - ADV	339,602
09251T-50-9	BLACKROCK GLOBAL ALLOCATION	1,398,808
29875E-10-0	AMERICAN EUROPACIFIC GRTH - F2	691,520
464287-20-0	ISHARES CORE S&P 500 INDEX FUND	1,102,001
921909-81-8	VANGUARD TOT INT ST IDX-ADM	695,247
29.2999 - Total		5,629,000

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
WESTWOOD INCOME OPPORTUNITY	US Bancorp, PepsiCo Inc, Jpmorgan Chase Pfd, Honeywell International, The Home Depot Inc	1,401,822	12/31/2016
CHAMPLAIN SMALL CO FD - ADV	Cepheid, Allied World Assurance Co Holdings AG, Integra Lifesciences Holdings Corp, Treehouse Foods Inc, WEX Inc	339,602	12/31/2016
BLACKROCK GLOBAL ALLOCATION	US Treasury Note 1.25%, SPDR Gold Share, Apple Inc, US Treasury Note 1.5%, US Treasury Note	1,398,808	12/31/2016
AMERICAN EUROPACIFIC GRTH - F2	Tainwan Semiconductor Manufacturing Co Ltd, Alibaba Group Holding Ltd ADR, Nintendo Co Ltd, Novo Nordisk A/S B, Prudential PLC	691,520	12/31/2016
ISHARES CORE S&P 500 INDEX FUND	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Amazon com Inc, Johnson & Johnson	1,102,001	12/31/2016
VANGUARD TOT INT ST IDX-ADM	Apple Inc, Microsoft Corp, Exxon Mobil Corp, Amazon.com Inc, Johnson & Johnson	695,247	12/31/2016

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

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	31,511,828	31,506,440	(5,388)
30.2 Preferred stocks	0		0
30.3 Totals	31,511,828	31,506,440	(5,388)

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

Securities of Valuation Office

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

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

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

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

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

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?\$ 842,850

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
COVINGTON & BURLING LLP	513,730

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$ 211,335

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
Legislative Advocates, Inc.	88,738
Summit Strategies Government	86,050

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. \$ _____ 0

- 1.6 Individual policies:
 Most current three years:
 1.61 Total premium earned \$ 0
 1.62 Total incurred claims \$ 0
 1.63 Number of covered lives 0
 All years prior to most current three years:
 1.64 Total premium earned \$ 0
 1.65 Total incurred claims \$ 0
 1.66 Number of covered lives 0

- 1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$ 0
 1.72 Total incurred claims \$ 0
 1.73 Number of covered lives 0
 All years prior to most current three years:
 1.74 Total premium earned \$ 0
 1.75 Total incurred claims \$ 0
 1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	903,914,876	777,092,615
2.2 Premium Denominator	903,914,876	777,092,615
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	206,220,890	125,579,674
2.5 Reserve Denominator	206,220,890	125,579,674
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions)
 5.31 Comprehensive Medical \$ 850,000
 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:
 Continuity of care and hold harmless provisions are included in the contracts.

- 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 30,682
 8.2 Number of providers at end of reporting year 30,006

- 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 [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. 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 [X] No []
- 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
Oregon
Washington
Alaska
Idaho
Texas
California

- 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)

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

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	366,378,390	558,733,690	353,676,426	208,792,162	284,109,432
2. Total liabilities (Page 3, Line 24)	288,805,834	491,715,400	232,614,763	133,903,703	208,230,829
3. Statutory minimum capital and surplus requirement	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. Total capital and surplus (Page 3, Line 33)	77,572,556	67,018,290	121,061,663	74,888,459	75,878,603
Income Statement (Page 4)					
5. Total revenues (Line 8)	903,914,876	777,092,615	749,517,784	292,972,506	249,432,584
6. Total medical and hospital expenses (Line 18)	874,329,435	778,817,127	695,956,469	260,539,087	218,001,777
7. Claims adjustment expenses (Line 20)	38,492,066	27,047,760	27,100,048	11,142,383	11,526,925
8. Total administrative expenses (Line 21)	44,330,725	34,732,646	37,501,823	14,899,917	14,711,360
9. Net underwriting gain (loss) (Line 24)	(53,237,350)	(63,504,918)	(11,040,556)	6,391,119	5,192,522
10. Net investment gain (loss) (Line 27)	33,525,341	1,422,612	7,519,292	5,002,948	2,721,202
11. Total other income (Lines 28 plus 29)	168,217	(142,814)	(54,181)	(109,075)	(36,290)
12. Net income or (loss) (Line 32)	(12,904,649)	(49,529,430)	(5,172,595)	7,495,948	5,260,256
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(36,767,852)	(116,951,060)	(115,728,406)	(78,802,427)	29,033,749
Risk-Based Capital Analysis					
14. Total adjusted capital	77,572,556	67,018,290	121,061,663	74,888,459	75,878,603
15. Authorized control level risk-based capital	33,034,477	30,163,722	26,673,528	12,867,241	11,474,716
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	129,793	216,267	207,849	86,289	74,919
17. Total members months (Column 6, Line 7)	1,719,487	2,612,932	2,209,990	985,719	849,556
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	96.7	100.2	92.9	88.9	87.4
20. Cost containment expenses	1.1	0.9	1.0	1.2	1.4
21. Other claims adjustment expenses	3.1	2.5	2.7	2.6	3.2
22. Total underwriting deductions (Line 23)	105.9	108.2	101.5	97.8	97.9
23. Total underwriting gain (loss) (Line 24)	(5.9)	(8.2)	(1.5)	2.2	2.1
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	92,566,977	103,389,190	33,249,158	24,701,016	19,806,300
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	88,335,503	88,252,975	31,847,000	27,904,000	22,484,000
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	36,971,287	37,995,626	24,595,574	19,904,823	23,299,387
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated	6,182,611	7,455,502	7,366,193	7,087,537	7,540,427
32. Total of above Lines 26 to 31	43,153,898	45,451,128	31,961,767	26,992,360	30,839,814
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

1 States, etc.	2 Active Status	Direct Business Only							9 Deposit-Type Contracts
		3 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Plan Premiums	7 Life & Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama AL	N								0
2. Alaska AK	I	152,969,862							152,969,862
3. Arizona AZ	N								0
4. Arkansas AR	N								0
5. California CA	I	2,900							2,900
6. Colorado CO	N								0
7. Connecticut CT	N								0
8. Delaware DE	N								0
9. District of Columbia DC	N								0
10. Florida FL	N								0
11. Georgia GA	N								0
12. Hawaii HI	N								0
13. Idaho ID	I								0
14. Illinois IL	N								0
15. Indiana IN	N								0
16. Iowa IA	N								0
17. Kansas KS	N								0
18. Kentucky KY	N								0
19. Louisiana LA	N								0
20. Maine ME	N								0
21. Maryland MD	N								0
22. Massachusetts MA	N								0
23. Michigan MI	N								0
24. Minnesota MN	N								0
25. Mississippi MS	N								0
26. Missouri MO	N								0
27. Montana MT	N								0
28. Nebraska NE	N								0
29. Nevada NV	N								0
30. New Hampshire NH	N								0
31. New Jersey NJ	N								0
32. New Mexico NM	N								0
33. New York NY	N								0
34. North Carolina NC	N								0
35. North Dakota ND	N								0
36. Ohio OH	N								0
37. Oklahoma OK	N								0
38. Oregon OR	I	607,351,346	140,555,385						747,906,731
39. Pennsylvania PA	N								0
40. Rhode Island RI	N								0
41. South Carolina SC	N								0
42. South Dakota SD	N								0
43. Tennessee TN	N								0
44. Texas TX	I								0
45. Utah UT	N								0
46. Vermont VT	N								0
47. Virginia VA	N								0
48. Washington WA	I	13,771,102							13,771,102
49. West Virginia WV	N								0
50. Wisconsin WI	N								0
51. Wyoming WY	N								0
52. American Samoa AS	N								0
53. Guam GU	N								0
54. Puerto Rico PR	N								0
55. U.S. Virgin Islands VI	N								0
56. Northern Mariana Islands MP	N								0
57. Canada CAN	N								0
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	774,095,210	140,555,385	0	0	0	0	0	914,650,595
60. Reporting entity contributions for Employee Benefit Plans	XXX								0
61. Total (Direct Business)	(a) 6	774,095,210	140,555,385	0	0	0	0	0	914,650,595
DETAILS OF WRITE-INS									
58001.	XXX								0
58002.	XXX								0
58003.	XXX								0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

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

Premiums are allocated based on the state of residence of the group

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

Oregon Dental Association

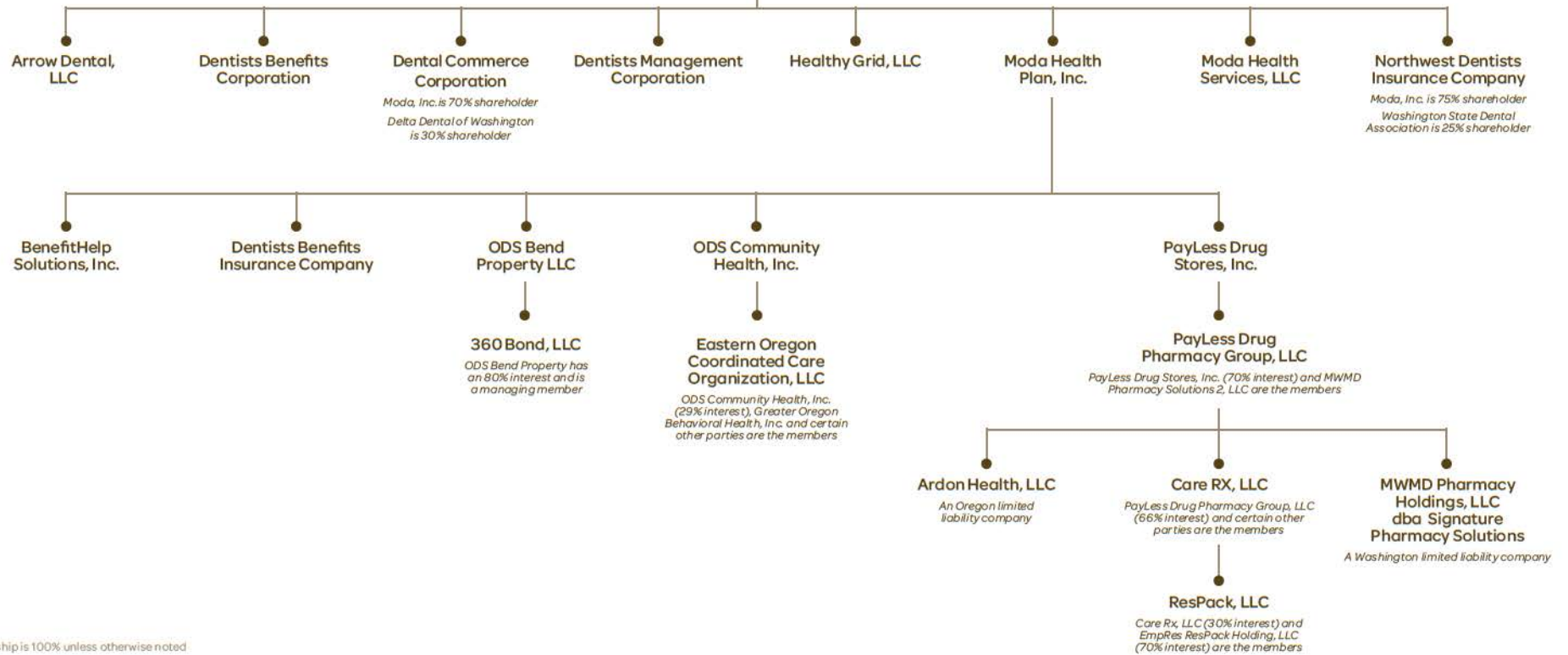
An Oregon non-profit corporation
Appoints Board of Directors for Moda, Inc.

Oregon Dental Service dba Delta Dental Plan of Oregon

An Oregon non-profit corporation

Moda, Inc.

An Oregon business corporation



Ownership is 100% unless otherwise noted.

OVERFLOW PAGE FOR WRITE-INS

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