



**QUARTERLY STATEMENT
AS OF JUNE 30, 2016
OF THE CONDITION AND AFFAIRS OF THE
PACIFCSOURCE HEALTH PLANS**

NAIC Group Code 4704 , 4704 NAIC Company Code 54976 Employer's ID Number 93-0245545
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Incorporated/Organized 03/31/1933 Commenced Business 07/01/1939

Statutory Home Office 110 INTERNATIONAL WAY , SPRINGFIELD, OR, US 97477
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 110 INTERNATIONAL WAY
(Street and Number) (541)686-1242
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 110 INTERNATIONAL WAY , SPRINGFIELD, OR, US 97477
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 110 INTERNATIONAL WAY
(Street and Number) (541)686-1242
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.pacificsource.com

Statutory Statement Contact PETER F DAVIDSON (541)684-5212
(Name) (Area Code)(Telephone Number)(Extension)
peter.davidson@pacificsource.com (541)225-3627
(E-Mail Address) (Fax Number)

OFFICERS

| <u>Name</u> | <u>Title</u> |
|----------------------|-----------------------------|
| KENNETH P PROVENCHER | President/CEO |
| KRISTIN E KERNUTT | Secretary |
| PETER F DAVIDSON | EVP/Chief Financial Officer |
| ERICK DOOLEN | EVP/Chief Operating Officer |
| DAN ROTH | EVP/Chief Medical Officer |
| DAN STEVENS | Executive Vice President |
| SHARON THOMSON | Executive Vice President |

OTHERS

DIRECTORS OR TRUSTEES

| | |
|----------------------|-----------------------|
| PATRICIA SCHMITT | CHARLES ZACHEM III DO |
| GRETCHEN PIERCE | DAVID SHUTE MD |
| PATRICIA BUCHANAN MD | ROGER SAYDACK |
| PRISCILLA GOULD | EDWIN DAHLBERG |
| RICHARD WRIGHT | HAL BROWN |
| DIVYA SHARMA MD | |

State of Oregon
 County of Lane ss

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

(Signature)
 PETER F. DAVIDSON
(Printed Name)
 1.
 Chief Financial Officer
(Title)

(Signature)
 KENNETH P. PROVENCHER
(Printed Name)
 2.
 President/CEO
(Title)

(Signature)
(Printed Name)
 3.
(Title)

Subscribed and sworn to before me this _____ day of _____, 2016

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

Yes[] No[]

(Notary Public Signature)

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|---|------------------------|----------------------------|--|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 72,718,798 | | 72,718,798 | 74,904,843 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 422,330 | | 422,330 | 416,317 |
| 2.2 Common stocks | 101,264,882 | | 101,264,882 | 94,506,472 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. Cash (\$.....9,718,401), cash equivalents (\$.....0) and short-term investments (\$.....651,667) | 10,370,068 | | 10,370,068 | 13,034,589 |
| 6. Contract loans (including \$.....0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | 689,725 | | 689,725 | 724,012 |
| 9. Receivables for securities | | | | 378 |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 185,465,804 | | 185,465,804 | 183,586,610 |
| 13. Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 398,771 | | 398,771 | 455,352 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 6,019,577 | 101,499 | 5,918,078 | 14,264,802 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$.....25,673) and contracts subject to redetermination (\$.....5,823,396) | 7,673,739 | 1,824,671 | 5,849,068 | 6,157,292 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 16,330,027 | | 16,330,027 | 16,416,558 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. Amounts receivable relating to uninsured plans | 5,337,275 | | 5,337,275 | 3,040,824 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 65,612 | | 65,612 | 36,550 |
| 18.2 Net deferred tax asset | 3,900,000 | | 3,900,000 | 2,200,000 |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | 14,920 |
| 24. Health care (\$.....3,262,371) and other amounts receivable | 9,772,669 | 3,131,394 | 6,641,275 | 2,413,135 |
| 25. Aggregate write-ins for other-than-invested assets | 1,503,117 | 972,605 | 530,511 | 279,153 |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 236,466,592 | 6,030,170 | 230,436,422 | 228,865,196 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. TOTAL (Lines 26 and 27) | 236,466,592 | 6,030,170 | 230,436,422 | 228,865,196 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. INTANGIBLE ASSETS | 970,940 | 970,940 | | |
| 2502. PREPAID EXPENSES | 1,665 | 1,665 | | |
| 2503. PREPAID REINSURANCE & GOVERNMENT RECEIVABLE | 530,511 | | 530,511 | 279,153 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 1,503,117 | 972,605 | 530,511 | 279,153 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Period | | | Prior Year |
|--|----------------|----------------|-------------|-------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$.....1,104,685 reinsurance ceded) | 56,379,859 | 141,303 | 56,521,162 | 60,785,731 |
| 2. Accrued medical incentive pool and bonus amounts | 183,173 | | 183,173 | 65,714 |
| 3. Unpaid claims adjustment expenses | 1,556,265 | | 1,556,265 | 1,795,182 |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | 842,778 | | 842,778 | 2,374,341 |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserve | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | 7,422,122 | | 7,422,122 | 5,711,362 |
| 9. General expenses due or accrued | 14,941,989 | | 14,941,989 | 8,931,546 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | 424,346 | | 424,346 | 1,061,366 |
| 12. Amounts withheld or retained for the account of others | 4,353,772 | | 4,353,772 | 3,081,992 |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | 1,207,917 | | 1,207,917 | 652,277 |
| 16. Derivatives | | | | |
| 17. Payable for securities | 456,164 | | 456,164 | |
| 18. Payable for securities lending | | | | |
| 19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) | | | | |
| 20. Reinsurance in unauthorized and certified (\$.....0) companies | | | | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. Liability for amounts held under uninsured plans | | | | |
| 23. Aggregate write-ins for other liabilities (including \$.....0 current) | 8,419 | | 8,419 | 9,320 |
| 24. Total liabilities (Lines 1 to 23) | 87,776,806 | 141,303 | 87,918,109 | 84,468,833 |
| 25. Aggregate write-ins for special surplus funds | X X X | X X X | | 10,616,323 |
| 26. Common capital stock | X X X | X X X | | |
| 27. Preferred capital stock | X X X | X X X | | |
| 28. Gross paid in and contributed surplus | X X X | X X X | (2,833,784) | (2,833,784) |
| 29. Surplus notes | X X X | X X X | | |
| 30. Aggregate write-ins for other-than-special surplus funds | X X X | X X X | | |
| 31. Unassigned funds (surplus) | X X X | X X X | 145,352,097 | 136,613,823 |
| 32. Less treasury stock, at cost: | | | | |
| 32.1 .....0 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.2 .....0 shares preferred (value included in Line 27 \$.....0) | X X X | X X X | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | X X X | X X X | 142,518,313 | 144,396,362 |
| 34. Total Liabilities, capital and surplus (Lines 24 and 33) | X X X | X X X | 230,436,422 | 228,865,195 |
| DETAILS OF WRITE-INS | | | | |
| 2301. POST RETIREMENT BENEFITS | 8,419 | | 8,419 | 9,320 |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | 8,419 | | 8,419 | 9,320 |
| 2501. ACA 9010 Assessment | X X X | X X X | | 10,616,323 |
| 2502. | X X X | X X X | | |
| 2503. | X X X | X X X | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | X X X | X X X | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | X X X | X X X | | 10,616,323 |
| 3001. | X X X | X X X | | |
| 3002. | X X X | X X X | | |
| 3003. | X X X | X X X | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | X X X | X X X | | |
| 3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year To Date | | Prior Year | Prior Year |
|---|----------------------|--------------|-------------|--------------|
| | 1 | 2 | To Date | Ended |
| | Uncovered | Total | Total | December 31 |
| 1. Member Months | X X X | 959,736 | 957,932 | 1,946,137 |
| 2. Net premium income (including \$.....0 non-health premium income) | X X X | 269,778,560 | 282,556,209 | 562,246,723 |
| 3. Change in unearned premium reserves and reserves for rate credits | X X X | 1,531,563 | 1,141,041 | 2,590,913 |
| 4. Fee-for-service (net of \$.....0 medical expenses) | X X X | | | |
| 5. Risk revenue | X X X | | | |
| 6. Aggregate write-ins for other health care related revenues | X X X | | | |
| 7. Aggregate write-ins for other non-health revenues | X X X | | | |
| 8. Total revenues (Lines 2 to 7) | X X X | 271,310,123 | 283,697,249 | 564,837,636 |
| Hospital and Medical: | | | | |
| 9. Hospital/medical benefits | 375,987 | 150,394,819 | 159,218,083 | 334,307,804 |
| 10. Other professional services | 55,588 | 22,235,318 | 20,074,877 | 38,682,147 |
| 11. Outside referrals | 63,904 | 25,561,606 | 17,666,261 | 35,094,617 |
| 12. Emergency room and out-of-area | 34,717 | 13,886,726 | 13,074,251 | 24,052,868 |
| 13. Prescription drugs | 72,992 | 29,196,800 | 36,351,514 | 77,451,314 |
| 14. Aggregate write-ins for other hospital and medical | | | | |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 117,459 | (170,695) | 30,183 |
| 16. Subtotal (Lines 9 to 15) | 603,188 | 241,392,728 | 246,214,291 | 509,618,933 |
| Less: | | | | |
| 17. Net reinsurance recoveries | | 4,783,395 | 7,766,910 | 22,365,351 |
| 18. Total hospital and medical (Lines 16 minus 17) | 603,188 | 236,609,334 | 238,447,381 | 487,253,582 |
| 19. Non-health claims (net) | | | | |
| 20. Claims adjustment expenses, including \$.....6,028,619 cost containment expenses | | 12,219,865 | 11,046,602 | 23,026,307 |
| 21. General administrative expenses | | 36,890,984 | 40,809,883 | 69,514,934 |
| 22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | (2,480,000) | (4,960,000) |
| 23. Total underwriting deductions (Lines 18 through 22) | 603,188 | 285,720,183 | 287,823,865 | 574,834,823 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | (14,410,060) | (4,126,616) | (9,997,187) |
| 25. Net investment income earned | | 1,124,596 | 1,553,953 | 2,557,044 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....175,957 | | 341,564 | 654,220 | 544,620 |
| 27. Net investment gains or (losses) (Lines 25 plus 26) | | 1,466,160 | 2,208,173 | 3,101,665 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....117,141)] | | (117,141) | (185,116) | (268,599) |
| 29. Aggregate write-ins for other income or expenses | | 3,717,818 | (29,717) | (63,129) |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | (9,343,224) | (2,133,276) | (7,227,250) |
| 31. Federal and foreign income taxes incurred | X X X | 102,784 | 4,141,594 | 2,981,824 |
| 32. Net income (loss) (Lines 30 minus 31) | X X X | (9,446,007) | (6,274,870) | (10,209,074) |
| DETAILS OF WRITE-INS | | | | |
| 0601. | X X X | | | |
| 0602. | X X X | | | |
| 0603. | X X X | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | X X X | | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | | |
| 0701. | X X X | | | |
| 0702. | X X X | | | |
| 0703. | X X X | | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | X X X | | | |
| 0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) | X X X | | | |
| 1401. | | | | |
| 1402. | | | | |
| 1403. | | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | | |
| 2901. MISCELLANEOUS | | 3,984 | 2,532 | 5,287 |
| 2902. CHARITABLE CONTRIBUTIONS | | (36,166) | (32,249) | (68,416) |
| 2903. Contract revenue | | 3,750,000 | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | | |
| 2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | 3,717,818 | (29,717) | (63,129) |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1 | 2 | 3 |
|--|-------------------------|-----------------------|------------------------------------|
| | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. Capital and surplus prior reporting year | 144,396,362 | 148,158,002 | 148,158,001 |
| 34. Net income or (loss) from Line 32 | (9,446,007) | (6,274,870) | (10,209,074) |
| 35. Change in valuation basis of aggregate policy and claim reserves | | | |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....200,000 | 7,012,926 | 9,605,295 | 4,473,212 |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. Change in net deferred income tax | 1,500,000 | 1,000,000 | 3,100,000 |
| 39. Change in nonadmitted assets | (944,966) | 1,255,467 | (1,125,777) |
| 40. Change in unauthorized and certified reinsurance | | | |
| 41. Change in treasury stock | | | |
| 42. Change in surplus notes | | | |
| 43. Cumulative effect of changes in accounting principles | | | |
| 44. Capital Changes: | | | |
| 44.1 Paid in | | | |
| 44.2 Transferred from surplus (Stock Dividend) | | | |
| 44.3 Transferred to surplus | | | |
| 45. Surplus adjustments: | | | |
| 45.1 Paid in | | | |
| 45.2 Transferred to capital (Stock Dividend) | | | |
| 45.3 Transferred from capital | | | |
| 46. Dividends to stockholders | | | |
| 47. Aggregate write-ins for gains or (losses) in surplus | | | |
| 48. Net change in capital and surplus (Lines 34 to 47) | (1,878,048) | 5,585,892 | (3,761,639) |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 142,518,314 | 153,743,893 | 144,396,362 |
| DETAILS OF WRITE-INS | | | |
| 4701. | | | |
| 4702. | | | |
| 4703. | | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | | | |
| 4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | | |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|--|---------------------------------|-------------------------------|---|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance | 279,457,094 | 282,183,448 | 545,034,069 |
| 2. Net investment income | 1,200,781 | 1,738,589 | 2,792,469 |
| 3. Miscellaneous income | | | |
| 4. TOTAL (Lines 1 to 3) | 280,657,875 | 283,922,037 | 547,826,538 |
| 5. Benefit and loss related payments | 246,458,010 | 246,558,220 | 474,335,669 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 42,035,098 | 46,407,095 | 96,120,995 |
| 8. Dividends paid to policyholders | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | 307,803 | (2,884,714) | (4,775,654) |
| 10. TOTAL (Lines 5 through 9) | 288,800,911 | 290,080,601 | 565,681,010 |
| 11. Net cash from operations (Line 4 minus Line 10) | (8,143,036) | (6,158,564) | (17,854,472) |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 41,691,117 | 44,628,264 | 67,667,904 |
| 12.2 Stocks | | 4,165,489 | 4,165,489 |
| 12.3 Mortgage loans | | | |
| 12.4 Real estate | | | |
| 12.5 Other invested assets | 34,414 | | 55,644 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | | |
| 12.7 Miscellaneous proceeds | 456,542 | 0 | 4,896 |
| 12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) | 42,182,073 | 48,793,753 | 71,893,932 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 38,958,780 | 33,323,105 | 61,400,680 |
| 13.2 Stocks | | 1,397,821 | 647,821 |
| 13.3 Mortgage loans | | | |
| 13.4 Real estate | | | |
| 13.5 Other invested assets | | | |
| 13.6 Miscellaneous applications | 0 | 41,232 | 0 |
| 13.7 TOTAL investments acquired (Lines 13.1 to 13.6) | 38,958,781 | 34,762,158 | 62,048,502 |
| 14. Net increase (or decrease) in contract loans and premium notes | | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | 3,223,292 | 14,031,595 | 9,845,430 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | | | |
| 16.2 Capital and paid in surplus, less treasury stock | | | |
| 16.3 Borrowed funds | | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| 16.5 Dividends to stockholders | | | |
| 16.6 Other cash provided (applied) | 2,255,225 | 8,281,171 | 11,970,686 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | 2,255,225 | 8,281,171 | 11,970,686 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (2,664,518) | 16,154,202 | 3,961,644 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 13,034,587 | 9,072,943 | 9,072,943 |
| 19.2 End of period (Line 18 plus Line 19.1) | 10,370,069 | 25,227,145 | 13,034,587 |

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

| | | | |
|---------|-------|-------|-------|
| 20.0001 | ..... | ..... | ..... |
| 20.0002 | ..... | ..... | ..... |
| 20.0003 | ..... | ..... | ..... |
| 20.0004 | ..... | ..... | ..... |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|-------------|------------------------------------|-------------|--------------------------|------------------|------------------|--|---------------------------|-------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 168,480 | 19,739 | 105,097 | 28 | | 16,594 | | | | 27,022 |
| 2. First Quarter | 160,003 | 14,492 | 98,502 | 27 | | 17,672 | | | | 29,310 |
| 3. Second Quarter | 160,241 | 14,048 | 98,973 | 24 | | 17,433 | | | | 29,763 |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | 959,736 | 86,923 | 591,932 | 158 | | 105,267 | | | | 175,456 |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | 192,709 | 26,436 | 166,273 | | | | | | | |
| 8. Non-Physician | 162,487 | 15,051 | 117,922 | | | 29,514 | | | | |
| 9. Total | 355,196 | 41,487 | 284,195 | | | 29,514 | | | | |
| 10. Hospital Patient Days Incurred | 10,926 | 2,557 | 8,326 | 43 | | | | | | |
| 11. Number of Inpatient Admissions | 2,402 | 432 | 1,967 | 3 | | | | | | |
| 12. Health Premiums Written (a) | 272,998,391 | 35,763,528 | 225,259,368 | 23,552 | | 9,864,774 | | | | 2,087,169 |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 274,529,954 | 35,975,039 | 226,520,939 | 23,691 | | 9,923,116 | | | | 2,087,169 |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 250,223,250 | 50,753,995 | 190,407,139 | 16,986 | | 7,781,794 | | | | 1,263,336 |
| 18. Amount Incurred for Provision of Health Care Services | 241,392,728 | 48,962,858 | 183,654,352 | 16,387 | | 7,507,170 | | | | 1,251,961 |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

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

Aging Analysis of Unpaid Claims

| 1 Account | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 days | 6 Over 120 Days | 7 Total |
|--|------------------|-------------------|-------------------|--------------------|--------------------|------------|
| 0199999 Individually Listed Claims Unpaid | | | | | | |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | 16,334,623 | 336,678 | 105,161 | 93,751 | 264,487 | 17,134,700 |
| 0499999 Subtotals | 16,334,623 | 336,678 | 105,161 | 93,751 | 264,487 | 17,134,700 |
| 0599999 Unreported claims and other claim reserves | | | | | | 39,109,035 |
| 0699999 Total Amounts Withheld | | | | | | 1,382,112 |
| 0799999 Total Claims Unpaid | | | | | | 57,625,847 |
| 0899999 Accrued Medical Incentive Pool And Bonus Amounts | | | | | | 183,173 |

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

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 | 6 |
|---|--|---|--|---|--|---|
| | 1 | 2 | 3 | 4 | Claims Incurred in Prior Years (Columns 1+3) | Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year |
| | On Claims Incurred Prior to January 1 of Current Year | On Claims Incurred During the Year | On Claims Unpaid Dec 31 of Prior Year | On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital & medical) | 51,372,471 | 186,455,530 | 2,702,475 | 52,939,709 | 54,074,946 | 60,027,890 |
| 2. Medicare Supplement | 5,660 | 11,326 | | 14,852 | 5,660 | 16,611 |
| 3. Dental only | 900,989 | 6,880,805 | 15,585 | 809,916 | 916,574 | 691,230 |
| 4. Vision only | | | | | | |
| 5. Federal Employees Health Benefits Plan | | | | | | |
| 6. Title XVIII - Medicare | | | | | | |
| 7. Title XIX - Medicaid | | | | | | |
| 8. Other health | 224,716 | 693,044 | | 38,625 | 224,716 | 50,000 |
| 9. Health subtotal (Lines 1 to 8) | 52,503,836 | 194,040,705 | 2,718,060 | 53,803,102 | 55,221,896 | 60,785,731 |
| 10. Healthcare receivables (a) | 3,895,889 | 5,876,780 | | | 3,895,889 | 3,984,572 |
| 11. Other non-health | | | | | | |
| 12. Medical incentive pools and bonus amounts | | | 33,898 | 149,275 | 33,898 | 65,714 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 48,607,947 | 188,163,925 | 2,751,958 | 53,952,378 | 51,359,904 | 56,866,873 |

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

| | | State of Domicile | 2016 | 2015 |
|-------|---|----------------------|-------------|--------------|
| | | | | |
| | <u>NET INCOME</u> | | | |
| (1) | State basis (Page 4, Line 32, Columns 2 & 3) | OR | (8,834,191) | (10,209,074) |
| (2) | State Prescribed Practices that increase/(decrease) NAIC SAP: | | | |
| (201) | | | | |
| (299) | Total | | 0 | 0 |
| (3) | State Permitted Practices that increase/(decrease) NAIC SAP: | | | |
| (301) | | | | |
| (399) | Total | | 0 | 0 |
| (4) | NAIC SAP (1-2-3=4) | | (8,834,191) | (10,209,074) |
| | | | | |
| | <u>SURPLUS</u> | | | |
| (5) | State basis (Page 3, Line 33, Columns 3 & 4) | OR | 137,829,862 | 144,396,362 |
| (6) | State Prescribed Practices that increase/(decrease) NAIC SAP: | | | |
| (601) | | | | |
| (699) | Total | | 0 | 0 |
| (7) | State Permitted Practices that increase/(decrease) NAIC SAP: | | | |
| (701) | | | | |
| (799) | Total | | 0 | 0 |
| (8) | NAIC SAP (5-6-7=8) | | 137,829,862 | 144,396,362 |

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

No Material Change

C. Accounting Policy

(1) – (5) – No Material Change

Notes to Financial Statement

(6) The Company had no loan-backed securities.

(7) – (13) - No Material Change

D. Going Concern

None

2. Accounting Changes and Corrections of Errors

No Material Change

3. Business Combinations and Goodwill

No Material Change

4. Discontinued Operations

No Material Change

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – No Material Change

B. Debt Restructuring – No Material Change

C. Reverse Mortgages – No Material Change

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

(2) There are no other-than-temporary impairments on any Loan-Backed Securities.

(3) There are no other-than-temporary impairments on any Loan-Backed Securities.

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

a. The aggregate amount of unrealized losses:

| | |
|------------------------|----------|
| 1. Less than 12 months | \$0 |
| 2. 12 Months or Longer | \$11,603 |

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

| | |
|------------------------|-----------|
| 1. Less than 12 months | \$0 |
| 2. 12 Months or Longer | \$410,253 |

(5) The amount disclosed in item (4) above consists of 2 securities that have NAIC designations of 3FE and 2FM. The securities are valued at the lesser of fair value or amortized cost. In this case, the lesser amount is fair value. The Company believes that it has the ability to hold the security to maturity and it will collect the amount due per the terms of the security. Currently, interest and principal payments are received as scheduled.

Notes to Financial Statement

E. Repurchase Agreements

- (1) Policy for requiring collateral or other security – No Material Change
- (2) Carrying amount and classification of both those assets and associated liabilities – No Material Change
- (3) Collateral accepted that it is permitted by contract or custom to sell or repledge:
 - a. Aggregate amount of contractually obligated open collateral positions – No Material Change
 - b. Fair value of that collateral and of the portion of that collateral that it has sold or repledged – None
 - c. Information about the sources and uses of that collateral – No Material Change
- (4) Aggregate value of the reinvested collateral which is “one-line” reported and the aggregate reinvested collateral which is reported in the investment schedules – No Material Change
- (5) Reinvestment of the cash collateral and any securities which it or its agent receives as collateral that can be sold or repledged – No Material Change
- (6) Collateral accepted that it is not permitted by contract or custom to sell or repledge – No Material Change
- (7) Collateral for transactions that extend beyond one year from the reporting date – No Material Change

F. Real Estate – No Material Change

G. Low-income housing tax credits (LIHTC) – No Material Change

H. Restricted Assets – No Material Change

I. Working Capital Finance Investments

- (2) Aggregate Book/Adjusted Carrying Value – None
- (3) Events of Default – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes – No Material Change

6. Joint Ventures, Partnerships and Limited Liability Companies

No Material Change

7. Investment Income

No Material Change

8. Derivative Instruments

No Material Change

9. Income Taxes

No Material Change

Notes to Financial Statement

10. Information Concerning Parent, Subsidiaries and Affiliates

- A, B, & C - No Material Change
- D. Amounts Due from or to Related Parties - No Material Change
- E. Guarantees - No Material Change
- F. Material management contracts – No Material Change
- G. Common Control - No Material Change
- H. Deductions in Value - No Material Change
- I. SCA that exceed 10% of Admitted Assets - No Material Change
- J. Impaired SCAs - No Material Change
- K. Foreign Subsidiary - No Material Change
- L. Downstream Noninsurance Holding Company - No Material Change
- M. Non-Insurance SCA Investments - No Material Change
- N. Investment in Insurance SCA – No Material Change

11. Debt

- A. Debt - No Material Change
- B. FHLB (Federal Home Loan Bank) Agreements - None

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

- A. Defined Benefit Plan
 - (1) Change in benefit obligation – No Material Change
 - (2) Change in plan assets- No Material Change
 - (3) Funded status - No Material Change
 - (4) Components of net periodic benefit cost - None
 - (5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - No Material Change
 - (6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - No Material Change
 - (7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - No Material Change
 - (8) Weighted-average assumptions used to determine net period benefit cost - No Material Change
 - (9) The amount of accumulated benefit obligation for defined benefit pension plans - No Material Change

Notes to Financial Statement

(10) – (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - No Material Change

(12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years- No Material Change

(13) Regulatory contribution requirements - No Material Change

(14) – (21) No Material Change.

B. Investment Policies and Strategies – No Material Change

C. Plan Assets – No Material Change

D. Long-term Rate-of-return-on-assets Assumption - No Material Change

E. Defined Contribution Plans – No Material Change

F. Multi-Employer Plan – No Material Change

G. Consolidated/Holding Company Plans – No Material Change

H. Post-Employment Benefits and Compensated Absences – No Material Change

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – No Material Change

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

No Material Change

14. Contingencies

No Material Change

15. Leases

A. Lessee Operating Leases - No Material Change

B. (1) Lessor Leases – No Material Change

(2) Leveraged Leases - No Material Change

16. Information about Financial Instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

No Material Change

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

A. Transfers of Receivables reported as Sales – No Material Change

B. Transfer and Servicing of Financial Assets

(1) Description of loaned securities – No Material Change

(2) Servicing Assets and Liabilities

a. Risks inherent in servicing assets and servicing liabilities – None

Notes to Financial Statement

b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – None

c. Assumptions used to estimate the fair value – None

(3) Servicing assets and servicing liabilities are subsequently measured at fair value – No Material Change

(4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:

a. Each income statement presented – None

b. Each statement of financial position presented, regardless of when the transfer occurred – None

(5) Transfers of financial assets accounted for as secured borrowing value – No Material Change

(6) Transfers of receivables with recourse – No Material Change

(7) Securities underlying repurchase and reverse repurchase agreements – No Material Change

C. Wash Sales – None

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

No Material Change

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

No Material Change

20. Fair Value Measurements

A. Fair Market Value at Reporting Date

| (1) | Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Total |
|-----|--|--------------|-----------|-----------|--------------|
| a. | Assets at fair value | | | | |
| 01 | Bonds | | | | |
| 02 | Industrial and Misc | \$410,253 | | | \$410,253 |
| 03 | Total Bonds | \$410,253 | | | \$410,253 |
| 04 | Preferred Stock | | | | |
| 05 | Industrial and Misc | | | | |
| 06 | Total Preferred Stock | | | | |
| 07 | Common stock | | | | |
| 08 | Mutual Funds | \$24,642,137 | | | \$24,642,137 |
| 09 | Total Common Stock | \$24,642,137 | | | \$24,642,137 |
| 99 | Subtotal – Assets at fair value | \$25,052,389 | | | \$25,052,389 |
| b. | Liabilities at fair value | | | | |
| 01 | | | | | |
| 02 | | | | | |
| 99 | Subtotal – Liabilities at fair value | | | | |

Notes to Financial Statement

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

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

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

(5) Derivative assets and liabilities- None

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

C. Aggregate Fair Value of All Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|-----------|--------------|----------------------------------|
| Bonds | \$74,075,502 | \$72,718,798 | \$74,075,502 | | | |
| Preferred Stock | \$427,461 | \$422,330 | \$427,461 | | | |
| Common Stock | \$99,966,019 | \$99,966,019 | \$24,642,137 | | \$75,323,882 | |
| Short-term Investments | \$651,667 | \$651,667 | \$651,667 | | | |
| Other Invested Assets | \$689,725 | \$689,725 | | \$689,725 | | |

D. Not Practicable to Estimate Fair Value - None

21. Other Items

A. Unusual or Infrequent Items – No Material Change

B. Troubled Debt Restructuring – No Material Change

C. Other Disclosures– No Material Change.

D. Business Interruption Insurance Recoveries - No Material Change

E. State Transferable and Nontransferable Tax Credits - No Material Change

F. Subprime Related Risk Exposure – No Material Change

G. Retained Assets - No Material Change

H. Insurance-Linked Securities - No Material Change

22. Events Subsequent

Type I. – Recognized Subsequent Events

No Material Change

Type II. – Nonrecognized Subsequent Events

No Material Change

23. Reinsurance

No Material Change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Estimates accrued retrospective premium adjustments – No Material Change

B. Accrued retrospective premium – No Material Change.

Notes to Financial Statement

- C. Net premiums written subject to retrospective rating features – No Material Change.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act – No Material Change
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

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

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

| | AMOUNT |
|---|------------|
| a. Permanent ACA Risk Adjustment Program | |
| Assets | |
| 1.Premium adjustments receivable due to ACA Risk Adjustment | 5,823,396 |
| Liabilities | |
| 2. Risk adjustment user fees payable for ACA Risk Adjustment | 54,129 |
| 3.Premium adjustments payable due to ACA Risk Adjustment | |
| Operations (Revenue & Expense) | |
| 4.Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | 140,573 |
| 5.Reported in expenses as ACA risk adjustment user fees (incurred/paid) | 22,837 |
| b. Transitional ACA Reinsurance Program | |
| Assets | |
| 1.Amounts recoverable for claims paid due to ACA Reinsurance | 11,542,506 |
| 2.Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | 512,042 |
| 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 premium | 2,833,281 |
| 5.Ceded reinsurance premiums payable due to ACA Reinsurance | 424,346 |
| 6.Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | |
| Operations (Revenue & Expense) | |
| 7.Ceded reinsurance premiums due to ACA Reinsurance | 204,215 |
| 8.Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments | 437,605 |
| 9.ACA Reinsurance contributions – not reported as ceded premium | 1,627,063 |
| c. Temporary ACA Risk Corridors Program | |
| Assets | |
| 1.Accrued retrospective premium due to ACA Risk Corridors | 25,673 |
| Liabilities | |
| 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) | |
| 4.Effect of ACA Risk Corridors on change in reserves for rate credits | |

Notes to Financial Statement

(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 | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | Ref | Unsettled Balances as of the Reporting Date | |
|---|--|-------------|--|-------------|--|--|------------------------|------------------------|-----|--|--|
| | | | | | Prior Year Accrued Less Payments (Col 1 - 3) | Prior Year Accrued Less Payments (Col 2 - 4) | To Prior Year Balances | To Prior Year Balances | | Cumulative Balance from Prior Years (Col 1 - 3 +7) | Cumulative Balance from Prior Years (Col 2 - 4 +8) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | 9 | 10 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | | Receivable | (Payable) |
| a. Permanent ACA Risk Adjustment Program | | | | | | | | | | | |
| 1. Premium adjustments receivable | \$6,028,854 | \$0 | 346,032 | \$0 | \$5,682,823 | \$0 | (1,580,426.82) | \$0 | A | \$4,102,396 | \$0 |
| 2. Premium adjustments (payable) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | B | \$0 | \$0 |
| 3. Subtotal ACA Permanent Risk Adjustment Program | \$6,028,854 | \$0 | \$346,032 | \$0 | \$5,682,823 | \$0 | (\$1,580,427) | \$0 | | \$4,102,396 | \$0 |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | \$15,320,595 | \$0 | 4,637,784 | \$0 | \$10,682,811 | \$0 | (\$900,183) | \$0 | C | \$9,782,628 | \$0 |
| 2. Amounts recoverable for claims unpaid (contra liability) | \$1,809,342 | \$0 | 1,809,342 | \$0 | \$0 | \$0 | \$0 | \$0 | D | \$0 | \$0 |
| 3. Amounts receivable relating to uninsured plans | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | E | \$0 | \$0 |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | \$0 | 4,824,873 | - | 3,398,523 | \$0 | \$1,426,350 | \$0 | \$0 | F | \$0 | \$1,426,350 |
| 5. Ceded reinsurance premiums payable | \$0 | 880,527 | - | 880,527 | \$0 | (\$0) | \$0 | \$0 | G | \$0 | (\$0) |
| 6. Liability for amounts held under uninsured plans | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | H | \$0 | \$0 |
| 7. Subtotal ACA Transitional Reinsurance Program | \$17,129,937 | \$5,705,400 | \$6,447,126 | \$4,279,050 | \$10,682,811 | \$1,426,350 | (\$900,183) | \$0 | | \$9,782,628 | \$1,426,350 |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | \$1,953,109 | \$0 | 102,764.49 | \$0 | \$1,850,344 | \$0 | - | \$0 | I | \$1,850,344 | \$0 |
| 2. Reserve for rate credits or policy experience rating refunds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | J | \$0 | \$0 |
| 3. Subtotal ACA Risk Corridors Program | \$1,953,109 | \$0 | \$102,764 | \$0 | \$1,850,344 | \$0 | \$0 | \$0 | | \$1,850,344 | \$0 |
| d. Total for ACA Risk Sharing Provisions | \$25,111,900 | \$5,705,400 | \$6,895,922 | \$4,279,050 | \$18,215,978 | \$1,426,350 | (\$2,480,610) | \$0 | | \$15,735,367 | \$1,426,350 |

Explanations of Adjustments

| | |
|---|--|
| A | Adjusted amount based on notice received from United States Department of Health and Human Services. |
| B | |
| C | Adjusted amount based on further claim development. |
| D | |
| E | |
| F | |
| G | |
| H | |
| I | |
| J | |

Roll Forward of ACA Risk Corridor Asset and Liability Balances

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | Ref | Unsettled Balances as of the Reporting Date | |
|---|--|-----------|--|-----------|--|--|------------------------|------------------------|-----|--|--|
| | | | | | Prior Year Accrued Less Payments (Col 1 - 3) | Prior Year Accrued Less Payments (Col 2 - 4) | To Prior Year Balances | To Prior Year Balances | | Cumulative Balance from Prior Years (Col 1 - 3 +7) | Cumulative Balance from Prior Years (Col 2 - 4 +8) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | 9 | 10 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | | Receivable | (Payable) |
| 2014 Program Benefit Year Risk Corridor | 1,953,109 | | 102,765 | | | | | | | 1,850,344 | 0 |
| 2015 Program Benefit Year Risk Corridor | - | | | | | | | | | - | 0 |

Notes to Financial Statement

ACA Risk Corridor Receivable:

| Program Benefit Year | 2014 | 2015 | 2016 |
|--|-------------|-------------|-------------|
| Estimated amount to be filed or final amounts filed with federal agency | 7,188,726 | 32,311,569 | 13,000,000 |
| Amounts impaired or amounts not accrued for other reasons (not withstanding collectability concerns) | 4,457,010 | 32,311,569 | 13,000,000 |
| Amounts received from federal agency | 881,372 | 0 | |
| Asset balance gross of nonadmission | 1,850,344 | 0 | |
| Nonadmitted amounts | 1,824,671 | 0 | |
| Net admitted assets | 25,673 | 0 | |

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2015 were \$62,646,627. As of June 30 2016, \$54,299,018 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2,718,061 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$5,629,548 favorable prior-year development since December 31, 2015 to June 30, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

No Material Change

27. Structured Settlements

No Material Change

28. Health Care Receivables

No Material Change

29. Participating Policies

No Material Change

30. Premium Deficiency Reserves

No Material Change

31. Anticipated Salvage and Subrogation

No Material Change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No N/A

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
 PacificSource acquired a 35% interest in New West

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No N/A
 If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 6.2 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. 12/31/2013
- 6.3 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). 05/05/2015
- 6.4 By what department or departments?
 State of Oregon Insurance Division
- 6.5 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
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A

- 7.1 Has this 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
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 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
- 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 |
|---------------------|-----------------------------|---|---|---|---|
| | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

- 9.1 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 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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:

- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ 0

GENERAL INTERROGATORIES (Continued)**INVESTMENT**

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[X] No[]

14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|--|--|---|
| 14.21 Bonds | | |
| 14.22 Preferred Stock | | |
| 14.23 Common Stock | 70,451,177 | 75,323,882 |
| 14.24 Short-Term Investments | | |
| 14.25 Mortgages Loans on Real Estate | | |
| 14.26 All Other | | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | 70,451,177 | 75,323,882 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

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

\$ 0

16.3 Total payable for securities lending reported on the liability page

\$ 0

17. 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[X] No[]

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

| 1 Name of Custodian(s) | 2 Custodian Address |
|---------------------------|---|
| US BANK | PO BOX 10948, EUGENE OR 97440 |
| WELLS FARGO BANK | 525 MARKET ST., SAN FRANCISCO, CA 94105 |

17.2 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) |
|--------------|------------------|------------------------------|
| | | |

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes[] No[X]

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

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

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

| 1 Central Registration Depository | 2 Name(s) | 3 Address |
|---|--------------------------------|---|
| 104973 | WELLS CAPITAL MANAGEMENT | 525 MARKET STREET, 10TH FLOOR, SAN FRANCISCO, CA 94105 |

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[]

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

- 1.1 A&H loss percent
- 1.2 A&H cost containment percent
- 1.3 A&H expense percent excluding cost containment expenses

..... 89.236%
..... 2.026%
..... 14.476%

- 2.1 Do you act as a custodian for health savings accounts?
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date.
- 2.3 Do you act as an administrator for health savings accounts?
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date.

Yes No
\$ 0
Yes No
\$ 0

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Domiciliary Jurisdiction | 6 Type of Reinsurance Ceded | 7 Type of Reinsurer | 8 Certified Reinsurer Rating (1 through 6) | 9 Effective Date of Certified Reinsurer Rating |
|---|-------------------|------------------------|------------------------------------|----------------------------------|--------------------------------------|---------------------------|---|---|
| | | | | | | | | |
| | | | | | | | | |
| Accident and Health - Non-affiliates | | | | | | | | |
| 00000 | AA-9990032 | 01/01/2016 | US Dept of Hlth & Human Serv | DC | OTH/A/I | Authorized | | |
| 93572 | 43-1235868 | 06/01/2016 | RG REINS CO | MO | SS/A/G | Authorized | | |
| | | | | | | | | |
| | | | | | | | | |

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| | 1 | Direct Business Only | | | | | | | |
|--|---------------|------------------------------|----------------------|--------------------|--|--|----------------------------|---------------------------|------------------------|
| | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | Active Status | Accident and Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Program Premiums | Life and Annuity Premiums and Other Considerations | Property/Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | N | | | | | | | | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | L | 20,873,165 | | | | | | 20,873,165 | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | N | | | | | | | | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | N | | | | | | | | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | L | 51,541,891 | | | | | | 51,541,891 | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | N | | | | | | | | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | N | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | N | | | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | L | 200,583,335 | | | | | | 200,583,335 | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | N | | | | | | | | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | L | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CAN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | X X X | | | | | | | | |
| 59. Subtotal | X X X | 272,998,391 | | | | | | 272,998,391 | |
| 60. Reporting entity contributions for Employee Benefit Plans | X X X | | | | | | | | |
| 61. Total (Direct Business) | (a) 4 | 272,998,391 | | | | | | 272,998,391 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001. | X X X | | | | | | | | |
| 58002. | X X X | | | | | | | | |
| 58003. | X X X | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | |

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

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|------------|---------------|-------------------|------------|--------------|-----|--|---|----------------------|----------------------------------|--|--|--|--|----|
| Group Code | Group Name | NAIC Company Code | ID Number | FEDERAL RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries Or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity / Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies) / Person(s) | * |
| 4704 | PacificSource | 00000 | 46-3939584 | | | | PacificSource | OR | UDP | | | 100.0 | PacificSource | |
| 4704 | PacificSource | 00000 | 30-0140934 | | | | PacificSource Administrators, Inc. | OR | DS | PacificSource Health Plans | Ownership | 100.0 | PacificSource | |
| 4704 | PacificSource | 00000 | 82-0439800 | | | | Primary Health Inc. | DE | DS | PacificSource Health Plans | Ownership | 100.0 | PacificSource | |
| 4704 | PacificSource | 00000 | 82-0462950 | | | | IPN, Inc. | ID | DS | Primary Health Inc. | Ownership | 60.0 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Charles P. Schneider, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Darrell J. Ludders, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Frank J. Fazio, M.D. | Ownership | 4.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | George A. Wade, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Graham Wetherley | Ownership | 1.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Graham Wetherley M.D. | Ownership | 0.1 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Gregory J. Kent, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | James Johnston, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jeffrey B. Symmonds, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jeffrey G. Hessing, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | John Hine, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jon R. Kattenhom, M.D. | Ownership | 4.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Kirk Lewis, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Mark C. Clawson, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Michael J. Adcox, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Michael J. Coughlin, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Nagraj Narasimhan, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Robert E. Lindsay, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Robert H. Friedman, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Aaron D. Moothouse, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Barry F. Bennett, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Daniel C. Reed, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | G. Robert Klomp, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | G. Robert W. Klomp, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Gary W. Wallace M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | CA | DS | Gary W. Wallace, M.D. | Ownership | 0.5 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Gene Hodges, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Graham Wetherley, M.D. | Ownership | 1.0 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Gregory J. Kent, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jason D. Ludwig, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jason S. Ludwig, M.D. | Ownership | 0.5 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Jeffrey Stiegliz M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Johanna M. Jensen, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | John Kaiser, M.D. | Ownership | 7.9 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Joseph H. Williams, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Robert F. Smith, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Sarah L. Bolender, M.D. | Ownership | 0.8 | PacificSource | |
| 4704 | PacificSource | 00000 | | | | | IPN, Inc. | ID | DS | Wilfred E. Watkins, M.D. | Ownership | 0.3 | PacificSource | |
| 4704 | PacificSource | 54976 | 93-0245545 | | | | PacificSource Health Plans | OR | RE | PacificSource | Ownership | 100.0 | PacificSource | |
| 4704 | PacificSource | 12595 | 47-1640386 | | | | PacificSource Community Health Plans | OR | DS | PacificSource Health Plans | Ownership | 100.0 | PacificSource | |
| 4704 | PacificSource | 00000 | 56-2420416 | | | | PacificSource Community Solutions, Inc. | OR | DS | PacificSource Community Health Plans | Ownership | 100.0 | PacificSource | |
| | PacificSource | 95829 | 84-1418136 | | | | New West Health Services | MT | IA | PacificSource | Ownership, Board of Directors | 35.0 | PacificSource & Billings Clinic | |
| | PacificSource | 95829 | 84-1418136 | | | | New West Health Services | MT | IA | Billings Clinic | Ownership, Board of Directors | 65.0 | PacificSource & Billings Clinic | |
| | PacificSource | 00000 | 81-0231784 | | | | Billings Clinic | MT | NIA | | | | Billings Clinic | |

Q16

STATEMENT AS OF June 30, 2016 OF THE PACIFICSOURCE HEALTH PLANS

| Asterisk | Explanation |
|----------|-------------|
| 0000001 | Footnote |

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



SCHEDULE A - VERIFICATION

Real Estate

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other-than-temporary impairment recognized | | |
| 8. Deduct current year's depreciation | | |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | | |

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | 724,012 | 877,424 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | 127 | (97,768) |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | 34,414 | 55,644 |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | 689,725 | 724,012 |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 689,725 | 724,012 |

SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 169,827,631 | 173,953,605 |
| 2. Cost of bonds and stocks acquired | 38,958,780 | 62,048,502 |
| 3. Accrual of discount | 112,899 | 125,340 |
| 4. Unrealized valuation increase (decrease) | 6,812,798 | 4,970,980 |
| 5. Total gain (loss) on disposals | 553,498 | 1,128,539 |
| 6. Deduct consideration for bonds and stocks disposed of | 41,691,117 | 71,833,392 |
| 7. Deduct amortization of premium | 132,503 | 262,586 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | 35,976 | 303,357 |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 174,406,011 | 169,827,631 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 174,406,011 | 169,827,631 |

SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

| NAIC Designation | | 1 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|------------------------|-------------------------------------|---|--|--|--|---|--|---|---|
| BONDS | | | | | | | | | |
| 1. | NAIC 1 (a) | 52,998,507 | 13,686,387 | 12,921,543 | (769,835) | 52,998,507 | 52,993,517 | | 52,047,726 |
| 2. | NAIC 2 (a) | 19,720,144 | 5,190,579 | 7,055,963 | 736,003 | 19,720,144 | 18,590,762 | | 20,806,729 |
| 3. | NAIC 3 (a) | 2,597,092 | | 866,041 | (239,108) | 2,597,092 | 1,491,943 | | 2,621,579 |
| 4. | NAIC 4 (a) | | | | 294,244 | | 294,244 | | |
| 5. | NAIC 5 (a) | | | | | | | | |
| 6. | NAIC 6 (a) | | | | | | | | |
| 7. | Total Bonds | 75,315,742 | 18,876,966 | 20,843,547 | 21,304 | 75,315,742 | 73,370,466 | | 75,476,034 |
| PREFERRED STOCK | | | | | | | | | |
| 8. | NAIC 1 | | | | | | | | |
| 9. | NAIC 2 | | | | | | | | |
| 10. | NAIC 3 | 418,245 | | | 4,085 | 418,245 | 422,330 | | 416,317 |
| 11. | NAIC 4 | | | | | | | | |
| 12. | NAIC 5 | | | | | | | | |
| 13. | NAIC 6 | | | | | | | | |
| 14. | Total Preferred Stock | 418,245 | | | 4,085 | 418,245 | 422,330 | | 416,317 |
| 15. | Total Bonds & Preferred Stock | 75,733,988 | 18,876,966 | 20,843,547 | 25,389 | 75,733,988 | 73,792,796 | | 75,892,351 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....651,667; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1**Short - Term Investments**

| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
|-----------------------|---|----------------|---------------------|---|---|
| 9199999. Totals | 651,667 | X X X | 651,667 | 118 | |

SCHEDULE DA - Verification**Short-Term Investments**

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | 571,191 | 339,139 |
| 2. Cost of short-term investments acquired | 80,476 | 232,052 |
| 3. Accrual of discount | | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | |
| 6. Deduct consideration received on disposals | | |
| 7. Deduct amortization of premium | | |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 651,667 | 571,191 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 651,667 | 571,191 |

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 **NONE**

E01 Schedule A Part 3 **NONE**

E02 Schedule B Part 2 **NONE**

E02 Schedule B Part 3 **NONE**

E03 Schedule BA Part 2 **NONE**

E03 Schedule BA Part 3 **NONE**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Number of Shares of Stock | 7 Actual Cost | 8 Par Value | 9 Paid for Accrued Interest and Dividends | 10 NAIC Designation or Market Indicator (a) |
|--|--|--------------|--------------------|----------------------------------|-----------------------------------|------------------|----------------|---|---|
| Bonds - U.S. Governments | | | | | | | | | |
| 912828P46 | UNITED STATES TREASURY | | 04/29/2016 | VARIOUS | XXX | 1,034,206 | 1,050,000 | 2,741 | 1 |
| 912828Q29 | UNITED STATES TREASURY | | 04/25/2016 | Deutsche Bank | XXX | 721,673 | 730,000 | 838 | 1 |
| 912828Q37 | UNITED STATES TREASURY | | 04/29/2016 | VARIOUS | XXX | 3,705,502 | 3,710,000 | 2,806 | 1 |
| 912828Q78 | UNITED STATES TREASURY | | 04/29/2016 | Bank of America | XXX | 1,003,906 | 1,000,000 | 149 | 1 |
| 912828R36 | UNITED STATES TREASURY | | 06/16/2016 | Bank of America | XXX | 251,504 | 250,000 | 408 | 1 |
| 0599999 | Subtotal - Bonds - U.S. Governments | | | | XXX | 6,716,791 | 6,740,000 | 6,942 | XXX |
| Bonds - All Other Governments | | | | | | | | | |
| 29134WAA5 | ABU DHABI, EMIRATE OF | R | 04/25/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 796,496 | 800,000 | | 1FE |
| 1099999 | Subtotal - Bonds - All Other Governments | | | | XXX | 796,496 | 800,000 | | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | |
| 00287YAY5 | ABBVIE INC | | 05/09/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 996,180 | 1,000,000 | | 2FE |
| 00817YAW8 | AETNA INC | | 06/02/2016 | APX Asset | XXX | 747,195 | 750,000 | | 1FE |
| 035242AP1 | ANHEUSER-BUSCH INBEV FINANCE INC | R | 05/10/2016 | Bank of America | XXX | 1,054,990 | 1,000,000 | 10,950 | 1FE |
| 14041NFC0 | ABS - COMET-161-A | | 05/11/2016 | Dain Rauscher | XXX | 300,000 | 300,000 | | 1FE |
| 165183AG9 | ABS - CF 162 B | | 06/14/2016 | Dain Rauscher | XXX | 1,149,686 | 1,150,000 | | 1FE |
| 166764BK5 | CHEVRON CORP | | 05/09/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 1,000,000 | 1,000,000 | | 1FE |
| 23341BAC9 | ABS - DRBPSL-16B-A2 | | 05/12/2016 | CS First Boston (BR) | XXX | 249,924 | 250,000 | | 1FE |
| 25272KAD5 | DIAMOND 1 FINANCE CORP | | 05/17/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 649,812 | 650,000 | | 2FE |
| 50077LAC0 | KRAFT HEINZ FOODS CO | | 05/10/2016 | BARCLAYS CAPITAL INC. | XXX | 746,715 | 750,000 | | 2FE |
| 512807AR9 | LAM RESEARCH CORP | | 05/23/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 899,244 | 900,000 | | 2FE |
| 68268BAA7 | ABS - OMFIT 142 A | | 06/08/2016 | HILLTOP SECURITIES | XXX | 624,902 | 625,000 | 1,072 | 1FE |
| 822582BT8 | SHELL INTERNATIONAL FINANCE BV | R | 05/05/2016 | MORGAN STANLEY CO | XXX | 498,360 | 500,000 | | 1FE |
| 82510WAJ9 | CMBS - Shops at Crystals Trust 2016-CSTL | | 06/24/2016 | J.P. Morgan Securities Inc. (AU) | XXX | 506,869 | 500,000 | 1,017 | 1FE |
| 842587CS4 | SOUTHERN CO | | 05/19/2016 | Citigroup Global Markets (AU) | XXX | 699,048 | 700,000 | | 2FE |
| 87342RAB0 | ABS - BELL 161 A22 | | 05/04/2016 | BARCLAYS CAPITAL INC. | XXX | 450,000 | 450,000 | | 2FE |
| 931427AN8 | WALGREENS BOOTS ALLIANCE INC | | 05/26/2016 | Bank of America | XXX | 749,580 | 750,000 | | 2FE |
| 3899999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | XXX | 11,322,505 | 11,275,000 | 13,039 | XXX |
| 8399997 | Subtotal - Bonds - Part 3 | | | | XXX | 18,835,792 | 18,815,000 | 19,982 | XXX |
| 8399998 | Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 8399999 | Subtotal - Bonds | | | | XXX | 18,835,792 | 18,815,000 | 19,982 | XXX |
| 8999998 | Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 9799998 | Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | XXX | XXX | XXX | XXX | XXX |
| 9999999 | Total - Bonds, Preferred and Common Stocks | | | | XXX | 18,835,792 | 18,815,000 | 19,982 | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|--|---|---------------|--------------------------|---------------------------|-----------|-------------|---|--|---|---|--|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|--|------|----|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Disposal Date | Name of Purchaser | Number of Shares of Stock | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11 + 12 - 13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Designation or Market Indicator (a) | | |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | | |
| 36208UGZ4 | RMBS - GN 461116 | 06/15/2016 | Direct | X XX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12/15/2027 | 1 | |
| 36225AWL0 | RMBS - GN 780651 | 06/15/2016 | Direct | X XX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10/15/2027 | 1 | |
| 912829P46 | UNITED STATES TREASURY | 06/02/2016 | VARIOUS | X XX | 2,824,425 | 2,880,000 | 2,810,930 | 0 | 825 | 0 | 825 | 2,811,755 | 0 | 12,672 | 12,672 | 11,965 | 02/15/2026 | 1 | | | |
| 912829C37 | UNITED STATES TREASURY | 05/23/2016 | Goldman Sachs & Co. (AU) | X XX | 795,563 | 800,000 | 802,063 | 0 | (49) | 0 | (49) | 802,013 | 0 | (5,451) | (5,451) | (6,461) | 03/31/2021 | 1 | | | |
| 912829Q78 | UNITED STATES TREASURY | 05/19/2016 | Bank of America | X XX | 799,906 | 800,000 | 803,125 | 0 | (33) | 0 | (33) | 803,092 | 0 | (3,186) | (3,186) | (3,186) | 04/30/2021 | 1 | | | |
| 0599999 | Subtotal - U.S. Governments | | | X XX | 4,419,895 | 4,460,000 | 4,416,118 | 0 | 742 | 0 | 742 | 4,416,860 | 0 | 3,035 | 3,035 | 30,356 | 14,213 | X XX | X XX | | |
| Bonds - U.S. Special Revenue, Special Assessment | | | | | | | | | | | | | | | | | | | | | |
| 3128LXB90 | RMBS - FH G01864 | 06/15/2016 | Direct | X XX | 4,921 | 4,921 | 4,773 | 4,762 | 159 | 0 | 159 | 4,921 | 0 | 0 | 0 | 0 | 0 | 10/01/2034 | 1 | | |
| 3128LXB66 | RMBS - FH G01838 | 06/15/2016 | Direct | X XX | 11,633 | 11,633 | 12,626 | 13,176 | (1,543) | 0 | (1,543) | 11,633 | 0 | 0 | 0 | 0 | 0 | 07/01/2035 | 1 | | |
| 3128MCC17 | RMBS - FH G13475 | 06/15/2016 | Direct | X XX | 5,138 | 5,138 | 5,411 | 5,354 | (217) | 0 | (217) | 5,138 | 0 | 0 | 0 | 0 | 0 | 01/01/2024 | 1 | | |
| 312894G103 | RMBS - FH 1Q0196 | 06/15/2016 | Direct | X XX | 8,515 | 8,515 | 8,824 | 8,750 | (234) | 0 | (234) | 8,515 | 0 | 0 | 0 | 0 | 0 | 02/01/2037 | 1 | | |
| 3128UNCT7 | RMBS - FH H08062 | 04/15/2016 | Direct | X XX | 13,363 | 13,363 | 13,547 | 13,497 | (124) | 0 | (124) | 13,363 | 0 | 0 | 0 | 0 | 0 | 09/01/2037 | 1 | | |
| 31292UWA9 | RMBS - FH C04241 | 06/15/2016 | Direct | X XX | 77,522 | 77,522 | 82,415 | 81,890 | (4,339) | 0 | (4,339) | 77,522 | 0 | 0 | 0 | 0 | 0 | 06/01/2042 | 1 | | |
| 312933Z13 | RMBS - FH A87081 | 06/15/2016 | Direct | X XX | 28,979 | 28,979 | 28,843 | 28,826 | 153 | 0 | 153 | 28,979 | 0 | 0 | 0 | 0 | 0 | 07/01/2039 | 1 | | |
| 312933P12 | RMBS - FH A86735 | 06/15/2016 | Direct | X XX | 13,887 | 13,887 | 13,830 | 13,818 | 69 | 0 | 69 | 13,887 | 0 | 0 | 0 | 0 | 0 | 06/01/2039 | 1 | | |
| 312933RL0 | RMBS - FH A86791 | 06/15/2016 | Direct | X XX | 58,018 | 58,018 | 57,746 | 57,698 | 320 | 0 | 320 | 58,018 | 0 | 0 | 0 | 0 | 0 | 1,122 | 06/01/2039 | 1 | |
| 3132GMJ13 | RMBS - FH Q05969 | 06/15/2016 | Direct | X XX | 29,576 | 29,576 | 31,244 | 31,159 | (1,563) | 0 | (1,563) | 29,576 | 0 | 0 | 0 | 0 | 0 | 493 | 01/01/2042 | 1 | |
| 3132H4E5 | RMBS - FH Q12021 | 06/15/2016 | Direct | X XX | 979 | 979 | 1,048 | 1,043 | (64) | 0 | (64) | 979 | 0 | 0 | 0 | 0 | 0 | 14 | 11/01/2042 | 1 | |
| 3133T5AK1 | CMORMBS - FNR 1710 GF | 06/15/2016 | Direct | X XX | 1,654 | 1,654 | 1,664 | 1,665 | (2) | 0 | (2) | 1,654 | 0 | 0 | 0 | 0 | 0 | 81 | 04/15/2034 | 1 | |
| 3136JEL8 | RMBS - FN 545639 | 06/25/2016 | Direct | X XX | 5,221 | 5,221 | 5,304 | 5,258 | (37) | 0 | (37) | 5,221 | 0 | 0 | 0 | 0 | 0 | 134 | 04/01/2032 | 1 | |
| 31385WX64 | RMBS - FN 555177 | 06/25/2016 | Direct | X XX | 234 | 234 | 230 | 231 | 3 | 0 | 3 | 234 | 0 | 0 | 0 | 0 | 0 | 2 | 01/01/2033 | 1 | |
| 3138A9C1 | RMBS - FN AJ1766 | 06/25/2016 | Direct | X XX | 12,744 | 12,744 | 13,304 | 13,250 | (506) | 0 | (506) | 12,744 | 0 | 0 | 0 | 0 | 0 | 229 | 06/01/2041 | 1 | |
| 3138ELB19 | RMBS - FN AL3649 | 06/25/2016 | Direct | X XX | 25,995 | 25,995 | 27,742 | 27,622 | (1,627) | 0 | (1,627) | 25,995 | 0 | 0 | 0 | 0 | 0 | 403 | 12/01/2042 | 1 | |
| 3138ELK51 | RMBS - FN AL3915 | 06/25/2016 | Direct | X XX | 10,569 | 10,569 | 11,058 | 11,055 | (486) | 0 | (486) | 10,569 | 0 | 0 | 0 | 0 | 0 | 175 | 02/01/2042 | 1 | |
| 3138WCR07 | RMBS - FN AS3183 | 06/25/2016 | Direct | X XX | 50,805 | 50,805 | 55,143 | 55,395 | (4,781) | 0 | (4,781) | 50,805 | 0 | 0 | 0 | 0 | 0 | 995 | 08/01/2044 | 1 | |
| 3139WFK14 | RMBS - FN AS5696 | 06/25/2016 | Direct | X XX | 66,784 | 66,784 | 69,319 | 69,259 | (2,475) | 0 | (2,475) | 66,784 | 0 | 0 | 0 | 0 | 0 | 951 | 08/01/2045 | 1 | |
| 3139NGU15 | CMORMBS - FNR 0653A PD | 05/25/2016 | Direct | X XX | 44,124 | 44,124 | 47,944 | 44,314 | (189) | 0 | (189) | 44,124 | 0 | 0 | 0 | 0 | 0 | 845 | 12/25/2034 | 1 | |
| 3139LDB2 | CMORMBS - FNR 0824F NA | 06/25/2016 | Direct | X XX | 3,147 | 3,147 | 3,217 | 3,343 | (199) | 0 | (199) | 3,147 | 0 | 0 | 0 | 0 | 0 | 96 | 06/25/2037 | 1 | |
| 31402QC9 | RMBS - FN 735207 | 06/25/2016 | Direct | X XX | 5,482 | 5,482 | 5,755 | 5,777 | (295) | 0 | (295) | 5,482 | 0 | 0 | 0 | 0 | 0 | 189 | 04/01/2034 | 1 | |
| 31402RH0 | RMBS - FN 735646 | 06/25/2016 | Direct | X XX | 6,468 | 6,468 | 6,434 | 6,432 | 36 | 0 | 36 | 6,468 | 0 | 0 | 0 | 0 | 0 | 121 | 07/01/2020 | 1 | |
| 3140EWH16 | RMBS - FN BC2521 | 06/25/2016 | Direct | X XX | 13,318 | 13,318 | 13,895 | 13,895 | (576) | 0 | (576) | 13,318 | 0 | 0 | 0 | 0 | 0 | 99 | 01/01/2046 | 1 | |
| 314105AF4 | RMBS - FN 935626 | 06/25/2016 | Direct | X XX | 228 | 228 | 225 | 227 | 1 | 0 | 1 | 228 | 0 | 0 | 0 | 0 | 0 | 6 | 06/01/2036 | 1 | |
| 31412NZY5 | RMBS - FN 930559 | 06/25/2016 | Direct | X XX | 8,311 | 8,311 | 8,599 | 8,592 | (281) | 0 | (281) | 8,311 | 0 | 0 | 0 | 0 | 0 | 172 | 02/01/2039 | 1 | |
| 31413ADY6 | RMBS - FN 939419 | 06/25/2016 | Direct | X XX | 1,401 | 1,401 | 1,397 | 1,398 | 4 | 0 | 4 | 1,401 | 0 | 0 | 0 | 0 | 0 | 11 | 05/01/2037 | 1 | |
| 31416BWH7 | RMBS - FN 995348 | 06/25/2016 | Direct | X XX | 990 | 990 | 1,025 | 1,025 | (34) | 0 | (34) | 990 | 0 | 0 | 0 | 0 | 0 | 10 | 03/01/2038 | 1 | |
| 31416XW16 | RMBS - FN AB2452 | 06/25/2016 | Direct | X XX | 11,690 | 11,690 | 12,008 | 11,946 | (256) | 0 | (256) | 11,690 | 0 | 0 | 0 | 0 | 0 | 190 | 03/01/2026 | 1 | |
| 57596PE77 | MASSACHUSETTS ST HSG FIN AGY HSG REV | 06/16/2016 | Redemption | X XX | 120,000 | 120,000 | 120,000 | 120,000 | 0 | 0 | 0 | 120,000 | 0 | 0 | 0 | 0 | 0 | 2,471 | 12/01/2020 | 1FE | |
| 3199999 | Subtotal - Bonds - U.S. Special Revenue, Special Assessment | | | X XX | 641,497 | 641,497 | 664,761 | 646,701 | (19,099) | 0 | (19,099) | 641,497 | 0 | 0 | 0 | 0 | 0 | 11,636 | X XX | X XX | |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| 00209RC10 | AT&T INC | 04/29/2016 | Bank of America | X XX | 329,625 | 325,000 | 324,038 | 324,096 | 28 | 0 | 28 | 324,123 | 0 | 5,502 | 5,502 | 5,187 | 05/15/2025 | 2FE | | | |
| 00287YA02 | ABBVIE INC | 04/01/2016 | Deutsche Bank | X XX | 315,078 | 300,000 | 299,475 | 296,503 | 42 | 0 | 42 | 299,515 | 0 | 15,563 | 15,563 | 4,280 | 05/15/2025 | 2FE | | | |
| 021441A0 | ALTERA CORP | 04/29/2016 | MarketAcess | X XX | 1,031,040 | 1,000,000 | 994,690 | 996,894 | 366 | 0 | 366 | 997,251 | 0 | 33,789 | 33,789 | 11,736 | 11/15/2018 | 1FE | | | |
| 084670BR8 | BERKSHIRE HATHAWAY FINANCE CORP | 04/25/2016 | Deutsche Bank | X XX | 769,710 | 750,000 | 747,960 | 747,960 | 32 | 0 | 32 | 747,992 | 0 | 21,718 | 21,718 | 2,464 | 03/15/2023 | 1FE | | | |
| 09256B13 | BLA OXSTONE HOLDINGS FINANCE CO LLC | 04/13/2016 | BARCLAYS CAPITAL INC. | X XX | 870,398 | 750,000 | 768,090 | 760,953 | (541) | 0 | (541) | 760,412 | 0 | 109,986 | 109,986 | 26,070 | 03/15/2021 | 1FE | | | |
| 125634A08 | ABS - OLF 142 NTS | 06/10/2016 | Direct | X XX | 13,865 | 13,865 | 13,865 | 13,921 | (56) | 0 | (56) | 13,865 | 0 | 0 | 0 | 0 | 0 | 195 | 10/15/2029 | 1FE | |
| 17275RBD3 | CISCO SYSTEMS INC | 04/29/2016 | CS First Boston (BR) | X XX | 662,721 | 650,000 | 648,752 | 647,521 | 47 | 0 | 47 | 648,799 | 0 | 13,922 | 13,922 | 2,582 | 02/28/2021 | 2FE | | | |
| 17290HAB1 | ABS - CHAI 15PM3-B | 05/15/2016 | CS First Boston (BR) | X XX | 546,734 | 550,000 | 547,310 | 547,323 | 137 | 0 | 137 | 547,460 | 0 | (726) | (726) | 9,219 | 06/16/2022 | 2FE | | | |
| 20173QA1 | CBS - GCCFC 07G99 A4 | 06/10/2016 | Direct | X XX | 1,089 | 1,089 | 1,114 | 1,114 | (25) | 0 | (25) | 1,089 | 0 | 0 | 0 | 0 | 0 | 23 | 03/10/2039 | 1FE | |
| 210795Q89 | CONTINENTAL AIRLINES INC | 04/29/2016 | Direct | X XX | 11,199 | 11,199 | 11,199 | 11,199 | 0 | 0 | 0 | 11,199 | 0 | 0 | 0 | 0 | 0 | 24 | 04/29/2026 | 1FE | |
| 22286AG9 | COVENTRY HEALTH CARE INC | 06/02/2016 | APX Asset | X XX | 775,910 | 750,000 | 848,250 | 775,163 | (8,926) | 0 | (8,926) | 786,237 | 0 | 10,673 | 10,673 | 32,477 | 03/15/2017 | 2FE | | | |
| 22541QJ10 | CMORMBS - CSFB03A2A2A244 | 06/23/2016 | Direct | X XX | 8,534 | 8,534 | 8,534 | 8,513 | 20 | 0 | 20 | 8,534 | 0 | 0 | 0 | 0 | 0 | 105 | 10/25/2033 | 1FE | |
| 24703BA07 | ABS - DEFI 1518 | 05/10/2016 | Bank of America | X XX | 750,000 | 750,000 | 747,246 | 747,246 | 441 | 0 | 441 | 747,687 | 0 | 2,723 | 2,723 | 3,064 | 03/23/2020 | 1FE | | | |
| 294751CH3 | RMBS - EQABS 032 M1 | 06/25/2016 | Direct | X XX | 1,273 | 1,273 | 1,282 | 1,273 | 0 | 0 | 0 | 1,273 | 0 | 0 | 0 | 0 | 0 | 27 | 09/25/2033 | 1FE | |
| 31620MAP1 | FIDELITY NATIONAL INFORMATION SERVICES I | 04/25/2016 | The Seaport Group | X XX | 782,072 | 750,000 | 749,018 | 749,052 | 56 | 0 | 56 | 749,109 | 0 | 32,983 | 32,983 | 14,143 | 10/15/2020 | 2FE | | | |
| 32051DB3 | CMORMBS - FHAMS 04A3A1 | 06/25/2016 | Direct | X XX | 7,667 | 7,667 | 7,772 | 7,734 | (67) | 0 | (67) | 7,667 | 0 | 0 | 0 | 0 | 0 | 74 | 09/25/2034 | 1FE | |

QE05

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 | |
|----------------------|--|------------|---------------|----------------------------------|---------------------------|---------------|------------|-------------|---|--|---|---|--|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|--|------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | | |
| CUSIP Identification | Description | Forfeiture | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11 + 12 - 13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Designation or Market Indicator (a) | |
| 404280AV1 | HSBC HOLDINGS PLC | R | 04/21/2016 | Hong Kong Shanghai Bank Corp | X XX | 720,741 | 700,000 | 698,404 | | | 39 | | 39 | | 698,443 | | 22,298 | 22,298 | 3,173 | 03/08/2021 | 1FE | |
| 40429CFR8 | HSBC FINANCE CORP | R | 06/01/2016 | Maturity | X XX | 500,000 | 500,000 | 471,585 | | | 2,244 | | 2,244 | | 500,000 | | | 2,428 | 2,428 | 06/01/2016 | 1FE | |
| 42806DAJ8 | ABS - HERTZ 153 B | | 06/02/2016 | DEUTSCHE BANK SECURITIES, INC. | X XX | 1,166,758 | 1,142,000 | 1,141,899 | 1,141,892 | | 10 | | 10 | | 1,141,902 | | 24,857 | 24,857 | 19,066 | 09/27/2021 | 1FE | |
| 45680NY25 | CMQRMBS - INDX 04AR6 6A1 | | 06/25/2016 | Direct | X XX | 11,001 | 11,001 | 11,188 | 11,005 | | (4) | | (4) | | 11,001 | | | | 130 | 10/25/2034 | 1FM | |
| 466247QY2 | CMQRMBS - JPMMT 05A3 112 | | 06/25/2016 | Direct | X XX | 26,616 | 26,616 | 25,262 | 25,771 | | 845 | | 845 | | 26,616 | | | | 274 | 06/25/2035 | 1FM | |
| 46625HJH4 | JPMORGAN CHASE & CO | | 06/16/2016 | Hong Kong Shanghai Bank Corp | X XX | 515,185 | 500,000 | 499,960 | 499,970 | | 2 | | 2 | | 499,972 | | 15,213 | 15,213 | 14,489 | 01/25/2023 | 1FE | |
| 46625HJQ4 | JPMORGAN CHASE & CO | | 05/31/2016 | Goldman Sachs & Co. (AU) | X XX | 365,200 | 320,000 | 320,000 | 320,000 | | | | | | 320,000 | | 35,200 | 35,200 | 18,120 | 08/29/2049 | 2FE | |
| 55265WOK7 | CMQRMBS - M5STR 051 4A1 | | 06/23/2016 | Direct | X XX | 592 | 592 | 592 | 598 | | (6) | | (6) | | 592 | | 0 | 0 | 6 | 10/25/2032 | 1FM | |
| 576433GH3 | CMQRMBS - WARM 03ARM6 4A2 | | 06/25/2016 | Direct | X XX | 893 | 893 | 874 | 877 | | 6 | | 6 | | 893 | | | | 11 | 01/25/2034 | 1FM | |
| 61747AA49 | MORGAN STANLEY | | 05/02/2016 | VARIOUS | X XX | 741,100 | 750,000 | 750,000 | 750,000 | | | | | | 750,000 | | (8,900) | (8,900) | 33,502 | 12/29/2049 | 3FE | |
| 61756UAE1 | CMBS - MSC 07/16 A4 | | 06/12/2016 | Direct | X XX | 7,983 | 7,983 | 6,847 | 7,668 | | 314 | | 314 | | 7,983 | | 0 | 0 | 223 | 12/13/2049 | 1FM | |
| 651229AW6 | NEWELL RUBBERMAID INC | | 04/01/2016 | J.P. Morgan Securities Inc. (AU) | X XX | 522,335 | 500,000 | 498,990 | | | 2 | | 2 | | 498,992 | | 23,343 | 23,343 | 350 | 04/01/2026 | 2FE | |
| 65504LJ46 | NOBLE HOLDING INTERNATIONAL LTD | R | 04/05/2016 | MORGAN STANLEY CO | X XX | 394,500 | 600,000 | 548,310 | 552,518 | | 1,738 | | 1,738 | | 554,256 | | (189,756) | (189,756) | 13,364 | 03/15/2022 | 2FE | |
| 74734PAA0 | QBE CAPITAL FUNDING III LTD | R | 06/08/2016 | Not Provided | X XX | 1,148,570 | 1,000,000 | 1,001,125 | 1,000,871 | | (60) | | (60) | | 1,000,811 | | 147,759 | 147,759 | 39,271 | 06/24/2041 | 2FE | |
| 75951AA46 | RELIANCE STANDARD LIFE GLOBAL FUNDING II | | 05/16/2016 | APX Asset | X XX | 1,010,850 | 1,000,000 | 997,670 | 996,424 | | 174 | | 174 | | 998,598 | | 12,052 | 12,052 | 14,236 | 04/24/2019 | 1FE | |
| 76110WQR0 | RMBS - RASC 03KS2A16 | | 06/25/2016 | Direct | X XX | 11,062 | 11,062 | 10,481 | 11,123 | | (61) | | (61) | | 11,062 | | | | 177 | 04/25/2033 | 1FM | |
| 88314RAA4 | ABS - TMCL 131 NTS | R | 06/20/2016 | Direct | X XX | 12,500 | 12,500 | 12,768 | 12,500 | | | | | | 12,500 | | 0 | 0 | 203 | 09/20/2038 | 1FE | |
| 893830BC2 | TRANS OCEAN INC | R | 05/01/2016 | Citigroup Global Markets (AU) | X XX | 138,000 | 200,000 | 106,000 | 106,000 | | 27,189 | 17,148 | 10,041 | | 116,041 | | 21,959 | 21,959 | 4,496 | 10/15/2022 | 3FE | |
| 89641UAD3 | TRINITY ACQUISITION PLC | R | 05/26/2016 | KEYBANC CAPITAL MARKETS INC | X XX | 509,010 | 500,000 | 499,380 | | | 20 | | 20 | | 499,380 | | 9,630 | 9,630 | 3,354 | 09/15/2021 | 2FE | |
| 92343VBQ6 | VERIZON COMMUNICATIONS INC | | 04/06/2016 | BARCLAYS CAPITAL INC. | X XX | 1,106,000 | 1,000,000 | 1,072,700 | 1,051,120 | | (2,789) | | (2,789) | | 1,048,331 | | 57,669 | 57,669 | 25,750 | 09/15/2020 | 2FE | |
| 9292274D5 | CMQRMBS - WAMU 03AR6 A1 | | 06/25/2016 | Direct | X XX | 3,708 | 3,708 | 3,702 | 3,704 | | 4 | | 4 | | 3,708 | | 0 | 0 | 41 | 06/25/2033 | 1FM | |
| 929227NJ3 | CMQRMBS - WAMU 04AR3 A2 | | 06/25/2016 | Direct | X XX | 4,170 | 4,170 | 4,138 | 4,154 | | 16 | | 16 | | 4,170 | | | | 46 | 06/25/2033 | 1FM | |
| 95058XAB4 | ABS - WEN 151 A22 | | 05/02/2016 | Bank of America | X XX | 445,791 | 447,750 | 447,750 | 447,750 | | | | | | 447,750 | | (1,959) | (1,959) | 7,104 | 06/15/2045 | 2FE | |
| 999999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | X XX | 16,200,668 | 15,856,881 | 15,848,113 | 11,940,430 | | 21,195 | 17,148 | 4,046 | | 15,785,190 | | 415,479 | 415,479 | 311,661 | X XX | X XX | |
| 999999 | Subtotal - Bonds - Part 4 | | | | X XX | 21,262,061 | 20,968,379 | 20,928,992 | 12,587,131 | | 2,839 | 17,148 | (14,309) | | 20,843,547 | | 418,514 | 418,514 | 337,510 | X XX | X XX | |
| 999999 | Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX |
| 999999 | Subtotal - Bonds | | | | X XX | 21,262,061 | 20,968,379 | 20,928,992 | 12,587,131 | | 2,839 | 17,148 | (14,309) | | 20,843,547 | | 418,514 | 418,514 | 337,510 | X XX | X XX | |
| 999999 | Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX |
| 999999 | Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX |
| 999999 | Subtotal - Preferred and Common Stocks | | | | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX | X XX |
| 999999 | Total - Bonds, Preferred and Common Stocks | | | | X XX | 21,262,061 | X XX | 20,928,992 | 12,587,131 | | 2,839 | 17,148 | (14,309) | | 20,843,547 | | 418,514 | 418,514 | 337,510 | X XX | X XX | |

(a) For all common stock bearing the NAIC market indicator "U" provide the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 Depository | 2 Code | 3 Rate of Interest | 4 Amount of Interest Received During Current Quarter | 5 Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter | | | 9 * |
|--|-------------------|-----------------------|---|---|--|-------------------|------------------|--------|
| | | | | | 6 First Month | 7 Second Month | 8 Third Month | |
| | | | | | | | | |
| open depositories | | | | | | | | |
| WELLS FARGO - CHECKING - GENERAL | EUGENE, OR | 0.609 | | | 11,527,993 | 11,520,142 | 7,308,257 | X X X |
| WELLS FARGO - CHECKING - Facets Claims | EUGENE, OR | | | | (5,188,204) | (14,292,188) | (4,249,083) | X X X |
| SUMMIT BANK - CHECKING - MMDA | EUGENE, OR | 0.200 | 126 | | 252,946 | 252,990 | 253,032 | X X X |
| WELLS FARGO - CASH | SAN FRANCISCO, CA | | | | 2,933,580 | 3,914,645 | 5,064,006 | X X X |
| FIRST INTERSTATE BANK | HELENA, MT | 0.250 | 63 | | 252,521 | 252,543 | 252,564 | X X X |
| US BANK NA | CINCINNATI, OH | 0.610 | | 2,657 | 1,089,000 | 1,089,000 | 1,089,000 | X X X |
| 0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories | X X X | X X X | | | | | | X X X |
| 0199999 Totals - Open Depositories | X X X | X X X | 189 | 2,657 | 10,867,836 | 2,737,133 | 9,717,776 | X X X |
| 0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories | X X X | X X X | | | | | | X X X |
| 0299999 Totals - Suspended Depositories | X X X | X X X | | | | | | X X X |
| 0399999 Total Cash On Deposit | X X X | X X X | 189 | 2,657 | 10,867,836 | 2,737,133 | 9,717,776 | X X X |
| 0499999 Cash in Company's Office | X X X | X X X | X X X | X X X | 625 | 625 | 625 | X X X |
| 0599999 Total Cash | X X X | X X X | 189 | 2,657 | 10,868,461 | 2,737,758 | 9,718,401 | X X X |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 Description | 2 Code | 3 Date Acquired | 4 Rate of Interest | 5 Maturity Date | 6 Book/Adjusted Carrying Value | 7 Amount of Interest Due & Accrued | 8 Amount Received During Year |
|--|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|---|-------------------------------------|
| NONE | | | | | | | |
| 8699999 Total - Cash Equivalents | | | | | | | |

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