

ANNUAL STATEMENT

OF THE

Volunteer State Health Plan, Inc.

of

Chattanooga

in the state of

Tennessee

TO THE

Insurance Department

OF THE STATE OF

Tennessee

For the Year Ending
December 31, 2013

2013

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ANNUAL STATEMENT

For the Year Ending December 31, 2013

OF THE CONDITION AND AFFAIRS OF THE

Volunteer State Health Plan, Inc.

NAIC Group Code 3498 (Current Period) , 3498 (Prior Period) NAIC Company Code 14046 Employer's ID Number 62-1656610

Organized under the Laws of Tennessee State of Domicile or Port of Entry Tennessee

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[X]
 Other[] Is HMO Federally Qualified? Yes[] No[X] N/A[]

Incorporated/Organized 07/11/1996 Commenced Business 11/01/1996

Statutory Home Office 1 Cameron Hill Circle Chattanooga, TN, US 37402-0001
 (Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Cameron Hill Circle
 (Street and Number) Chattanooga, TN, US 37402-0001 (423)535-5600
 (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 Cameron Hill Circle Chattanooga, TN, US 37402-0001
 (Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Cameron Hill Circle
 (Street and Number) Chattanooga, TN, US 37402-0001 (423)535-5600
 (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.bluecare.bcbst.com

Statutory Statement Contact Susan Hatcher McGehee (423)535-3419
 (Name) (Area Code)(Telephone Number)(Extension)
Susan_McGehee@bcbst.com (423)535-8331
 (E-Mail Address) (Fax Number)

CORPORATE OFFICERS

Name	Title
Scott Christian Pierce	President & CEO
Brian Edward Stana	Treasurer
Shelia Dian Clemons	Secretary
Alaine Marie Zachary	Assistant Treasurer
Katharine Anne Laurance	Assistant Secretary

ADMINISTRATIVE OFFICERS

Amber Jeanine Cambron, VP, Chief Operating Officer David Matthew Moroney, MD, VP, Chief Medical Officer
 Reid Allen Smiley, Chief Financial Officer James Howard Srite, Actuary
 Toliver Ralph Woodard, Jr., Controller & Chief Accounting Officer

DIRECTORS OR TRUSTEES

William Morgan Gracey, Chairperson John Francis Giblin
 Jason David Hickey # # New Director

State of Tennessee
 County of Hamilton ss

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

[Signature]
 (Signature)
Scott Christian Pierce
 (Printed Name)
 1.
President & Chief Executive Officer
 (Title)

[Signature]
 (Signature)
Reid Allen Smiley
 (Printed Name)
 2.
Chief Financial Officer
 (Title)

[Signature]
 (Signature)
Shelia Dian Clemons
 (Printed Name)
 3.
Secretary
 (Title)

Subscribed and sworn to before me this 24th day of Feb., 2014

- a. Is this an original filing? Yes[X] No[]
 b. If no, 1. State the amendment number 0
 2. Date filed 0
 3. Number of pages attached 0

[Signature]
 (Notary Public Signature)



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Statement of Actuarial Opinion

ACTUARIAL OPINION

TABLE of KEY INDICATORS

This Opinion is: Unqualified Qualified Adverse Inconclusive

IDENTIFICATION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

SCOPE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELIANCE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

OPINION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELEVANT COMMENTS

Revised Wording

The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

IDENTIFICATION

I, James Howard Srite, FSA, MAAA, am an employee of Blue Cross and Blue Shield of Tennessee (BCBST), holding company for Volunteer State Health Plan, and a member of the American Academy of Actuaries. I was appointed on October 15, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

SCOPE

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of Volunteer State Health Plan as prepared for filing with state regulatory officials, as of December 31, 2013.

A. Claims unpaid (Page 3, Line 1);	\$ 142,357,184
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	\$813,500
C. Unpaid claims adjustment expenses (Page 3, Line 3);	\$ 6,320,157
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	\$4,000,000
E. Aggregate life policy reserves (Page 3, Line 5);	\$0
F. Property/casualty unearned premium reserves (Page 3, Line 6);	\$0
G. Aggregate health claim reserves (Page 3, Line 7); and	\$0
H. Any actuarial reserves or liabilities not included in the items above.	\$0
I. Specified actuarial items presented as assets in the annual statement	\$0

RELIANCE

In forming my opinion on loss reserves, I relied upon data prepared by Jeffrey Stuart Kay, FSA, MAAA, Valuation Actuary, by Joseph Dewayne Moser, Manager Health Plan Accounting, by Trey White, Director of Financial Reporting, and by David Keith Marckel, Vice President of Information Services, Enterprise Applications as certified in the attached statements. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit - Part 2B of the company's current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

SAO

Statement of Actuarial Opinion

OPINION

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the Insurance Laws and regulations of the State of Tennessee and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,
- D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

RELEVANT COMMENTS

This opinion has been prepared solely for the Board and the management of the Company, for filing with insurance regulatory agencies of states in which the Company is licensed, and for the Blue Cross and Blue Shield Association and is not intended for any other purpose.


Signature of Actuary

James Howard Srite, FSA, MAAA
Printed Name of Actuary

1 Cameron Hill Circle CH 1.5
Chattanooga, Tennessee 37402
Address of Actuary

423-535-8200
Telephone Number of Actuary

2/24/2014
Date Opinion was Rendered

Volunteer State Health Plan, Inc.
2013 Reliance Statement

I, Jeffrey Stuart Kay, FSA, MAAA, Valuation Actuary of BCBST, meet the American Academy of Actuaries qualification standards for issuing an opinion on the unpaid claims liability of health insurers. I hereby affirm that all actuarial information submitted by me and under my direction to James Howard Srite, FSA, MAAA, is to the best of my knowledge and belief, accurate and complete. My examination included such review of the assumptions and methods used and of the underlying basic records and/or summaries and such tests and calculations, as I considered necessary.

In my opinion, the amounts carried in the balance sheet as covered in the actuarial opinion:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the laws of Tennessee, and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,
- D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end.
- F. Include appropriate provision for all actuarial items that ought to be established.


Signature

Jeffrey Stuart Kay
Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402
Address

423-535-8413
Telephone Number

2/19/14
Date

Volunteer State Health Plan
Reliance Statement
2013 Annual Statement

I, David Keith Marckel, Vice President of Information Services, Enterprise Applications of BlueCross BlueShield of Tennessee, Inc. hereby affirm that the data extracts from the electronic data warehouse and subsequent database structures provided to James Howard Srite, FSA, MAAA, as the basis of the reserve analysis were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete.



Signature

David Keith Marckel
Printed Name

1 Cameron Hill Circle – CH 2.4
Chattanooga, TN 37402
Address

423-535-3898
Telephone Number

2/21/2014
Date

Volunteer State Health Plan
2013 Reliance Statement

I, Trey White, Director of Financial Reporting, hereby affirm the calculation of the unpaid expense reserve and the supporting detail listings provided to James Howard Srite, FSA, MAAA, are to the best of my knowledge and belief, accurate and complete.



Signature

Trey White

Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402

Address

423-535-7036

Telephone Number

2-21-14

Date

Volunteer State Health Plan
2013 Reliance Statement

I, Joe Moser, Manager of Health Plan Accounting, hereby affirm that all accounting related information submitted by me or under my direction to James Howard Srite, FSA, MAAA, are to the best of my knowledge and belief, accurate and complete. This includes accounting information utilized in the amounts reported in the Underwriting and Investment Exhibit – Part 2B of the annual statement (NAIC format).


Signature

Joe Moser
Printed Name

1 Cameron Hill Circle – CH1.3
Chattanooga, TN 37402
Address

423-535-6894
Telephone Number

2/20/14
Date

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	390,981,782	0	390,981,782	265,079,879
2. Stocks (Schedule D)				
2.1 Preferred stocks	0	0	0	0
2.2 Common Stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances)	0	0	0	0
5. Cash (\$.....38,826,817, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....31,556,697, Schedule DA)	70,383,514	0	70,383,514	175,953,804
6. Contract loans (including \$.....0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	2,731,709	0	2,731,709	60,554
10. Securities Lending Reinvested Collateral Assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	464,097,005	0	464,097,005	441,094,237
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,643,187	0	1,643,187	1,505,343
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	6,627,692	0	6,627,692	2,771,776
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	6,392,184	568,724	5,823,460	5,028,413
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$.....0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$.....0) and other amounts receivable	5,083,184	5,083,184	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	483,843,252	5,651,908	478,191,344	450,399,769
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	483,843,252	5,651,908	478,191,344	450,399,769
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expenses	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	142,357,184	0	142,357,184	142,904,068
2. Accrued medical incentive pool and bonus amounts	813,500	0	813,500	1,002,133
3. Unpaid claims adjustment expenses	6,320,157	0	6,320,157	7,000,900
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	4,000,000	0	4,000,000	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	12,435,570	0	12,435,570	8,068,135
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	25,334	0	25,334	105,509
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	4,721	0	4,721	7,702
13. Remittances and items not allocated	6,533,307	0	6,533,307	4,694,337
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	20,604,131	0	20,604,131	23,894,182
16. Derivatives	0	0	0	0
17. Payable for securities	1,498,170	0	1,498,170	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$.....0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	358,516	0	358,516	212,641
23. Aggregate write-ins for other liabilities (including \$.....0 current)	26,371,434	0	26,371,434	44,793,432
24. TOTAL Liabilities (Lines 1 to 23)	221,322,024	0	221,322,024	232,683,039
25. Aggregate write-ins for special surplus funds	X X X	X X X	0	0
26. Common capital stock	X X X	X X X	10	10
27. Preferred capital stock	X X X	X X X	0	0
28. Gross paid in and contributed surplus	X X X	X X X	155,299,990	155,299,990
29. Surplus notes	X X X	X X X	17,000,000	17,000,000
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	35,640,000	34,850,000
31. Unassigned funds (surplus)	X X X	X X X	48,929,320	10,566,730
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X	0	0
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X	0	0
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	256,869,320	217,716,730
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	478,191,344	450,399,769
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	23,068,924	0	23,068,924	22,335,378
2302. Due State of Tennessee - Premium Payable	2,823,210	0	2,823,210	21,899,524
2303. Pending Escheatment To State	479,300	0	479,300	542,258
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	16,272
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	26,371,434	0	26,371,434	44,793,432
2501.	X X X	X X X	0	0
2502.	X X X	X X X	0	0
2503.	X X X	X X X	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	0	0
3001. Legally Required Reserves	X X X	X X X	35,640,000	34,850,000
3002.	X X X	X X X	0	0
3003.	X X X	X X X	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X	0	0
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	35,640,000	34,850,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	4,651,133	4,779,443
2. Net premium income (including \$.....0 non-health premium income)	X X X	1,677,051,246	1,690,789,890
3. Change in unearned premium reserves and reserve for rate credits	X X X	(4,000,000)	0
4. Fee-for-service (net of \$.....0 medical expenses)	X X X	0	0
5. Risk revenue	X X X	0	0
6. Aggregate write-ins for other health care related revenues	X X X	0	0
7. Aggregate write-ins for other non-health revenues	X X X	0	0
8. TOTAL Revenues (Lines 2 to 7)	X X X	1,673,051,246	1,690,789,890
Hospital and Medical:			
9. Hospital/medical benefits	0	1,037,825,261	1,052,046,144
10. Other professional services	0	288,464,392	284,647,776
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	41,012,680	44,552,627
13. Prescription drugs	0	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	1,401,931	2,004,503
16. Subtotal (Lines 9 to 15)	0	1,368,704,264	1,383,251,050
Less:			
17. Net reinsurance recoveries	0	0	0
18. TOTAL Hospital and Medical (Lines 16 minus 17)	0	1,368,704,264	1,383,251,050
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$.....54,885,408 cost containment expenses	0	92,488,400	93,269,676
21. General administrative expenses	0	150,263,832	151,980,763
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)	0	0	0
23. TOTAL Underwriting Deductions (Lines 18 through 22)	0	1,611,456,496	1,628,501,489
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	61,594,750	62,288,401
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	2,769,640	2,840,552
26. Net realized capital gains (losses) less capital gains tax of \$.....0	0	(175,792)	981,986
27. Net investment gains (losses) (Lines 25 plus 26)	0	2,593,848	3,822,538
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	64,188,598	66,110,939
31. Federal and foreign income taxes incurred	X X X	22,172,701	23,319,278
32. Net income (loss) (Lines 30 minus 31)	X X X	42,015,897	42,791,661
DETAILS OF WRITE-INS			
0601.	X X X	0	0
0602.	X X X	0	0
0603.	X X X	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X	0	0
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	0	0
0701.	X X X	0	0
0702.	X X X	0	0
0703.	X X X	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X	0	0
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	217,716,730	175,035,109
34.	Net income or (loss) from Line 32	42,015,897	42,791,661
35.	Change in valuation basis of aggregate policy and claim reserves	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(9,848)	58,099
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	1,084,007	30,973
39.	Change in nonadmitted assets	(3,937,466)	44,492
40.	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	0	(80,590)
44.	Capital Changes:		
44.1	Paid in	0	0
44.2	Transferred from surplus (Stock Dividend)	0	0
44.3	Transferred to surplus	0	0
45.	Surplus adjustments:		
45.1	Paid in	0	0
45.2	Transferred to capital (Stock Dividend)	0	0
45.3	Transferred from capital	0	0
46.	Dividends to stockholders	0	0
47.	Aggregate write-ins for gains or (losses) in surplus	0	(163,014)
48.	Net change in capital and surplus (Lines 34 to 47)	39,152,590	42,681,621
49.	Capital and surplus end of reporting year (Line 33 plus 48)	256,869,320	217,716,730
DETAILS OF WRITE-INS			
4701.	Change in Accounting Principle - SSAP 101 Non-admitted Assets adjusted as of 01/01/2012	0	(163,014)
4702.	0	0
4703.	0	0
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	(163,014)

Report #2A: TennCare Select Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	142,374	566,008	557,694
Estimated Revenues:			
1. TennCare Capitation	109,473,026	403,243,467	391,204,361
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	109,473,026	403,243,467	391,204,361
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	275,362	1,127,407	1,144,154
6. Fee-for Service Physician Services	14,339,859	46,554,027	42,349,564
7. Inpatient Hospital Services	20,634,722	76,425,280	75,253,799
8. Outpatient Hospital Services	7,932,721	28,730,008	33,085,868
9. Emergency Room Services	1,171,459	4,368,508	4,836,867
10. Dental Services	-	1,159	629
11. Vision Services	107,394	403,552	338,224
12. Pharmacy Services	-	-	-
13. Home Health Services	28,580,396	110,827,229	103,066,160
14. Chiropractic Services	-	-	-
15. Radiology Services	295,412	1,160,391	1,129,116
16. Laboratory Services	271,071	1,103,426	1,482,485
17. Durable Medical Equipment Services	5,878,940	22,202,820	20,415,555
18. Transportation Services	895,979	3,440,606	3,381,368
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	8,175	8,175	-
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	55,099	191,587	291,046
23. HCBS Services	3,317	7,981	3,090
24. Other Medical and Hospital Services - Write-Ins	1,722,532	4,401,280	9,922,275
25. Subtotal Medical and Hospital (Lines 5 to 24)	82,172,438	300,953,436	296,700,200
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,516,131	5,337,265	4,141,233
27. Inpatient Substance Abuse Treatment and Detox	67,161	72,788	23,079
28. Outpatient Mental Health Services	3,872,300	14,720,330	14,023,158
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,427,344	7,967,318	6,295,608
31. Specialized Crisis Services	296,586	1,172,749	1,122,279
32. Psychiatric Rehab and Support Services	99,944	439,519	569,240
33. Case Management	1,779,525	8,492,646	8,626,326
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	16,706	78,462	89,632
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	3,248,131	9,217,763	8,698,929
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	12,323,828	47,498,840	43,589,484
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	94,496,266	348,452,276	340,289,684
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	845	2,257	1,150
48. Subrogation and Coordination of Benefits	1,186	88,138	278,671
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	2,031	90,395	279,821
50. Total Hospital, Medical, MH&SAS (Lines 45 and 49)	94,494,235	348,361,881	340,009,863
Administration:			
51. Compensation	4,192,377	16,594,806	16,283,318
52. Marketing	(48,593)	87,577	178,780
53. Interest Expense	-	-	-
54. Premium Tax Expense	7,372,693	24,967,337	21,549,548
55. Occupancy, Depreciation, and Amortization	426,647	1,320,499	1,173,552
56. Other Administration - Write-Ins	2,085,039	8,180,685	8,003,054
57. Total Administration Expenses (Lines 51 to 56)	14,028,163	51,150,904	47,188,252
58. Total Expenses (Lines 50 and 57)	108,522,398	399,512,785	387,198,115
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	295,313	1,288,691	1,413,121
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	655,315	2,441,991	2,593,125
Write-Ins for Other Expense			
Detail of Other Revenues			
0301.	-	-	-
0399. Total Other Revenues	-	-	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	1,441,842	5,444,618	7,078,675
2202. Bad Debt Expense	280,690	(1,043,338)	2,843,600
2203. Out of Area Claims Expense	-	-	-
2299. Total Other Medical and Hospital	1,722,532	4,401,280	9,922,275
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	518,418	2,780,933	2,970,484
5602. Outsourced Services	482,661	2,149,758	2,188,755
5603. Auditing, Actuarial, and Other Consulting	620,167	1,436,450	1,071,709
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	264,440	955,872	907,791
5605. Postage/Telephone	129,968	588,588	602,128
5606. Printing and Stationary	69,385	269,084	262,187
5699. Total Other Administration	2,085,039	8,180,685	8,003,054

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	524,488	2,109,575	2,155,841
Estimated Revenues:			
1. TennCare Capitation	187,397,160	740,224,425	747,668,383
2. Investment	386,896	1,243,133	1,577,712
3. Other Revenues	-	194,968	134,000
4. Total Estimated Revenues (Lines 1 to 3)	187,784,056	741,662,526	749,380,095
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	26,073,304	125,801,270	120,931,590
7. Inpatient Hospital Services	31,275,102	107,843,582	102,837,780
8. Outpatient Hospital Services	19,022,829	66,525,228	78,188,509
9. Emergency Room Services	6,995,239	24,602,539	26,130,721
10. Dental Services	-	355	389
11. Vision Services	96,655	553,795	465,787
12. Pharmacy Services	-	-	-
13. Home Health Services	3,554,459	22,853,406	23,123,053
14. Chiropractic Services	-	-	-
15. Radiology Services	651,534	5,215,470	5,701,293
16. Laboratory Services	856,899	6,213,618	8,924,634
17. Durable Medical Equipment Services	1,497,546	9,251,947	9,781,802
18. Transportation Services	3,362,916	13,563,778	12,724,151
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	248,132	709,195	400,000
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	32,979,983	131,318,061	125,931,153
23. HCBS Services	12,194,465	48,018,576	39,188,179
24. Other Medical and Hospital Services - Write-Ins	2,412,347	12,559,843	10,716,596
25. Subtotal Medical and Hospital (Lines 5 to 24)	141,221,410	575,030,663	565,045,637
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	2,591,787	9,010,957	7,302,334
27. Inpatient Substance Abuse Treatment and Detox	215,013	463,765	322,127
28. Outpatient Mental Health Services	1,868,918	6,621,092	5,916,538
29. Outpatient Substance Abuse Treatment and Detox	5,190	5,190	-
30. Housing/Residential Treatment	3,011,023	5,310,384	2,839,387
31. Specialized Crisis Services	143,193	3,062,000	3,351,984
32. Psychiatric Rehab and Support Services	264,735	1,182,930	1,214,563
33. Case Management	1,146,550	9,708,400	12,177,587
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	50,924	164,041	125,402
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,128,644	6,834,748	6,681,971
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	10,425,977	42,363,507	39,931,893
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	151,647,387	617,394,170	604,977,530
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	12,870	52,528	57,079
48. Subrogation and Coordination of Benefits	(5,229)	(5,236)	(7,514)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	7,641	47,292	49,565
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	151,639,746	617,346,878	604,927,965
Administration:			
51. Compensation	10,431,499	42,554,458	42,850,054
52. Marketing	(128,112)	224,576	470,465
53. Interest Expense	-	-	-
54. Premium Tax Expense	11,671,159	43,610,815	41,129,131
55. Occupancy, Depreciation, and Amortization	1,071,059	3,386,186	3,088,237
56. Other Administration - Write-Ins	5,189,888	20,977,936	21,060,285
57. Total Administration Expenses (Lines 51 to 56)	28,235,493	110,753,971	108,598,172
58. Total Expenses (Lines 50 and 57)	179,875,239	728,100,849	713,526,137
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	2,664,719	4,684,617	12,646,748
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	5,244,098	8,877,060	23,207,210
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Pay-for-Performance Bonus	-	194,968	134,000
0399. Total Other Revenues	-	194,968	134,000
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	1,997,946	11,880,141	10,004,601
2202. Bad Debt Expense	414,873	680,174	711,733
2203. Out of Area Claims Expense	(472)	(472)	262
2299. Total Other Medical and Hospital	2,412,347	12,559,843	10,716,596
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,271,195	7,131,226	7,816,922
5602. Outsourced Services	1,194,804	5,512,676	5,759,776
5603. Auditing, Actuarial, and Other Consulting	1,569,308	3,683,524	2,820,234
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	660,314	2,451,162	2,388,880
5605. Postage/Telephone	321,479	1,509,329	1,584,519
5606. Printing and Stationary	172,788	690,019	689,954
5699. Total Other Administration	5,189,888	20,977,936	21,060,285

Report #2A: BlueCare East Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	631,293	2,541,558	2,623,603
Estimated Revenues:			
1. TennCare Capitation	234,256,608	941,002,348	942,958,969
2. Investment	472,873	1,519,385	1,928,353
3. Other Revenues	-	108,192	86,000
4. Total Estimated Revenues (Lines 1 to 3)	234,729,481	942,629,925	944,973,322
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	45,843,371	188,045,445	187,108,166
7. Inpatient Hospital Services	33,571,091	133,857,875	149,370,450
8. Outpatient Hospital Services	16,470,342	67,180,492	74,222,991
9. Emergency Room Services	4,128,466	16,369,199	18,374,588
10. Dental Services	1,432	4,736	12,921
11. Vision Services	151,871	753,058	705,197
12. Pharmacy Services	-	-	-
13. Home Health Services	5,377,169	29,654,699	29,033,578
14. Chiropractic Services	-	-	-
15. Radiology Services	1,425,148	7,729,268	7,546,803
16. Laboratory Services	1,276,992	7,286,390	14,151,829
17. Durable Medical Equipment Services	2,977,108	16,773,726	19,774,446
18. Transportation Services	3,710,082	15,391,749	15,619,070
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	9,801	684,561	1,604,503
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	43,134,598	159,248,677	162,130,414
23. HCBS Services	6,987,847	38,336,135	34,305,991
24. Other Medical and Hospital Services - Write-Ins	3,100,022	14,268,851	11,465,998
25. Subtotal Medical and Hospital (Lines 5 to 24)	168,165,340	695,584,861	725,426,945
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,312,600	5,927,554	5,540,788
27. Inpatient Substance Abuse Treatment and Detox	154,570	542,485	423,296
28. Outpatient Mental Health Services	3,523,976	13,303,570	13,406,443
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	2,073,175	5,657,046	3,223,157
31. Specialized Crisis Services	746,119	3,082,650	3,430,660
32. Psychiatric Rehab and Support Services	767,377	3,294,801	3,632,795
33. Case Management	3,527,572	15,017,807	13,780,428
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	39,112	191,103	206,548
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,085,089	8,871,142	9,418,977
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	14,229,590	55,888,158	53,063,092
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	182,394,930	751,473,019	778,490,037
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	30,032	120,617	130,735
48. Subrogation and Coordination of Benefits	(2,620)	(2,620)	(4,374)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	27,412	117,997	126,361
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	182,367,518	751,355,022	778,363,676
Administration:			
51. Compensation	12,623,063	52,871,838	55,682,873
52. Marketing	(162,880)	279,025	611,361
53. Interest Expense	-	-	-
54. Premium Tax Expense	15,294,051	56,814,267	51,867,473
55. Occupancy, Depreciation, and Amortization	1,306,410	4,207,171	4,013,108
56. Other Administration - Write-Ins	6,282,274	26,064,060	27,367,460
57. Total Administration Expenses (Lines 51 to 56)	35,342,918	140,236,361	139,542,275
58. Total Expenses (Lines 50 and 57)	217,710,436	891,591,383	917,905,951
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	5,474,316	17,630,270	9,547,460
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	11,544,729	33,408,272	17,519,911
Write-Ins for Other Expense			
Detail of Other Revenues:			
0301. Pay-for-Performance Bonus	-	108,192	86,000
0399. Total Other Revenues	-	108,192	86,000
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,593,232	13,437,804	10,596,102
2202. Bad Debt Expense	507,067	831,324	869,896
2203. Out of Area Claims Expense	(277)	(277)	-
2299. Total Other Medical and Hospital	3,100,022	14,268,851	11,465,998
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,517,817	8,860,198	10,157,948
5602. Outsourced Services	1,439,110	6,849,230	7,484,725
5603. Auditing, Actuarial, and Other Consulting	1,927,571	4,576,599	3,664,844
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	801,590	3,045,450	3,104,307
5605. Postage/Telephone	386,940	1,875,268	2,059,054
5606. Printing and Stationary	209,246	857,315	896,582
5699. Total Other Administration	6,282,274	26,064,060	27,367,460

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,677,051,246	1,707,605,328
2. Net investment income	7,119,782	5,083,760
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	1,684,171,028	1,712,689,088
5. Benefit and loss related payments	1,369,439,781	1,399,823,307
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	242,775,581	246,686,432
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	22,252,876	23,457,374
10. Total (Lines 5 through 9)	1,634,468,238	1,669,967,113
11. Net cash from operations (Line 4 minus Line 10)	49,702,790	42,721,975
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	205,306,939	184,545,156
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	722	0
12.7 Miscellaneous proceeds	0	902,380
12.8 Total investment proceeds (Lines 12.1 to 12.7)	205,307,661	185,447,536
13. Cost of investments acquired (long-term only):		
13.1 Bonds	335,873,342	266,225,791
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	1,182,833	121,692
13.7 Total investments acquired (Lines 13.1 to 13.6)	337,056,175	266,347,483
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(131,748,514)	(80,899,947)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(23,524,566)	29,612,391
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(23,524,566)	29,612,391
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)	(105,570,290)	(8,565,581)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	175,953,804	184,519,385
19.2 End of year (Line 18 plus Line 19.1)	70,383,514	175,953,804

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

20.0001		0	0
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,677,051,246	0	0	0	0	0	0	1,677,051,246	0	0
2. Change in unearned premium reserves and reserve for rate credit	(4,000,000)	0	0	0	0	0	0	(4,000,000)	0	0
3. Fee-for-service (net of \$.....0 medical expenses)	0	0	0	0	0	0	0	0	0	0
4. Risk revenue	0	0	0	0	0	0	0	0	0	0
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0
6. Aggregate write-ins for other non-health care related revenues	0	0	0	0	0	0	0	0	0	0
TOTAL Revenues (Lines 1 to 6)	1,673,051,246	0	0	0	0	0	0	1,673,051,246	0	0
8. Hospital/medical benefits	1,037,825,261	0	0	0	0	0	0	1,037,825,261	0	0
9. Other professional services	288,464,392	0	0	0	0	0	0	288,464,392	0	0
10. Outside referrals	0	0	0	0	0	0	0	0	0	0
11. Emergency room and out-of-area	41,012,680	0	0	0	0	0	0	41,012,680	0	0
12. Prescription drugs	0	0	0	0	0	0	0	0	0	0
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0
14. Incentive pool, withhold adjustments and bonus amounts	1,401,931	0	0	0	0	0	0	1,401,931	0	0
15. Subtotal (Lines 8 to 14)	1,368,704,264	0	0	0	0	0	0	1,368,704,264	0	0
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	0
17. TOTAL Hospital and Medical (Lines 15 minus 16)	1,368,704,264	0	0	0	0	0	0	1,368,704,264	0	0
18. Non-health claims (net)	0	0	0	0	0	0	0	0	0	0
19. Claims adjustment expenses including \$.....54,885,408 cost containment expenses	92,488,400	0	0	0	0	0	0	93,906,059	(1,417,659)	0
20. General administrative expenses	150,263,832	0	0	0	0	0	0	152,576,855	(2,313,023)	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	0
22. Increase in reserves for life contracts	0	0	0	0	0	0	0	0	0	0
TOTAL Underwriting Deductions (Lines 17 to 22)	1,611,456,496	0	0	0	0	0	0	1,615,187,178	(3,730,682)	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	61,594,750	0	0	0	0	0	0	57,864,068	3,730,682	0
DETAILS OF WRITE-INS										
0501.	0	0	0	0	0	0	0	0	0	0
0502.	0	0	0	0	0	0	0	0	0	0
0503.	0	0	0	0	0	0	0	0	0	0
0598.	0	0	0	0	0	0	0	0	0	0
0599.	0	0	0	0	0	0	0	0	0	0
0601.	0	0	0	0	0	0	0	0	0	0
0602.	0	0	0	0	0	0	0	0	0	0
0603.	0	0	0	0	0	0	0	0	0	0
0698.	0	0	0	0	0	0	0	0	0	0
0699.	0	0	0	0	0	0	0	0	0	0
1301.	0	0	0	0	0	0	0	0	0	0
1302.	0	0	0	0	0	0	0	0	0	0
1303.	0	0	0	0	0	0	0	0	0	0
1398.	0	0	0	0	0	0	0	0	0	0
1399.	0	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1	2	3	4
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)	0	0	0	0
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0
7. Title XIX - Medicaid	1,677,051,246	0	0	1,677,051,246
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	1,677,051,246	0	0	1,677,051,246
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. TOTALS (Lines 9 to 11)	1,677,051,246	0	0	1,677,051,246

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,369,383,325	0	0	0	0	0	0	1,369,383,325	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	1,369,383,325	0	0	0	0	0	0	1,369,383,325	0	0
2. Paid medical incentive pools and bonuses	1,590,564	0	0	0	0	0	0	1,590,564	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	142,357,184	0	0	0	0	0	0	142,357,184	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	142,357,184	0	0	0	0	0	0	142,357,184	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	813,500	0	0	0	0	0	0	813,500	0	0
6. Net healthcare receivables (a)	1,534,108	0	0	0	0	0	0	1,534,108	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	142,904,068	0	0	0	0	0	0	142,904,068	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	142,904,068	0	0	0	0	0	0	142,904,068	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,002,133	0	0	0	0	0	0	1,002,133	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	1,367,302,333	0	0	0	0	0	0	1,367,302,333	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	1,367,302,333	0	0	0	0	0	0	1,367,302,333	0	0
13. Incurred medical incentive pools and bonuses	1,401,931	0	0	0	0	0	0	1,401,931	0	0

(a) Excludes \$.2,114,398 loans or advances to providers not yet expensed.

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

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	34,234,583	0	0	0	0	0	0	34,234,583	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	34,234,583	0	0	0	0	0	0	34,234,583	0	0
2. Incurred but Unreported:										
2.1 Direct	108,122,601	0	0	0	0	0	0	108,122,601	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4 Net	108,122,601	0	0	0	0	0	0	108,122,601	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS	142,357,184	0	0	0	0	0	0	142,357,184	0	0
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	142,357,184	0	0	0	0	0	0	142,357,184	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	0	0	0	0	0	0
2. Medicare Supplement	0	0	0	0	0	0
3. Dental only	0	0	0	0	0	0
4. Vision only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	129,120,971	1,240,262,354	(4,048,749)	146,405,933	125,072,222	142,904,068
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	129,120,971	1,240,262,354	(4,048,749)	146,405,933	125,072,222	142,904,068
10. Healthcare receivables (a)	2,295,978	672,808	0	0	2,295,978	1,434,678
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pool and bonus amounts	634,944	955,620	0	813,500	634,944	1,002,133
13. TOTALS (Lines 9 - 10 + 11 + 12)	127,459,937	1,240,545,166	(4,048,749)	147,219,433	123,411,188	142,471,523

(a) Excludes \$.....2,114,398 loans or advances to providers not yet expensed.

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	68,122	67,310	67,310	67,310	67,310
2. 2009	994,406	1,112,785	1,111,533	1,110,016	1,110,016
3. 2010	X X X	1,057,109	1,207,196	1,202,548	1,200,178
4. 2011	X X X	X X X	1,227,458	1,377,737	1,373,176
5. 2012	X X X	X X X	X X X	1,256,218	1,392,270
6. 2013	X X X	X X X	X X X	X X X	1,240,262

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	68,519	67,451	67,310	67,310	67,310
2. 2009	1,137,973	1,114,956	1,111,665	1,109,943	1,110,016
3. 2010	X X X	1,239,136	1,208,146	1,201,722	1,200,329
4. 2011	X X X	X X X	1,386,855	1,375,642	1,372,385
5. 2012	X X X	X X X	X X X	1,403,119	1,388,861
6. 2013	X X X	X X X	X X X	X X X	1,387,482

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2009	1,197,311	1,110,016	82,273	7.412	1,192,289	99.581	0	0	1,192,289	99.581
2. 2010	1,416,267	1,200,178	93,241	7.769	1,293,419	91.326	151	(3)	1,293,567	91.336
3. 2011	1,695,983	1,373,176	89,547	6.521	1,462,723	86.246	(791)	(6)	1,461,926	86.199
4. 2012	1,690,790	1,392,270	93,001	6.680	1,485,271	87.845	(3,409)	822	1,482,684	87.692
5. 2013	1,673,051	1,240,262	80,728	6.509	1,320,990	78.957	147,220	5,507	1,473,717	88.086

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

Hospital and Medical

Section A - Paid Health Claims

	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
Year in Which Losses Were Incurred	0				
1. Prior	NONE				
2. 2009					
3. 2010					
4. 2011					
5. 2012					
6. 2013					

Section B - Incurred Health Claims

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
Year in Which Losses Were Incurred	0				
1. Prior	NONE				
2. 2009					
3. 2010					
4. 2011					
5. 2012					
6. 2013					

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

	Incurred Year Health Claims and Claims Adjustment Expense Ratio									
	1	2	3	4	5	6	7	8	9	10
Years in Which Premiums were Earned and Claims were Incurred	0									
1. 2009										
2. 2010										
3. 2011										
4. 2012										
5. 2013										

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

Medicare Supplement

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	NONE	0	0	0	0
4. 2011	NONE	X X	0	0	0
5. 2012	NONE	X X	X X X	0	0
6. 2013	NONE	X X X	X X X	X X X	0

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	NONE	0	0	0	0
4. 2011	NONE	X X	0	0	0
5. 2012	NONE	X X	X X X	0	0
6. 2013	NONE	X X X	X X X	X X X	0

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.000	0	0.000	0	0	0	0.000
2. 2010	0	0	0	0.000	0	0.000	0	0	0	0.000
3. 2011	0	0	0	0.000	0	0.000	0	0	0	0.000
4. 2012	0	0	0	0.000	0	0.000	0	0	0	0.000
5. 2013	0	0	0	0.000	0	0.000	0	0	0	0.000

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

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2009	0	0	0	0.000	0	0.000	0	0	0	0.000
2. 2010	0	0	0	0.000	0	0.000	0	0	0	0.000
3. 2011	0	0	0	0.000	0	0.000	0	0	0	0.000
4. 2012	0	0	0	0.000	0	0.000	0	0	0	0.000
5. 2013	0	0	0	0.000	0	0.000	0	0	0	0.000

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

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.000	0	0.000	0	0	0	0.000
2. 2010	0	0	0	0.000	0	0.000	0	0	0	0.000
3. 2011	0	0	0	0.000	0	0.000	0	0	0	0.000
4. 2012	0	0	0	0.000	0	0.000	0	0	0	0.000
5. 2013	0	0	0	0.000	0	0.000	0	0	0	0.000

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0	0	0	0	0
2. 2009	NONE	0	0	0	0
3. 2010	0	0	0	0	0
4. 2011	0	0	0	0	0
5. 2012	0	0	0	0	0
6. 2013	0	0	0	0	0

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.000	0	0.000	0	0	0	0.000
2. 2010	0	0	0	0.000	0	0.000	0	0	0	0.000
3. 2011	0	0	0	0.000	0	0.000	0	0	0	0.000
4. 2012	0	0	0	0.000	0	0.000	0	0	0	0.000
5. 2013	0	0	0	0.000	0	0.000	0	0	0	0.000

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0		0	0	0
2. 2009			0	0	0
3. 2010			0	0	0
4. 2011		X X	0	0	0
5. 2012		X X	X X X	0	0
6. 2013		X X X	X X X	X X X	0

NONE

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0		0	0	0
2. 2009			0	0	0
3. 2010			0	0	0
4. 2011		X X	0	0	0
5. 2012		X X	X X X	0	0
6. 2013		X X X	X X X	X X X	0

NONE

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.000	0	0.000	0	0	0	0.000
2. 2010	0	0	0	0.000	0	0.000	0	0	0	0.000
3. 2011	0	0	0	0.000	0	0.000	0	0	0	0.000
4. 2012	0	0	0	0.000	0	0.000	0	0	0	0.000
5. 2013	0	0	0	0.000	0	0.000	0	0	0	0.000

NONE

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	68,122	67,310	67,310	67,310	67,310
2. 2009	994,406	1,112,785	1,111,533	1,110,016	1,110,016
3. 2010	X X X	1,057,109	1,207,196	1,202,548	1,200,178
4. 2011	X X X	X X X	1,227,458	1,377,737	1,373,176
5. 2012	X X X	X X X	X X X	1,256,218	1,392,270
6. 2013	X X X	X X X	X X X	X X X	1,240,262

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	68,519	67,451	67,310	67,310	67,310
2. 2009	1,137,973	1,114,956	1,111,665	1,109,943	1,110,016
3. 2010	X X X	1,239,136	1,208,146	1,201,722	1,200,329
4. 2011	X X X	X X X	1,386,855	1,375,642	1,372,385
5. 2012	X X X	X X X	X X X	1,403,119	1,388,861
6. 2013	X X X	X X X	X X X	X X X	1,387,482

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2009	1,197,311	1,110,016	81,202	7.315	1,191,218	99.491	0	0	1,191,218	99.491
2. 2010	1,416,267	1,200,178	93,478	7.789	1,293,656	91.343	151	(3)	1,293,804	91.353
3. 2011	1,695,983	1,373,176	91,644	6.674	1,464,820	86.370	(791)	(6)	1,464,023	86.323
4. 2012	1,690,790	1,392,270	94,958	6.820	1,487,228	87.961	(3,409)	669	1,484,488	87.798
5. 2013	1,673,051	1,240,262	81,267	6.552	1,321,529	78.989	147,220	4,130	1,472,879	88.035

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

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0		0	0	0
2. 2009			0	0	0
3. 2010			0	0	0
4. 2011		X X	0	0	0
5. 2012		X X	X X X	0	0
6. 2013		X X X	X X X	X X X	0

NONE

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	0		0	0	0
2. 2009			0	0	0
3. 2010			0	0	0
4. 2011		X X	0	0	0
5. 2012		X X	X X X	0	0
6. 2013		X X X	X X X	X X X	0

NONE

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2009	0	0	1,071	0.000	1,071	0.000	0	0	1,071	0.000
2. 2010	0	0	(237)	0.000	(237)	0.000	0	0	(237)	0.000
3. 2011	0	0	(2,097)	0.000	(2,097)	0.000	0	0	(2,097)	0.000
4. 2012	0	0	(1,957)	0.000	(1,957)	0.000	0	153	(1,804)	0.000
5. 2013	0	0	(539)	0.000	(539)	0.000	0	1,377	839	0.000

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)	4,000,000	0	0	0	0	0	0	4,000,000	0
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. TOTALS (Gross)	4,000,000	0	0	0	0	0	0	4,000,000	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. TOTALS (Net) (Page 3, Line 4)	4,000,000	0	0	0	0	0	0	4,000,000	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. TOTALS (Gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. TOTALS (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0	0	0	0	0	0	0	0	0
0502.	0	0	0	0	0	0	0	0	0
0503.	0	0	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0	0	0	0	0	0	0	0	0
1102.	0	0	0	0	0	0	0	0	0
1103.	0	0	0	0	0	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	3,464,103	2,416,286	2,282,685	0	8,163,074
2. Salaries, wages and other benefits	45,985,085	32,075,570	30,302,065	0	108,362,720
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)	0	0	0	0	0
4. Legal fees and expenses	584,740	407,868	385,317	0	1,377,925
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	4,220,099	2,943,608	2,780,852	0	9,944,559
7. Traveling expenses	1,076,384	750,801	709,288	0	2,536,473
8. Marketing and advertising	257,289	179,465	169,542	0	606,296
9. Postage, express and telephone	1,729,191	1,206,148	1,139,458	0	4,074,797
10. Printing and office supplies	790,533	551,414	520,925	0	1,862,872
11. Occupancy, depreciation and amortization	48,727	33,988	32,109	0	114,824
12. Equipment	6,242,188	4,354,058	4,113,316	0	14,709,562
13. Cost or depreciation of EDP equipment and software	1,927,834	1,344,705	1,270,355	0	4,542,894
14. Outsourced services including EDP, claims, and other services	6,315,700	4,405,335	4,161,758	0	14,882,793
15. Boards, bureaus and association fees	461,665	322,021	304,216	0	1,087,902
16. Insurance, except on real estate	186,425	130,035	122,845	0	439,305
17. Collection and bank service charges	3	2	2	0	7
18. Group service and administration fees	(225,864)	(157,545)	(148,834)	0	(532,243)
19. Reimbursements by uninsured plans	(22,327,294)	(15,573,760)	(14,712,664)	0	(52,613,718)
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	366,619	255,724	241,585	0	863,928
22. Real estate taxes	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	0	0	0
23.2 State premium taxes	0	0	114,096,861	0	114,096,861
23.3 Regulatory authority licenses and fees	16,065	11,205	10,586	0	37,856
23.4 Payroll taxes	2,768,231	1,930,900	1,824,137	0	6,523,268
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	514,674	514,674
25. Aggregate write-ins for expenses	997,685	15,164	657,428	0	1,670,277
26. TOTAL Expenses Incurred (Lines 1 to 25)	54,885,408	37,602,992	150,263,832	514,674	(a) 243,266,906
27. Less expenses unpaid December 31, current year	0	6,320,157	12,435,570	0	18,755,727
28. Add expenses unpaid December 31, prior year	0	7,000,900	8,068,135	0	15,069,035
29. Amounts receivable relating to uninsured plans, prior year	0	0	2,771,776	0	2,771,776
30. Amounts receivable relating to uninsured plans, current year	0	0	6,627,692	0	6,627,692
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	54,885,408	38,283,735	149,752,313	514,674	243,436,130
DETAILS OF WRITE-INS					
2501. Other Miscellaneous Expense	973,855	679,285	641,725	0	2,294,865
2502. Charitable Expense	23,830	16,622	15,703	0	56,155
2503. Claims Adjustment Expense (change in accrual)	0	(680,743)	0	0	(680,743)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	997,685	15,164	657,428	0	1,670,277

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 189,115	166,927
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 2,720,893	2,836,244
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 228,050	281,143
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	3,138,058	3,284,314
11. Investment expenses		(g) 514,674
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		514,674
17. Net Investment income (Line 10 minus Line 16)		2,769,640
DETAILS OF WRITE-INS		
0901.	0	0
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.		0
1502.		0
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$.....119,488 accrual of discount less \$.....(4,607,474) amortization of premium and less \$.....816,412 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....1,702 accrual of discount less \$.....(88,863) amortization of premium and less \$.....40,842 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(17,714)	0	(17,714)	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	(158,800)	0	(158,800)	(9,848)	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	722	0	722	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	(175,792)	0	(175,792)	(9,848)	0
DETAILS OF WRITE-INS					
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Invested income due and accrued	0	0	0
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	568,724	279,764	(288,960)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	5,083,184	1,434,678	(3,648,506)
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,651,908	1,714,442	(3,937,466)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	5,651,908	1,714,442	(3,937,466)
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.	0	0	0
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
Source of Enrollment						
1. Health Maintenance Organizations	393,856	387,653	387,658	388,005	382,727	4,651,133
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. TOTAL	393,856	387,653	387,658	388,005	382,727	4,651,133
DETAILS OF WRITE-INS						
0601.	0	0	0	0	0	0
0602.	0	0	0	0	0	0
0603.	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
NONE						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	0	0	0	0	0	0

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed	0	0	0	0	0	0
0199999 Subtotal - Pharmaceutical Rebate Receivables	0	0	0	0	0	0
0299998 Claim Overpayment Receivables - Not Individually Listed	0	0	0	2,968,786	2,968,786	0
0299999 Subtotal - Claim Overpayment Receivables	0	0	0	2,968,786	2,968,786	0
0399998 Loans and Advances to Providers - Not Individually Listed	2,114,398	0	0	0	2,114,398	0
0399999 Subtotal - Loans and Advances to Providers	2,114,398	0	0	0	2,114,398	0
0499998 Capitation Arrangement Receivables - Not Individually Listed	0	0	0	0	0	0
0499999 Subtotal - Capitation Arrangement Receivables	0	0	0	0	0	0
0599998 Risk Sharing Receivables - Not Individually Listed	0	0	0	0	0	0
0599999 Subtotal - Risk Sharing Receivables	0	0	0	0	0	0
0699998 Other Receivables - Not Individually Listed	0	0	0	0	0	0
0699999 Subtotal - Other Receivables	0	0	0	0	0	0
0799999 Gross health care receivables	2,114,398	0	0	2,968,786	5,083,184	0

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

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	0	0	0	0	0	0
2. Claim overpayment receivables	1,012,435	12,695,153	2,295,978	672,808	3,308,413	1,434,678
3. Loans and advances to providers	0	0	0	2,114,398	0	0
4. Capitation arrangement receivables	0	0	0	0	0	0
5. Risk sharing receivables	0	0	0	0	0	0
6. Other health care receivables	0	0	0	0	0	0
7. TOTALS (Lines 1 through 6)	1,012,435	12,695,153	2,295,978	2,787,206	3,308,413	1,434,678

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

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

Aging Analysis of Unpaid Claims

	1	2	3	4	5	6	7
	Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
0399999	Aggregate Accounts Not Individually Listed - Covered	33,207,546	958,568	68,469	0	0	34,234,583
0499999	Subtotals	33,207,546	958,568	68,469	0	0	34,234,583
0599999	Unreported claims and other claim reserves						108,122,601
0799999	Total Claims Unpaid						142,357,184
0899999	Accrued Medical Incentive Pool and Bonus Amounts						813,500

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted		
						7 Current	8 Non-Current	
	NONE							
0399999 Total gross amounts receivable	0	0	0	0	0	0	0	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Individually listed payables				
BlueCross BlueShield of Tennessee, Inc.	Administrative Services Agreement	20,604,131	20,604,131	0
0199999 Total - Individually listed payables	X X X	20,604,131	20,604,131	0
0399999 Total gross payables	X X X	20,604,131	20,604,131	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.000	0	0.000	0	0
2. Intermediaries	25,827,084	1.888	0	0.000	0	25,827,084
3. All other providers	5,786,324	0.423	0	0.000	0	5,786,324
4. TOTAL Capitation Payments	31,613,408	2.311	0	0.000	0	31,613,408
Other Payments:						
5. Fee-for-service	0	0.000	X X X	X X X	0	0
6. Contractual fee payments	1,334,801,131	97.573	X X X	X X X	0	1,334,801,131
7. Bonus/withhold arrangements - fee-for-service	0	0.000	X X X	X X X	0	0
8. Bonus/withhold arrangements - contractual fee payments	1,590,564	0.116	X X X	X X X	0	1,590,564
9. Non-contingent salaries	0	0.000	X X X	X X X	0	0
10. Aggregate cost arrangements	0	0.000	X X X	X X X	0	0
11. All other payments	0	0.000	X X X	X X X	0	0
12. TOTAL Other Payments	1,336,391,695	97.689	X X X	X X X	0	1,336,391,695
13. TOTAL (Line 4 plus Line 12)	1,368,005,103	100.000	X X X	X X X	0	1,368,005,103

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
00000	SouthEast Transportation	25,827,084	2,152,257	0	0
9999999	Totals	25,827,084	X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment	0	0	0	0	0	0
2. Medical furniture, equipment and fixtures	NONE	0	0	0	0	0
3. Pharmaceuticals and surgical supplies		0	0	0	0	0
4. Durable medical equipment		0	0	0	0	0
5. Other property and equipment		0	0	0	0	0
6. TOTAL		0	0	0	0	0

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Notes to Financial Statements

1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of Volunteer State Health Plan, Inc. (VSHP or the Company), doing business as BlueCare Tennessee, are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (TDCI).

The TDCI recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC AP&P) has been adopted as a component of prescribed and permitted practices by the State of Tennessee. Prescribed accounting practices are those practices which are incorporated directly or by reference to state laws, regulations and general administrative rules applicable to all insurance enterprises domiciled in Tennessee. Permitted accounting practices include deviations from NAIC Statutory Accounting Principles (SAP) specifically requested by an insurer and granted by the TDCI. These statements have no deviations from NAIC SAP other than as described in the following paragraphs.

The Company has accepted the risk for uninsured claims overpayments for which the Company determined the State of Tennessee was not responsible. At the direction of the TDCI, the Company records the uninsured claims overpayments as claims expense rather than reporting the net gain or loss on the general administrative expense line as required by NAIC SAP.

At the direction of the TDCI, the Company does not report the receivables and associated payables related to premium taxes for Administrative Services Only (ASO) business. The rationale behind the offset of these assets and liabilities is that they have no economic impact on the Company. The offset for ASO plans became effective in 2003. This treatment has no impact on net income or surplus.

Tennessee Code Annotated (T.C.A.) § 56-32-112(a)(5)(D) allows the admission of the most current 90 days of healthcare receivables, which differs from NAIC SAP that requires non-admission of healthcare receivables related to claims overpayments.

At the direction of the TDCI, the Company discloses gross transactions with the affiliates listed on Schedule Y of the Annual Statement. This treatment has no impact on net income or surplus.

There are no differences between NAIC SAP and practices prescribed and permitted by the State of Tennessee with regards to the Company's net income or capital and surplus as of December 31, 2013 or 2012.

	<u>State of Domicile</u>	<u>2013</u>	<u>2012</u>
<u>NET INCOME</u>			
(1) VSHP state basis (Page 4, Line 32, Columns 2&3)	TN	\$ 42,015,897	\$ 42,791,661
(2) State prescribed practices that increase/(decrease) NAIC SAP:	TN	0	0
(3) State permitted practices that increase/(decrease) NAIC SAP:	TN	0	0
(4) NAIC SAP (1-2-3=4)	TN	<u>\$ 42,015,897</u>	<u>\$ 42,791,661</u>
<u>SURPLUS</u>			
(5) VSHP state basis (Page 3, Line 33, Columns 3&4)	TN	\$ 256,869,320	\$217,716,730
(6) State prescribed practices that increase/(decrease) NAIC SAP:	TN	0	0
(7) State permitted practices that increase/(decrease) NAIC SAP:	TN	0	0
(8) NAIC SAP (5-6-7=8)	TN	<u>\$ 256,869,320</u>	<u>\$217,716,730</u>

- B. The preparation of financial statements in conformity with the Annual Statement Instructions and NAIC AP&P requires management to make estimates and assumptions that affect the reported amounts. Such estimates and assumptions could change in the future as more information becomes known, which could impact amounts reported and disclosed herein.
- C. Health premiums are recognized at contractual rates and are earned during the month member coverage is provided. Expenses are charged to operations as they are incurred.

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) The Company had no common stock in 2013 or 2012.
- (4) The Company had no preferred stock in 2013 or 2012.
- (5) The Company had no mortgage loans in 2013 or 2012.
- (6) Loan-backed securities are stated at amortized cost net of principal pay downs. The adjustment methodology for loan-backed securities is prospective. The Company holds structured securities. Prepayment assumptions for loan-backed securities and structured securities were obtained from Bloomberg, the bond portfolio managers and the custodian. The assumptions are consistent with current interest rates and the current economic environment.
- (7) The Company had no investments in subsidiaries, controlled or affiliated (SCA) entities in 2013 or 2012.

Notes to Financial Statements

- (8) The Company had no investments in joint ventures, partnerships or limited liability companies in 2013 or 2012.
- (9) The Company had no derivative instruments in 2013 or 2012.
- (10) The Company did not need a premium deficiency reserve at December 31, 2013. The Company included investment income as a factor when determining whether a premium deficiency reserve was needed in accordance with Statement of Statutory Accounting Principles (SSAP) No. 54, *Individual and Group Accident and Health Contracts*.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from estimates, loss reports and past experience for losses incurred but not reported. Such liabilities are based on assumptions and estimates. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in the current period. Such estimates and assumptions could change in the future as more information becomes known, which could impact amounts reported and disclosed herein.
- (12) The Company does not have a capitalization policy because fixed assets are held by BlueCross BlueShield of Tennessee, Inc. (BCBST or the Parent).
- (13) The Company had no receivable for pharmaceutical rebates in 2013 or 2012.

2. Accounting Changes and Corrections of Errors

The Company had no changes in accounting principles or corrections of errors in 2013.

During 2012, the Company revised its presentation of bonuses paid to providers from page 4, Line 9, Hospital/medical benefits, to Line 15, Incentive pool, withhold adjustments and bonus amounts.

Effective January 1, 2012, the Company adopted the provisions of SSAP No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10*. Prior to this adoption, the Company followed the guidance of SSAP No. 10R, *Income Taxes – A Temporary Replacement of SSAP No. 10*, which was superseded by SSAP No. 101. In accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*, the adoption of SSAP No. 101 was treated as a change in accounting principle. The cumulative effect of adoption was presented as a gain in surplus of \$163,015 on the Cumulative effect of changes in accounting principles line on page 5 of the Statement of Revenue and Expenses.

Effective January 1, 2012, the Company adopted the revised provisions of SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*, related to tax contingencies. In accordance with SSAP No. 3, the adoption of SSAP No. 5R was treated as a change in accounting principle. The cumulative effect of adoption was presented as a reduction in surplus of \$243,605 on the Cumulative effect of changes in accounting principles line on page 5 of the Statement of Revenue and Expenses.

3. Business Combinations and Goodwill

- A. No business combinations taking the form of a statutory purchase occurred in 2013 or 2012.
- B. No business combinations taking the form of a statutory merger occurred in 2013 or 2012.
- C. The Company had no goodwill resulting from assumption reinsurance in 2013 or 2012.
- D. The Company did not record an impairment loss relating to the above transaction types in 2013 or 2012.

4. Discontinued Operations

The Company had no discontinued operations during 2013 or 2012.

5. Investments

- A. The Company had no mortgage loans in 2013 or 2012.
- B. The Company had no debt restructuring in 2013 or 2012.
- C. The Company had no reverse mortgages in 2013 or 2012.
- D. (1) Prepayment assumptions for loan-backed securities are consistent with current market and economic conditions and were obtained from Bloomberg, bond portfolio managers, pricing services and custodians. Fair values are obtained from custodians using actual market quotes, if available, or matrix pricing of securities with similar terms.

(2)&(3) The Company did not recognize any other-than temporary impairments (OTTI) on loan-backed securities in 2013.

(4) Aggregate unrealized losses and related fair value of loan-backed securities where fair value was less than amortized cost at December 31, 2013 and for which OTTI has not been recognized is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 months	\$	39,120
	2. 12 months or longer	\$	8,804
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 months	\$	20,773,777
	2. 12 months or longer	\$	3,102,584

(5) Management uses a variety of methods and procedures, both quantitative and qualitative, to review and analyze the Company's investment portfolio to identify, on a quarterly basis, securities that management believes to be other-than-temporarily impaired.

Notes to Financial Statements

- E. The Company had no repurchase agreements or securities lending transactions in 2013 or 2012.
- F. The Company had no investments in real estate in 2013 or 2012.
- G. The Company had no investments in low-income housing tax credits in 2013 or 2012.
- H. The Company had the following restricted assets as of December 31, 2013 and 2012:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	0%	0%
b. Collateral held under security lending agreements	0	0	0	0	0%	0%
c. Subject to repurchase agreements	0	0	0	0	0%	0%
d. Subject to reverse repurchase agreements	0	0	0	0	0%	0%
e. Subject to dollar repurchase agreements	0	0	0	0	0%	0%
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0%	0%
g. Placed under option contracts	0	0	0	0	0%	0%
h. Letter stock or securities restricted as to sale	0	0	0	0	0%	0%
i. On deposit with states	35,785,846	35,939,656	(153,810)	35,785,846	7.40%	7.48%
j. On deposit with other regulatory bodies	0	0	0	0	0%	0%
k. Pledged as collateral not captured in other categories	0	0	0	0	0%	0%
l. Other restricted assets	0	0	0	0	0%	0%
m. Total Restricted Assets	\$ 35,785,846	\$ 35,939,656	\$ (153,810)	\$ 35,785,846	7.40%	7.48%

(2) The Company had no assets pledged or collateral not captured in other categories in 2013 or 2012.

(3) The Company had no other restricted assets reported in aggregate in the table above.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company had no investments in joint ventures, partnerships or limited liability companies which exceeded 10% of admitted assets in 2013 or 2012.
- B. The Company did not record an impairment in 2013 or 2012 related to joint ventures, partnerships or limited liability companies.

7. Investment Income

- A. No investment income due and accrued was excluded from surplus in 2013 or 2012.
- B. The total amount excluded was \$0.

8. Derivative Instruments

- A-C. The Company had no derivative instruments in 2013 or 2012.
- D. The Company did not recognize gain or loss on derivative instruments in 2013 or 2012.
- E. The Company did not recognize gain or loss resulting from derivatives that no longer qualify for hedge accounting in 2013 or 2012.
- F. The Company had no derivative instruments accounted for as cash flow hedges in 2013 or 2012.

9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of its deferred tax asset (DTA) and to establish a valuation allowance, if necessary, to reduce the DTA to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of DTAs and deferred tax liabilities (DTLs); (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable earnings exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the DTAs; and (7) tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused. Management believes it is more likely than not that the DTA will be realized. Accordingly, the Company has not recorded a valuation allowance as of December 31, 2013.

Notes to Financial Statements

A. The components of the net DTA recognized in the Company's balance sheet at December 31 are as follows:

	12/31/2013			12/31/2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
(a) Gross DTA	\$ 6,392,184	\$ 0	\$ 6,392,184	\$ 5,307,743	\$ 434	\$ 5,308,177	\$ 1,084,441	\$ (434)	\$ 1,084,007
(b) Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted gross DTA (1a - 1b)	6,392,184	0	6,392,184	5,307,743	434	5,308,177	1,084,441	(434)	1,084,007
(d) DTA nonadmitted	568,724	0	568,724	279,764	0	279,764	288,960	0	288,960
(e) Subtotal net admitted DTA (1c - 1d)	5,823,460	0	5,823,460	5,027,979	434	5,028,413	795,481	(434)	795,047
(f) DTL	0	0	0	0	0	0	0	0	0
(g) Net admitted DTA / (Net DTL) (1e - 1f)	\$ 5,823,460	\$ 0	\$ 5,823,460	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 795,481	\$ (434)	\$ 795,047

2.

Admission calculation components (SSAP No. 101)

(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 5,823,460	\$ 0	\$ 5,823,460	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 795,481	\$ (434)	\$ 795,047
(b) Adjusted gross DTA expected to be realized (excluding the amount of DTA from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	0	0	0	0	0	0	0	0	0
1. Adjusted gross DTA expected to be realized following the balance sheet date	0	0	0	0	0	0	0	0	0
2. Adjusted gross DTA allowed per limitation threshold	xxx	xxx	0	xxx	xxx	0	xxx	xxx	0
(c) Adjusted gross DTA (excluding the amount of DTA from 2(a) and 2(b) above) offset by gross DTL	0	0	0	0	0	0	0	0	0
(d) DTA admitted as the result of application of SSAP No. 101 (Total 2(a) + 2(b) + 2(c))	\$ 5,823,460	\$ 0	\$ 5,823,460	\$ 5,027,979	\$ 434	\$ 5,028,413	\$ 795,481	\$ (434)	\$ 795,047

3.

	2013	2012
(a) Ratio percentage used to determine recovery period and threshold limitation amount	477%	400%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 251,045,860	\$ 212,688,317

4.

	12/31/2013		12/31/2012		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (Col 2-4) Capital
Impact of Tax-Planning Strategies						
(a) Determination of adjusted gross DTA and net admitted DTA, by tax character, as a percentage						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$6,392,184	\$ 0	\$5,307,743	\$ 434	\$ 1,084,441	\$ (434)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$5,823,460	\$ 0	\$5,027,979	\$ 434	\$ 795,481	\$ (434)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
(b) Does the Company's tax-planning strategies include the use of reinsurance?					Yes _____	No <u> X </u>

Notes to Financial Statements

B. The Company had no unrecognized DTLs in 2013 or 2012.

C. The provisions for incurred income taxes for the years ended December 31, 2013 and 2012 are:

	1	2	3
	12/31/2013	12/31/2012	(Col 1-2) Change
1. Current income tax:			
(a) Federal	\$ 22,172,701	\$ 23,319,278	\$ (1,146,577)
(b) Foreign	0	0	0
(c) Subtotal	22,172,701	23,319,278	(1,146,577)
(d) Federal income tax on net capital gains	0	0	0
(e) Utilization of capital loss carryforwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	<u>\$ 22,172,701</u>	<u>\$ 23,319,278</u>	<u>\$ (1,146,577)</u>
2. DTA:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,846,633	\$ 2,658,933	\$ (812,300)
(2) Unearned premium reserve	0	0	0
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	0	0	0
(8) Compensation and benefits accrual	975,522	894,591	80,931
(9) Pension accrual	0	0	0
(10) Receivables – nonadmitted	3,554,525	1,748,524	1,806,001
(11) Net operating loss carryforward	0	0	0
(12) Tax credit carryforward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	15,504	5,695	9,809
(99) Subtotal	<u>6,392,184</u>	<u>5,307,743</u>	<u>1,084,441</u>
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	568,724	279,764	288,960
(d) Admitted ordinary DTA (2a99 – 2b – 2c)	<u>5,823,460</u>	<u>5,027,979</u>	<u>795,481</u>
(e) Capital			
(1) Investments	0	434	(434)
(2) Net capital loss carryforward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	<u>0</u>	<u>434</u>	<u>(434)</u>
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital DTA (2e99 – 2f – 2g)	<u>0</u>	<u>434</u>	<u>(434)</u>
(i) Admitted DTA (2d + 2h)	<u>\$ 5,823,460</u>	<u>\$ 5,028,413</u>	<u>\$ 795,047</u>
3. DTL:			
(a) Ordinary			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary liabilities)	0	0	0
(99) Subtotal	<u>0</u>	<u>0</u>	<u>0</u>
(b) Capital			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	<u>0</u>	<u>0</u>	<u>0</u>
(c) DTA (3a99 + 3b99)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
4. Net DTA/(DTL) (2i - 3c)	<u>\$ 5,823,460</u>	<u>\$ 5,028,413</u>	<u>\$ 795,047</u>

Notes to Financial Statements

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

	<u>December 31, 2013</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 22,466,010	35.0%
SSAP 5R tax liability adjustment	(80,175)	(0.1)
2012 federal tax true-up adjustment	132,668	0.2
Change in net deferred income taxes	288,892	0.5
IRS audit adjustment	(634,694)	(1.0)
Federal income taxes incurred	\$ 22,172,701	34.6%

- E. The Company had no net capital loss carryforwards or net operating loss carryforwards in 2013 or 2012.
- F. The Company's federal income tax return is consolidated with the following entities:
- (1) BeneVive, Inc.
BlueCross BlueShield of Tennessee, Inc.
Golden Security Insurance Company
Group Insurance Services, Inc.
Onlife Health, Inc.
Riverbend Government Benefits Administrator, Inc.
RiverTrust Solutions, Inc.
SecurityCare of Tennessee, Inc.
Shared Health, Inc.
Southern Diversified Business Services, Inc.
 - (2) The method of tax allocation between the members of the affiliated group is subject to a written agreement, approved by the Company's board of directors. Allocation is based on a percentage calculation. Intercompany tax balances are settled monthly if the Company has funds available.
- G. The Company had no income tax loss contingencies in 2013 or 2012 for which it is reasonably possible that the total liability will significantly increase within 12 months of the reporting date.

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

- A. The Company is a wholly owned subsidiary of Southern Diversified Business Services, Inc. (SDBS). BCBST owns 100% of BeneVive, Inc. (BeneVive) and SDBS.

BeneVive owns 100% of the for-profit corporations Shared Health, Inc. (Shared Health), Riverbend Government Benefits Administrator, Inc. (Riverbend), RiverTrust Solutions, Inc. (RiverTrust) and Onlife Health, Inc. (Onlife). Shared Health is a health information technology company. Riverbend has historically performed Medicare administrative services, but does not currently have an active contract. RiverTrust is a Qualified Independent Contractor that has performed Medicare appeals workloads, but does not currently have an active contract. Onlife mitigates the rising cost of healthcare by encouraging the formation of healthy lifestyle behaviors and providing case management for existing illnesses.

SDBS owns 100% of the for-profit corporations Golden Security Insurance Company (Golden Security), doing business as BlueRe of Tennessee, Group Insurance Services, Inc. (GIS), VSHP and SecurityCare of Tennessee, Inc. (SecurityCare), doing business as BlueChoice Tennessee. Golden Security is licensed to provide health, term life, disability and other insurance coverage to its policyholders, and began providing aggregate stop-loss coverage effective January 1, 2012. GIS is an insurance broker. VSHP is contracted by the State of Tennessee to provide services for TennCare members. SecurityCare was created in December 2012 and began offering Medicare Advantage Health Maintenance Organization products within the State of Tennessee effective January 1, 2014.

Tennessee Health Foundation, Inc. (THF), doing business as BlueCross BlueShield of Tennessee Health Foundation, is a public benefit not-for-profit Tennessee corporation that promotes charitable activities. THF shares a common board of directors with BCBST and has been granted a 501(c)(3) tax exemption by the Internal Revenue Service.

Southern Health Plan, Inc. (SHP), doing business as BlueCross BlueShield of Tennessee Community Trust, is a not-for-profit Tennessee corporation created for the purpose of improving the quality of healthcare in Tennessee, primarily through contributions to other tax-exempt organizations. BCBST appoints the board of directors of SHP, which has been granted a 501(c)(4) tax exemption by the Internal Revenue Service.

Effective September 26, 2013, BCBST acquired a 76% ownership interest in HealthBox Nashville I, LLC, a venture capital fund, with an investment of \$809,017.

Notes to Financial Statements

As of December 31, 2013, BCBST directly or indirectly owned common and preferred stock of its subsidiaries and affiliates as follows:

Subsidiary and Affiliate Stock Owned		
	Shares Held	% of Outstanding Shares Held
Owned by BCBST:		
SDBS	4,000	100%
BeneVive	100	100%
Owned by BeneVive:		
Onlife	1,000	100%
Shared Health	1,000	100%
RiverTrust	800	100%
Owned by SDBS:		
Golden Security	1,500,000	100%
VSHP	1,000	100%
GIS	500	100%
SecurityCare	100	100%

B&C. BCBST transferred \$1,212,703 and \$3,050,000 in 2013 and 2012, respectively, to SDBS as capital contributions. Of these capital contributions, \$3,000,000 was passed through to SecurityCare in 2012.

BCBST received \$115,832,213 and \$124,616,711 from its subsidiaries in 2013 and 2012, respectively, net of payments to subsidiaries. SDBS paid a cash dividend to BCBST of \$1,063,367 in 2012.

The Company paid BCBST \$134,169,231 and \$125,324,238 for services performed under administrative services and tax sharing agreements in 2013 and 2012, respectively. Payments are net of reimbursements to the Parent for Cover Tennessee, MedAdvantage and other operations.

D. The Company reported \$20,604,131 and \$23,894,182 due to the Parent as of December 31, 2013 and 2012, respectively. Amounts due to or from Parent are settled monthly as funds are available.

E. As of December 31, 2013, the Company had no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that resulted in a material contingent exposure of the Company's or any related party's assets or liabilities. See also Note 14.

F. BCBST is the contractor for several state sponsored agreements, separately administered, under the Cover Tennessee program. BCBST is a contractor for CoverKids pursuant to T.C.A. § 71-3-1101 et seq.; CoverTN pursuant to T.C.A. § 56-7-3001 et seq.; and AccessTN pursuant to T.C.A. § 56-7-2901 et seq. The CoverTN program ended effective December 31, 2013.

BCBST subcontracts with its wholly-owned subsidiary, VSHP, to provide certain services required under the Cover Tennessee contracts, including but not limited to medical management, outreach and education, and other related services. The provision of services and related expenses is documented in the form of intercompany administrative services agreements between BCBST and VSHP. The Tennessee Department of Finance and Administration approved VSHP to act as a subcontractor under the Cover Tennessee contracts pursuant to these intercompany agreements. The risk for the Cover Tennessee contracts is retained by BCBST and the financial balances related to the Cover Tennessee contracts are recorded on the financial statements of BCBST. VSHP is compensated for costs incurred under the administrative services agreements through intercompany payables and receivables, which are cleared periodically.

The Company also provides certain services for BCBST's MedAdvantage and other operations, including but not limited to medical director review of appeals and denials. The cost of services performed by the Company is fully reimbursed by BCBST.

G. All outstanding shares of the Company are owned by SDBS, an insurance holding company 100% owned by BCBST and domiciled in the State of Tennessee.

H. The Company deducted no amounts from the value of an upstream intermediate entity or parent-owned entity, either directly or indirectly, via a downstream SCA entity in 2013 or 2012.

I. The Company had no investments in an SCA entity that exceeded 10% of admitted assets in 2013 or 2012.

J. The Company had no investments in impaired SCA entities in 2013 or 2012.

K. The Company had no investments in foreign insurance subsidiaries in 2013 or 2012.

L. The Company did not use the look-through approach to admit any investment in an SCA entity, joint venture, partnership or limited liability company in 2013 or 2012.

11. Debt

A. The Company had no debt in 2013 or 2012.

B. The Company had no Federal Home Loan Bank agreements in 2013 or 2012.

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

A. All disclosures related to defined benefit plans are included in BCBST's statement.

Notes to Financial Statements

- B. All disclosures related to investment policies and strategies are included in BCBST's statement.
- C. All disclosures related to the fair value measurements of plan assets are included in BCBST's statement.
- D. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption is included in BCBST's statements.
- E. All disclosures related to defined contribution plans are included in BCBST's statement.
- F. The Company did not contribute to multiemployer plans.
- G. The Company participates in defined benefit plans and defined contribution plans sponsored by BCBST and has no legal obligation for benefits under the plans.
- H. All disclosures related to postemployment benefits and compensated absences are included in BCBST's statement.
- I. All disclosures related to the Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) are included in BCBST's statement.

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

- (1) The Company had 1,000 shares of common stock authorized, issued and outstanding as of December 31, 2013. Par value is \$.01 per share.
- (2) The Company had no preferred stock outstanding in 2013 or 2012.
- (3) In accordance with T.C.A. § 56-11-106(b), the maximum amount of dividends which can be paid by insurance companies regulated by the State of Tennessee to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to the greater of 10% of net worth of the preceding December 31 or the net gain from operations for the preceding year. The Company may only pay dividends from excess Unassigned funds (surplus) without prior approval of the Insurance Commissioner.
- (4) The Company paid no dividends in 2013 or 2012.
- (5) Within the limitations of (3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) The Company's statutory deposit, required by the State of Tennessee, was \$35,640,000 at December 31, 2013. Assets in the amount of \$35,785,846 were on deposit with the State of Tennessee at December 31, 2013.
- (7) The Company had no advances to surplus in 2013 or 2012.
- (8) The Company had no stock, including stock of affiliated companies, held for special purposes in 2013 or 2012.
- (9) The Company had no special surplus funds in 2013 or 2012.
- (10) The portion of Unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (\$9,848) at December 31, 2013.
- (11) The Company had no surplus debentures or similar obligations in 2013 or 2012.
- (12) No quasi-reorganizations occurred in 2013 or 2012.
- (13) No quasi-reorganizations occurred in the past ten years.

14. Contingencies

- A. The Company had no contingent commitments to SCA entities, joint ventures, partnerships or limited liability companies in 2013 or 2012.
- B. The Company receives periodic liquidated damage assessments from the State of Tennessee primarily related to operational performance targets. A corresponding liability has been recognized under SSAP No. 35R, *Guaranty Fund and Other Assessments*, in the amount of \$44,298 for the year ended December 31, 2013. The Company did not record assets for premium tax credits or policy surcharges related to the liquidated damage assessments.
- C. The Company had no gain contingencies in 2013 or 2012.
- D. The Company had no claims related extra contractual obligation losses or bad faith losses stemming from lawsuits which would have had a material financial effect in 2013 or 2012.
- E. Lawsuits and other claims occur in the normal course of business and are pending against the Company. Management, after consultation with legal counsel, is of the opinion that the lawsuits and other claims, when resolved, will not have a material effect on the accompanying financial statements. The Company has no other contingencies to be reported as required by SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised*, in 2013 or 2012.

15. Leases

- A. The Company had no lessee leasing arrangements in 2013 or 2012.
- B. Leasing is not a part of the Company's business activities.

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

The Company had no financial instruments with off-balance-sheet risk in 2013 or 2012.

Notes to Financial Statements

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

- A. The Company had no transfers of receivables reported as sales in 2013 or 2012.
- B. The Company had no transfers, servicing or extinguishment of financial assets or liabilities in 2013 or 2012.
- C. The Company had no wash sales involving transactions for securities with an unrated NAIC designation or a designation of 3 or below in 2013 or 2012.

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

- A. TennCare Select and the Stabilization Plan are ASO arrangements with the State of Tennessee, effective July 1, 2001 and July 1, 2002, respectively. Cash and invested assets related to TennCare Select and the Stabilization Plan are reported in the appropriate categories on the Assets statement. Premium tax receivable from the State of Tennessee is netted against premium tax payable to the State of Tennessee for premium taxes related to ASO plans. Other assets and liabilities related to TennCare Select and the Stabilization Plan are netted and reported either on page 2, line 17, Amounts receivable relating to uninsured plans or on page 3, line 22, Liability for amounts held under uninsured plans.

Amounts receivable from ASO plans at December 31, 2013 as reflected on page 2, line 17, are as follows:

	<u>Amount</u>
a. Unbilled expenses (timing differences)	\$ 5,115,752
b. Select Community premium accrual	1,213,134
c. Medical management	150,000
d. Miscellaneous	148,806
Total amounts receivable relating to ASO plans	<u>\$ 6,627,692</u>

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

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 3,730,682	\$ 0	\$ 3,730,682
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 3,730,682	\$ 0	\$ 3,730,682
d. Total claim payment volume	\$ 349,372,415	\$ 0	\$ 349,372,415

- B. The Company had no Administrative Services Contract plans in 2013 or 2012.
- C. The Company had no Medicare or other similarly structured cost based reimbursement contract in 2013 or 2012.

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

The Company had no direct premiums written or produced by managing general agents or third party administrators in 2013 or 2012.

20. Fair Value Measurement

- A&B. As of December 31, 2013, the Company held only investment grade bonds, bond index exchange-traded funds (ETFs) approved by the Securities Valuation Office of the NAIC for bond treatment and money-market funds. Bonds and bond index ETFs are reported at amortized cost in accordance with SSAP No. 26, *Bonds, Excluding Loan-backed and Structured Securities*. The Company is not required to report any of its assets or liabilities at fair value under SSAP No. 100, *Fair Value Measurements*.

Notes to Financial Statements

- C. The following tables provide information about the fair value of the Company's financial assets as of December 31, 2013 and 2012:

December 31, 2013						
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds:						
U.S. government and government agencies and authorities	\$ 78,610,434	\$ 78,679,595	\$ 66,982,046	\$ 11,628,388	\$ 0	\$ 0
States, municipalities and political subdivisions	5,089,531	5,109,033	2,134,154	2,955,377	0	0
Foreign securities, including Canada	31,475,961	31,366,224	5,401,636	26,074,325	0	0
Agency mortgage-backed securities	31,769,848	31,555,830	0	31,769,848	0	0
Commercial mortgage-backed securities	19,166,605	19,156,936	0	19,166,605	0	0
Asset-backed securities	58,118,289	58,082,267	0	58,118,289	0	0
Total return bond index ETF	8,449,585	8,844,071	8,449,585	0	0	0
Investment grade corporate bonds	158,711,725	158,187,826	35,155,937	123,555,788	0	0
Total bonds	391,391,978	390,981,782	118,123,358	273,268,620	0	0
Short-term investments	31,556,473	31,556,697	30,454,647	1,101,826	0	0
Total bonds and short-term investments	\$ 422,948,451	\$ 422,538,479	\$ 148,578,005	\$ 274,370,446	\$ 0	\$ 0

December 31, 2012						
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds:						
U.S. government and government agencies and authorities	\$ 56,278,480	\$ 56,070,665	\$ 42,803,550	\$ 13,474,930	\$ 0	\$ 0
Foreign securities, including Canada	12,241,682	12,174,324	1,001,100	11,240,582	0	0
Agency mortgage-backed securities	23,875,907	23,942,171	0	23,875,907	0	0
Commercial mortgage-backed securities	13,797,997	13,808,908	0	13,797,997	0	0
Asset-backed securities	33,448,870	33,425,506	0	33,448,870	0	0
Investment grade corporate bonds	126,893,103	125,658,305	27,560,837	99,332,266	0	0
Total bonds	266,536,039	265,079,879	71,365,487	195,170,552	0	0
Short-term investments	75,245,193	75,245,384	75,245,193	0	0	0
Total bonds and short-term investments	\$ 341,781,232	\$ 340,325,263	\$ 146,610,680	\$ 195,170,552	\$ 0	\$ 0

As of June 30, 2013, the Company elected to change the presentation for short-term investments as included on the preceding tables to include money-market funds. The Company has not restated amounts included in the December 31, 2012 table above; however, if these amounts were restated, short-term investments would have an aggregate fair value of \$169,312,532 and admitted assets total of \$169,312,724. The classification for all short-term investments as of December 31, 2012 would remain at Level 1.

Valuation techniques for estimating fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets. The income approach converts future amounts, such as cash flows or earnings, to a single present value. The cost approach is based on the amount that would be required to replace the asset or the service capacity of the asset. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is reasonably available. The Company applied valuation techniques on a consistent basis to similar assets at December 31, 2013 and 2012.

Fair values are based on quoted market prices when available. In instances where there is little or no market activity for the same or similar instruments, management estimates fair value using methods, models and assumptions a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve estimation and judgment which could become significant with increasingly complex instruments or pricing models. The degree of judgment utilized in measuring fair value generally correlates to the level of pricing observability. Pricing observability is generally impacted by a number of factors including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and overall market conditions. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

Notes to Financial Statements

A description of the inputs and methods used to determine fair value for financial assets is as follows:

Level 1 assets – Fair values are determined using unadjusted quoted prices in active markets provided by independent pricing services.

Level 2 assets – Fair values are determined using prices provided by independent pricing services, which may use quoted market prices of similar securities or models that incorporate inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

When determining fair value, the Company obtains an understanding of the methods, models and inputs used by independent pricing services and has controls in place to validate that amounts provided represent current exit prices. In addition, management periodically reviews securities in the portfolio with the Company's investment managers. If unusual fluctuations or significant variances in the pricing provided from different sources are noted, management may obtain additional information from other pricing services, or request an investigation into the valuation of the security by the pricing service to validate the quoted price. There were no adjustments to quoted market prices obtained from independent pricing services during the periods ended December 31, 2013 and 2012.

- D. The Company held no financial assets for which it was not practicable to estimate the fair value at December 31, 2013 or 2012.

21. Other Items

- A. The Company had no extraordinary events or transactions in 2013 or 2012.
- B. The Company had no troubled debt restructuring in 2013 or 2012.
- C. Expenses are shown on the Statement of Revenue and Expenses, net of administrative fees from ASO contracts. The following provides a comparison of expenses excluding ASO administrative fees and premium tax for the twelve months ended December 31, 2013 and 2012:

Line#	Administrative Expenses:	December 31, 2013	December 31, 2012	% Change
20	Claims adjustment expense	\$ 92,488,400	\$ 93,269,676	
21	General administrative expense	150,263,832	151,980,763	
	Total expense	242,752,232	245,250,439	
	ASO administrative fees	52,613,718	52,493,249	
	Premium tax	(114,096,861)	(114,943,448)	
	Expenses before ASO admin fees and excluding premium tax	<u>\$ 181,269,089</u>	<u>\$ 182,800,240</u>	(0.8%)

- D. The Company had no business interruption insurance recoveries recognized during 2013 or 2012.
- E. The Company had no state transferable or non-transferable tax credits in 2013 or 2012.
- F. The Company had no investments in subprime mortgages or bonds backed by subprime mortgages in 2013 or 2012.
- G. The Company had no retained asset accounts for beneficiaries in 2013 or 2012.
- H. The Company did not offset any derivative, repurchase, reverse repurchase, securities borrowing or securities lending assets and liabilities in 2013 or 2012.
- I. The Company had no joint and several liability arrangements in 2013 or 2012.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 24, 2014 for the statutory statement issued on March 1, 2014. The Company had no required disclosures of Type I events.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through February 24, 2014 for the statutory statement issued on March 1, 2014.

Beginning January 1, 2014, the Company will be subject to the Affordable Care Act (ACA) annual fee on entities that issue health insurance. Pursuant to section 9010 of the ACA, a reporting entity's portion of the fee is paid no later than September 30 of the applicable calendar year (the fee year) beginning in 2014 and is not deductible for federal income tax purposes. The amount of the fee for the reporting entity is based on the ratio of the amount of an entity's net health premiums subject to the fee written during the preceding calendar year (data year) to the amount of health insurance subject to the fee written by all U.S. health insurance providers during the preceding calendar year. A reporting entity's portion of the annual fee becomes payable to the U.S. Treasury once the entity provides health insurance for a U.S. health risk for each calendar year beginning on or after January 1, 2014.

As of February 24, 2014, the Company has written health insurance in the 2014 fee year and estimates the Company's portion of the annual health insurance industry fee payable on September 30, 2014 to be \$17,055,629. The Company expects the Bureau of TennCare (Bureau) to reimburse the gross assessed ACA fee in 2014. The assessment would have impacted risk based capital (RBC) by (21.08%) as of December 31, 2013.

- A. ACA fee assessment payable \$ 17,055,629
- B. Assessment expected to impact RBC (21.08%)

Notes to Financial Statements

23. Reinsurance

- A. The Company had no ceded reinsurance in 2013 or 2012 where the disclosures required by this section are applicable.
- B. The Company had no write-offs of uncollectible reinsurance in 2013 or 2012.
- C. The Company had no amounts reported in its operations in 2013 or 2012 as a result of commutation of ceded reinsurance.
- D. The Company had no ceded reinsurance in 2013 or 2012 where the disclosures required by this section are applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. During 2013, the Company received premiums from the Bureau to cover rate increases for healthcare services provided by primary care physicians (PCP). The premiums were estimated based on expected 2013 PCP utilization from regional TennCare membership. If actual utilization falls outside a 3% corridor of the premiums paid then either the Bureau will pay the Company additional premium to cover claims paid above the 3% corridor or the Company will repay the premiums below the 3% corridor back to the Bureau. As of December 31, 2013, based on an analysis of claim experience of participating PCPs, the Company estimates it will reimburse the Bureau \$4,000,000.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The Company received \$39,391,414 in premiums subject to retrospective rating features in 2013, which represents 2.375% of total net premiums written. No net premiums subject to retrospective rating features were written in 2012.
- D. The Company had no medical loss ratio rebates required pursuant to the Public Health Service Act in 2013 or 2012.

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2012, the reserve for unpaid insured claims, medical incentive pool and claim adjustment expenses, net of gross healthcare receivables, was \$149,472,423. Through December 31, 2013, \$133,723,184 was paid for expenses attributable to insured events of prior years. The re-estimation of reserves for unpaid insured claims, medical incentive pool and claim adjustment expenses, net of gross healthcare receivables, for 2012 and prior based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior-year development of \$19,996,940. The reserve remaining for prior years is \$(4,247,700) as of December 31, 2013 due to the estimation that recoveries will exceed payouts.

26. Intercompany Pooling Arrangements

- A. The Company had no intercompany pooling arrangements in 2013 or 2012 under which the pool participants cede substantially all of their direct and assumed business to a pool.
- B. The Company had no lines of business subject to intercompany pooling arrangements in 2013 or 2012.
- C. The Company had no cessions to non-affiliated reinsurers subject to intercompany pooling agreements in 2013 or 2012.
- D. The Company had no reinsurance agreements with non-affiliated reinsurers covering business subject to pooling agreements in 2013 or 2012.
- E. The Company had no assumed or ceded reinsurance pooled business in 2013 or 2012.
- F. The Company had no intercompany sharing or write-offs of uncollectible reinsurance in 2013 or 2012.
- G. The Company had no amounts due to/from participants in intercompany pooling arrangements at December 31, 2013 or 2012.

27. Structured Settlements

Not applicable to health entities.

28. Health Care Receivables

- A. The Company had no pharmaceutical rebate receivables in 2013, 2012 or 2011.
- B. The Company had no risk sharing receivables where the receivable and payable balances with a single provider were netted in 2013, 2012 or 2011.

29. Participating Policies

The Company had no participating contracts where the Company pays policyholder dividends in 2013 or 2012.

30. Premium Deficiency Reserves

The Company had no premium deficiency reserves in 2013 or 2012.

31. Anticipated Salvage and Subrogation

The Company considered anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$356,785 and \$372,520 for the years ended December 31, 2013 and 2012, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Tennessee
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/27/2013
- 3.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 633 Chestnut Street, Suite 1500, Chattanooga, TN 37450
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[] No[] N/A[X]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
The VSHP bylaws state, "As part of the BCBST Enterprise, the BCBST Board and its standing Committees [including the Enterprise Audit Committee] shall have oversight of all wholly owned subsidiaries and affiliates, including the Corporation." This meets the legal requirement that permits an affiliated entity to not establish its own audit committee.

GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
James Howard Srite, FSA, MAAA - 1 Cameron Hill Circle, Chattanooga, TN 37402 - Appointed Actuary, VSHP
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 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. Yes [X] No []
- 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 The annual review of the Code of Business Conduct resulted in non-substantive language clarifications, an updated CEO message and updated Company profile. The primary content and standards of the Code were unchanged. The updated Code was effective January 2013.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001 0

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No []
 25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$ 0
 25.22 Subject to reverse repurchase agreements \$ 0
 25.23 Subject to dollar repurchase agreements \$ 0
 25.24 Subject to reverse dollar repurchase agreements \$ 0
 25.25 Pledged as collateral \$ 0
 25.26 Placed under option agreements \$ 0
 25.27 Letter stock or securities restricted as to sale \$ 0
 25.28 On deposit with state or other regulatory body \$ 35,785,846
 25.29 Other \$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No[X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.
 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No[X]
 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	One Mellon Center, Pittsburgh, PA 15258

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Exempt	Income Research and Management	Two International Place 23rd Floor, Boston, MA 02110-4106
705	Raymond James	50 Front Street, Memphis, TN 38103
102920	JP Morgan	270 Park Avenue 4th Floor, New York NY 10017
7927	Northern Trust Guaranteed Advisors	50 S. LaSalle Street, Chicago, IL 60675
Exempt	Pimco	840 Newport Center Drive, Newport Beach, CA 92660

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

GENERAL INTERROGATORIES (Continued)

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	0

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	390,981,782	391,391,978	410,196
30.2 Preferred stocks	0	0	0
30.3 Totals	390,981,782	391,391,978	410,196

30.4 Describe the sources or methods utilized in determining the fair values
Fair values were obtained from the Investment Custodian or the SVO.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

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

1 Name	2 Amount Paid
.....	0

- 34.1 Amount of payments for legal expenses, if any? \$..... 0
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	0

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

1 Name	2 Amount Paid
.....	0

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	1,677,051,246	1,690,789,890
2.2 Premium Denominator	1,677,051,246	1,690,789,890
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	147,170,684	143,906,201
2.5 Reserve Denominator	147,170,684	143,906,201
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [] N/A[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
The Company, with guaranty from Parent to maintain 200% RBC level, is sufficient size to cover full-risk.
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
If insolvency occurs, Parent satisfies claims for the covered period. All agreements with providers include statutory hold harmless provisions. Other MCOs in the State would be required to take enrollees.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 22,051
- 8.2 Number of providers at end of reporting year 22,572
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 813,500
- 10.22 Amount actually paid for year bonuses \$ 1,590,564
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
Tennessee
- 11.4 If yes, show the amount required. \$ 35,640,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No []
- 11.6 If the amount is calculated, show the calculation.
4% times the first \$150M in dollars projected plus 1.5% for any dollars projected over the first \$150M
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
First Tennessee CSA, TN
Southeast CSA, TN
Upper Cumberland CSA, TN
Hamilton County CSA, TN
Mid-Cumberland CSA, TN
South Central CSA, TN

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Davidson County CSA, TN
Northwest CSA, TN
Southwest CSA, TN
Shelby County CSA, TN
East Tennessee CSA, TN
Knox County CSA, TN

- 13.1 Do you act as a custodian for health savings accounts?
 13.2 If yes, please provide the amount of custodial funds held as of the reporting date:
 13.3 Do you act as an administrator for health savings accounts?
 13.4 If yes, please provide the balance of the funds administered as of the reporting date:

Yes No 0
 \$ 0
 Yes No 0
 \$ 0

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	478,191,344	450,399,769	393,928,502	490,517,926	270,182,565
2. TOTAL Liabilities (Page 3, Line 24)	221,322,024	232,683,039	218,893,393	385,596,366	183,270,157
3. Statutory surplus	35,640,000	34,850,000	34,651,682	34,651,682	25,326,692
4. TOTAL Capital and Surplus (Page 3, Line 33)	256,869,320	217,716,730	175,035,109	104,921,560	86,912,408
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	1,673,051,246	1,690,789,890	1,695,982,644	1,416,266,552	1,197,311,190
6. TOTAL Medical and Hospital Expenses (Line 18)	1,368,704,264	1,383,251,050	1,351,621,487	1,215,050,847	1,130,371,735
7. Claims adjustment expenses (Line 20)	92,488,400	93,269,676	89,112,502	93,657,151	85,775,902
8. TOTAL Administrative Expenses (Line 21)	150,263,832	151,980,763	160,252,412	130,639,008	79,244,800
9. Net underwriting gain (loss) (Line 24)	61,594,750	62,288,401	94,996,243	(23,080,454)	(98,081,247)
10. Net investment gain (loss) (Line 27)	2,593,848	3,822,538	3,713,914	3,798,751	2,452,271
11. TOTAL Other Income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	42,015,897	42,791,661	73,499,110	(21,974,824)	(64,415,657)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	49,702,790	42,721,975	(67,157,338)	151,423,410	(8,174,727)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	256,869,320	217,716,730	175,035,109	104,921,560	86,912,408
15. Authorized control level risk-based capital	52,582,804	53,197,301	51,819,531	47,404,533	43,032,479
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	382,727	393,856	403,278	415,198	418,045
17. TOTAL Members Months (Column 6, Line 7)	4,651,133	4,779,443	4,911,134	5,025,561	5,204,333
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	81.8	81.8	79.7	85.8	94.4
20. Cost containment expenses	3.3	3.3	3.0	3.8	2.1
21. Other claims adjustment expenses	2.2	2.2	2.2	2.8	5.1
22. TOTAL Underwriting Deductions (Line 23)	96.3	96.3	94.4	101.6	108.2
23. TOTAL Underwriting Gain (Loss) (Line 24)	3.7	3.7	5.6	(1.6)	(8.2)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	123,411,188	140,971,932	149,464,119	119,957,478	54,618,584
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	142,471,523	159,553,037	184,253,968	143,964,733	62,220,304
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. TOTAL of Above Lines 26 to 31	0	0	0	0	0
33. TOTAL investment in parent included in Lines 26 to 31 above	0	0	0	0	0

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

If no, please explain::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Volunteer State Health Plan, Inc. 2. LOCATION: BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR

NAIC Company Code 14046

NAIC Group Code 3498

	1		2		3		4		5		6		7		8		9		10		
	Total	Individual	Group		Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other										
TOTAL Members at end of:																					
1. Prior Year	393,856	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. First Quarter	387,653	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Second Quarter	387,658	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4. Third Quarter	388,005	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5. Current Year	382,727	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6. Current Year Member Months	4,651,133	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL Member Ambulatory Encounters for Year:																					
7. Physician	4,526,510	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8. Non-Physician	393,610	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9. TOTAL	4,920,120	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	317,773	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11. Number of Inpatient Admissions	44,064	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12. Health Premiums Written (b)	1,677,051,246	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13. Life Premiums Direct	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	1,673,051,246	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16. Property/Casualty Premiums Earned	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	1,368,005,103	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18. Amount Incurred for Provision of Health Care Services	1,368,704,264	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (c) For health business: amount of Medicare Title XVIII exempt from state taxes or fees \$0

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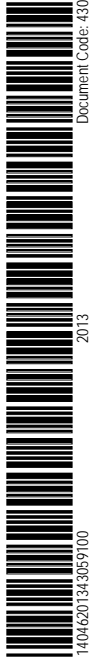


EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

NAIC Group Code 3498 NAIC Company Code 14046
 REPORT FOR: 1. CORPORATION: 2. LOCATION:
 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

	1		2		3		4	5	6	7	8	9	10
	Total	Individual	Comprehensive (Hospital & Medical)	Group	Medicare Supplement	Vision Only							
TOTAL Members at end of:													
1. Prior Year	393,856	0	0	0	0	0	0	0	0	0	0	393,856	0
2. First Quarter	387,653	0	0	0	0	0	0	0	0	0	0	387,653	0
3. Second Quarter	387,658	0	0	0	0	0	0	0	0	0	0	387,658	0
4. Third Quarter	388,005	0	0	0	0	0	0	0	0	0	0	388,005	0
5. Current Year	382,727	0	0	0	0	0	0	0	0	0	0	382,727	0
6. Current Year Member Months	4,651,133	0	0	0	0	0	0	0	0	0	0	4,651,133	0
TOTAL Member Ambulatory Encounters for Year:													
7. Physician	4,526,510	0	0	0	0	0	0	0	0	0	0	4,526,510	0
8. Non-Physician	393,610	0	0	0	0	0	0	0	0	0	0	393,610	0
9. TOTAL	4,920,120	0	0	0	0	0	0	0	0	0	0	4,920,120	0
10. Hospital Patient Days Incurred	317,773	0	0	0	0	0	0	0	0	0	0	317,773	0
11. Number of Inpatient Admissions	44,064	0	0	0	0	0	0	0	0	0	0	44,064	0
12. Health Premiums Written (b)	1,677,051,246	0	0	0	0	0	0	0	0	0	0	1,677,051,246	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	1,673,051,246	0	0	0	0	0	0	0	0	0	0	1,673,051,246	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	1,368,005,103	0	0	0	0	0	0	0	0	0	0	1,368,005,103	0
18. Amount Incurred for Provision of Health Care Services	1,368,704,264	0	0	0	0	0	0	0	0	0	0	1,368,704,264	0

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (c) For health business: amount of Medicare Title XVIII exempt from state taxes or fees \$0

SCHEDULE S - PART 1 - SECTION 2

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

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
9999999 Total (Sum of 0799999 and 1099999)						0	0	0	0	0	0

SCHEDULE S - PART 2

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

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">N O N E</h1> </div>						
9999999 Total (Sum of 1199999 and 2299999)					0	0

SCHEDULE S - PART 3 - SECTION 2

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

1	2	3	4	5	6	7	8	9	10 Outstanding Surplus Relief		12	13
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type	Premiums	Unearned Premiums (Estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE												
9999999 Total (Sum of 3499999 and 6899999)												0

SCHEDULE S - PART 4
Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+11+12 +13+14 But Not in Excess of Col. 8
9999999 Total (Sum of 2399999 and 3499999)														
				0	0	0	0	0	XX X	0	0	0	0	0

(e)

Issuing or Confirming Bank Reference Number	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Letters of Credit Amount
NONE				
				0

SCHEDULE S - PART 5
Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Credit Taken (Col. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Col. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8 not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance With Certified Reinsurers Due to Collateral Deficiency (Col. 14 - 25)
9999999	Total	(Sum of 23999999 and 34999999)																							

(a)

NONE	Issuing or Confirming Bank Name	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Letters of Credit Amount
				0

SCHEDULE S - PART 6
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2013	2 2012	3 2011	4 2010	5 2009
A. OPERATIONS ITEMS					
1. Premiums	0	0	0	0	0
2. Title XVIII-Medicare	0	0	0	0	0
3. Title XIX - Medicaid	0	0	0	0	0
4. Commissions and reinsurance expense allowance	0	0	0	0	0
5. TOTAL Hospital and Medical Expenses	0	0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable	0	0	0	0	0
7. Claims payable	0	0	0	0	0
8. Reinsurance recoverable on paid losses	0	0	0	0	0
9. Experience rating refunds due or unpaid	0	0	0	0	0
10. Commissions and reinsurance expense allowances due	0	0	0	0	0
11. Unauthorized reinsurance offset	0	0	0	0	0
12. Offset for reinsurance with Certified Reinsurers	NONE		X X X	X X X	X X X
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F)	0	0	0	0	0
14. Letters of credit (L)	0	0	0	0	0
15. Trust agreements (T)	0	0	0	0	0
16. Other (O)	0	0	0	0	0
D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple Beneficiary Trust	0	0	X X X	X X X	X X X
18. Funds deposited by and withheld from (F)	0	0	X X X	X X X	X X X
19. Letters of credit (L)	0	0	X X X	X X X	X X X
20. Trust agreements (T)	0	0	X X X	X X X	X X X
21. Other (O)	0	0	X X X	X X X	X X X

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	464,097,005	0	464,097,005
2. Accident and health premiums due and unpaid (Line 15)	0	0	0
3. Amounts recoverable from reinsurers (Line 16.1)	0	0	0
4. Net credit for ceded reinsurance	X X X	0	0
5. All other admitted assets (Balance)	14,094,339	0	14,094,339
6. TOTAL Assets (Line 28)	478,191,344	0	478,191,344
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	142,357,184	0	142,357,184
8. Accrued medical incentive pool and bonus payments (Line 2)	813,500	0	813,500
9. Premiums received in advance (Line 8)	0	0	0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)	0	0	0
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)	0	0	0
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)	0	0	0
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)	0	0	0
14. All other liabilities (Balance)	78,151,340	0	78,151,340
15. TOTAL Liabilities (Line 24)	221,322,024	0	221,322,024
16. TOTAL Capital and Surplus (Line 33)	256,869,320	X X X	256,869,320
17. TOTAL Liabilities, Capital and Surplus (Line 34)	478,191,344	0	478,191,344
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid	0		
19. Accrued medical incentive pool	0		
20. Premiums received in advance	0		
21. Reinsurance recoverable on paid losses	0		
22. Other ceded reinsurance recoverables	0		
23. TOTAL Ceded Reinsurance Recoverables	0		
24. Premiums receivable	0		
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26. Unauthorized reinsurance	0		
27. Reinsurance with Certified Reinsurers	0		
28. Funds held under reinsurance treaties with Certified Reinsurers	0		
29. Other ceded reinsurance payables/offsets	0		
30. TOTAL Ceded Reinsurance Payables/Offsets	0		
31. TOTAL Net Credit for Ceded Reinsurance	0		

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

State, Etc.	1 Active Status	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts	
1. Alabama (AL)	N	0	0	0	0	0	0	0	0	
2. Alaska (AK)	N	0	0	0	0	0	0	0	0	
3. Arizona (AZ)	N	0	0	0	0	0	0	0	0	
4. Arkansas (AR)	N	0	0	0	0	0	0	0	0	
5. California (CA)	N	0	0	0	0	0	0	0	0	
6. Colorado (CO)	N	0	0	0	0	0	0	0	0	
7. Connecticut (CT)	N	0	0	0	0	0	0	0	0	
8. Delaware (DE)	N	0	0	0	0	0	0	0	0	
9. District of Columbia (DC)	N	0	0	0	0	0	0	0	0	
10. Florida (FL)	N	0	0	0	0	0	0	0	0	
11. Georgia (GA)	N	0	0	0	0	0	0	0	0	
12. Hawaii (HI)	N	0	0	0	0	0	0	0	0	
13. Idaho (ID)	N	0	0	0	0	0	0	0	0	
14. Illinois (IL)	N	0	0	0	0	0	0	0	0	
15. Indiana (IN)	N	0	0	0	0	0	0	0	0	
16. Iowa (IA)	N	0	0	0	0	0	0	0	0	
17. Kansas (KS)	N	0	0	0	0	0	0	0	0	
18. Kentucky (KY)	N	0	0	0	0	0	0	0	0	
19. Louisiana (LA)	N	0	0	0	0	0	0	0	0	
20. Maine (ME)	N	0	0	0	0	0	0	0	0	
21. Maryland (MD)	N	0	0	0	0	0	0	0	0	
22. Massachusetts (MA)	N	0	0	0	0	0	0	0	0	
23. Michigan (MI)	N	0	0	0	0	0	0	0	0	
24. Minnesota (MN)	N	0	0	0	0	0	0	0	0	
25. Mississippi (MS)	N	0	0	0	0	0	0	0	0	
26. Missouri (MO)	N	0	0	0	0	0	0	0	0	
27. Montana (MT)	N	0	0	0	0	0	0	0	0	
28. Nebraska (NE)	N	0	0	0	0	0	0	0	0	
29. Nevada (NV)	N	0	0	0	0	0	0	0	0	
30. New Hampshire (NH)	N	0	0	0	0	0	0	0	0	
31. New Jersey (NJ)	N	0	0	0	0	0	0	0	0	
32. New Mexico (NM)	N	0	0	0	0	0	0	0	0	
33. New York (NY)	N	0	0	0	0	0	0	0	0	
34. North Carolina (NC)	N	0	0	0	0	0	0	0	0	
35. North Dakota (ND)	N	0	0	0	0	0	0	0	0	
36. Ohio (OH)	N	0	0	0	0	0	0	0	0	
37. Oklahoma (OK)	N	0	0	0	0	0	0	0	0	
38. Oregon (OR)	N	0	0	0	0	0	0	0	0	
39. Pennsylvania (PA)	N	0	0	0	0	0	0	0	0	
40. Rhode Island (RI)	N	0	0	0	0	0	0	0	0	
41. South Carolina (SC)	N	0	0	0	0	0	0	0	0	
42. South Dakota (SD)	N	0	0	0	0	0	0	0	0	
43. Tennessee (TN)	L	0	0	1,677,051,246	0	0	0	1,677,051,246	0	
44. Texas (TX)	N	0	0	0	0	0	0	0	0	
45. Utah (UT)	N	0	0	0	0	0	0	0	0	
46. Vermont (VT)	N	0	0	0	0	0	0	0	0	
47. Virginia (VA)	N	0	0	0	0	0	0	0	0	
48. Washington (WA)	N	0	0	0	0	0	0	0	0	
49. West Virginia (WV)	N	0	0	0	0	0	0	0	0	
50. Wisconsin (WI)	N	0	0	0	0	0	0	0	0	
51. Wyoming (WY)	N	0	0	0	0	0	0	0	0	
52. American Samoa (AS)	N	0	0	0	0	0	0	0	0	
53. Guam (GU)	N	0	0	0	0	0	0	0	0	
54. Puerto Rico (PR)	N	0	0	0	0	0	0	0	0	
55. U.S. Virgin Islands (VI)	N	0	0	0	0	0	0	0	0	
56. Northern Mariana Islands (MP)	N	0	0	0	0	0	0	0	0	
57. Canada (CAN)	N	0	0	0	0	0	0	0	0	
58. Aggregate other alien (OT)	X X X	0	0	0	0	0	0	0	0	
59. Subtotal	X X X	0	0	1,677,051,246	0	0	0	1,677,051,246	0	
60. Reporting entity contributions for Employee Benefit Plans	X X X	0	0	0	0	0	0	0	0	
61. TOTAL (Direct Business)	(a) 1	0	0	1,677,051,246	0	0	0	1,677,051,246	0	
DETAILS OF WRITE-INS										
5801.	X X X	0	0	0	0	0	0	0	0	
5802.	X X X	0	0	0	0	0	0	0	0	
5803.	X X X	0	0	0	0	0	0	0	0	
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0	0	0	0	
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	0	0	0	0	0	0	0	0	

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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: The company only has business in State of Tennessee.

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

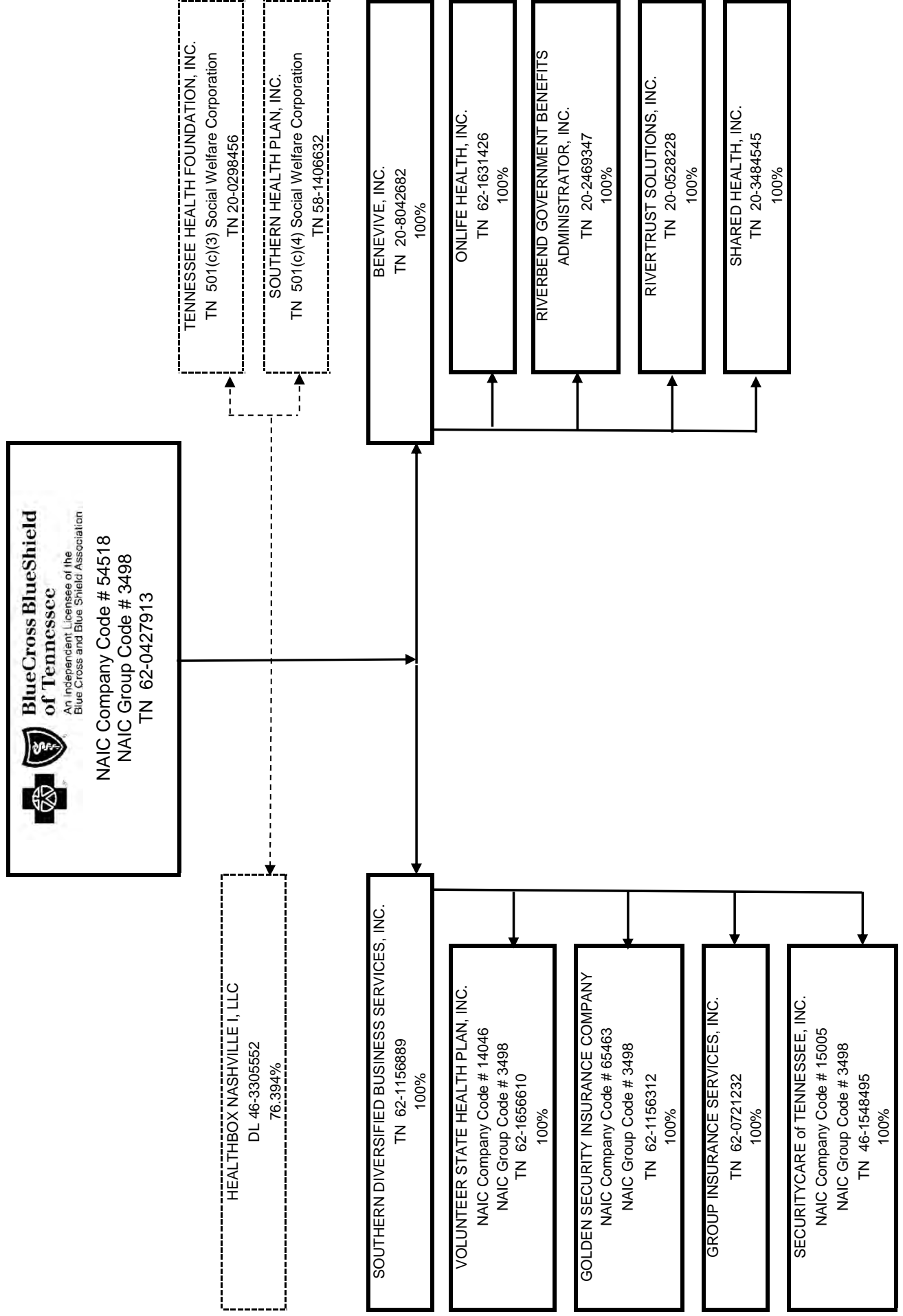
Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)	0	0	0	0	0	0
2. Alaska (AK)	0	0	0	0	0	0
3. Arizona (AZ)	0	0	0	0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

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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 Comp-any Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relation-ship to Report-ing 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)	
3498	BlueCross BlueShield of Tennessee	54518 00000	62-0427913 62-1156889				BlueCross BlueShield of Tennessee, Inc. Southern Diversified Business Services, Inc. Volunteer State Health Plan, Inc.	TN TN TN	UIP UDP	BlueCross BlueShield of Tennessee, Inc. Southern Diversified Business Services, Inc.	Ownership	0.0 100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee	14046	62-1656610				Golden Security Insurance Company	TN	RE	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee, Inc.	65463	62-1156312				SecurityCare of Tennessee, Inc.	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		15005 00000	46-1548495 62-0721232				Group Insurance Services	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-8042682				BeneVive, Inc.	TN	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	62-1631426				Onlife Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-2469347				Riverbend Government Benefits Administrator, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-0528228				River Trust Solutions, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-3484545				Shared Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	58-1406632				Southern Health Plan	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors	0.0	BlueCross BlueShield of Tennessee, Inc.	0000002
0000		00000	20-0298456				Tennessee Health Foundation, Inc.	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors	0.0	BlueCross BlueShield of Tennessee, Inc.	0000001
0000		00000	42-3305552				Healthbox Nashville I, Inc.	DE	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership, Influence	76.4	BlueCross BlueShield of Tennessee, Inc.	

Explanation

Asterisk														
0000001	BlueCross BlueShield of Tennessee, Inc.													
0000002	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Tennessee Health Foundation, Inc. BlueCross BlueShield of Tennessee, Inc. appoints the Board of Southern Health Plan, Inc. doing business as BlueCross BlueShield of Tennessee Community Trust													

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/(Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
14046	62-1656610	VOLUNTEER STATE HLTH PLAN INC	0	0	0	0	(107,175,548)	0		0	(107,175,548)	0
54518	62-0427913	BCBS OF TN INC - Cover Kids	0	0	0	0	(1,463,142)	0		0	(1,463,142)	0
54518	62-0427913	BCBS OF TN INC - Access TN	0	0	0	0	(768,552)	0		0	(768,552)	0
54518	62-0427913	BCBS OF TN INC - Cover TN	0	0	0	0	(544,409)	0		0	(544,409)	0
54518	62-0427913	BCBS OF TN INC	0	0	0	0	109,951,651	0		0	109,951,651	0
9999999	Control Totals		0	0	0	0	0	0	XX	0	0	0

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

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

MARCH FILING

- | | |
|---|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | Yes |
| 2. Will an actuarial opinion be filed by March 1? | Yes |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? | Yes |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes |

APRIL FILING

- | | |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1? | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | Yes |

JUNE FILING

- | | |
|--|-----|
| 8. Will an audited financial report be filed by June 1? | Yes |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes |

AUGUST FILING

- | | |
|--|-----|
| 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? | Yes |
|--|-----|

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

MARCH FILING

- | | |
|--|----|
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | No |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | No |
| 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | No |
| 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | No |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | No |
| 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | No |
| 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? | No |
| 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? | No |

APRIL FILING

- | | |
|--|----|
| 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | No |
| 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | No |
| 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | No |
| 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? | No |
| 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? | No |

AUGUST FILING

- | | |
|--|-----|
| 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | Yes |
|--|-----|

Explanations:

Bar Codes:

Medicare Supplement Insurance Experience Exhibit
1404620133600000 2013 Document Code: 360

Health Property / Casualty Supplement
1404620132070000 2013 Document Code: 207

Actuarial Opinion on Participating and Non-Participating Policies
1404620133710000 2013 Document Code: 371

Medicare Part D Coverage Supplement
1404620133650000 2013 Document Code: 365

Approval for Relief related to one-year cooling off period for inde. CPA
1404620132250000 2013 Document Code: 225

Health Life Supplement
1404620132050000 2013 Document Code: 205

Schedule SIS
1404620134200000 2013 Document Code: 420

Statement of Non-Guaranteed Elements for Exhibit 5
1404620133700000 2013 Document Code: 370

Approval for Relief related to five-year rotation for lead Audit Partner
1404620132240000 2013 Document Code: 224

Approval for Relief related to Require. for Audit Committees
1404620132260000 2013 Document Code: 226

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

LTC Supplemental Interrogatories



1404620133060000

2013

Document Code: 306

Health Life Supplement - LHA Guaranty Association Reconciliation



1404620132110000

2013

Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit



1404620132130000

2013

Document Code: 213

Supplemental Health Care Exhibit



1404620132160000

2013

Document Code: 216

Supplemental Health Care Exhibit's Expense Allocation Report



1404620132170000

2013

Document Code: 217

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Liquidated Damages Accrual	0	0	0	16,272
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	0	0	0	16,272

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	56,943,550	12.270	56,943,550	0	56,943,550	12.270
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	0	0.000	0	0	0	0.000
1.22 Issued by U.S. government sponsored agencies	18,018,997	3.883	18,018,997	0	18,018,997	3.883
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	0	0.000	0	0	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	0	0.000	0	0	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	2,375,851	0.512	2,375,851	0	2,375,851	0.512
1.43 Revenue and assessment obligations	2,733,182	0.589	2,733,182	0	2,733,182	0.589
1.44 Industrial development and similar obligations	0	0.000	0	0	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA	0	0.000	0	0	0	0.000
1.512 Issued or Guaranteed by FNMA and FHLMC	15,294,361	3.296	15,294,361	0	15,294,361	3.296
1.513 All other	0	0.000	0	0	0	0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	19,978,516	4.305	19,978,516	0	19,978,516	4.305
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.000	0	0	0	0.000
1.523 All other	19,156,936	4.128	19,156,936	0	19,156,936	4.128
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	223,695,847	48.200	223,695,847	0	223,695,847	48.200
2.2 Unaffiliated Non-U.S. securities (including Canada)	32,784,541	7.064	32,784,541	0	32,784,541	7.064
2.3 Affiliated securities	0	0.000	0	0	0	0.000
3. Equity interests:						
3.1 Investments in mutual funds	0	0.000	0	0	0	0.000
3.2 Preferred stocks:						
3.21 Affiliated	0	0.000	0	0	0	0.000
3.22 Unaffiliated	0	0.000	0	0	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	0	0.000	0	0	0	0.000
3.32 Unaffiliated	0	0.000	0	0	0	0.000
3.4 Other equity securities:						
3.41 Affiliated	0	0.000	0	0	0	0.000
3.42 Unaffiliated	0	0.000	0	0	0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	0	0.000	0	0	0	0.000
3.52 Unaffiliated	0	0.000	0	0	0	0.000
4. Mortgage loans:						
4.1 Construction and land development	0	0.000	0	0	0	0.000
4.2 Agricultural	0	0.000	0	0	0	0.000
4.3 Single family residential properties	0	0.000	0	0	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0	0	0.000
4.5 Commercial loans	0	0.000	0	0	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0	0	0.000
5. Real estate investments:						
5.1 Property occupied by company	0	0.000	0	0	0	0.000
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)	0	0.000	0	0	0	0.000
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)	0	0.000	0	0	0	0.000
6. Contract loans	0	0.000	0	0	0	0.000
7. Derivatives	0	0.000	0	0	0	0.000
8. Receivables for securities	2,731,709	0.589	2,731,709	0	2,731,709	0.589
9. Securities Lending (Line 10, Asset Page reinvested collateral)	0	0.000	0	X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	70,383,514	15.166	70,383,514	0	70,383,514	15.166
11. Other invested assets	0	0.000	0	0	0	0.000
12. Total invested assets	464,097,005	100.000	464,097,005	0	464,097,005	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)	0	
2.2 Additional investment made after acquisition (Part 2, Column 9)	0	0
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13	0	
3.2 Totals, Part 3, Column 11	0	0
4. Total gain (loss) on disposals, Part 3, Column 18		0
5. Deduct amounts received on disposals, Part 3, Column 15		0
6. Total foreign exchange change in book/adjusted carrying value	NONE	
6.1 Totals, Part 1, Column 15	0	
6.2 Totals, Part 3, Column 13	0	0
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 Totals, Part 1, Column 12	0	
7.2 Totals, Part 3, Column 10	0	0
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11	0	
8.2 Totals, Part 3, Column 9	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		0
10. Deduct total nonadmitted amounts		0
11. Statement value at end of current period (Lines 9 minus 10)		0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7)	0	
2.2 Additional investment made after acquisition (Part 2, Column 8)	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12	0	
3.2 Totals, Part 3, Column 11	0	0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9	0	
5.2 Totals, Part 3, Column 8	0	0
6. Total gain (loss) on disposals, Part 3, Column 18		0
7. Deduct amounts received on disposals, Part 3, Column 15	NONE	
8. Deduct amortization of premium and mortgage interest		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
9.1 Totals, Part 1, Column 13	0	
9.2 Totals, Part 3, Column 13	0	0
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 11	0	
10.2 Totals, Part 3, Column 10	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		0
12. Total valuation allowance		0
13. Subtotal (Lines 11 plus 12)		0
14. Deduct total nonadmitted amounts		0
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		0
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8)	0	
2.2	Additional investment made after acquisition (Part 2, Column 9)	0	0
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 16	0	
3.2	Totals, Part 3, Column 12	0	0
4.	Accrual of discount		0
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 13	0	
5.2	Totals, Part 3, Column 9	0	0
6.	Total gain (loss) on disposals, Part 3, Column 19	NONE	0
7.	Deduct amounts received on disposals, Part 3, Column 18		0
8.	Deduct amortization of premium and depreciation		0
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17	0	
9.2	Totals, Part 3, Column 14	0	0
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 15	0	
10.2	Totals, Part 3, Column 11	0	0
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		0
12.	Deduct total nonadmitted amounts		0
13.	Statement value at end of current period (Line 11 minus Line 12)		0

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		265,079,879
2.	Cost of bonds and stocks acquired, Part 3, Column 7		335,873,342
3.	Accrual of Discount		119,488
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12	0	
4.2	Part 2, Section 1, Column 15	0	
4.3	Part 2, Section 2, Column 13	0	
4.4	Part 4, Column 11	0	0
5.	Total gain (loss) on disposals, Part 4, Column 19		(176,514)
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		205,306,939
7.	Deduct amortization of premium		4,607,474
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15	0	
8.2	Part 2, Section 1, Column 19	0	
8.3	Part 2, Section 2, Column 16	0	
8.4	Part 4, Column 15	0	0
9.	Deduct current year's other-than-temporary impairment recognized:		
9.1	Part 1, Column 14	0	
9.2	Part 2, Section 1, Column 17	0	
9.3	Part 2, Section 2, Column 14	0	
9.4	Part 4, Column 13	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		390,981,782
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)		390,981,782

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	60,660,598	60,573,551	60,764,547	60,184,137
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	60,660,598	60,573,551	60,764,547	60,184,137
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	2,375,851	2,373,572	2,389,830	2,372,663
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	52,308,009	52,522,691	52,822,025	50,996,804
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States	242,852,783	243,026,388	245,773,558	229,614,569
	9. Canada	9,474,344	9,497,237	9,591,148	9,350,000
	10. Other Countries	23,310,197	23,398,539	23,373,678	23,292,000
	11. Totals	275,637,324	275,922,164	278,738,384	262,256,569
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	390,981,782	391,391,978	394,714,786	375,810,173
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States	0	0	0	0
	15. Canada	0	0	0	0
	16. Other Countries	0	0	0	0
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	0
	19. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	0	0	0	0
	21. Canada	0	0	0	0
	22. Other Countries	0	0	0	0
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	0
	25. Total Common Stocks	0	0	0	0
	26. Total Stocks	0	0	0	0
	27. Total Bonds and Stocks	390,981,782	391,391,978	394,714,786	375,810,173

SCHEDULE D - PART 1A - SECTION 1**Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations**

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1	13,995,892	46,664,706	0	0	0	60,660,598	14.36	38,811,003	8.88	60,660,598	0
1.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
1.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
1.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
1.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
1.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
1.7 TOTALS	13,995,892	46,664,706	0	0	0	60,660,598	14.36	38,811,003	8.88	60,660,598	0
2. All Other Governments											
2.1 NAIC 1	0	0	0	0	0	0	0.00	0	0.00	0	0
2.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
2.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
2.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
2.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
2.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
2.7 TOTALS	0	0	0	0	0	0	0.00	0	0.00	0	0
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 NAIC 1	0	0	0	0	0	0	0.00	0	0.00	0	0
3.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
3.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
3.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
3.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
3.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
3.7 TOTALS	0	0	0	0	0	0	0.00	0	0.00	0	0
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 NAIC 1	311,434	2,064,417	0	0	0	2,375,851	0.56	1,213,399	0.28	2,375,851	0
4.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
4.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
4.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
4.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
4.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
4.7 TOTALS	311,434	2,064,417	0	0	0	2,375,851	0.56	1,213,399	0.28	2,375,851	0
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 NAIC 1	23,265,133	22,276,252	3,061,754	3,421,797	283,073	52,308,009	12.38	85,167,237	19.49	52,308,009	0
5.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
5.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
5.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
5.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
5.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
5.7 TOTALS	23,265,133	22,276,252	3,061,754	3,421,797	283,073	52,308,009	12.38	85,167,237	19.49	52,308,009	0

SCHEDULE D - PART 1A - SECTION 1 (Continued)**Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations**

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 NAIC 1	136,230,797	155,694,115	2,385,725	0	0	294,310,637	69.65	311,722,912	71.35	269,943,522	24,367,115
6.2 NAIC 2	0	12,883,384	0	0	0	12,883,384	3.05	0	0.00	12,883,384	0
6.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
6.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
6.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
6.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
6.7 TOTALS	136,230,797	168,577,499	2,385,725	0	0	307,194,021	72.70	311,722,912	71.35	282,826,906	24,367,115
7. Hybrid Securities											
7.1 NAIC 1	0	0	0	0	0	0	0.00	0	0.00	0	0
7.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
7.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
7.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
7.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
7.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
7.7 TOTALS	0	0	0	0	0	0	0.00	0	0.00	0	0
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1	0	0	0	0	0	0	0.00	0	0.00	0	0
8.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	0	0
8.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	0
8.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	0
8.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	0
8.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	0
8.7 TOTALS	0	0	0	0	0	0	0.00	0	0.00	0	0

SCHEDULE D - PART 1A - SECTION 1 (Continued)**Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations**

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d) 173,803,256	226,699,490	5,447,479	3,421,797	283,073	409,655,095	96.95	X X X	X X X	385,287,980	24,367,115
9.2 NAIC 2	(d) 0	12,883,384	0	0	0	12,883,384	3.05	X X X	X X X	12,883,384	0
9.3 NAIC 3	(d) 0	0	0	0	0	0	0.00	X X X	X X X	0	0
9.4 NAIC 4	(d) 0	0	0	0	0	0	0.00	X X X	X X X	0	0
9.5 NAIC 5	(d) 0	0	0	0	0	(c)	0.00	X X X	X X X	0	0
9.6 NAIC 6	(d) 0	0	0	0	0	(c)	0.00	X X X	X X X	0	0
9.7 TOTALS	173,803,256	239,582,874	5,447,479	3,421,797	283,073	422,538,479	100.00	X X X	X X X	398,171,364	24,367,115
9.8 Line 9.7 as a % of Column 6	41.13	56.70	1.29	0.81	0.07	100.00	X X X	X X X	X X X	94.23	5.77
10. Total Bonds Prior Year											
10.1 NAIC 1	215,724,934	210,177,645	5,745,384	4,751,599	514,989	X X X	X X X	X X X	100.00	423,560,662	13,353,889
10.2 NAIC 2	0	0	0	0	0	X X X	X X X	0.00	0.00	0	0
10.3 NAIC 3	0	0	0	0	0	X X X	X X X	0.00	0.00	0	0
10.4 NAIC 4	0	0	0	0	0	X X X	X X X	0.00	0.00	0	0
10.5 NAIC 5	0	0	0	0	0	X X X	X X X	0.00	0.00	0	0
10.6 NAIC 6	0	0	0	0	0	X X X	X X X	0.00	0.00	0	0
10.7 TOTALS	215,724,934	210,177,645	5,745,384	4,751,599	514,989	X X X	X X X	100.00	X X X	423,560,662	13,353,889
10.8 Line 10.7 as a % of Col. 8	49.37	48.10	1.31	1.09	0.12	X X X	X X X	X X X	X X X	96.94	3.06
11. Total Publicly Traded Bonds											
11.1 NAIC 1	166,442,826	209,692,805	5,447,479	3,421,797	283,073	385,287,980	91.18	423,560,662	96.94	385,287,980	X X X
11.2 NAIC 2	0	12,883,384	0	0	0	12,883,384	3.05	0	0.00	12,883,384	X X X
11.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	0	X X X
11.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	0	X X X
11.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	0	X X X
11.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	0	X X X
11.7 TOTALS	166,442,826	222,576,189	5,447,479	3,421,797	283,073	398,171,364	94.23	423,560,662	96.94	398,171,364	X X X
11.8 Line 11.7 as a % of Col. 6	41.80	55.90	1.37	0.86	0.07	100.00	X X X	X X X	X X X	100.00	X X X
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	39.39	52.68	1.29	0.81	0.07	94.23	X X X	X X X	X X X	94.23	X X X
12. Total Privately Placed Bonds											
12.1 NAIC 1	7,360,431	17,006,684	0	0	0	24,367,115	5.77	13,353,889	3.06	X X X	24,367,115
12.2 NAIC 2	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.3 NAIC 3	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.4 NAIC 4	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.5 NAIC 5	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.6 NAIC 6	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.7 TOTALS	7,360,431	17,006,684	0	0	0	24,367,115	5.77	13,353,889	3.06	X X X	24,367,115
12.8 Line 12.7 as a % of Col. 6	30.21	69.79	0.00	0.00	0.00	100.00	X X X	X X X	X X X	X X X	100.00
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	1.74	4.02	0.00	0.00	0.00	5.77	X X X	X X X	X X X	X X X	5.77

(a) Includes \$.....23,367,115 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

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

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

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....5,031,329; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.5	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
1.	U.S. Governments											
	1.1 Issuer Obligations	12,508,393	44,435,157	0	0	0	56,943,550	13.48	37,882,739	8.67	56,943,550	0
	1.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	1.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	1.4 Other Loan-Backed and Structured Securities	1,487,499	2,229,549	0	0	0	3,717,048	0.88	928,264	0.21	3,717,048	0
	1.5 Totals	13,995,892	46,664,706	0	0	0	60,660,598	14.36	38,811,003	8.88	60,660,598	0
2.	All Other Governments											
	2.1 Issuer Obligations	0	0	0	0	0	0	0.00	0	0.00	0	0
	2.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	2.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	2.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	2.5 Totals	0	0	0	0	0	0	0.00	0	0.00	0	0
3.	U.S. States, Territories and Possessions, Guaranteed											
	3.1 Issuer Obligations	0	0	0	0	0	0	0.00	0	0.00	0	0
	3.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	3.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	3.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	3.5 Totals	0	0	0	0	0	0	0.00	0	0.00	0	0
4.	U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
	4.1 Issuer Obligations	311,434	2,064,417	0	0	0	2,375,851	0.56	0	0.00	2,375,851	0
	4.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	4.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	4.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	4.5 Totals	311,434	2,064,417	0	0	0	2,375,851	0.56	1,213,399	0.28	2,375,851	0
5.	U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
	5.1 Issuer Obligations	9,022,776	11,729,403	0	0	0	20,752,179	4.91	57,621,940	13.19	20,752,179	0
	5.2 Residential Mortgage-Backed Securities	11,724,142	8,708,875	3,061,754	3,421,797	283,073	27,199,641	6.44	16,569,546	3.79	27,199,641	0
	5.3 Commercial Mortgage-Backed Securities	2,518,215	1,837,974	0	0	0	4,356,189	1.03	7,195,980	1.65	4,356,189	0
	5.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	3,779,971	0.87	0	0
	5.5 Totals	23,265,133	22,276,252	3,061,754	3,421,797	283,073	52,308,009	12.38	85,167,237	19.49	52,308,009	0
6.	Industrial and Miscellaneous											
	6.1 Issuer Obligations	82,803,469	144,765,623	2,385,725	0	0	229,954,817	54.42	265,701,896	60.81	212,097,176	17,857,641
	6.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	6.3 Commercial Mortgage-Backed Securities	7,404,501	11,752,435	0	0	0	19,156,936	4.53	13,808,909	3.16	19,156,936	0
	6.4 Other Loan-Backed and Structured Securities	46,022,827	12,059,441	0	0	0	58,082,268	13.75	32,212,107	7.37	51,572,794	6,509,474
	6.5 Totals	136,230,797	168,577,499	2,385,725	0	0	307,194,021	72.70	311,722,912	71.35	282,826,906	24,367,115
7.	Hybrid Securities											
	7.1 Issuer Obligations	0	0	0	0	0	0	0.00	0	0.00	0	0
	7.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	7.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	7.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	7.5 Totals	0	0	0	0	0	0	0.00	0	0.00	0	0
8.	Parent, Subsidiaries and Affiliates											
	8.1 Issuer Obligations	0	0	0	0	0	0	0.00	0	0.00	0	0
	8.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	8.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	8.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.00	0	0.00	0	0
	8.5 Totals	0	0	0	0	0	0	0.00	0	0.00	0	0

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

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	104,646,072	202,994,600	2,385,725	0	0	310,026,397	73.37	X X X	X X X	292,168,756	17,857,641
9.2 Residential Mortgage-Backed Securities	11,724,142	8,708,875	3,061,754	3,421,797	283,073	27,199,641	6.44	X X X	X X X	27,199,641	0
9.3 Commercial Mortgage-Backed Securities	9,922,716	13,590,409	0	0	0	23,513,125	5.56	X X X	X X X	23,513,125	0
9.4 Other Loan-Backed and Structured Securities	47,510,326	14,288,990	0	0	0	61,799,316	14.63	X X X	X X X	55,289,842	6,509,474
9.5 Totals	173,803,256	239,582,874	5,447,479	3,421,797	283,073	422,538,479	100.00	X X X	X X X	398,171,364	24,367,115
9.6 Line 9.5 as a % of Col. 6	41.13	56.70	1.29	0.81	0.07	100.00	X X X	X X X	X X X	94.23	5.77
10. Total Bonds Prior Year											
10.1 Issuer Obligations	186,313,487	174,892,988	0	0	0	X X X	X X X	361,206,475	82.67	349,502,188	11,704,287
10.2 Residential Mortgage-Backed Securities	2,232,722	6,200,168	3,576,262	4,045,405	514,989	X X X	X X X	16,569,546	3.79	16,569,546	0
10.3 Commercial Mortgage-Backed Securities	8,753,444	11,885,301	362,568	3,476	0	X X X	X X X	21,004,789	4.81	21,004,789	0
10.4 Other Loan-Backed and Structured Securities	18,425,281	17,199,188	1,806,554	702,718	0	X X X	X X X	38,133,741	8.73	36,484,139	1,649,602
10.5 Totals	215,724,934	210,177,645	5,745,384	4,751,599	514,989	X X X	X X X	436,914,551	100.00	423,560,662	13,353,889
10.6 Line 10.5 as a % of Col. 8	49.37	48.10	1.31	1.09	0.12	X X X	X X X	100.00	X X X	96.94	3.06
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	100,887,781	188,895,251	2,385,725	0	0	292,168,757	69.15	349,502,188	79.99	292,168,757	X X X
11.2 Residential Mortgage-Backed Securities	11,724,142	8,708,875	3,061,754	3,421,797	283,073	27,199,641	6.44	16,569,546	3.79	27,199,641	X X X
11.3 Commercial Mortgage-Backed Securities	9,922,716	13,590,408	0	0	0	23,513,124	5.56	21,004,789	4.81	23,513,124	X X X
11.4 Other Loan-Backed and Structured Securities	43,908,187	11,381,655	0	0	0	55,289,842	13.09	36,484,139	8.35	55,289,842	X X X
11.5 Totals	166,442,826	222,576,189	5,447,479	3,421,797	283,073	398,171,364	94.23	423,560,662	96.94	398,171,364	X X X
11.6 Line 11.5 as a % of Col. 6	41.80	55.90	1.37	0.86	0.07	X X X	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	39.39	52.68	1.29	0.81	0.07	X X X	X X X	X X X	X X X	94.23	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations	3,758,293	14,099,348	0	0	0	17,857,641	4.23	11,704,287	2.68	X X X	17,857,641
12.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.00	0	0.00	X X X	0
12.4 Other Loan-Backed and Structured Securities	3,602,138	2,907,336	0	0	0	6,509,474	1.54	1,649,602	0.38	X X X	6,509,474
12.5 Totals	7,360,431	17,006,684	0	0	0	24,367,115	5.77	13,353,889	3.06	X X X	24,367,115
12.6 Line 12.5 as a % of Col. 6	30.21	69.79	0.00	0.00	0.00	X X X	X X X	X X X	X X X	X X X	100.00
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	1.74	4.02	0.00	0.00	0.00	X X X	X X X	X X X	X X X	X X X	5.77

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	169,312,724	169,312,724	0	0	0
2. Cost of short-term investments acquired	1,823,399,173	1,823,399,173	0	0	0
3. Accrual of discount	1,132	1,132	0	0	0
4. Unrealized valuation increase (decrease)	(1,132)	(1,132)	0	0	0
5. Total gain (loss) on disposals	903	903	0	0	0
6. Deduct consideration received on disposals	1,961,067,240	1,961,067,240	0	0	0
7. Deduct amortization of premium	88,863	88,863	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0	0	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0	0	0	0
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	31,556,697	31,556,697	0	0	0
11. Deduct total nonadmitted amounts	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	31,556,697	31,556,697	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

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

NONE

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

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

NONE

SCHEDULE DB - PART C - SECTION 1

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

1 Replication RSAT Number	Replication (Synthetic Asset) Transactions				Components of the Replication (Synthetic Asset) Transactions											
	2 Description	3 NAIC Designation or Other Description	4 Notional Amount	5 Book/Adjusted Carrying Value	6 Fair Value	7 Effective Date	8 Maturity Date	Derivative Instrument(s) Open		Cash Instrument(s) Held						
								9 Description	10 Book/Adjusted Carrying Value	11 Fair Value	12 CUSIP	13 Description	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value	
								NONE								
				0				XXX	0	0	XXX		XXX	0	0	0
				0				XXX	0	0	XXX		XXX	0	0	0

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value	Number of Positions	Total Replication (Synthetic Asset) Statement Value
1. Beginning Inventory	0	0	0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions	0	0	0	0	0	0	0	0	0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	X X X	0	NONE		X X X	0	X X X	0	X X X	0
4. Less: Closed or Disposed of Transactions	0	0	0	0	0	0	0	0	0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria	0	0	0	0	0	0	0	0	0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	X X X	0	X X X	0	X X X	0	X X X	0	X X X	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

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

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

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

NONE

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

SCHEDULE E - VERIFICATION BETWEEN YEARS (Cash Equivalents)

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	2,698,693	2,698,693	0
2. Cost of cash equivalents acquired	42,567,113	42,567,113	0
3. Accrual of discount	570	570	0
4. Unrealized valuation increase (decrease)	(570)	(570)	0
5. Total gain (loss) on disposals	0	0	0
6. Deduct consideration received on disposals	45,265,806	45,265,806	0
7. Deduct amortization of premium	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0	0
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	0	0	0
11. Deduct total nonadmitted amounts	0	0	0
12. Statement value at end of current period (Lines 10 minus 11)	0	0	0

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

SCHEDULE A - PART 1
Showing all Real Estate OWNED December 31 of Current Year

1 Description of Property	2 Code	3 Location		4 State	5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	11 Current Year's Depreciation	12 Current Year's Other-Than- Temporary Impairment Recognized	13 Current Year's Change in Encumbrances	14 Total Change in B/A.C.V. (13 - 11 - 12)	15 Total Foreign Exchange Change in B/A.C.V.	16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs, and Expenses Incurred		
		3 City	4 State																
NONE																			
0699999 Totals																			
													0	0	0	0	0	0	0

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED and Additions Made During the Year

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
NONE								
0399999 Totals					0	0	0	0

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	9 Current Year's Depreciation	10 Current Year's Other-Than- Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B/A C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B/A C.V.	14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred											
	2 City	3 State																												
NONE																														
0399999 Totals													0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE B - PART 1
Showing All Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	3 Location		4 State	5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	Change in Book Value/Recorded Investment				14 Value of Land and Buildings	15 Date of Last Appraisal or Valuation
		9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Amortization)/Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Foreign Exchange Change in Book Value								
NONE														
3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999) 0														

General Interrogatory:

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

SCHEDULE B - PART 2
Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisition	9 Value of Land and Buildings
	2 City	3 State						
NONE								
3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999)						0	0	0

SCHEDULE B - PART 3

Showing All Mortgage Loans Disposed, Transferred or Repaid During the Current Year

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9+10+11)	13 Total Foreign Exchange Change in Book Value	14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consi- der- ation	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal											
	3 State	City																										
NONE																												
0599999 Totals													0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE BA - PART 1

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

1 CUSIP Identification	2 Name or Description	3 Code	4 Location		5 State	6 Name of Vendor or General Partner	7 NAIC Designation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/ Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership									
			13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization)/ Accretion									15 Current Year's Other-Than- Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B/A C.V.														
NONE													0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
469999 Totals													0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets Acquired and Additions Made December 31 of Current Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After Acquisition	10 Amount of Encumbrances	11 Percentage of Ownership
		3 City	4 State							
NONE										
4699999 Totals 0 0 0 XXX										

SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	3 Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income		
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than- Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)							14 Total Foreign Exchange Change in B./A.C.V.	
NONE								0	0	0	0	0	0	0	0	0	0	0	0	0
4699999 Totals								0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE D - PART 2 - SECTION 1
Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusted Carrying Value	9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		11 Actual Cost	12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Change in Book/Adjusted Carrying Value			20 NAIC Designation	21 Date Acquired			
		3	4						9	10					15	16	17			18	19	
																Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.		
									NONE													
	8999999 Total Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

SCHEDULE D - PART 2 - SECTION 2
Showing All Common Stocks Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	7 Rate per Share Used to Obtain Fair Value	8 Fair Value		9 Actual Cost	10 Dividends		12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.	17 NAIC Market Indicator (a)	18 Date Acquired	
		3	4				11 Amount Received During Year	11 Declared but Unpaid											
<p>989999 Total Preferred and Common Stocks 0 X X X 0</p> <p>(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues 0, the total \$ value (included in Column 8) of all such issues \$ 0.</p>																			
<div style="border: 2px solid black; padding: 10px; display: inline-block; font-size: 2em; font-weight: bold;">N O N E</div>																			

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
912828RF9	U S TREASURY NOTE		11/27/2013	VARIOUS	XXX	20,653,684	20,410,000	35,304
912828RV4	U S TREASURY NOTE		04/16/2013	Credit Suisse	XXX	8,004,375	8,000,000	6,758
912828UK4	U S TREASURY NOTE		02/13/2013	Morgan Stanley	XXX	2,498,926	2,500,000	242
912828VG2	U S TREASURY NOTE		11/27/2013	VARIOUS	XXX	20,579,146	20,655,000	23,048
912828VL1	U S TREASURY NOTE		12/31/2013	VARIOUS	XXX	6,103,614	6,084,000	15,837
0599999	Subtotal - Bonds - U.S. Governments					57,839,745	57,649,000	81,190
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)								
491189FC5	KENTUCKY ASSET / LIABILITY COM		01/09/2013	Citigroup Global Markets	XXX	545,043	520,000	4,709
645913AU8	NEW JERSEY ST ECON DEV AUTH LE		09/18/2013	VARIOUS	XXX	932,176	980,000	0
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)					1,477,219	1,500,000	4,709
Bonds - U.S. Special Revenue, Special Assessment								
313383O79	FEDERAL HOME LN BK CONS BD		07/17/2013	Barclays Cap	XXX	1,800,136	1,800,000	0
313383O71	FEDERAL HOME LN BK CONS BD		07/17/2013	Barclays Cap	XXX	1,200,030	1,200,000	0
313383V81	FEDERAL HOME LN BK CONS BD		08/08/2013	Deutsche Bank Secs	XXX	2,999,880	3,000,000	0
3134G42V9	FEDERAL HOME LN MTG CORP		04/26/2013	BMO Capital Markets Corp.	XXX	2,999,970	3,000,000	0
31300LW50	FHLMC POOL #84-8768		05/01/2013	Goldman Sachs NY	XXX	3,739,623	3,511,899	5,116
31398JG80	FHLMC MULTICLASS MTG 3563 CA		09/05/2013	Morgan Stanley	XXX	1,363,756	1,297,463	1,297
3137ACK99	FHLMC MULTICLASS MTG 3876 CA		12/05/2013	Morgan Stanley	XXX	3,128,170	3,025,127	2,080
3137AJYX6	FHLMC MULTICLASS MTG 3977 AD		05/22/2013	Barclays	XXX	2,463,217	2,376,511	5,347
31418MEX6	FNMA POOL #AD0149		01/02/2013	Nomura Secs NY	XXX	1,066,455	903,775	804
3136A1HC2	FNMA GTD REMIC PIT 11-98 VC		03/19/2013	Vining Sparks	XXX	1,048,989	976,371	1,993
3136ABPT4	FNMA GTD REMIC PIT 13-MT ASQ2		01/17/2013	Jefferies & Co	XXX	2,090,699	2,070,000	1,790
3136ADZ79	FNMA GTD REMIC PIT 13-M5 ASO2		04/15/2013	Citigroup GBL	XXX	2,972,000	2,972,000	1,424
645913AV6	NEW JERSEY ST ECON DEV AUTH LE		02/12/2013	Morgan Stanley	XXX	2,093,864	2,301,000	0
842475WF8	STHRN CALIFORNIA ST PUBLIC PWR		05/21/2013	Raymond James	XXX	612,080	500,000	866
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment					29,578,870	28,934,147	20,719
Bonds - Industrial and Miscellaneous (Unaffiliated)								
055451AN8	BHP BILLITON FINANCE USA LTD	F	03/25/2013	VARIOUS	XXX	1,830,561	1,812,000	1,650
59511VAA7	MICRON SEMICONDUCTOR ASIA PTE	F	12/16/2013	JPMorgan Securities Inc.	XXX	1,470,000	1,470,000	0
21686CAD2	RABOBANK NEDERLAND UTREC	F	02/11/2013	Barclays Bank NY	XXX	590,590	550,000	1,289
801060AB0	SANOFI	F	12/12/2013	VARIOUS	XXX	2,834,836	2,900,000	9,819
874060AB2	SHELL INTERNATIONAL FINANCE BV	F	11/12/2013	Goldman Sachs NY	XXX	1,418,239	1,420,000	0
89152UAG7	TAKEDA PHARMACEUTICAL 144A	F	02/12/2013	Nomura Secs NY	XXX	1,010,420	1,000,000	6,681
961214BZ5	TOTAL CAPITAL SA	F	09/12/2013	VSHIP - Pledged Assets	XXX	996,620	1,000,000	2,066
00440EAJ6	WESTPAC BANKING CORP	F	09/12/2013	VSHIP - Pledged Assets	XXX	978,590	1,000,000	2,889
001055AH5	ACE INA HOLDINGS INC	F	04/04/2013	VARIOUS	XXX	1,673,727	1,428,000	24,275
02666QL43	AFLAC INC		04/02/2013	JPMorgan Securities Inc.	XXX	1,467,102	1,400,000	5,153
03065BAB7	AMERICAN HONDA FINANCE		01/29/2013	Merrill Lynch	XXX	502,285	500,000	1,944
03065CAB5	AMERICREDIT AUTOMOBILE RE 3 A2		06/13/2013	Barclays Cap	XXX	2,999,999	3,000,000	0
00206RBM3	AMERICREDIT AUTOMOBILE RE 4 A2		08/07/2013	RBS SECURITIES INC, GREEN	XXX	1,749,924	1,750,000	0
06051GEA3	BANK OF AMERICA CORP		02/07/2013	VSHIP - Pledged Assets	XXX	1,999,960	2,000,000	4,744
06406HBZ1	BANK OF NEW YORK MELLON CORP/IT		09/04/2013	VARIOUS	XXX	2,809,215	2,626,000	4,171
05531FAA1	BB&T CORP		12/12/2013	Morgan Stanley	XXX	169,788	150,000	3,683
05531FAH6	BB&T CORPORATION		10/18/2013	Keybank Capital Mkts	XXX	2,888,988	2,850,000	20,053
084664BS9	BERKSHIRE HATHAWAY FINANCE COR		01/30/2013	Barclays Capital	XXX	799,068	750,000	10,094
084670BA5	BERKSHIRE HATHAWAY INC		01/22/2013	Wells Fargo Securities LL	XXX	2,544,250	2,500,000	13,667
09657YAB8	BMW VEHICLE LEASE TRUST 1 A2		05/20/2013	VARIOUS	XXX	1,594,292	1,560,000	555
			01/22/2013	Mizuho Secs	XXX	2,207,515	2,185,000	4,083
			01/16/2013	Merrill Lynch	XXX	2,337,982	2,338,000	0

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
097023AY1	BOEING CO/THE		11/12/2013	First Tennessee	XXX	3,112,770	3,000,000	26,250
14041INDG3	CAPITAL ONE MUL TI-ASSET A1 A1		11/12/2013	BNP Paribas Securities	XXX	1,227,024	1,227,000	0
14041NBNO	CAPITAL ONE MUL TI-ASSET A4 A4		01/03/2013	Nomura Secs NY	XXX	1,503,281	1,500,000	393
14313LAB2	CARMAX AUTO OWNER TRUST 1 A2		02/06/2013	RBC Capital Markets Corp	XXX	1,059,923	1,060,000	0
14313MAB0	CARMAX AUTO OWNER TRUST 2 A2		05/08/2013	Barclays Cap	XXX	1,899,945	1,900,000	0
14912L4M0	CATERPILLAR FINANCIAL SERVICES		10/01/2013	UBS Secs	XXX	1,598,468	1,542,000	11,779
14912L5P2	CATERPILLAR FINANCIAL SERVICES		03/06/2013	VSHIP - Pledged Assets	XXX	642,150	640,000	254
14912L5U1	CATERPILLAR FINANCIAL SERVICES		08/27/2013	Barclays Cap	XXX	2,000,000	2,000,000	0
149123BU4	CATERPILLAR INC		03/07/2013	VARIOUS	XXX	1,063,100	1,050,000	4,058
17275RAJ1	CISCO SYSTEMS INC		02/25/2013	Pershing LLC	XXX	1,520,670	1,500,000	11,104
17305EFD2	CITIBANK CREDIT CARD ISS A5 A5		08/07/2013	Citigroup GBL	XXX	4,000,000	4,000,000	0
12591FAB2	CNH EQUIPMENT TRUST A A2		02/13/2013	RBS SECURITIES INC, GREEN	XXX	2,299,793	2,300,000	0
191216BA7	COCA-COLA CO/THE		09/12/2013	VSHIP - Pledged Assets	XXX	485,510	500,000	3,067
263534CG2	EI DU PONT DE NEMOURS & CO		02/26/2013	U S Bancorp	XXX	385,643	380,000	2,882
263534CH0	EI DU PONT DE NEMOURS & CO		02/21/2013	Mizuho Secs	XXX	1,185,487	1,180,000	1,484
34530CAB7	FORD CREDIT AUTO LEASE TRA A2		03/12/2013	Morgan Stanley	XXX	1,899,846	1,900,000	0
34530BAB9	FORD CREDIT AUTO OWNER TR A A2		11/15/2013	VARIOUS	XXX	1,609,398	1,609,559	0
34528QCD4	FORD CREDIT FLOORPLAN MAS T A1		10/18/2013	Nomura Secs NY	XXX	2,234,214	2,235,000	422
36828O0E9	GE COML MTG CORP 05-C4 A4		02/20/2013	Citigroup GBL	XXX	2,368,295	2,140,000	7,572
36962G4C5	GENERAL ELECTRIC CAP CORP		05/01/2013	First Tennessee	XXX	984,412	931,000	25,980
36962G2Z6	GENERAL ELECTRIC CAPITAL CORP		02/06/2013	Barclays Cap	XXX	3,196,169	3,000,000	30,708
36962G5W0	GENERAL ELECTRIC CAPITAL CORP		04/16/2013	Citigroup GBL	XXX	523,686	504,000	5,538
41283YAB3	HARLEY-DAVIDSON MOTORCYCL 1 A2		04/16/2013	Citigroup GBL	XXX	2,199,872	2,200,000	0
43813CAC4	HONDA AUTO RECEIVABLES 20 4 A3		09/18/2013	Citigroup GBL	XXX	2,193,057	2,194,000	158
43814CAB5	HONDA AUTO RECEIVABLES OW 1 A2		01/16/2013	Merrill Lynch	XXX	1,599,904	1,600,000	0
43814EAB1	HONDA AUTO RECEIVABLES OW 2 A2		04/17/2013	Credit Suisse	XXX	2,499,789	2,500,000	0
438516BC9	HONEYWELL INTERNATIONAL INC		11/18/2013	RBS SECURITIES INC, GREEN	XXX	2,250,000	2,250,000	0
44890PAB1	HYUNDAI AUTO LEAS T3-B A2 144A		08/07/2013	Merrill Lynch	XXX	2,999,757	3,000,000	0
44890JAB5	HYUNDAI AUTO RECEIVABLES A A2		01/24/2013	Citigroup Global Markets	XXX	2,499,837	2,500,000	0
44890LAB0	HYUNDAI AUTO RECEIVABLES B A2		06/19/2013	Credit Suisse	XXX	2,299,989	2,300,000	0
44890KAB2	HYUNDAI AUTO RECEIVABLES C A2		03/08/2013	Credit Suisse	XXX	750,117	750,000	233
459200GW5	INTERNATIONAL BUSINESS MACHINE		02/05/2013	Barclays Cap	XXX	3,542,261	3,500,000	10,451
24422ER04	JOHN DEERE CAPITAL CORP		10/01/2013	VARIOUS	XXX	3,902,231	3,875,000	8,139
24422ESC4	JOHN DEERE CAPITAL CORP		07/23/2013	Deutsche Bank Secs	XXX	2,000,000	2,000,000	0
24422ESG5	JOHN DEERE CAPITAL CORP		12/10/2013	Citigroup GBL	XXX	2,250,000	2,250,000	0
478160AX2	JOHNSON & JOHNSON		02/21/2013	Seattle-Northwest Secs	XXX	719,041	711,000	2,394
46630EAC4	JP MORGAN CHASE COMMER CB17 A4		11/22/2013	VARIOUS	XXX	1,090,891	1,000,000	3,921
46625HCE8	JP MORGAN CHASE & CO		05/31/2013	JPMorgan Securities Inc,	XXX	1,118,838	1,050,000	13,023
46625YSG9	JP MORGAN CHASE COMMER LDP3 A4A		11/01/2013	Dain Rauscher	XXX	3,730,677	3,524,182	0
50180CAB6	LB-UBS COMMERCIAL MORTGA C7 A2		02/05/2013	Deutsche Bank Secs	XXX	2,048,738	1,939,060	7,708
546676AS6	LOUISVILLE GAS & ELECTRIC CO		11/25/2013	Merrill Lynch	XXX	1,225,764	1,200,000	758
57629WBT6	MASSMUTUAL GLOBAL FUNDING 144A		12/12/2013	Deutsche Bank Secs	XXX	2,000,000	2,000,000	0
581557AY1	MCKESSON CORP		12/12/2013	VARIOUS	XXX	1,054,409	1,050,000	1,661
585515AH2	MELLON FUNDING CORP		01/22/2013	Mizuho Secs	XXX	2,513,489	2,510,000	2,277
58768WAB7	MERCEDES-BENZ AUTO LEASE A A2		04/16/2013	Montgomery Secs	XXX	2,099,988	2,100,000	0
58933YAG0	MERCK & CO INC		09/12/2013	Non Broker Trade	XXX	968,930	1,000,000	4,225
59022HJL7	MERRILL LYNCH MORTGAGE CIPT A4		08/15/2013	JPMorgan Securities Inc,	XXX	1,221,169	1,145,000	2,408
59157BAM4	METLIFE INSTITUTIONAL FUN 144A		01/07/2013	U S Bancorp	XXX	1,000,000	1,000,000	0
59217EBW3	METROPOLITAN LIFE GLOBAL FUNDI		02/13/2013	Citigroup GBL	XXX	1,590,420	1,500,000	14,734
60689LAC9	MMAF EQUIPMENT 13-AA A3 144A		08/07/2013	JPMorgan Securities Inc,	XXX	1,859,797	1,860,000	0
61746SBR9	MORGAN STANLEY		02/11/2013	VARIOUS	XXX	518,883	475,000	8,440
627180AA3	MURRAY STREET INVESTMENT TRUST		09/17/2013	VARIOUS	XXX	1,438,814	1,350,000	15,477
65476LAB7	NISSAN AUTO LEASE TRUST B A2A		03/08/2013	Morgan Stanley	XXX	1,500,234	1,500,000	525
654748AB8	NISSAN AUTO RECEIVABLES O A A2		01/09/2013	Citigroup Global Markets	XXX	1,699,819	1,700,000	0

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
665859AK0	NORTHERN TRUST CORP		01/24/2013	Morgan Stanley	XX X	578,408	550,000	6,218
68402LAC8	ORACLE CORP/OZARK HLDG INC		12/13/2013	VARIOUS	XX X	1,807,381	1,650,000	36,713
69371RK70	PACCAR FINANCIAL CORP		02/20/2013	UBS Secs	XX X	375,977	375,000	479
72201R775	PIMCO TOTAL RETURN ETF		03/05/2013	Northern Trust	XX X	8,844,071	0	0
74153WCAS	PRICOA GLOBAL FUNDING I144A		08/20/2013	Merrill Lynch	XX X	1,600,000	1,600,000	0
74256LAC3	PRINCIPAL LIFE GLOBAL FUN 144A		02/12/2013	Morgan Stanley	XX X	944,813	940,000	1,671
74256LAE9	PRINCIPAL LIFE GLOBAL FUN 144A		03/12/2013	UBS Secs	XX X	600,000	600,000	0
74456QAY2	PUB SVC ELEC & GAS		03/08/2013	Keybank Capital Mkts	XX X	1,760,850	1,750,000	1,157
828807CA3	SIMON PROPERTY GROUP LP		09/26/2013	VARIOUS	XX X	2,268,655	1,684,000	68,850
792860AH1	ST PAUL TRAVELERS COS INC SR		12/02/2013	Wells Fargo Securities LL	XX X	2,079,809	1,898,000	1,160
872287AC1	TCI COMMUNICATIONS INC		12/12/2013	VARIOUS	XX X	2,573,612	2,178,000	21,225
89233P6J0	TOYOTA MOTOR CREDIT CORP		02/11/2013	Stifel Nicolaus	XX X	588,808	585,000	384
91159HGX2	US BANCORP		12/02/2013	Keybank Capital Mkts	XX X	1,806,140	1,750,000	15,244
92343VAY0	VERIZON COMMUNICATIONS INC		01/04/2013	Wells Fargo Securities LL	XX X	1,516,475	1,420,000	11,597
92867NAD0	VOLKSWAGEN AUTO LEASE TRU A A3		07/17/2013	First Boston Corp	XX X	2,169,718	2,170,000	0
931142CT8	WAL-MART STORES INC		12/12/2013	VARIOUS	XX X	1,657,795	1,600,000	14,403
931142DF7	WAL-MART STORES INC		09/12/2013	VSHHP - Pledged Assets	XX X	968,040	1,000,000	4,875
25468PCV0	WALT DISNEY CO/THE		02/12/2013	Credit Suisse	XX X	3,000,000	3,000,000	0
94974BET3	WELLS FARGO & CO		02/07/2013	Wells Fargo Securities LL	XX X	3,158,370	3,000,000	40,938
94974BFA3	WELLS FARGO & CO		05/06/2013	VARIOUS	XX X	2,782,024	2,750,000	4,826
94980VAA6	WELLS FARGO BANK NA		01/15/2013	Pershing LLC	XX X	537,894	500,000	10,490
94985H5G5	WELLS FARGO BANK NA		07/22/2013	Wells Fargo Securities LL	XX X	2,000,000	2,000,000	0
98158KAC3	WORLD OMNI AUTO RECEIVABL A A3		07/17/2013	VARIOUS	XX X	60,342	60,246	12
064159AL0	BANK OF NOVA SCOTIA	A	01/08/2013	Scott Stringfellow	XX X	3,071,130	3,000,000	27,596
125094AB8	CDP FINANCIAL	A	02/25/2013	Merrill Lynch	XX X	1,772,335	1,700,000	13,175
78008SVJ2	ROYAL BANK OF CANADA	A	01/08/2013	RBC Capital Markets Corp	XX X	3,000,000	3,000,000	0
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						185,572,099	172,581,046	625,850
8399997 Subtotal - Bonds - Part 3						274,467,933	260,664,193	732,469
8399998 Summary item from Part 5 for Bonds						61,405,409	60,635,196	83,943
8399999 Subtotal - Bonds						335,873,342	321,299,390	816,412
9899999 Subtotal - Preferred and Common Stocks						0	X X X	0
9999999 Totals						335,873,342	X X X	816,412

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
665859AK0	NORTHERN TRUST CORP		01/24/2013	Morgan Stanley	XX X	578,408	550,000	6,218
68402LAC8	ORACLE CORP/OZARK HLDG INC		12/13/2013	VARIOUS	XX X	1,807,381	1,650,000	36,713
69371RK70	PACCAR FINANCIAL CORP		02/20/2013	UBS Secs	XX X	375,977	375,000	479
72201R775	PIMCO TOTAL RETURN ETF		03/05/2013	Northern Trust	XX X	8,844,071	0	0
74153WC A5	PRICOA GLOBAL FUNDING I144A		08/20/2013	Merrill Lynch	XX X	1,600,000	1,600,000	0
74256LAC3	PRINCIPAL LIFE GLOBAL FUN 144A		02/12/2013	Morgan Stanley	XX X	944,813	940,000	1,671
74256LAE9	PRINCIPAL LIFE GLOBAL FUN 144A		03/12/2013	UBS Secs	XX X	600,000	600,000	0
74456QAY2	PUB SVC ELEC & GAS		03/08/2013	Keybank Capital Mkts	XX X	1,760,850	1,750,000	1,157
828807CA3	SIMON PROPERTY GROUP LP		09/26/2013	VARIOUS	XX X	2,268,655	1,684,000	68,850
792860AH1	ST PAUL TRAVELERS COS INC SR		12/02/2013	Wells Fargo Securities LL	XX X	2,079,809	1,898,000	1,160
872287AC1	TCI COMMUNICATIONS INC		12/12/2013	VARIOUS	XX X	2,573,612	2,178,000	21,225
89233P6J0	TOYOTA MOTOR CREDIT CORP		02/11/2013	Stifel Nicolaus	XX X	588,808	585,000	384
91159HG X2	US BANCORP		12/02/2013	Keybank Capital Mkts	XX X	1,806,140	1,750,000	15,244
92343VAY0	VERIZON COMMUNICATIONS INC		01/04/2013	Wells Fargo Securities LL	XX X	1,516,475	1,420,000	11,597
92867NAD0	VOLKSWAGEN AUTO LEASE TRU A A3		07/17/2013	First Boston Corp	XX X	2,169,718	2,170,000	0
931142CT8	WAL-MART STORES INC		12/12/2013	VARIOUS	XX X	1,657,795	1,600,000	14,403
931142DF7	WAL-MART STORES INC		09/12/2013	VSHHP - Pledged Assets	XX X	968,040	1,000,000	4,875
25468PCY0	WALT DISNEY CO/THE		02/12/2013	Credit Suisse	XX X	3,000,000	3,000,000	0
94974BET3	WELLS FARGO & CO		02/07/2013	Wells Fargo Securities LL	XX X	3,158,370	3,000,000	40,938
94974BFA3	WELLS FARGO & CO		05/06/2013	VARIOUS	XX X	2,782,024	2,750,000	4,826
94980VAA6	WELLS FARGO BANK NA		01/15/2013	Pershing LLC	XX X	537,894	500,000	10,490
94985H5G5	WELLS FARGO BANK NA		07/22/2013	Wells Fargo Securities LL	XX X	2,000,000	2,000,000	0
98158KAC3	WORLD OMNI AUTO RECEIVABL A A3		07/17/2013	VARIOUS	XX X	60,342	60,246	12
064159AL0	BANK OF NOVA SCOTIA	A	01/08/2013	Scott Stringfellow	XX X	3,071,130	3,000,000	27,596
125094AB8	CDP FINANCIAL	A	02/25/2013	Merrill Lynch	XX X	1,772,335	1,700,000	13,175
78008SVJ2	ROYAL BANK OF CANADA	A	01/08/2013	RBC Capital Markets Corp	XX X	3,000,000	3,000,000	0
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						185,572,099	172,581,046	625,850
8399997 Subtotal - Bonds - Part 3						274,467,933	260,664,193	732,469
8399998 Summary item from Part 5 for Bonds						61,405,409	60,635,196	83,943
8399999 Subtotal - Bonds						335,873,342	321,299,390	816,412
9899999 Subtotal - Preferred and Common Stocks						0	X X X	0
9999999 Totals						335,873,342	X X X	816,412

SCHEDULE D - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value				17	18	19	20	21
											12	13	14	15					
CUSIP Identification	Description	FOFIN	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A C.V. (Col. 12+13-14)	Total Foreign Exchange Change in B/A C.V.	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments																			
912828RF9	U S TREASURY NOTE		05/28/2013	VARIOUS	10/18/2013	VARIOUS	8,596,000	8,755,713	8,716,809	8,744,516	0	(11,197)	0	(11,197)	0	(27,708)	(27,708)	35,413	16,340
912828TA8	U S TREASURY NOTE		02/11/2013	Goldman Sachs NY	03/28/2013	Goldman Sachs NY	5,000,000	5,002,734	5,004,102	5,002,489	0	(245)	0	(245)	0	1,612	1,612	3,004	1,485
912828T03	U S TREASURY NOTE		02/11/2013	Morgan Stanley	03/28/2013	Morgan Stanley	3,750,000	3,751,172	3,752,051	3,751,083	0	(89)	0	(89)	0	968	968	4,610	3,477
912828TP5	U S TREASURY NT		02/05/2013	Credit Suisse	10/01/2013	VARIOUS	11,000,000	10,970,818	10,969,334	10,975,579	0	4,761	0	4,761	0	(6,245)	(6,245)	22,683	10,939
0599999	Subtotal - Bonds - U.S. Governments						28,346,000	28,480,438	28,442,296	28,473,668	0	(6,770)	0	(6,770)	0	(31,373)	(31,373)	65,710	32,241
Bonds - U.S. Special Revenue, Special Assessment																			
313382LR2	FEDERAL HOME LN BK CONS		03/19/2013	Morgan Stanley Toronto Dominion	06/15/2013	100.00000000	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0	0	0	417	0
313383GS4	FEDERAL HOME LN BK CONS		05/28/2013	Secs USA	11/24/2013	VARIOUS	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	0	0	1,458	0
31300LW50	FHLMC POOL #84-87.68		04/30/2013	Goldman Sachs NY	05/01/2013	Goldman Sachs NY	3,584,893	3,817,351	3,817,351	3,817,274	0	(78)	0	(78)	0	78	78	5,223	5,223
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment						6,584,893	6,817,351	6,817,351	6,817,274	0	(78)	0	(78)	0	78	78	7,098	5,223
Bonds - Industrial and Miscellaneous (Unaffiliated)																			
822582A05	SHELL INTERNATIONAL		01/29/2013	JPMorgan Securities Inc.	07/17/2013	Salomon Brothers	500,000	530,000	524,265	524,233	0	(5,767)	0	(5,767)	0	32	32	8,783	1,421
001055AH5	FINANCE BV		02/05/2013	JPMorgan Securities Inc.	09/04/2013	VARIOUS	980,000	1,026,187	1,003,843	1,020,040	0	(6,148)	0	(6,148)	0	(16,196)	(16,196)	26,901	12,480
02006KAB1	ALLY AUTO RECEIVABLES T		05/30/2013	Citigroup GBL	08/28/2013	Morgan Stanley	2,680,000	2,679,750	2,677,697	2,679,830	0	80	0	80	0	(2,133)	(2,133)	3,252	0
02582JFR6	AMERICAN EXPRESS CREDIT		08/07/2013	Morgan Stanley	09/15/2013	PRINCIPAL RECEIPT	4,000,000	4,006,094	4,000,000	4,000,000	0	(6,094)	0	(6,094)	0	0	0	12,512	5,572
037833AG5	APPLE INC		04/30/2013	Goldman Sachs NY	10/24/2013	Salomon Brothers	2,066,000	2,006,000	2,001,487	2,006,000	0	0	0	0	0	(4,514)	(4,514)	5,181	0
07383FXN3	BEAR STEARNS COMMERCIAL		01/08/2013	Salomon Brothers	09/13/2013	PRINCIPAL RECEIPT	1,228,303	1,252,100	1,228,303	1,228,906	0	(23,195)	0	(23,195)	0	(602)	(602)	25,373	1,598
166764AE0	CHEVRON CORP		06/17/2013	Barclays Capital	07/29/2013	VARIOUS	821,000	821,000	818,000	821,000	0	0	0	0	0	(3,000)	(3,000)	1,450	0
12616VAC6	CNH EQUIPMENT TRUST C A3		03/06/2013	Morgan Stanley	04/18/2013	Montgomery Secs	250,000	251,768	251,650	251,608	0	(159)	0	(159)	0	42	42	562	215
268648AP7	EMC CORP/MA		06/03/2013	Merrill Lynch	10/23/2013	Alex Brown & Sons	1,330,000	1,329,242	1,334,948	1,329,298	0	56	0	56	0	5,649	5,649	9,836	0
345280AU8	FORD CREDIT FLOORPLAN		07/25/2013	VARIOUS	09/15/2013	PRINCIPAL RECEIPT	1,180,000	1,182,913	1,180,000	1,180,000	0	(2,913)	0	(2,913)	0	0	0	5,450	1,279
44890JAB5	HYUNDAI AUTO RECEIVABLES		01/24/2013	Citigroup Global Markets	05/30/2013	Nomura Secs NY	1,066,000	1,065,931	1,065,750	1,065,956	0	26	0	26	0	(206)	(206)	1,433	0
459200GW5	INTERNATIONAL BUSINESS MACHINE		02/13/2013	Wells Fargo Securities	12/30/2013	First Union Cap Mkts	865,000	875,086	868,097	867,970	0	(7,116)	0	(7,116)	0	127	127	12,344	2,913
46625YSG9	JPMORGAN CHASE COMMER		10/29/2013	Robert Baird & Co	11/01/2013	Dain Rauscher	3,540,000	3,747,422	3,747,422	3,746,533	0	(889)	0	(889)	0	889	889	0	0
57629WB58	MASSMUTUAL GLOBAL FUNDING 144A		07/26/2013	Morgan Stanley	10/23/2013	Morgan Stanley	987,000	985,184	992,340	985,267	0	83	0	83	0	7,073	7,073	4,951	0
713448BX5	PEPSICO INC		03/07/2013	Cantor Fitzgerald	04/02/2013	First Union Capital	800,000	803,776	803,672	803,645	0	(131)	0	(131)	0	27	27	500	117
828807CJ4	SIMON PROPERTY GROUP LP		02/13/2013	VARIOUS	09/26/2013	VARIOUS	2,372,000	2,446,168	2,382,984	2,436,113	0	(10,054)	0	(10,054)	0	(53,229)	(53,229)	51,719	20,884
91324PCE0	UNITEDHEALTH GROUP INC		02/25/2013	Wells Fargo Securities	10/24/2013	BNY/Mizuho Secs.	1,099,000	1,099,000	1,099,578	1,099,000	0	0	0	0	0	578	578	2,968	0
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						25,704,303	26,107,621	25,979,936	26,045,399	0	(62,221)	0	(62,221)	0	(65,464)	(65,464)	173,217	46,479
8399998	Subtotal - Bonds						60,635,196	61,405,409	61,239,582	61,336,341	0	(69,068)	0	(69,068)	0	(96,759)	(96,759)	246,025	83,943
9999999	Totals						61,405,409	61,239,582	61,336,341	61,336,341	0	(69,068)	0	(69,068)	0	(96,759)	(96,759)	246,025	83,943

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
NONE									
1999999 Total - Preferred and Common Stocks						0	0	X X X	X X X

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

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total - Preferred and Common Stocks			0	X X X	X X X

SCHEDULE DA - PART 1

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

1 CUSIP Identification	2 Description	3 Codes		4 Foreign	5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book/Adjusted Carrying Value	9 Unrealized Valuation Increase/ (Decrease)	10 Change in Book/Adjusted Carrying Value (Amortization)/ Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.	13 Par Value	14 Actual Cost	Interest						
		15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due and Accrued												17 Rate of	18 Effective Rate of	19 When Paid	20 Amount Received During Year	21 Paid For Accrued Interest		
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
3299999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)							5,031,329	0	(58,717)	0	0	5,050,000	5,090,046	57,256	0	X X X	X X X	X X X	39,594	8,616
8399999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)							5,031,329	0	(58,717)	0	0	5,050,000	5,090,046	57,256	0	X X X	X X X	X X X	39,594	8,616
Class One Money Market Mutual Funds																					
261881206	DREYFUS CASH MGMT				12/26/2013	Non Broker Trade		1,727,683	0	0	0	0	0	1,727,683	140	0	0.000	0.000		6,019	0
60934N203	FEDERATED TREASURY OBLIGATION				12/15/2009	Non Broker Trade		0	0	0	0	0	0	0	0	0	0.000	0.000		0	0
316175108	FIDELITY INSTITUTIONAL GOVT CL 1				05/02/2011	Non Broker Trade		0	0	0	0	0	0	0	0	0	0.000	0.000		0	0
31846V435	FIRST AMERICAN PRIME OBLIGATIONS				12/31/2013	Non Broker Trade		301,755	0	0	0	0	0	301,756	0	0	0.000	0.000		0	3
4812A0367	JPMORGAN PRIME MONEY MARKET				12/26/2013	Non Broker Trade		24,495,929	0	0	0	0	0	24,495,929	3,457	0	0.000	0.000		70,242	0
8999999	Subtotal - Class One Money Market Mutual Funds							26,525,368	0	(58,717)	0	0	X X X	26,525,368	3,597	0	X X X	X X X	X X X	76,264	8,616
9199999	Total Short-Term Investments							31,556,697	0	(58,717)	0	0	X X X	31,615,414	60,853	0	X X X	X X X	X X X	115,857	8,616

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of December 31 of Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) /Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year end (b)
T44999 Totals																						

(a)

1 Code	2 Description of Hedged Risk(s)
	NONE

(b)

1 Code	2 Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000	

SCHEDULE DB - PART A - SECTION 2

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (e)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premiums (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book/ Adjusted Carrying Value	Code	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B/A C.V	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Item	Gain (Loss) on Termination Deferred	Hedge Effectiveness at Inception and at Termination (b)
1449999 GRAND TOTAL																								
												0	0	0	0	0	0	0	0	0	0	0	0	XXX

(a)

1	2
Code	Description of Hedged Risk(s)
	NONE

(b)

1	2
Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000	

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22																				
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	15	16	17	Cumulative Variation Margin	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-End (b)	Value of One (1) Point																				
1449999 Totals																						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX

1 Broker Name	2 Beginning Cash Balance	3 Cumulative Cash Change	4 Ending Cash Balance
9999999 Total - Net Cash Deposits	0	0	0

(a)	1 Code	NONE

(b)	1 Code	2 Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000		

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin At Termination	16	17	18	Hedge Effectiveness at Inception/ and at Termination (b)	Value of One (1) Point
															Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of hedged Item	Deferred		
1419999 Grand Total																			
															0	0	0	XXX	XXX

(a)

1	2
Code	Description of Hedged Risk(s)
	NONE

(b)

1	2
Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000	

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1	2	3	4	Book/Adjusted Carrying Value		Fair Value		11	12		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	5	6	7	8	9	10	Potential Exposure	Off-Balance Sheet Exposure
				Contracts With Adjusted Carrying Value > 0	Contracts With Book/ Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral		
NONE											
0999999 Totals (Sum of 0199999, 0299999, 0399999, 0499999, 0599999, 0699999, 0799999 & 0899999)				0	0	0	0	0	0	0	0

SCHEDULE DB - PART D - SECTION 2
Collateral for Derivative Instruments Open December 31 of Current Year

Collateral Pledged by Reporting Entity

1	2	3	4	5	6	7	8	9
Exchange, Counterparty or Central Clearinghouse	Type of Asset Pledged	CUSIP Identification	Description	Fair Value	Par Value	Book/Adjusted Carrying Value	Maturity Date	Type of Margin (I, V or IV)
			NONE					
0199999 Total				0	0	0	XXX	XXX

SCHEDULE DB - PART D - SECTION 2
Collateral for Derivative Instruments Open December 31 of Current Year

Collateral Pledged to Reporting Entity

1	2	3	4	5	6	7	8	9
Exchange, Counterparty or Central Clearinghouse	Type of Asset Pledged	CUSIP Identification	Description	Fair Value	Par Value	Book/Adjusted Carrying Value	Maturity Date	Type of Margin (I, V or IV)
			NONE					
0299999 Total				0	0	XXX	XXX	XXX

SCHEDULE DL - PART 1 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
NONE						
9999999 Grand Totals				0	0	X X X

General Interrogatories:

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

SCHEDULE DL - PART 2 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation/ Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Dates
NONE						
9999999 Grand Totals				0	0	X X X

General Interrogatories:

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

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
open depositories						
BANK TOKOYO MITSUBISHI INSTL CD MELLON						
Pittsburgh, PA		0.390	0	7,378	3,000,000	X X X
CREDIT SUISSE AG INSTL CD MELLON		0.670	0	19,597	3,000,000	X X X
Pittsburgh, PA		0.500	0	4,125	1,500,000	X X X
CREDIT SUISSE GRP INSTL CD MELLON						
Pittsburgh, PA		0.510	0	723	500,000	X X X
DEUTSCHE BANK AG NY INSTL CD MELLON		0.720	0	24,640	3,500,000	X X X
Pittsburgh, PA		0.350	0	2,508	2,000,000	X X X
NATIONAL BANK CANADA INSTL CD MELLON						
Pittsburgh, PA		0.270	0	308	1,000,000	X X X
NORINCHUKIN BK NY INSTL CD MELLON		0.283	3,546	47	3,000,000	X X X
Pittsburgh, PA		0.380	0	7,220	3,000,000	X X X
SUMITOMO MTSU BKG INSTL CD Mellon		0.470	0	15,810	3,500,000	X X X
Pittsburgh, PA		0.235	0	212	2,500,000	X X X
TORONTO DOMINION NY INSTL CD MELLON		0.515	0	6,037	2,000,000	X X X
Pittsburgh, PA		0.000	0	0	(346,177)	X X X
US Bank - Disbursing		0.000	0	0	2,379,390	X X X
Nashville, TN		0.000	0	0	7,568,203	X X X
US Bank - Stabilization		0.000	0	0	632,866	X X X
Nashville, TN						
US Bank - TCS						
Nashville, TN						
US Bank - VSHP Holding						
Nashville, TN						
0199998 Deposits in3 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories						
		X X X	3,939	0	92,535	X X X
0199999 Totals - Open Depositories						
		X X X	7,485	88,605	38,826,817	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories						
		X X X	0	0	0	X X X
0299999 Totals - Suspended Depositories						
		X X X	0	0	0	X X X
0399999 Total Cash On Deposit						
		X X X	7,485	88,605	38,826,817	X X X
0499999 Cash in Company's Office						
		X X X	X X X	X X X	0	X X X
0599999 Total Cash						
		X X X	7,485	88,605	38,826,817	X X X

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

1. January	19,690,172	4. April	14,135,375	7. July	18,196,213	10. October	25,479,912
2. February	(8,755,949)	5. May	(12,271,592)	8. August	10,393,597	11. November	(16,646,993)
3. March	7,419,118	6. June	10,088,318	9. September	10,251,255	12. December	10,326,817

SCHEDULE E - PART 2 - CASH EQUIVALENTS
Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States. Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
			1. Alabama (AL)			0
2. Alaska (AK)			0	0	0	0
3. Arizona (AZ)			0	0	0	0
4. Arkansas (AR)			0	0	0	0
5. California (CA)			0	0	0	0
6. Colorado (CO)			0	0	0	0
7. Connecticut (CT)			0	0	0	0
8. Delaware (DE)			0	0	0	0
9. District of Columbia (DC)			0	0	0	0
10. Florida (FL)			0	0	0	0
11. Georgia (GA)			0	0	0	0
12. Hawaii (HI)			0	0	0	0
13. Idaho (ID)			0	0	0	0
14. Illinois (IL)			0	0	0	0
15. Indiana (IN)			0	0	0	0
16. Iowa (IA)			0	0	0	0
17. Kansas (KS)			0	0	0	0
18. Kentucky (KY)			0	0	0	0
19. Louisiana (LA)			0	0	0	0
20. Maine (ME)			0	0	0	0
21. Maryland (MD)			0	0	0	0
22. Massachusetts (MA)			0	0	0	0
23. Michigan (MI)			0	0	0	0
24. Minnesota (MN)			0	0	0	0
25. Mississippi (MS)			0	0	0	0
26. Missouri (MO)			0	0	0	0
27. Montana (MT)			0	0	0	0
28. Nebraska (NE)			0	0	0	0
29. Nevada (NV)			0	0	0	0
30. New Hampshire (NH)			0	0	0	0
31. New Jersey (NJ)			0	0	0	0
32. New Mexico (NM)			0	0	0	0
33. New York (NY)			0	0	0	0
34. North Carolina (NC)			0	0	0	0
35. North Dakota (ND)			0	0	0	0
36. Ohio (OH)			0	0	0	0
37. Oklahoma (OK)			0	0	0	0
38. Oregon (OR)			0	0	0	0
39. Pennsylvania (PA)			0	0	0	0
40. Rhode Island (RI)			0	0	0	0
41. South Carolina (SC)			0	0	0	0
42. South Dakota (SD)			0	0	0	0
43. Tennessee (TN)	B	State Requirement	35,785,846	35,945,657	0	0
44. Texas (TX)			0	0	0	0
45. Utah (UT)			0	0	0	0
46. Vermont (VT)			0	0	0	0
47. Virginia (VA)			0	0	0	0
48. Washington (WA)			0	0	0	0
49. West Virginia (WV)			0	0	0	0
50. Wisconsin (WI)			0	0	0	0
51. Wyoming (WY)			0	0	0	0
52. American Samoa (AS)			0	0	0	0
53. Guam (GU)			0	0	0	0
54. Puerto Rico (PR)			0	0	0	0
55. U.S. Virgin Islands (VI)			0	0	0	0
56. Northern Mariana Islands (MP)			0	0	0	0
57. Canada (CAN)			0	0	0	0
58. Aggregate Alien and Other (OT)	X X X	X X X	0	0	0	0
59. Total	X X X	X X X	35,785,846	35,945,657	0	0
DETAILS OF WRITE-INS						
5801.			0	0	0	0
5802.			0	0	0	0
5803.			0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X	0	0	0	0

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**Volunteer State Health Plan, Inc.
NAIC Company Code #14046**

**Annual Statement
2013**

Supplemental Exhibits

March Filing

Supplemental Compensation Exhibit	Supp 1
Medicare Supplement Insurance Experience Exhibit (NONE)	Supp 12
SIS Title (NONE)	Supp 13
SIS Financial Reporting (NONE)	Supp 14
SIS Information-Management & Directors (NONE)	Supp 15
Statement of Beneficial Ownership of Securities (NONE)	Supp 16
Medicare Part D Coverage Supplement (NONE)	Supp 17
Certificate of Compliance Covering Advertisement of Accident and Health Policies	
Approval from State of Domicile for Relief Related to 5-Year Rotation Requirement for Lead Audit Partner (NONE)	APPR01
Approval from State of Domicile for Relief Related to 1-Year Cooling Off Period for Independent CPA (NONE)	APPR02
Approval from State of Domicile for Relief Related to the Requirement for Audit Committees (NONE)	APPR03
Health Risk-based Capital	XR001-025

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SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2013
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes[X] No[]
 If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group: Yes[] No[X]
 or 2) allocation to each insurer: Yes[X] No[]

2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes[] No[X]

3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes[X] No[]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	Name and Principal Position	2 Year	Annual Compensation			
			3 Salary	4 Bonus	5 All Other Compensation	6 Totals
1.	Scott Christian Pierce President and Chief Executive Officer	2013	220,862	0	117,814	338,676
		2012	281,292	0	37,033	318,325
		2011	66,866	0	10,063	76,929
2.	David Matthew Moroney, MD Vice President and Chief Medical Officer	2013	271,573	0	119,547	391,120
		2012	253,610	0	108,113	361,723
		2011	236,474	0	59,995	296,469
3.	Amber Jeanine Cambron Vice President and Chief Operating Officer	2013	212,564	0	95,050	307,614
		2012	195,848	0	75,471	271,319
		2011	182,306	0	64,355	246,661
4.	Reid Allen Smiley Chief Financial Officer	2013	189,628	0	76,331	265,959
		2012	179,502	0	50,755	230,257
		2011	88,984	0	6,315	95,299
5.	Toliver Ralph Woodard, Jr. Controller and Chief Accounting Officer	2013	53,420	0	41,922	95,342
		2012	51,785	0	42,086	93,871
		2011	46,771	0	27,944	74,715
6.	William Morgan Gracey BCBST Enterprise President and Chief Executive Officer	2013	192,965	0	269,607	462,572
		2012	156,945	0	240,378	397,323
		2011	141,535	0	27,953	169,488
7.	John Frances Giblin BCBST Enterprise Executive Vice President and Chief Financial Officer	2013	121,299	0	191,514	312,813
		2012	117,537	0	297,076	414,613
		2011	105,967	0	118,378	224,345
8.	Barbara Easterling Smith VSHP Medical Director	2013	224,209	0	56,394	280,603
		2012	199,863	0	47,059	246,922
		2011	177,049	0	24,698	201,747
9.	Jason David Hickey BCBST Enterprise Executive Vice President and Chief Operating Officer	2013	123,016	0	140,745	263,761
		2012	219,614	0	123,967	343,581
		2011	233,247	0	110,084	343,331
10.	Sherri Lynn Zink BCBST Enterprise Vice President Medical Informatics	2013	85,236	0	59,063	144,299
		2012	96,202	0	58,416	154,618
		2011	95,154	0	75,245	170,399

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
NONE			
9999999	0	0	0

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MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
For The Year Ended December 31, 2013
(To be filed by March 1)
FOR THE STATE OF TENNESSEE

NAIC Group Code: 3498
 Address (City, State and Zip Code): Chattanooga, TN 37402-0001
 Person Completing This Exhibit:

NAIC Company Code: 14046

Title: Telephone Number:

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2010			Policies Issued in 2011, 2012, 2013				
										11	12	13	14	15	16	17	18
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
0299999	Total Experience on Group Policies										0	0	0.0	0	0	0.0	0

NONE

GENERAL INTERROGATORIES

- If response in Column 1 is no, give full and complete details:
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - Address:
 - Contact Person and Phone Number:
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)
 - Address:
 - Contact Person and Phone Number:
- Explain any policies identified above as policy type "O":



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NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

FC **NONE**

(To Be Filed by March 1)

REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES FOR THE PROPERTY / CASUALTY, LIFE ACCIDENT AND HEALTH, TITLE
AND HEALTH INSURANCE BLANKS

TO ANNUAL STATEMENT OF THE

Volunteer State Health Plan, Inc.

COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year? Yes[] No[X]
If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.:

2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year? Yes[] No[X]
If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.:

3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting? Yes[] No[X]
If answer is "No" explain in detail below. Attach separate sheet if necessary.:
(2) Did it contain the following financial statements (indicate answer in Column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

N O N E

	Column A	Column B
To be answered by Life and A & H Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Summary of Operations	Yes[] No[X]	Yes[] No[X]
c. Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Property and Casualty Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Statement of Income	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Title Insurance Companies		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Statement of Income - Operations and Investment Exhibit	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Health Insurance Companies:		
a. Statement of Assets, Liabilities, Capital and Surplus	Yes[] No[X]	Yes[] No[X]
b. Statement of Revenue and Expenses	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

1 Name and Title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	2 Title of Security	3 Nature of Ownership	Number of Shares			8 Owned at End of Current Year	9 Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the Current Year
			4 Owned at end of Prior Year	5 Acquired During Current Year	6 Disposed of During Current Year		
			NONE	0	0	0	0.000

Note: Answer "yes" or "no" as to whether the information concerning the number of shares and the three highest paid Officers whose aggregate direct remuneration exceeded \$100,000 is true and correct. If answer is "no", explain in a proxy statement or otherwise. No If answer is "no", explain in a proxy statement or otherwise. No

State the number of stockholders of record of the company at the end of the year. Answer: _____ 0

Has the state of domicile granted an exemption or disclaimer of control? Answer: _____ No

If answer is "yes" explain:



Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 3498

(To be Filed By March 1)

NAIC Company Code: 14046

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage	0	X X X	0	X X X	0
1.12 Without Reinsurance Coverage	0	X X X	0	X X X	0
1.13 Risk-Corridor Payment Adjustments	0	X X X	0	X X X	0
1.2 Supplemental Benefits	0	X X X	0	X X X	0
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
2.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
2.2 Supplemental Benefits	0	X X X	0	X X X	X X X
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
3.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
3.2 Supplemental Benefits	0	X X X	0	X X X	X X X
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable	0	X X X	0	X X X	X X X
4.2 Payable	0	X X X	0	X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
5.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
5.13 Risk-Corridor Payment Adjustments	0	X X X	0	X X X	X X X
5.2 Supplemental Benefits	0	X X X	0	X X X	X X X
6. Total Premiums	0	X X X	0	X X X	0
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage	NONE		0	X X X	0
7.12 Without Reinsurance Coverage	NONE		0	X X X	0
7.2 Supplemental Benefits	NONE		0	X X X	0
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
8.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
8.2 Supplemental Benefits	0	X X X	0	X X X	X X X
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
9.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
9.2 Supplemental Benefits	0	X X X	0	X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage	0	X X X	0	X X X	X X X
10.12 Without Reinsurance Coverage	0	X X X	0	X X X	X X X
10.2 Supplemental Benefits	0	X X X	0	X X X	X X X
11. Total Claims	0	X X X	0	X X X	0
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of reimbursements applied	X X X	0	X X X	0	0
12.2 Reimbursements Received but Not Applied - change	X X X	0	X X X	0	0
12.3 Reimbursements Receivable - change	X X X	0	X X X	0	X X X
12.4 Healthcare Receivables - change	X X X	0	X X X	0	X X X
13. Aggregate Policy Reserves - change	0	0	0	0	X X X
14. Expenses Paid	0	X X X	0	X X X	0
15. Expenses Incurred	0	X X X	0	X X X	X X X
16. Underwriting Gain/Loss	0	X X X	0	X X X	X X X
17. Cash Flow Result	X X X	X X X	X X X	X X X	0

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STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

**CERTIFICATE OF COMPLIANCE COVERING ADVERTISEMENT
OF ACCIDENT AND HEALTH POLICES**

This is to certify that to the best of my knowledge, information and belief, the advertisements disseminated by **Volunteer State Health Plan, Inc.**, during the preceding year, complied with or were made to comply in all respects with the provisions of the Insurance Laws and Rules of Tennessee as prescribed in Tenn. Comp. R & Regs., Department of Commerce Insurance, ch. 0780-1-8-.17 and the ruling issued thereunder by the State Commissioner of Commerce and Insurance of the State of Tennessee.



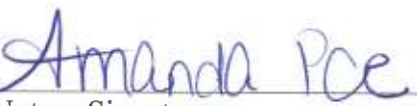
Authorized Officer – Scott Christian Pierce Date 2/24/14

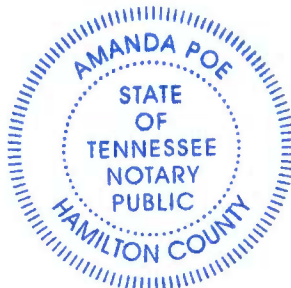
President and Chief Executive Officer

Officers Title

Subscribed and sworn to before me this 2-24-14
Date

My Commission Expires 5-4-16
Date


Notary Signature:



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Approval from State of Domicile for Relief related to 5-Year Rotation Requirement for Lead Audit Partner

NONE



Approval from State of Domicile for Relief related to 1-Year Cooling Off Period for Independent CPA

NONE



Approval from State of Domicile for Relief related to the Requirement for Audit Committees

NONE

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2013

COMPANY INFORMATION PAGE (JURAT)

Health Risk-Based Capital

For the Year Ending December 31, 2013

Company Name: Volunteer State Health Plan, Inc.

NAIC Group Code: 3498 NAIC Company Code: 14046 Employer's ID Number: 62-1656610

Organized under the Laws of the State of Tennessee

Contact Person for Health Risk-Based Capital:
 First Name: Susan Middle: Hatcher Last Name: McGehee

Mail Address of Contact Person: 1 Cameron Hill Circle
 (Street and Number of P.O. Box)

City: Chattanooga State: TN Zip: 37402-0001

Phone Number of RBC Contact Person: (423)535-3419

Email address of RBC Contact Person: Susan_McGehee@bcbst.com

Date Prepared: _____

Preparer (if different than Contact)
 First Name: Margaret Middle: Ann Last Name: Tate

Is this filing an Original, Amended or Refiling?
 if Amended, Amendment Number: 0

Were any items that come directly from the annual statement entered manually to prepare this filing?
No

Was the entity in business for the entire reporting year?
Yes

Officer's Name: Scott Christian Pierce
 First
 Officer's Title: President & CEO
 First

Officer's Name: Reid Allen Smiley
 Second
 Officer's Title: Chief Financial Officer
 Second

Officer's Name: Shelia Dian Clemons
 Third
 Officer's Title: Secretary
 Third

Each says that they are the above described officers of the said insurer, and that this risk-based capital report is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions, according to the best of their information, knowledge and belief, respectively.

(Signature)

(Signature)

(Signature)

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