

**QUARTERLY 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 QUARTER ENDED
MARCH 31, 2014**

2014

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QUARTERLY STATEMENT
AS OF MARCH 31, 2014
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 Web Site 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
Katharine Anne Laurance	Assistant Secretary

ADMINISTRATIVE OFFICERS

Amber Jeanine Cambron, VP, Chief Operating Officer
 Reid Allen Smiley, Chief Financial Officer
 Toliver Ralph Woodard, Jr., Controller & Chief Accounting Officer

David Matthew Moroney, MD, VP, Chief Medical Officer
 James Howard Srite, Actuary

DIRECTORS OR TRUSTEES

William Morgan Gracey, Chairperson
 Jason David Hickey

John Francis Giblin

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.

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

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

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

Subscribed and sworn to before me this 13th day of May, 2014

Amanda Poe
 (Notary Public Signature)

- 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



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ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	389,466,750	0	389,466,750	390,981,782
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
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 (\$.....46,977,690), cash equivalents (\$.....0) and short-term investments (\$.....60,022,693)	107,000,383	0	107,000,383	70,383,514
6. Contract loans (including \$.....0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	2,160,730	0	2,160,730	2,731,709
10. Securities lending reinvested collateral assets	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)	498,627,863	0	498,627,863	464,097,005
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,745,052	0	1,745,052	1,643,187
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	23,367,255	0	23,367,255	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	23,981	0	23,981	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	1,362,620	0	1,362,620	6,627,692
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	6,334,345	555,048	5,779,297	5,823,460
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 adjustments 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	4,868,041	4,868,041	0	0
25. Aggregate write-ins for other than invested assets	147,750	147,750	0	0
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	536,476,907	5,570,839	530,906,068	478,191,344
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	536,476,907	5,570,839	530,906,068	478,191,344
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	147,750	147,750	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)	147,750	147,750	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	155,985,419	0	155,985,419	142,357,184
2. Accrued medical incentive pool and bonus amounts	1,114,000	0	1,114,000	813,500
3. Unpaid claims adjustment expenses	5,773,808	0	5,773,808	6,320,157
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	4,000,000
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	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	6,966,529	0	6,966,529	12,435,570
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))	25,334	0	25,334	25,334
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	8,167	0	8,167	4,721
13. Remittances and items not allocated	6,645,304	0	6,645,304	6,533,307
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	25,748,039	0	25,748,039	20,604,131
16. Derivatives	0	0	0	0
17. Payable for securities	9,939,003	0	9,939,003	1,498,170
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	1,280,174	0	1,280,174	358,516
23. Aggregate write-ins for other liabilities (including \$.....0 current)	42,651,178	0	42,651,178	26,371,434
24. Total liabilities (Lines 1 to 23)	260,136,955	0	260,136,955	221,322,024
25. Aggregate write-ins for special surplus funds	X X X	X X X	5,820,963	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	34,942,038	35,640,000
31. Unassigned funds (surplus)	X X X	X X X	57,706,112	48,929,320
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X	0	0
32.2 .....0 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	270,769,113	256,869,320
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	530,906,068	478,191,344
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	24,719,373	0	24,719,373	23,068,924
2302. ACA Annual Fee Assessment	17,496,506	0	17,496,506	0
2303. Due State of Tennessee - Premium Payable	0	0	0	2,823,210
2398. Summary of remaining write-ins for Line 23 from overflow page	435,299	0	435,299	479,300
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	42,651,178	0	42,651,178	26,371,434
2501. ACA 1st Qtr Amount of 2015 Annual Assessment Fee	X X X	X X X	5,820,963	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	5,820,963	0
3001. Legally Required Reserves	X X X	X X X	34,942,038	35,640,000
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	34,942,038	35,640,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	1,165,259	1,169,921	4,651,133
2. Net premium income (including \$.....0 non-health premium income)	X X X	452,573,939	404,692,802	1,677,051,246
3. Change in unearned premium reserves and reserves for rate credits	X X X	0	0	(4,000,000)
4. Fee-for-service (net of \$.....0 medical expenses)	X X X	0	0	0
5. Risk revenue	X X X	0	0	0
6. Aggregate write-ins for other health care related revenues	X X X	0	0	0
7. Aggregate write-ins for other non-health revenues	X X X	0	0	0
8. Total revenues (Lines 2 to 7)	X X X	452,573,939	404,692,802	1,673,051,246
Hospital and Medical:				
9. Hospital/medical benefits	0	265,391,561	260,753,568	1,037,825,261
10. Other professional services	0	66,755,959	66,231,533	288,464,392
11. Outside referrals	0	0	0	0
12. Emergency room and out-of-area	0	11,223,862	10,721,771	41,012,680
13. Prescription drugs	0	681,131	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	405,758	500,000	1,401,931
16. Subtotal (Lines 9 to 15)	0	344,458,271	338,206,872	1,368,704,264
Less:				
17. Net reinsurance recoveries	0	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	344,458,271	338,206,872	1,368,704,264
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$.....13,201,783 cost containment expenses	0	21,863,086	22,698,065	92,488,400
21. General administrative expenses	0	56,439,367	37,003,015	150,263,832
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	422,760,724	397,907,952	1,611,456,496
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	29,813,215	6,784,850	61,594,750
25. Net investment income earned	0	765,809	623,493	2,769,640
26. Net realized capital gains (losses) less capital gains tax of \$.....0	0	140,153	(14,424)	(175,792)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	905,962	609,069	2,593,848
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	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	30,719,177	7,393,919	64,188,598
31. Federal and foreign income taxes incurred	X X X	16,841,236	2,348,286	22,172,701
32. Net income (loss) (Lines 30 minus 31)	X X X	13,877,941	5,045,633	42,015,897
DETAILS OF WRITE-INS				
0601.	X X X	0	0	0
0602.	X X X	0	0	0
0603.	X X X	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X	0	0	0
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	0	0	0
0701.	X X X	0	0	0
0702.	X X X	0	0	0
0703.	X X X	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X	0	0	0
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X	0	0	0
1401.	0	0	0	0
1402.	0	0	0	0
1403.	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.	0	0	0	0
2902.	0	0	0	0
2903.	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	256,869,320	217,716,730	217,716,730
34. Net income or (loss) from Line 32	13,877,941	5,045,633	42,015,897
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(1,378)	64,473	(9,848)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(57,839)	131,113	1,084,007
39. Change in nonadmitted assets	81,069	(1,141,229)	(3,937,466)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	0	0	0
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	13,899,793	4,099,990	39,152,590
49. Capital and surplus end of reporting period (Line 33 plus 48)	270,769,113	221,816,720	256,869,320
DETAILS OF WRITE-INS			
4701.	0	0	0
4702.	0	0	0
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

Report #2A: TennCare Select Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	142,497	142,497	566,008
Estimated Revenues:			
1. TennCare Capitation	98,732,768	98,732,768	403,243,467
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	98,732,768	98,732,768	403,243,467
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	276,476	276,476	1,127,407
6. Fee-for Service Physician Services	11,165,773	11,165,773	46,554,027
7. Inpatient Hospital Services	17,030,819	17,030,819	76,425,280
8. Outpatient Hospital Services	7,442,899	7,442,899	28,730,008
9. Emergency Room Services	1,087,846	1,087,846	4,368,508
10. Dental Services	-	-	1,159
11. Vision Services	99,395	99,395	403,552
12. Pharmacy Services	-	-	-
13. Home Health Services	27,725,715	27,725,715	110,827,229
14. Chiropractic Services	-	-	-
15. Radiology Services	290,176	290,176	1,160,391
16. Laboratory Services	206,610	206,610	1,103,426
17. Durable Medical Equipment Services	5,887,804	5,887,804	22,202,820
18. Transportation Services	852,461	852,461	3,440,606
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	-	-	8,175
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	(17,578)	(17,578)	191,587
23. HCBS Services	1,052	1,052	7,981
24. Other Medical and Hospital Services - Write-Ins	1,440,440	1,440,440	4,401,280
25. Subtotal Medical and Hospital (Lines 5 to 24)	73,489,888	73,489,888	300,953,436
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,505,502	1,505,502	5,337,265
27. Inpatient Substance Abuse Treatment and Detox	22,230	22,230	72,788
28. Outpatient Mental Health Services	3,986,954	3,986,954	14,720,330
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,325,982	1,325,982	7,967,318
31. Specialized Crisis Services	288,401	288,401	1,172,749
32. Psychiatric Rehab and Support Services	132,765	132,765	439,519
33. Case Management	1,514,735	1,514,735	8,492,646
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	16,068	16,068	78,462
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	3,347,179	3,347,179	9,217,763
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	12,139,816	12,139,816	47,498,840
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	85,629,704	85,629,704	348,452,276
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	420	420	2,257
48. Subrogation and Coordination of Benefits	79,781	79,781	88,138
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	80,201	80,201	90,395
50. Total Hospital, Medical, MH&SAS (Lines 45 and 49)	85,549,503	85,549,503	348,361,881
Administration:			
51. Compensation	4,261,752	4,261,752	16,594,806
52. Marketing	22,491	22,491	87,577
53. Interest Expense	-	-	-
54. Premium Tax Expense	5,430,302	5,430,302	24,967,337
55. Occupancy, Depreciation, and Amortization	339,120	339,120	1,320,499
56. Other Administration - Write-Ins	2,100,901	2,100,901	8,180,685
57. Total Administration Expenses (Lines 51 to 56)	12,154,566	12,154,566	51,150,904
58. Total Expenses (Lines 50 and 57)	97,704,069	97,704,069	399,512,785
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	325,361	325,361	1,288,691
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	703,338	703,338	2,441,991
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.	1,353,229	1,353,229	5,444,618
2202. Bad Debt Expense	87,211	87,211	(1,043,338)
2203. Out of Area Claims Expense	-	-	-
2299. Total Other Medical and Hospital	1,440,440	1,440,440	4,401,280
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	714,178	714,178	2,780,933
5602. Outsourced Services	552,084	552,084	2,149,758
5603. Auditing, Actuarial, and Other Consulting	368,898	368,898	1,436,450
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	245,480	245,480	955,872
5605. Postage/Telephone	151,157	151,157	588,588
5606. Printing and Stationary	69,104	69,104	269,084
5699. Total Other Administration	2,100,901	2,100,901	8,180,685

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	528,652	528,652	2,109,575
Estimated Revenues:			
1. TennCare Capitation	187,392,735	187,392,735	740,224,425
2. Investment	407,192	407,192	1,243,133
3. Other Revenues	12,253,540	12,253,540	194,968
4. Total Estimated Revenues (Lines 1 to 3)	200,053,467	200,053,467	741,662,526
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	32,849,099	32,849,099	125,801,270
7. Inpatient Hospital Services	24,634,475	24,634,475	107,843,582
8. Outpatient Hospital Services	16,161,573	16,161,573	66,525,228
9. Emergency Room Services	6,117,210	6,117,210	24,602,539
10. Dental Services	-	-	355
11. Vision Services	145,418	145,418	553,795
12. Pharmacy Services	-	-	-
13. Home Health Services	5,827,304	5,827,304	22,853,406
14. Chiropractic Services	-	-	-
15. Radiology Services	1,408,040	1,408,040	5,215,470
16. Laboratory Services	1,509,929	1,509,929	6,213,618
17. Durable Medical Equipment Services	2,560,832	2,560,832	9,251,947
18. Transportation Services	3,706,087	3,706,087	13,563,778
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	152,283	152,283	709,195
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	33,191,841	33,191,841	131,318,061
23. HCBS Services	11,742,137	11,742,137	48,018,576
24. Other Medical and Hospital Services - Write-Ins	3,194,643	3,194,643	12,559,843
25. Subtotal Medical and Hospital (Lines 5 to 24)	143,200,871	143,200,871	575,030,663
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	2,341,104	2,341,104	9,010,957
27. Inpatient Substance Abuse Treatment and Detox	154,913	154,913	463,765
28. Outpatient Mental Health Services	2,344,498	2,344,498	6,621,092
29. Outpatient Substance Abuse Treatment and Detox	3,015	3,015	5,190
30. Housing/Residential Treatment	2,541,302	2,541,302	5,310,384
31. Specialized Crisis Services	492,926	492,926	3,062,000
32. Psychiatric Rehab and Support Services	329,943	329,943	1,182,930
33. Case Management	1,009,523	1,009,523	9,708,400
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	11,225	11,225	164,041
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,140,750	1,140,750	6,834,748
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	10,369,199	10,369,199	42,363,507
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	153,570,070	153,570,070	617,394,170
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	12,688	12,688	52,528
48. Subrogation and Coordination of Benefits	-	-	(5,236)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	12,688	12,688	47,292
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	153,557,382	153,557,382	617,346,878
Administration:			
51. Compensation	10,095,072	10,095,072	42,554,458
52. Marketing	53,276	53,276	224,576
53. Health Insurer Fee	7,526,498	7,526,498	-
54. Premium Tax Expense	10,980,545	10,980,545	43,610,815
55. Occupancy, Depreciation, and Amortization	803,296	803,296	3,386,186
56. Other Administration - Write-Ins	4,976,531	4,976,531	20,977,936
57. Total Administration Expenses (Lines 51 to 56)	34,435,218	34,435,218	110,753,971
58. Total Expenses (Lines 50 and 57)	187,992,600	187,992,600	728,100,849
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	6,879,743	6,879,743	4,684,617
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	5,181,124	5,181,124	8,877,060
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	12,253,155	12,253,155	-
0302. Pay-for-Performance Bonus	385	385	194,968
0399. Total Other Revenues	12,253,540	12,253,540	194,968
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,207,728	3,207,728	11,880,141
2202. Bad Debt Expense	(13,085)	(13,085)	680,174
2203. Out of Area Claims Expense	-	-	(472)
2299. Total Other Medical and Hospital	3,194,643	3,194,643	12,559,843
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,691,718	1,691,718	7,131,226
5602. Outsourced Services	1,307,755	1,307,755	5,512,676
5603. Auditing, Actuarial, and Other Consulting	873,831	873,831	3,683,524
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	581,482	581,482	2,451,162
5605. Postage/Telephone	358,054	358,054	1,509,329
5606. Printing and Stationary	163,691	163,691	690,019
5699. Total Other Administration	4,976,531	4,976,531	20,977,936

Report #2A: BlueCare East Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	635,469	635,469	2,541,558
Estimated Revenues:			
1. TennCare Capitation	235,486,484	235,486,484	941,002,348
2. Investment	497,679	497,679	1,519,385
3. Other Revenues	16,231,187	16,231,187	108,192
4. Total Estimated Revenues (Lines 1 to 3)	252,215,350	252,215,350	942,629,925
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for-Service Physician Services	39,376,133	39,376,133	188,045,445
7. Inpatient Hospital Services	42,473,320	42,473,320	133,857,875
8. Outpatient Hospital Services	21,467,080	21,467,080	67,180,492
9. Emergency Room Services	5,107,074	5,107,074	16,369,199
10. Dental Services	985	985	4,736
11. Vision Services	165,313	165,313	753,058
12. Pharmacy Services	-	-	-
13. Home Health Services	6,356,586	6,356,586	29,654,699
14. Chiropractic Services	-	-	-
15. Radiology Services	1,491,158	1,491,158	7,729,268
16. Laboratory Services	1,307,798	1,307,798	7,286,390
17. Durable Medical Equipment Services	3,155,200	3,155,200	16,773,726
18. Transportation Services	3,843,006	3,843,006	15,391,749
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	253,475	253,475	684,561
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	41,344,607	41,344,607	159,248,677
23. HCBS Services	6,807,791	6,807,791	38,336,135
24. Other Medical and Hospital Services - Write-Ins	3,222,558	3,222,558	14,268,851
25. Subtotal Medical and Hospital (Lines 5 to 24)	176,372,084	176,372,084	695,584,861
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,244,029	1,244,029	5,927,554
27. Inpatient Substance Abuse Treatment and Detox	127,399	127,399	542,485
28. Outpatient Mental Health Services	3,228,828	3,228,828	13,303,570
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	2,058,774	2,058,774	5,657,046
31. Specialized Crisis Services	745,547	745,547	3,082,650
32. Psychiatric Rehab and Support Services	686,035	686,035	3,294,801
33. Case Management	3,184,024	3,184,024	15,017,807
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	39,376	39,376	191,103
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,165,730	2,165,730	8,871,142
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	13,479,742	13,479,742	55,888,158
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	189,851,826	189,851,826	751,473,019
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	27,096	27,096	120,617
48. Subrogation and Coordination of Benefits	-	-	(2,620)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	27,096	27,096	117,997
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	189,824,730	189,824,730	751,355,022
Administration:			
51. Compensation	11,838,196	11,838,196	52,871,838
52. Marketing	62,476	62,476	279,025
53. Health Insurer Fee	9,970,007	9,970,007	-
54. Premium Tax Expense	13,844,472	13,844,472	56,814,267
55. Occupancy, Depreciation, and Amortization	942,002	942,002	4,207,171
56. Other Administration - Write-Ins	5,835,835	5,835,835	26,064,060
57. Total Administration Expenses (Lines 51 to 56)	42,492,988	42,492,988	140,236,361
58. Total Expenses (Lines 50 and 57)	232,317,718	232,317,718	891,591,383
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	10,353,471	10,353,471	17,630,270
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	9,544,161	9,544,161	33,408,272
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	16,231,187	16,231,187	-
0302. Pay-for-Performance Bonus	-	-	108,192
0399. Total Other Revenues	16,231,187	16,231,187	108,192
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,238,551	3,238,551	13,437,804
2202. Bad Debt Expense	(15,993)	(15,993)	831,324
2203. Out of Area Claims Expense	-	-	(277)
2299. Total Other Medical and Hospital	3,222,558	3,222,558	14,268,851
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,983,829	1,983,829	8,860,198
5602. Outsourced Services	1,533,567	1,533,567	6,849,230
5603. Auditing, Actuarial, and Other Consulting	1,024,717	1,024,717	4,576,599
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	681,887	681,887	3,045,450
5605. Postage/Telephone	419,879	419,879	1,875,268
5606. Printing and Stationary	191,956	191,956	857,315
5699. Total Other Administration	5,835,835	5,835,835	26,064,060

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CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	429,182,703	404,692,802	1,677,051,246
2. Net investment income	1,662,783	1,431,477	7,119,782
3. Miscellaneous income	0	0	0
4. TOTAL (Lines 1 to 3)	430,845,486	406,124,279	1,684,171,028
5. Benefit and loss related payments	330,314,393	332,074,183	1,369,439,781
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	78,131,113	59,979,491	242,775,581
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	16,841,236	2,348,286	22,252,876
10. TOTAL (Lines 5 through 9)	425,286,742	394,401,960	1,634,468,238
11. Net cash from operations (Line 4 minus Line 10)	5,558,744	11,722,319	49,702,790
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	76,741,278	68,573,411	205,306,939
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	722
12.7 Miscellaneous proceeds	9,011,812	7,276,432	0
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	85,753,090	75,849,843	205,307,661
13. Cost of investments acquired (long-term only):			
13.1 Bonds	76,084,932	135,699,696	335,873,342
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	1,378	0	1,182,833
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	76,086,310	135,699,696	337,056,175
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	9,666,780	(59,849,853)	(131,748,514)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	21,391,345	(31,986,627)	(23,524,566)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	21,391,345	(31,986,627)	(23,524,566)
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)	36,616,869	(80,114,161)	(105,570,290)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	70,383,514	175,953,804	175,953,804
19.2 End of period (Line 18 plus Line 19.1)	107,000,383	95,839,643	70,383,514

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

20.0001	0	0	0
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	2 Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		Individual	3 Group							
Total Members at end of:										
1. Prior Year	382,727	0	0	0	0	0	0	0	382,727	0
2. First Quarter	392,609	0	0	0	0	0	0	539	392,070	0
3. Second Quarter	0	0	0	0	0	0	0	0	0	0
4. Third Quarter	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	1,165,259	0	0	0	0	0	0	1,139	1,164,120	0
Total Member Ambulatory Encounters for Period:										
7. Physician	1,190,737	0	0	0	0	0	0	0	1,190,737	0
8. Non-Physician	103,542	0	0	0	0	0	0	0	103,542	0
9. Total	1,294,279	0	0	0	0	0	0	0	1,294,279	0
10. Hospital Patient Days Incurred	75,323	0	0	0	0	0	0	0	75,323	0
11. Number of Inpatient Admissions	11,406	0	0	0	0	0	0	0	11,406	0
12. Health Premiums Written (a)	452,573,939	0	0	0	0	0	0	1,223,022	451,350,917	0
13. Life Premiums Direct	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
15. Health Premiums Earned	452,573,939	0	0	0	0	0	0	1,223,022	451,350,917	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	330,209,135	0	0	0	0	0	0	422,746	329,786,389	0
18. Amount Incurred for Provision of Health Care Services	344,458,271	0	0	0	0	0	0	1,081,118	343,377,153	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....1,223,022.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0399999 Aggregate Accounts Not Individually Listed - Covered	5,272,923	5,260,801	1,864,403	703,144	0	13,101,271
0499999 Subtotals	5,272,923	5,260,801	1,864,403	703,144	0	13,101,271
0599999 Unreported claims and other claim reserves						142,884,148
0799999 Total Claims Unpaid						155,985,419
0899999 Accrued Medical Incentive Pool And Bonus Amounts						1,114,000

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & 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	121,822,617	422,746	0	658,372	0	0
7. Title XIX - Medicaid	0	207,963,772	10,704,735	144,622,312	132,527,352	142,357,184
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	121,822,617	208,386,518	10,704,735	145,280,684	132,527,352	142,357,184
10. Healthcare receivables (a)	2,729,046	20,507	0	4,090	2,729,046	2,968,786
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	105,258	0	1,114,000	0	813,500
13. Totals (Lines 9 - 10 + 11 + 12)	119,093,571	208,471,269	10,704,735	146,390,594	129,798,306	140,201,898

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

Notes to Financial Statement

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 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.

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 March 31, 2014 or December 31, 2013.

	State of Domicile	March 31, 2014	December 31, 2013
<u>NET INCOME</u>			
(1) VSHP state basis (Page 4, Line 32, Columns 2&4)	TN	\$ 13,877,941	\$ 42,015,897
(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	\$ 13,877,941	\$ 42,015,897
 <u>SURPLUS</u>			
(5) VSHP state basis (Page 3, Line 33, Columns 3&4)	TN	\$ 270,769,113	\$ 256,869,320
(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	\$ 270,769,113	\$ 256,869,320

- B. No Change

- C. No Change

- (1) No Change
- (2) No Change
- (3) No Change
- (4) No Change
- (5) No Change
- (6) No Change
- (7) No Change
- (8) No Change
- (9) No Change
- (10) No Change
- (11) No Change
- (12) No Change
- (13) No Change

2. Accounting Changes and Corrections of Errors

No Change

Notes to Financial Statement**3. Business Combinations and Goodwill**

- A. No Change
- B. No Change
- C. No Change
- D. No Change

4. Discontinued Operations

No Change

5. Investments

- A. No Change
- B. No Change
- C. No Change

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 has not recognized any other-than temporary impairments (OTTI) on loan-backed securities as of March 31, 2014.

(4) Aggregate unrealized losses and related fair value of loan-backed securities where fair value was less than amortized cost at March 31, 2014 and for which OTTI has not been recognized is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 months	\$ 28,772
	2. 12 months or longer	\$ 198
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 months	\$ 14,766,439
	2. 12 months or longer	\$ 2,614,282

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

- E. The Company had no repurchase agreements or securities lending transactions during the three months ended March 31, 2014.
- F. No Change
- G. No Change
- H. No Change
- I. The Company had no working capital finance investments as of March 31, 2014.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. No Change
- B. No Change

7. Investment Income

- A. No Change
- B. No Change

8. Derivative Instruments

- A. No Change
- B. No Change
- C. No Change
- D. No Change
- E. No Change
- F. No Change

9. Income Taxes

- A. No Change
- B. No Change
- C. No Change

Notes to Financial Statement

- D. The provision for federal income taxes incurred 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>March 31, 2014</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 10,751,712	35.0%
ACA Health Insurer Fee	6,123,777	19.9%
Change in net deferred income taxes	(34,253)	(0.1%)
Federal income taxes incurred	<u>\$ 16,841,236</u>	<u>54.8%</u>

- E. No Change
 F. No Change
 G. No Change

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). BlueCross BlueShield of Tennessee, Inc. (BCBST) owns 100% of SDBS.
- B&C. BCBST transferred \$1,212,703 in capital contributions to SDBS during the year ended December 31, 2013. No amounts were transferred to SDBS or VSHP for the three months ended March 31, 2014.
- The Company paid BCBST \$34,832,468 and \$134,169,231 for services performed under administrative services and tax sharing agreements during the three months ended March 31, 2014 and the year ended December 31, 2013, respectively.
- D. No Change
 E. No Change
 F. No Change
 G. No Change
 H. No Change
 I. No Change
 J. No Change
 K. No Change
 L. No Change

11. Debt

- A. No Change
 B. The Company had no Federal Home Loan Bank agreements as of March 31, 2014.

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 the quarterly statement of BCBST.
- B. No Change
 C. No Change
 D. No Change
 E. No Change
 F. No Change
 G. No Change
 H. No Change
 I. No Change

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

- (1) No Change
 (2) No Change
 (3) No Change
 (4) No Change
 (5) No Change
 (6) No Change
 (7) No Change
 (8) No Change
 (9) No Change
 (10) No Change

Notes to Financial Statement

- (11) No Change
 (12) No Change
 (13) No Change

14. Contingencies

- A. No Change
 B. No Change
 C. No Change
 D. No Change
 E. No Change

15. Leases

- A. No Change
 B. No Change

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

No Change

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

- A. No Change
 B. The Company had no transfers, servicing or extinguishment of financial assets or liabilities during the three months ended March 31, 2014.
 C. The Company had no wash sales involving transactions for securities with an unrated NAIC designation or a designation of 3 or higher during the three months ended March 31, 2014.

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.

The gains from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows for the three months ended March 31, 2014:

	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	\$ 1,028,699	\$ 0	\$ 1,028,699
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 1,028,699	\$ 0	\$ 1,028,699
d. Total claim payment volume	\$ 85,361,253	\$ 0	\$ 85,361,253

- B. No Change
 C. No Change

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

No Change

20. Fair Value Measurement

- A&B. As of March 31, 2014 and 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 Statement

- C. The following tables provide information about the fair value of the Company's financial assets as of March 31, 2014 and December 31, 2013.

March 31, 2014						
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	\$ 76,142,108	\$ 76,152,852	\$ 69,521,976	\$ 6,620,132	\$ 0	\$ 0
States, municipalities and political subdivisions	5,145,799	5,125,279	1,533,794	3,612,005	0	0
Foreign securities, including Canada	32,269,405	32,084,684	15,221,902	17,047,503	0	0
Agency mortgage-backed securities	28,609,322	28,344,918	0	28,609,322	0	0
Commercial mortgage-backed securities	19,778,371	19,723,792	0	19,778,371	0	0
Asset-backed securities	56,450,935	56,390,900	0	56,450,935	0	0
Total return bond index ETF	8,604,476	8,844,071	8,604,476	0	0	0
Investment grade corporate bonds	163,299,006	162,800,254	77,265,036	86,033,970	0	0
Total bonds	390,299,422	389,466,750	172,147,184	218,152,238	0	0
Short-term investments	60,022,693	60,022,693	60,022,693	0	0	0
Total bonds and short-term investments	\$ 450,322,115	\$ 449,489,443	\$ 232,169,877	\$ 218,152,238	\$ 0	\$ 0

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

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 similar 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 March 31, 2014 and December 31, 2013.

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.

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.

Notes to Financial Statement

Level 2 assets – Fair values are determined using prices provided by independent pricing services, which may use quoted market prices of similar or identical 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 March 31, 2014 and December 31, 2013.

- D. The Company held no financial assets for which it was not practicable to estimate the fair value at March 31, 2014 and December 31, 2013.

21. Other Items

- A. No Change
 B. No Change
 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 adjusted for ASO administrative fees, the Affordable Care Act (ACA) annual fee assessment and premium tax for the three months ended March 31, 2014 and 2013:

<u>Line#</u>	<u>Administrative Expenses:</u>	<u>March 31, 2014</u>	<u>March 31, 2013</u>	<u>% Change</u>
20	Claims adjustment expense	\$ 21,863,086	\$ 22,698,065	
21	General administrative expense	56,439,367	37,003,015	
	Total expense	78,302,453	59,701,080	
	ASO administrative fees	13,268,426	13,105,153	
	ACA annual fee assessment	(17,496,506)	0	
	Premium tax	(30,244,362)	(27,658,122)	
	Expenses, net of adjustments	<u>\$ 43,830,011</u>	<u>\$ 45,148,111</u>	(2.9%)

- D. No Change
 E. No Change
 F. No Change
 G. No Change
 H. The Company did not offset any derivative, repurchase, reverse repurchase, securities borrowing or securities lending assets and liabilities during the three months ended March 31, 2014.
 I. No Change
 J. The services offered by the Company are not subject to the risk sharing provisions of the ACA as of March 31, 2014.

22. Events Subsequent

- A. No Change
 B. No Change

23. Reinsurance

- A. No Change
 B. No Change
 C. No Change
 D. No Change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. No Change
 B. No Change
 C. No Change
 D. No Change

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2013, the reserve for unpaid insured claims, accrued medical incentive pool and unpaid claim adjustment expenses, net of gross healthcare receivables, was \$146,522,055. Through March 31, 2014, \$124,462,186 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 2013 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 \$10,872,575. The reserve remaining for prior years is \$11,187,293 as of March 31, 2014.

26. Intercompany Pooling Arrangements

- A. No Change
- B. No Change
- C. No Change
- D. No Change
- E. No Change
- F. No Change
- G. No Change

27. Structured Settlements

No Change

28. Health Care Receivables

- A. No Change
- B. No Change

29. Participating Policies

No Change

30. Premium Deficiency Reserves

No Change

31. Anticipated Salvage and Subrogation

No Change

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GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]
- 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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
 If yes, complete Schedule Y, Parts 1 and 1A.
 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
 If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011
 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/27/2013
 6.4 By what department or departments?
 Tennessee Department of Commerce and Insurance
 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
 9.11 If the response to 9.1 is No, please explain:
 9.2 Has the code of ethics for senior managers been amended? Yes[X] No[]
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
 The annual review of the Code of Business Conduct resulted in non-substantive situation and language modifications with an updated CEO message. The updated Code was effective January 2014.
 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
 11.2 If yes, give full and complete information relating thereto:
 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
 13. Amount of real estate and mortgages held in short-term investments: \$ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?
 14.2 If yes, please complete the following:

Yes No

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	0	0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgages Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	0	0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	0	0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement.

Yes No
 Yes No N/A

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2
 16.2 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2
 16.3 Total payable for securities lending reported on the liability page

\$ 0
 \$ 0
 \$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes No

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

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
 17.4 If yes, give full and complete information relating thereto:

Yes No

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

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

1 Central Registration Depository	2 Name(s)	3 Address
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

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
 18.2 If no, list exceptions:

Yes No

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	..... 79.028%
1.2 A&H cost containment percent	..... 2.917%
1.3 A&H expense percent excluding cost containment expenses	..... 14.385%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			NONE					

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

		Direct Business Only								
State, Etc.		1	2	3	4	5	6	7	8	9
		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N	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	1,223,022	451,350,917	0	0	0	452,573,939	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	1,223,022	451,350,917	0	0	0	452,573,939	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	1,223,022	451,350,917	0	0	0	452,573,939	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

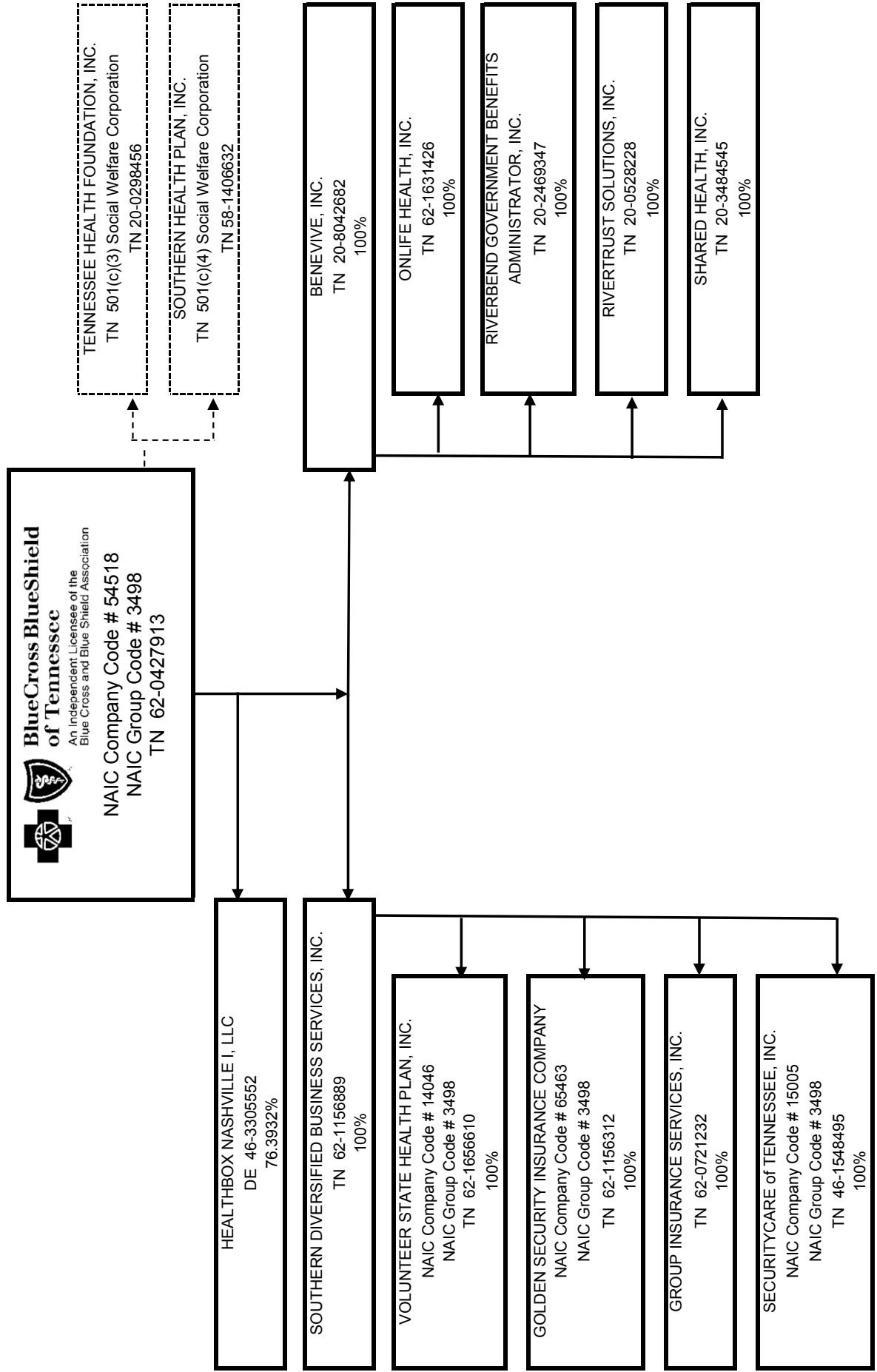
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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)	Names of Parent, Subsidiaries Or Affiliates	Domic-iliary Loca-tion	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	UIP	BlueCross BlueShield of Tennessee, Inc.	Ownership	0.0	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.													

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



14046201436500001

2014

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Pending Escheatment To State	435,299	0	435,299	479,300
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	435,299	0	435,299	479,300

SCHEDULE A - VERIFICATION**Real Estate**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest paid	0	0
9. Total foreign exchange change in book value/recorded investment	0	0
10. Deduct current year's other than temporary impairment recognized	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	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	390,981,782	265,079,879
2. Cost of bonds and stocks acquired	76,084,932	335,873,342
3. Accrual of discount	45,047	119,488
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	140,153	(176,514)
6. Deduct consideration for bonds and stocks disposed of	76,741,278	205,306,939
7. Deduct amortization of premium	1,043,886	4,607,474
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	389,466,750	390,981,782
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	389,466,750	390,981,782

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	409,655,095	525,417,501	509,124,112	(958,717)	424,989,767	0	0	409,655,095
2. NAIC 2 (a)	12,883,384	14,212,785	2,551,868	(44,625)	24,499,675	0	0	12,883,384
3. NAIC 3 (a)	0	0	0	0	0	0	0	0
4. NAIC 4 (a)	0	0	0	0	0	0	0	0
5. NAIC 5 (a)	0	0	0	0	0	0	0	0
6. NAIC 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	422,538,479	539,630,286	511,675,980	(1,003,342)	449,489,443	0	0	422,538,479
PREFERRED STOCK								
8. NAIC 1	0	0	0	0	0	0	0	0
9. NAIC 2	0	0	0	0	0	0	0	0
10. NAIC 3	0	0	0	0	0	0	0	0
11. NAIC 4	0	0	0	0	0	0	0	0
12. NAIC 5	0	0	0	0	0	0	0	0
13. NAIC 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	422,538,479	539,630,286	511,675,980	(1,003,342)	449,489,443	0	0	422,538,479

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

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

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	60,022,693	X X X	60,022,693	10,798	0

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	31,556,697	169,312,724
2. Cost of short-term investments acquired	463,545,355	1,823,399,173
3. Accrual of discount	0	1,132
4. Unrealized valuation increase (decrease)	0	(1,132)
5. Total gain (loss) on disposals	0	903
6. Deduct consideration received on disposals	435,074,855	1,961,067,240
7. Deduct amortization of premium	4,504	88,863
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	60,022,693	31,556,697
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	60,022,693	31,556,697

SCHEDULE DB - PART A - VERIFICATION**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	0
3.	Unrealized Valuation increase/(decrease)	0
4.	Total gain (loss) on termination recognized	0
5.	Considerations received/(paid) on terminations	0
6.	Amortization	0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	0
8.	Total foreign exchange change in Book/Adjusted Carrying value	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

SCHEDULE DB - PART B - VERIFICATION**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 to date 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 to date 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				
	3.24 Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation Margin on terminated contracts during the year			0	
4.2	Less:				
	4.21 Amount used to adjust basis of hedged item	0			
	4.22 Amount recognized	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

SCHEDULE DB - PART C - SECTION 1
Replication (Synthetic Asset) Transactions Open as of Current Statement Date

1	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	9 Derivative Instrument(s) Open 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									
9999999 Totals				0	0	XXX	XXX	XXX	0	0	XXX	XXX	XXX	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
(Cash Equivalents)

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

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

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	3 State						
NONE								
0399999 Totals					0	0	0	0

SCHEDULE A - PART 3
Showing All Real Estate DISPOSED During the Quarter, 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	3 State																				
NONE																						
0399999 Totals														0	0	0	0	0	0	0	0	0

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

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 Quarter

1 Loan Number	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 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State															
NONE																	
0599999 Totals																	
							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 During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
	NONE											
4699999 TOTALS								0	0	0	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

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

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828VG2	U S TREASURY NOTE		03/28/2014	NOVA CAPITAL MARKETS LLC	XXX	3,627,183	3,631,000	5,387	1
912828VL1	U S TREASURY NOTE		03/28/2014	VARIOUS	XXX	15,727,336	15,693,000	11,250	1
912828VU1	U S TREASURY NOTE		01/22/2014	JPMorgan Securities Inc.	XXX	807,231	806,000	1,219	1
0599999	Subtotal - U.S. Governments				XXX	20,161,749	20,130,000	17,855	XXX
Bonds - U.S. Special Revenue, Special Assessment									
31398PF46	FNMA GTD REMIC PT 2010-41 DK		01/30/2014	BNP Paribas Securities	XXX	954,593	931,737	2,135	1
3199999	Subtotal - U.S. Special Revenue, Special Assessment				XXX	954,593	931,737	2,135	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
268317AG9	ELECTRICITE DE FRANCE 144A	F	01/13/2014	SG Americas Securities LL	XXX	1,974,295	1,983,000	0	1FE
29358QAB5	ENSCO PLC	F	03/05/2014	SunTrust Capital Markets	XXX	900,609	860,000	13,587	2FE
55608PAE4	MACQUARIE BANK LTD 144A	F	03/18/2014	Wells Fargo Securities LL	XXX	1,034,907	1,035,000	0	1FE
001055AE2	AFLAC INC		01/23/2014	U S Bancorp	XXX	1,227,135	1,175,000	18,354	1FE
02006NAB5	ALLY AUTO RECEIVABLES SN1 A2A		02/25/2014	Credit Suisse	XXX	699,970	700,000	0	1FE
02361DAE0	AMEREN ILLINOIS CO		01/23/2014	Merrill Lynch	XXX	1,020,745	878,000	10,905	1FE
03064LAB6	AMERICREDIT AUTOMOBILE RE 1 A2		03/11/2014	Barclays Cap	XXX	499,981	500,000	0	1FE
03064JAB1	AMERICREDIT AUTOMOBILE RE 2 A2		03/25/2014	Credit Suisse	XXX	971,591	971,401	286	1FE
03065BAB7	AMERICREDIT AUTOMOBILE RE 3 A2		03/03/2014	Southwest Securities	XXX	17,045	17,060	5	1FE
03065CAB5	AMERICREDIT AUTOMOBILE RE 4 A2		02/27/2014	Morgan Stanley	XXX	60,047	60,000	32	1FE
04621XAE8	ASSURANT INC		02/19/2014	UBS Secs	XXX	462,323	461,000	5,090	2FE
00206RBR2	AT&T INC		01/06/2014	Deutsche Bank Secs	XXX	1,149,678	1,150,000	4,226	1FE
07387JAE6	BEAR STEARNS COMMERCIA PW12 A4		03/19/2014	Credit Suisse	XXX	1,425,519	1,312,000	4,788	1FM
14313OAB1	CARMAX AUTO OWNER TRUST 1 A2		02/04/2014	Merrill Lynch	XXX	1,099,982	1,100,000	0	1FE
14912L5Z0	CATERPILLAR FINANCIAL SE		02/26/2014	VARIOUS	XXX	2,027,803	2,029,000	0	1FE
17119XAB5	CHRYSLER CAPITAL 14-AA A2 144A		03/12/2014	Barclays Cap	XXX	999,995	1,000,000	0	1FE
17275RAM4	CISCO SYSTEMS INC		02/24/2014	Merrill Lynch	XXX	2,000,000	2,000,000	0	1FE
17279RAT9	CISCO SYSTEMS INC		02/24/2014	VARIOUS	XXX	1,409,915	1,410,000	0	1FE
22545LAD1	COMMERCIAL MORTGAGE PASS C5 A3		02/19/2014	Goldman Sachs NY	XXX	1,147,811	1,053,000	3,573	1FE
126650CA6	CVS CAREMARK CORP		01/22/2014	Merrill Lynch	XXX	1,004,770	1,000,000	1,733	2FE
26441CAG0	DUKE ENERGY CORP		01/24/2014	Merrill Lynch	XXX	1,237,092	1,200,000	5,303	2FE
29379VAA1	ENTERPRISE PRODUCTS OPERATING		03/10/2014	VARIOUS	XXX	675,103	581,000	16,153	2FE
30161MAE3	EXELON GENERATION CO LLC		01/22/2014	JPMorgan Securities Inc.	XXX	1,128,900	1,000,000	19,978	2FE
31679JAB9	FIFTH THIRD AUTO TRUST 1 A2		02/11/2014	Credit Suisse	XXX	1,499,960	1,500,000	0	1FE
34530HAB6	FORD CREDIT AUTO OWNER TR A A2		01/14/2014	Morgan Stanley	XXX	599,940	600,000	0	1FE
44890TAB3	HYUNDAI AUTO LEAS 14-A A2 144A		03/12/2014	Barclays Cap	XXX	799,969	800,000	0	1FE
44923GAA2	HYUNDAI CAPITAL AMERICA 144A		01/30/2014	Mitsubishi UFJ Secs	XXX	1,198,106	1,140,000	14,013	2FE
46623EJY6	JPMORGAN CHASE & CO		02/12/2014	J P Morgan	XXX	2,727,636	2,729,000	0	1FE
494550AU0	KINDER MORGAN ENERGY PARTNERS		02/19/2014	JPMorgan Securities Inc.	XXX	636,953	565,000	2,166	2FE
494550AY2	KINDER MORGAN ENERGY PARTNERS		02/07/2014	Merrill Lynch	XXX	1,033,731	900,000	26,329	2FE
565849AD8	MARATHON OIL CORP		01/28/2014	SG Americas Securities LL	XXX	468,698	408,000	8,160	2FE
581557BB0	MCKESSON CORP		03/05/2014	Goldman Sachs NY	XXX	2,565,000	2,565,000	0	2FE
59217GAV1	MET LIFE GLOB FUNDING I 144A		03/28/2014	VARIOUS	XXX	811,914	800,000	3,513	1FE
59217GAD1	METROPOLITAN LIFE GLOBAL 144A		01/30/2014	RBC Capital Markets Corp	XXX	1,579,143	1,510,000	3,015	1FE
64952WBR3	NEW YORK LIFE GLOBAL FUND 144A		01/16/2014	Credit Suisse	XXX	2,278,137	2,283,000	0	1FE
65477PAB7	NISSAN AUTO RECEIVABLES O A A2		02/11/2014	Merrill Lynch	XXX	1,199,953	1,200,000	0	1FE
69371RK62	PACCAR FINANCIAL CORP		03/04/2014	Keybank Capital Mkts	XXX	701,930	696,000	1,868	1FE
78573AAB6	SABMiller HOLDINGS INC 144A		01/21/2014	BNP Paribas Securities	XXX	1,444,592	1,400,000	858	2FE
80288NAB5	SANTANDER DRIVE AUTO REC 1 A2A		01/08/2014	Barclays Cap	XXX	699,992	700,000	0	1FE
790849AH6	ST JUDE MEDICAL INC		02/05/2014	VARIOUS	XXX	1,042,391	1,010,000	1,753	1FE
89231MAB1	TOYOTA AUTO RECEIVABLES A A2		03/11/2014	Citigroup GBL	XXX	599,996	600,000	0	1FE
89233P5S1	TOYOTA MOTOR CREDIT CORP		03/27/2014	RBC Capital Markets Corp	XXX	1,452,984	1,414,000	6,361	1FE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
90331HME0	US BANK NA		03/29/2014	U S Bancorp	X X X	1,500,000	1,500,000	379	1FE
90331HMC4	US BANK NA/CINCINNATI OH		01/27/2014	U S Bancorp	X X X	1,455,782	1,456,000	0	1FE
90290KAB1	USAA AUTO OWNER TRUST 1 A2		02/25/2014	Credit Suisse	X X X	799,969	800,000	0	1FE
92276MAV7	VENTAS REALTY LP/CAP CRP		01/23/2014	Cantor Fitzgerald	X X X	1,456,908	1,400,000	6,939	2FE
92867QAB7	VOLKSWAGEN AUTO LEASE TR A A2A		02/04/2014	Merrill Lynch	X X X	1,199,977	1,200,000	0	1FE
9297667G2	WACHOVIA BANK COMMERCIA C21 A4		03/25/2014	Morgan Stanley	X X X	1,039,714	967,742	3,882	1FM
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	54,968,589	53,639,204	183,248	X X X
8399997 Subtotal - Bonds - Part 3					X X X	76,084,931	74,700,940	203,239	X X X
8399999 Subtotal - Bonds					X X X	76,084,931	74,700,940	203,239	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	0	X X X	0	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	76,084,931	X X X	203,239	X X X

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11			12	13	14	15	16	17	18	19	20	21	22	
										Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized												Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
34523RAD3	FORD CREDIT AUTO OWNER TR B A4	03/15/2014	PRINCIPAL RECEIPT	XXX	13,664	13,664	13,662	13,663	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34523QBA1	FORD CREDIT FLOORPLAN INAS 1 A2	02/15/2014	PRINCIPAL RECEIPT	XXX	1,580,000	1,580,000	1,591,347	1,581,347	0	0	0	(1,347)	0	0	0	0	0	0	0	0	0	0	0	0
41283TAB4	HARLEY-DAVIDSON MOTORCYCL 1 A2	01/15/2014	PRINCIPAL RECEIPT	XXX	93,181	93,181	93,250	93,181	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41283YAB3	HARLEY-DAVIDSON MOTORCYCL 1 A2	03/15/2014	PRINCIPAL RECEIPT	XXX	471,841	471,841	471,814	471,830	0	0	0	11	0	0	0	0	0	0	0	0	0	0	0	0
41283AD3	HARLEY-DAVIDSON MOTORCYCL 1 A3	03/15/2014	PRINCIPAL RECEIPT	XXX	88,875	88,875	89,042	88,887	0	0	0	(12)	0	0	0	0	0	0	0	0	0	0	0	0
41283KAD9	HARLEY-DAVIDSON MOTORCYCL 1 A4	02/15/2014	PRINCIPAL RECEIPT	XXX	112,197	112,197	111,987	112,197	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
437076AP7	HOME DEPOT INC THE	01/15/2014	First Union Cap Mkts	XXX	336,126	336,126	352,365	334,676	0	0	0	(801)	0	0	0	0	0	0	0	0	0	0	0	0
43813EAB2	HONDA AUTO RECEIVABLES 2 A2	01/23/2014	PRINCIPAL RECEIPT	XXX	34,046	34,046	34,046	34,046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43814CAB5	HONDA AUTO RECEIVABLES OW 1 A2	03/21/2014	PRINCIPAL RECEIPT	XXX	437,605	437,605	437,578	437,600	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0
43814EAB1	HONDA AUTO RECEIVABLES OW 2 A2	03/16/2014	PRINCIPAL RECEIPT	XXX	542,226	542,226	542,180	542,211	0	0	0	15	0	0	0	0	0	0	0	0	0	0	0	0
44890AAB5	HONDAI AUTO RECEIVABLES A A2	03/15/2014	PRINCIPAL RECEIPT	XXX	560,455	560,455	560,419	560,447	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0
44890GAD7	HONDAI AUTO RECEIVABLES A A4	03/31/2014	Morgan Stanley	XXX	2,110,500	2,110,500	2,116,703	2,109,174	0	0	0	(2,296)	0	0	0	0	0	0	0	0	0	0	0	0
44890LAB0	HONDAI AUTO RECEIVABLES B A2	03/15/2014	PRINCIPAL RECEIPT	XXX	238,431	238,431	238,430	238,430	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
44890KAB2	HONDAI AUTO RECEIVABLES C A2	03/15/2014	PRINCIPAL RECEIPT	XXX	163,259	163,259	163,285	163,259	0	0	0	(4)	0	0	0	0	0	0	0	0	0	0	0	0
46625MAB2	JP MORGAN CHASE COMMERC CBB A4	03/01/2014	PRINCIPAL RECEIPT	XXX	300,070	300,070	300,070	300,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46625MAB7	JP MORGAN CHASE COMMERC CBB A4	03/01/2014	PRINCIPAL RECEIPT	XXX	1,394,804	1,394,804	1,485,303	1,407,471	0	0	0	(12,667)	0	0	0	0	0	0	0	0	0	0	0	0
46625MCE8	JP MORGAN CHASE & CO	02/12/2014	Morgan Stanley	XXX	2,452,437	2,452,437	2,534,863	2,440,717	0	0	0	(8,807)	0	0	0	0	0	0	0	0	0	0	0	0
581557AY1	MCKESSON CORP	03/06/2014	BNP Paribas Securities	XXX	2,558,543	2,558,543	2,552,864	2,552,060	0	0	0	(192)	0	0	0	0	0	0	0	0	0	0	0	0
585055AP1	MEDTRONIC INC SR NT	02/05/2014	Chemical Securities	XXX	401,572	400,000	408,410	400,385	0	0	0	(176)	0	0	0	0	0	0	0	0	0	0	0	0
58768VAB7	MERCEDES-BENZ AUTO LEASE A A2	03/15/2014	PRINCIPAL RECEIPT	XXX	342,924	342,924	342,922	342,922	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59217EBW3	METROPOLITAN LIFE GLOBAL FUNDI	01/30/2014	PRINCIPAL RECEIPT	XXX	1,627,024	1,600,000	1,732,752	1,628,078	0	0	0	(5,100)	0	0	0	0	0	0	0	0	0	0	0	0
617451CL1	MORGAN STANLEY CAPITAL FUNDI	03/01/2014	Camor Fitzgerald	XXX	5,650	5,650	5,909	5,909	0	0	0	(259)	0	0	0	0	0	0	0	0	0	0	0	0
64569WBEZ	MORGAN STANLEY CAPITAL HD7 A4	01/16/2014	Goldman Sachs NY	XXX	1,539,694	1,525,000	1,523,363	1,524,428	0	0	0	23	0	0	0	0	0	0	0	0	0	0	0	0
66476LAB7	NISSAN AUTO LEASE TRUST B A2A	03/15/2014	PRINCIPAL RECEIPT	XXX	339,034	339,034	339,087	339,044	0	0	0	(10)	0	0	0	0	0	0	0	0	0	0	0	0
66476BAB8	NISSAN AUTO RECEIVABLES O A A2	03/15/2014	PRINCIPAL RECEIPT	XXX	417,726	417,726	417,719	417,719	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0
66476GAB8	NISSAN AUTO RECEIVABLES O B A2	03/15/2014	PRINCIPAL RECEIPT	XXX	545,666	545,666	545,898	545,672	0	0	0	(6)	0	0	0	0	0	0	0	0	0	0	0	0
66558EAY4	NORDEA BK FINLAND INSTL C/D	01/27/2014	PRINCIPAL RECEIPT	XXX	1,100,000	1,100,000	1,103,707	1,100,211	0	0	0	(211)	0	0	0	0	0	0	0	0	0	0	0	0
74271BDX4	PROCTER & GAMBLE CO THE	02/06/2014	MATURITY	XXX	600,000	600,000	600,000	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74456QAY2	PUB SVC ELEC & GAS	02/07/2014	SOUTHERN CALIF EDISON SER A	XXX	1,178,560	1,175,000	1,174,307	1,174,855	0	0	0	23	0	0	0	0	0	0	0	0	0	0	0	0
84240FFM0	TOYOTA MOTOR CREDIT CORP	01/30/2014	SBC Capital Mkts	XXX	179,104	175,000	174,976	174,997	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
89233PJ0	UNITED TECHNOLOGIES CORP	03/17/2014	SBC Capital Mkts	XXX	2,435,828	2,435,000	2,444,397	2,440,413	0	0	0	(736)	0	0	0	0	0	0	0	0	0	0	0	0
91159HX2	US BANCORP	02/05/2014	First Boston Corp	XXX	447,599	445,000	445,000	445,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
91159HX5	US BANCORP	01/23/2014	U.S Bancorp	XXX	1,245,042	1,210,000	1,262,683	1,235,668	0	0	0	(999)	0	0	0	0	0	0	0	0	0	0	0	0
25468PC07	WALT DISNEY CO THE	01/23/2014	U.S Bancorp	XXX	351,159	350,000	346,346	349,565	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0
86158KAC3	WORLD OMNI AUTO RECEIVABL A A3	01/15/2014	PRINCIPAL RECEIPT	XXX	15,539	15,539	15,623	15,539	0	0	0	23	0	0	0	0	0	0	0	0	0	0	0	0
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	50,116,862	49,569,074	50,701,014	50,031,709	0	0	0	(61,174)	0	0	0	0	0	0	0	0	0	0	0	0
8399997 Subtotal - Bonds - Parr 4				XXX	76,741,278	75,949,655	77,443,794	75,796,021	0	0	0	(122,363)	0	0	0	0	0	0	0	0	0	0	0	0
8399999 Subtotal - Bonds				XXX	76,741,278	75,949,655	77,443,794	75,796,021	0	0	0	(122,363)	0	0	0	0	0	0	0	0	0	0	0	0
9899999 Subtotal - Preferred and Common Stocks				XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9899999 Total - Bonds, Preferred and Common Stocks				XXX	76,741,278	75,949,655	77,443,794	75,796,021	0	0	0	(122,363)	0	0	0	0	0	0	0	0	0	0	0	0

(a) For all common stock bearing the NAIC market indicator "U" provide the number of such issues.....0.

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (e)	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 Years (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 Quarter end (b)
144999 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 B - SECTION 1

Future Contracts Open as of the Current Statement Date

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	All Other	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point																				
7449999 Totals																						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1	2	3	4
Broker Name	Beginning Cash Balance	Cumulative Cash Change	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 D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

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

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 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 as of Current Statement Date

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 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 Current Statement Date

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

General Interrogatories:

1. Total activity for the year to date Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year to date 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 Current Statement Date

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

General Interrogatories:

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

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6	7	8	
					First Month	Second Month	Third Month	
open depositories								
BNP PARIBAS NY BRH INSTL C/D	Pittsburgh, PA	0.520	0	87	0	0	2,000,000	X X X
BANK TOKYO MITSUBISHI INSTL CD	Pittsburgh, PA	0.390	0	10,303	3,000,000	3,000,000	3,000,000	X X X
CHIBA BANK LTD NY BRH INSTL CD	Pittsburgh, PA	0.310	0	217	0	700,000	700,000	X X X
CHIBA BANK LTD NY BRH INSTL CD	Pittsburgh, PA	0.310	0	347	0	1,300,000	1,300,000	X X X
CREDIT IND ET CM NY INSTL C/D	Pittsburgh, PA	0.510	0	2,153	2,000,000	2,000,000	2,000,000	X X X
CREDIT IND ET CM NY INSTL C/D	Pittsburgh, PA	0.510	0	510	0	1,000,000	1,000,000	X X X
CREDIT SUISSE GROUP INSTL C/D	Pittsburgh, PA	0.500	0	6,000	1,500,000	1,500,000	1,500,000	X X X
CREDIT SUISSE GROUP INSTL C/D	Pittsburgh, PA	0.510	0	2,295	2,000,000	2,000,000	2,000,000	X X X
DEUTSCHE BANK AG NY INSTL C/D	Pittsburgh, PA	0.510	0	1,360	500,000	500,000	500,000	X X X
DEUTSCHE BANK AG NY INSTL C/D	Pittsburgh, PA	0.590	0	246	0	0	3,000,000	X X X
LLOYDS BK PLC NY BRH INSTL C/D	Pittsburgh, PA	0.490	0	2,259	2,000,000	2,000,000	2,000,000	X X X
MIZUHO CORP BK NY INSTL C/D	Pittsburgh, PA	0.230	0	198	0	1,000,000	1,000,000	X X X
NATIONAL BANK CANADA INSTL C/D	Pittsburgh, PA	0.350	0	4,258	2,000,000	2,000,000	2,000,000	X X X
NORINCHUKIN BK NY INSTL C/D	Pittsburgh, PA	0.270	0	983	1,000,000	1,000,000	1,000,000	X X X
SOCIETE GENERALE INSTL C/D	Pittsburgh, PA	0.350	0	1,497	2,000,000	2,000,000	2,000,000	X X X
SUMITOMO MTSU BKG INSTL C/D	Pittsburgh, PA	0.380	0	10,070	3,000,000	3,000,000	3,000,000	X X X
SUMITOMO TR & BKG NY BRH C/D	Pittsburgh, PA	0.360	0	1,540	2,000,000	2,000,000	2,000,000	X X X
TORONTO DOMINION NY INSTL C/D	Pittsburgh, PA	0.235	0	1,681	2,500,000	2,500,000	2,500,000	X X X
UBS AG STAMFORD BRH INSTL C/D	Pittsburgh, PA	0.515	0	8,612	2,000,000	2,000,000	2,000,000	X X X
US Bank - BlueCare Plus	Nashville, TN	0.000	0	0	531,262	908,225	502,453	X X X
US Bank - Disbursing	Nashville, TN	0.000	0	0	(249,815)	(28,561,150)	(226,355)	X X X
US Bank - Stabilization	Nashville, TN	0.000	0	0	2,361,303	2,362,505	2,372,934	X X X
UB Bank - TCS	Nashville, TN	0.000	0	0	14,871,771	6,813,307	9,037,655	X X X
US Bank - VSHP Holding	Hashville, TN	0.000	0	0	632,890	684,639	684,660	X X X
0199998 Deposits in 5 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories	X X X	X X X	63,047	0	195,470	119,870	106,343	X X X
0199999 Totals - Open Depositories	X X X	X X X	63,047	54,616	43,842,881	11,827,396	46,977,690	X X X
0299998 Deposits in 0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories	X X X	X X X	0	0	0	0	0	X X X
0299999 Totals - Suspended Depositories	X X X	X X X	0	0	0	0	0	X X X
0399999 Total Cash On Deposit	X X X	X X X	63,047	54,616	43,842,881	11,827,396	46,977,690	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X	0	0	0	X X X
0599999 Total Cash	X X X	X X X	63,047	54,616	43,842,881	11,827,396	46,977,690	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
839999 Subtotals - Bonds					0	0	0
849999 Sweep Accounts					0	0	0
859999 Other Cash Equivalents					0	0	0
869999 Total - Cash Equivalents					0	0	0



MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 3498

NAIC Company Code: 14046

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	0	X X X	0	X X X	0
2. Earned Premiums	0	X X X	0	X X X	X X X
3. Claims Paid	0	X X X	0	X X X	0
4. Claims Incurred	0	X X X	0	X X X	X X X
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	NONE		0	X X X	0
6. Aggregate Policy Reserves - change			0	X X X	X X X
7. Expenses Paid			0	X X X	0
8. Expenses Incurred	0	X X X	0	X X X	X X X
9. Underwriting Gain or Loss	0	X X X	0	X X X	X X X
10. Cash Flow Results	X X X	X X X	X X X	X X X	0

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

Statement of Actuarial Opinion

NONE

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EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of debtor	1 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	Nonadmitted	Admitted
0199999 Total Individuals.....						
0299999 Total group.....	175,585	(19,751)	1,517			157,351
0399999 Premiums due and unpaid from Medicare entities.....						
Medicaid Entities:						
ACA Fee Premium Receivable.....			28,484,342			28,484,342
State of Tennessee Premium Withhold Receivable	3,496,048					3,496,048
Premium Accrual.....	1,238,975	(53,292)	(70,646)	(9,885,523)		(8,770,486)
0499997 Subtotal - Medicaid Entities:.....	4,735,023	(53,292)	28,413,696	(9,885,523)		23,209,904
0499999 Premiums due and unpaid from Medicaid entities.....	-	-	-	-	-	-
0599999 Accident and health premiums due and unpaid (Page 2, Line 13).....	4,910,608	(73,043)	28,415,213	(9,885,523)		23,367,255

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of debtor	1 - 30 days	31 - 60 days	61 - 90 days	Over 90 days	Nonadmitted	Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed.....	4,672	12,960	6,910		24,542	
0199999 Subtotal - Pharmaceutical Rebate Receivables.....	4,672	12,960	6,910		24,542	
Provider Receivables	-	-	-	2,729,101	2,729,101	-
0299998 Claim Overpayment Receivables - Not Individually Listed.....	-	-	-	2,729,101	2,729,101	-
0299999 Subtotal - Claim Overpayment Receivables.....						
Loans and Advances to Providers						
3000001 SouthEast Transportation	2,114,398	-	-	-	2,114,398	-
0399998 Loans and Advances to Providers - Not Individually Listed.....						
0399999 Subtotal - Loans and Advances to Providers.....	2,114,398	-	-	-	2,114,398	-
0499998 Capitation Arrangement Receivables - Not Individually Listed.....						
0499999 Subtotal - Capitation Arrangement Receivables.....						
0599998 Risk Sharing Receivables - Not Individually Listed.....						
0599999 Subtotal - Risk Sharing Receivables.....						
0699998 Other Receivables - Not Individually Listed.....						
0699999 Subtotal - Other Receivables.....	-	-	-	-	-	-
0799999 Gross health care receivables.....	2,119,070	12,960	6,910	2,729,101	4,868,041	-

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually listed receivables							
NONE							
0199999 Total - individually listed receivables							
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable							

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

Affiliate	2 Description	3 Amount	5	
			4 Current	Non-Current
BlueCross BlueShield of Tennessee	Administrative Expense offset and Federal Income Tax Expense	25,748,039	25,748,039	-
0199999 Total - Individually listed payables	.....XXX	25,748,039	25,748,039	-
0299999 Payables not individually listed	.....XXX	.....	.....	.....
0399999 Total gross payables	.....XXX	25,748,039	25,748,039	-