

**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
SEPTEMBER 30, 2014**

2014

(THIS PAGE LEFT BLANK INTENTIONALLY)

QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2014 OF THE CONDITION AND AFFAIRS OF THE Volunteer State Health Plan, Inc.

NAIC Group Code	3498 <small>(Current Period)</small>	3498 <small>(Prior Period)</small>	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					
Licensed as business type:	<input type="checkbox"/> Life, Accident & Health [] <input type="checkbox"/> Dental Service Corporation [] <input type="checkbox"/> Other []		<input type="checkbox"/> Property/Casualty [] <input type="checkbox"/> Vision Service Corporation [] Is HMO Federally Qualified? Yes [] No[X] N/A []		<input type="checkbox"/> Hospital, Medical & Dental Service or Indemnity [] <input checked="" type="checkbox"/> Health Maintenance Organization[X]	
Incorporated/Organized	07/11/1996		Commenced Business	11/01/1996		
Statutory Home Office	1 Cameron Hill Circle <small>(Street and Number)</small>		Chattanooga, TN, US 37402-0001 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	Chattanooga, TN, US 37402-0001 <small>(City or Town, State, Country and Zip Code)</small>		1 Cameron Hill Circle <small>(Street and Number)</small>		(423)535-5600 <small>(Area Code) (Telephone Number)</small>	
Mail Address	1 Cameron Hill Circle <small>(Street and Number or P.O. Box)</small>		Chattanooga, TN, US 37402-0001 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	Chattanooga, TN, US 37402-0001 <small>(City or Town, State, Country and Zip Code)</small>		1 Cameron Hill Circle <small>(Street and Number)</small>		(423)535-5600 <small>(Area Code) (Telephone Number)</small>	
Internet Web Site Address	www.bluecare.bcbst.com					
Statutory Statement Contact	Joseph DeWayne Moser <small>(Name)</small>		Joseph_Moser@bcbst.com <small>(E-Mail Address)</small>		(423)535-6894 <small>(Area Code)(Telephone Number)(Extension)</small>	
					(423)535-8331 <small>(Fax Number)</small>	

CORPORATE OFFICERS

Name	Title
Scott Christian Pierce	President & CEO
Toliver Ralph Woodard, Jr.	Treasurer #
Shelia Dian Clemons	Secretary
James Kertz Rochat	Assistant Treasurer #
Katharine Anne Laurance	Assistant Secretary

ADMINISTRATIVE OFFICERS

Amber Jeanine Cambron, VP, Chief Operating Officer	David Matthew Moroney, MD, VP, Chief Medical Officer
Reid Allen Smiley, VP, Chief Financial Officer	James Howard Srite, Actuary
Joshua Trey White, Controller & Chief Accounting Officer #	

DIRECTORS OR TRUSTEES

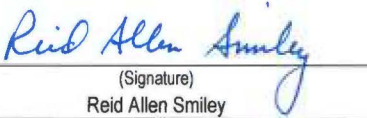
William Morgan Gracey, Chairperson	John Francis Giblin
Jason David Hickey	

State of Tennessee
County of Hamilton ss

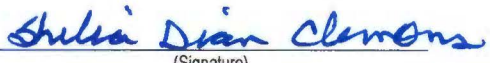
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from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



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



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



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

Subscribed and sworn to before me this
10th day of November, 2014

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



(Notary Public Signature)



(THIS PAGE LEFT BLANK INTENTIONALLY)

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	329,689,086	0	329,689,086	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 (\$.....13,323,769), cash equivalents (\$.....0) and short-term investments (\$.....145,083,755)	158,407,524	0	158,407,524	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	1,861,863	0	1,861,863	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)	489,958,473	0	489,958,473	464,097,005
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,725,951	0	1,725,951	1,643,187
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	40,101,284	0	40,101,284	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	9,853,269	0	9,853,269	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	5,645,033	437,166	5,207,867	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 (\$.....105,156) and other amounts receivable	2,093,168	1,988,012	105,156	0
25. Aggregate write-ins for other than invested assets	192,708	192,708	0	0
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	549,569,886	2,617,886	546,952,000	478,191,344
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	549,569,886	2,617,886	546,952,000	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	192,708	192,708	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)	192,708	192,708	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)	156,076,886	0	156,076,886	142,357,184
2. Accrued medical incentive pool and bonus amounts	975,000	0	975,000	813,500
3. Unpaid claims adjustment expenses	6,256,500	0	6,256,500	6,320,157
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	2,200,000	0	2,200,000	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	15,432,847	0	15,432,847	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	10,780	0	10,780	4,721
13. Remittances and items not allocated	6,752,856	0	6,752,856	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	20,623,031	0	20,623,031	20,604,131
16. Derivatives	0	0	0	0
17. Payable for securities	1,984,772	0	1,984,772	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	486,599	0	486,599	358,516
23. Aggregate write-ins for other liabilities (including \$.....0 current)	26,030,638	0	26,030,638	26,371,434
24. Total liabilities (Lines 1 to 23)	236,855,243	0	236,855,243	221,322,024
25. Aggregate write-ins for special surplus funds	X X X	X X X	19,718,139	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	83,136,580	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	310,096,757	256,869,320
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	546,952,000	478,191,344
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	25,608,483	0	25,608,483	23,068,924
2302. Pending Escheatment To State	422,155	0	422,155	479,300
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	0	0	0	0
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	26,030,638	0	26,030,638	26,371,434
2501. ACA 3rd Qtr Amount of 2015 Annual Assessment Fee	X X X	X X X	19,718,139	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	19,718,139	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	3,608,523	3,495,352	4,651,133
2. Net premium income (including \$.....0 non-health premium income)	X X X	1,331,804,628	1,255,400,858	1,677,051,246
3. Change in unearned premium reserves and reserves for rate credits	X X X	1,800,000	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	1,333,604,628	1,255,400,858	1,673,051,246
Hospital and Medical:				
9. Hospital/medical benefits	0	787,463,760	776,678,718	1,037,825,261
10. Other professional services	0	215,001,948	227,017,073	288,464,392
11. Outside referrals	0	0	0	0
12. Emergency room and out-of-area	0	33,659,035	29,857,005	41,012,680
13. Prescription drugs	0	3,796,167	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	1,104,737	1,135,823	1,401,931
16. Subtotal (Lines 9 to 15)	0	1,041,025,647	1,034,688,619	1,368,704,264
Less:				
17. Net reinsurance recoveries	0	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	1,041,025,647	1,034,688,619	1,368,704,264
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$.....41,829,452 cost containment expenses	0	70,939,965	68,342,694	92,488,400
21. General administrative expenses	0	135,777,216	113,634,886	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	1,247,742,828	1,216,666,199	1,611,456,496
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	85,861,800	38,734,659	61,594,750
25. Net investment income earned	0	2,527,870	1,949,677	2,769,640
26. Net realized capital gains (losses) less capital gains tax of \$.....0	0	345,352	(243,631)	(175,792)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	2,873,222	1,706,046	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	88,735,022	40,440,705	64,188,598
31. Federal and foreign income taxes incurred	X X X	37,791,071	14,450,400	22,172,701
32. Net income (loss) (Lines 30 minus 31)	X X X	50,943,951	25,990,305	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	50,943,951	25,990,305	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	(3,385)	(16,950)	(9,848)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(747,151)	1,087,228	1,084,007
39. Change in nonadmitted assets	3,034,022	(2,697,592)	(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)	53,227,437	24,362,991	39,152,590
49. Capital and surplus end of reporting period (Line 33 plus 48)	310,096,757	242,079,721	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
	151,149	440,230	566,008
Estimated Revenues:			
1. TennCare Capitation	106,083,612	308,342,719	403,243,467
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	106,083,612	308,342,719	403,243,467
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	280,928	834,472	1,127,407
6. Fee-for Service Physician Services	11,614,450	34,753,719	46,554,027
7. Inpatient Hospital Services	17,626,732	53,831,621	76,425,280
8. Outpatient Hospital Services	8,136,225	23,813,402	28,730,008
9. Emergency Room Services	1,172,060	3,433,160	4,368,508
10. Dental Services	263	892	1,159
11. Vision Services	117,024	320,237	403,552
12. Pharmacy Services	-	-	-
13. Home Health Services	31,702,535	87,069,206	110,827,229
14. Chiropractic Services	-	-	-
15. Radiology Services	272,200	876,495	1,160,391
16. Laboratory Services	255,820	723,952	1,103,426
17. Durable Medical Equipment Services	5,986,834	17,709,992	22,202,820
18. Transportation Services	921,376	2,647,965	3,440,606
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	400	(6,075)	8,175
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	24,719	8,974	191,587
23. HCBS Services	-	1,073	7,981
24. Other Medical and Hospital Services - Write-Ins	1,203,377	4,020,392	4,401,280
25. Subtotal Medical and Hospital (Lines 5 to 24)	79,314,943	230,039,477	300,953,436
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,732,177	4,971,979	5,337,265
27. Inpatient Substance Abuse Treatment and Detox	72,547	129,259	72,788
28. Outpatient Mental Health Services	4,446,713	12,705,268	14,720,330
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,645,062	4,520,169	7,967,318
31. Specialized Crisis Services	269,277	856,666	1,172,749
32. Psychiatric Rehab and Support Services	131,344	363,370	439,519
33. Case Management	1,411,690	4,512,104	8,492,646
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	16,362	51,868	78,462
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	3,482,764	10,404,805	9,217,763
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	13,207,936	38,515,488	47,498,840
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	92,522,879	268,554,965	348,452,276
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	475	1,120	2,257
48. Subrogation and Coordination of Benefits	2,923	328,701	88,138
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	3,398	329,821	90,395
50. Total Hospital, Medical, MH&SAS (Lines 45 and 49)	92,519,481	268,225,144	348,361,881
Administration:			
51. Compensation	4,195,944	12,834,076	16,594,806
52. Marketing	22,143	67,730	87,577
53. Interest Expense	-	-	-
54. Premium Tax Expense	5,834,599	16,958,850	24,967,337
55. Occupancy, Depreciation, and Amortization	333,884	1,021,246	1,320,499
56. Other Administration - Write-Ins	2,068,462	6,326,776	8,180,685
57. Total Administration Expenses (Lines 51 to 56)	12,455,032	37,208,678	51,150,904
58. Total Expenses (Lines 50 and 57)	104,974,513	305,433,822	399,512,785
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	491,483	1,143,792	1,288,691
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	617,616	1,765,105	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.	1,380,488	4,268,132	5,444,618
2202. Bad Debt Expense	(177,111)	(247,740)	(1,043,338)
2203. Out of Area Claims Expense	-	-	-
2299. Total Other Medical and Hospital	1,203,377	4,020,392	4,401,280
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	703,151	2,150,722	2,780,933
5602. Outsourced Services	543,560	1,662,578	2,149,758
5603. Auditing, Actuarial, and Other Consulting	363,202	1,110,921	1,436,450
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	241,690	739,250	955,872
5605. Postage/Telephone	148,822	455,201	588,588
5606. Printing and Stationary	68,037	208,104	269,084
5699. Total Other Administration	2,068,462	6,326,776	8,180,685

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	557,479	1,632,692	2,109,575
Estimated Revenues:			
1. TennCare Capitation	195,797,221	573,642,960	740,224,425
2. Investment	462,124	1,285,718	1,243,133
3. Other Revenues	90,371	13,245,328	194,968
4. Total Estimated Revenues (Lines 1 to 3)	196,349,716	588,174,006	741,662,526
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	31,985,706	96,024,974	125,801,270
7. Inpatient Hospital Services	28,282,208	72,601,207	107,843,582
8. Outpatient Hospital Services	19,962,770	52,902,826	66,525,228
9. Emergency Room Services	6,836,571	18,839,737	24,602,539
10. Dental Services	-	-	355
11. Vision Services	171,963	439,230	553,795
12. Pharmacy Services	-	-	-
13. Home Health Services	6,065,646	17,274,031	22,853,406
14. Chiropractic Services	-	-	-
15. Radiology Services	1,063,646	3,837,806	5,215,470
16. Laboratory Services	1,149,040	4,210,604	6,213,618
17. Durable Medical Equipment Services	1,940,825	6,664,533	9,251,947
18. Transportation Services	3,761,609	11,238,098	13,563,778
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	190,777	534,746	709,195
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	33,347,183	97,404,305	131,318,061
23. HCBS Services	12,702,380	37,062,623	48,018,576
24. Other Medical and Hospital Services - Write-Ins	3,165,187	9,753,639	12,559,843
25. Subtotal Medical and Hospital (Lines 5 to 24)	150,625,511	428,788,359	575,030,663
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	2,951,692	8,171,106	9,010,957
27. Inpatient Substance Abuse Treatment and Detox	206,143	642,710	463,765
28. Outpatient Mental Health Services	2,793,900	7,613,430	6,621,092
29. Outpatient Substance Abuse Treatment and Detox	1,700	5,216	5,190
30. Housing/Residential Treatment	3,139,942	9,043,424	5,310,384
31. Specialized Crisis Services	539,549	1,584,445	3,062,000
32. Psychiatric Rehab and Support Services	340,428	934,372	1,182,930
33. Case Management	1,060,051	3,248,340	9,708,400
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	33,293	72,340	164,041
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,464,711	3,929,195	6,834,748
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	12,531,409	35,244,578	42,363,507
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	163,156,920	464,032,937	617,394,170
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	11,578	32,991	52,528
48. Subrogation and Coordination of Benefits	(166)	(166)	(5,236)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	11,412	32,825	47,292
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	163,145,508	464,000,112	617,346,878
Administration:			
51. Compensation	10,626,148	31,609,228	42,554,458
52. Marketing	56,077	166,813	224,576
53. Health Insurer Fee	49,368	7,977,844	-
54. Premium Tax Expense	10,773,818	32,278,856	43,610,815
55. Occupancy, Depreciation, and Amortization	845,554	2,515,241	3,386,186
56. Other Administration - Write-Ins	5,238,340	15,582,297	20,977,936
57. Total Administration Expenses (Lines 51 to 56)	27,589,305	90,130,279	110,753,971
58. Total Expenses (Lines 50 and 57)	190,734,813	554,130,391	728,100,849
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	1,845,534	14,638,630	4,684,617
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	3,769,369	19,404,985	8,877,060
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	80,371	12,987,943	-
0302. Pay-for-Performance Bonus	10,000	257,385	194,968
0399. Total Other Revenues	90,371	13,245,328	194,968
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,067,622	9,417,977	11,880,141
2202. Bad Debt Expense	97,565	335,662	680,174
2203. Out of Area Claims Expense	-	-	(472)
2299. Total Other Medical and Hospital	3,165,187	9,753,639	12,559,843
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,780,719	5,297,036	7,131,226
5602. Outsourced Services	1,376,554	4,094,786	5,512,676
5603. Auditing, Actuarial, and Other Consulting	919,803	2,736,102	3,683,524
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	612,073	1,820,710	2,451,162
5605. Postage/Telephone	376,889	1,121,121	1,509,329
5606. Printing and Stationary	172,302	512,542	690,019
5699. Total Other Administration	5,238,340	15,582,297	20,977,936

Report #2A: BlueCare East Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	673,985	1,967,154	2,541,558
Estimated Revenues:			
1. TennCare Capitation	245,248,221	720,352,325	941,002,348
2. Investment	564,819	1,571,434	1,519,385
3. Other Revenues	62,498	17,310,089	108,192
4. Total Estimated Revenues (Lines 1 to 3)	245,875,538	739,233,848	942,629,925
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	44,448,372	129,299,674	188,045,445
7. Inpatient Hospital Services	37,459,968	114,874,590	133,857,875
8. Outpatient Hospital Services	19,261,142	59,322,055	67,180,492
9. Emergency Room Services	5,263,995	14,709,403	16,369,199
10. Dental Services	2,313	4,133	4,736
11. Vision Services	215,768	553,856	753,058
12. Pharmacy Services	-	-	-
13. Home Health Services	7,301,510	21,092,066	29,654,699
14. Chiropractic Services	-	-	-
15. Radiology Services	1,424,194	4,768,114	7,729,268
16. Laboratory Services	1,947,123	5,138,197	7,286,390
17. Durable Medical Equipment Services	2,932,370	9,722,578	16,773,726
18. Transportation Services	3,951,237	11,850,096	15,391,749
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	231,937	576,017	684,561
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	40,149,994	117,898,717	159,248,677
23. HCBS Services	9,903,642	26,769,674	38,336,135
24. Other Medical and Hospital Services - Write-Ins	3,238,218	9,950,092	14,268,851
25. Subtotal Medical and Hospital (Lines 5 to 24)	177,731,783	526,529,262	695,584,861
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,979,822	4,659,732	5,927,554
27. Inpatient Substance Abuse Treatment and Detox	177,398	424,113	542,485
28. Outpatient Mental Health Services	3,227,677	9,679,521	13,303,570
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	2,248,783	6,576,690	5,657,046
31. Specialized Crisis Services	842,562	2,382,108	3,082,650
32. Psychiatric Rehab and Support Services	750,957	2,238,890	3,294,801
33. Case Management	3,409,253	10,158,419	15,017,807
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	41,918	123,830	191,103
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,363,966	6,958,475	8,871,142
42. PCP and Specialist Services	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. Subtotal MH & SAS (Lines 26 to 43)	15,042,336	43,201,778	55,888,158
45. Subtotal Hospital, Medical, MH&SAS (Lines 25 and 44)	192,774,119	569,731,040	751,473,019
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	24,412	73,145	120,617
48. Subrogation and Coordination of Benefits	(1,665)	(1,465)	(2,620)
49. Subtotal Reinsurance, Copay, Subrogation (Lines 46 to 48)	22,747	71,680	117,997
50. Total Hospital, Medical, MH&SAS, (Lines 45 and 49)	192,751,372	569,659,360	751,355,022
Administration:			
51. Compensation	12,683,903	37,927,750	52,871,838
52. Marketing	66,938	200,160	279,025
53. Health Insurer Fee	18,732	10,493,792	-
54. Premium Tax Expense	13,492,091	40,571,433	56,814,267
55. Occupancy, Depreciation, and Amortization	1,009,296	3,018,025	4,207,171
56. Other Administration - Write-Ins	6,252,741	18,697,119	26,064,060
57. Total Administration Expenses (Lines 51 to 56)	33,523,701	110,908,279	140,236,361
58. Total Expenses (Lines 50 and 57)	226,275,073	680,567,639	891,591,383
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	7,267,399	24,715,351	17,630,270
61. Net Income (Loss) (Line 4 Less Lines 58, 59 and 60)	12,333,066	33,950,858	33,408,272
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	30,498	17,083,910	-
0302. Pay-for-Performance Bonus	32,000	226,179	108,192
0399. Total Other Revenues	62,498	17,310,089	108,192
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,118,973	9,539,839	13,437,804
2202. Bad Debt Expense	119,245	410,253	831,324
2203. Out of Area Claims Expense	-	-	(277)
2299. Total Other Medical and Hospital	3,238,218	9,950,092	14,268,851
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	2,125,554	6,355,886	8,860,198
5602. Outsourced Services	1,643,122	4,913,312	6,849,230
5603. Auditing, Actuarial, and Other Consulting	1,097,920	3,283,034	4,576,599
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	730,600	2,184,661	3,045,450
5605. Postage/Telephone	449,875	1,345,228	1,875,268
5606. Printing and Stationary	205,670	614,998	857,315
5699. Total Other Administration	6,252,741	18,697,119	26,064,060

(THIS PAGE LEFT BLANK INTENTIONALLY)

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	1,291,703,344	1,255,400,858	1,677,051,246
2. Net investment income	5,373,151	5,219,690	7,119,782
3. Miscellaneous income	0	0	0
4. TOTAL (Lines 1 to 3)	1,297,076,495	1,260,620,548	1,684,171,028
5. Benefit and loss related payments	1,024,154,429	1,003,865,565	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	206,881,055	180,605,239	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)	37,791,071	14,450,400	22,252,876
10. TOTAL (Lines 5 through 9)	1,268,826,555	1,198,921,204	1,634,468,238
11. Net cash from operations (Line 4 minus Line 10)	28,249,940	61,699,344	49,702,790
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	348,317,892	156,939,546	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	(827)	722
12.7 Miscellaneous proceeds	1,364,965	0	0
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	349,682,857	156,938,719	205,307,661
13. Cost of investments acquired (long-term only):			
13.1 Bonds	289,616,406	273,664,533	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	3,385	122,164	1,182,833
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	289,619,791	273,786,697	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)	60,063,066	(116,847,978)	(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)	(288,996)	(25,512,375)	(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)	(288,996)	(25,512,375)	(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)	88,024,010	(80,661,009)	(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)	158,407,524	95,292,795	70,383,514

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

20.0001	0	0	0
---------------	---	---	---

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	405,582	0	0	0	0	0	0	1,198	404,384	0
4. Third Quarter	416,123	0	0	0	0	0	0	1,847	414,276	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	3,608,523	0	0	0	0	0	0	8,677	3,599,846	0
Total Member Ambulatory Encounters for Period:										
7. Physician	3,384,936	0	0	0	0	0	0	17,879	3,367,057	0
8. Non-Physician	294,343	0	0	0	0	0	0	1,555	292,788	0
9. Total	3,679,279	0	0	0	0	0	0	19,434	3,659,845	0
10. Hospital Patient Days Incurred	246,139	0	0	0	0	0	0	1,749	244,390	0
11. Number of Inpatient Admissions	32,220	0	0	0	0	0	0	191	32,029	0
12. Health Premiums Written (a)	1,331,804,628	0	0	0	0	0	0	9,135,311	1,322,669,317	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	1,333,604,628	0	0	0	0	0	0	9,135,311	1,324,469,317	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	1,025,325,590	0	0	0	0	0	0	5,018,998	1,020,306,592	0
18. Amount Incurred for Provision of Health Care Services	1,041,025,647	0	0	0	0	0	0	7,377,373	1,033,648,274	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....9,135,311.

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	8,818,770	9,539,727	3,717,829	2,606,417	1,506,796	26,189,539
0499999 Subtotals	8,818,770	9,539,727	3,717,829	2,606,417	1,506,796	26,189,539
0599999 Unreported claims and other claim reserves						129,887,347
0799999 Total Claims Unpaid						156,076,886
0899999 Accrued Medical Incentive Pool And Bonus Amounts						975,000

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	0	5,018,998	0	2,537,415	0	0
7. Title XIX - Medicaid	129,436,141	890,870,451	(4,545,941)	158,085,412	124,890,200	142,357,184
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	129,436,141	895,889,449	(4,545,941)	160,622,827	124,890,200	142,357,184
10. Healthcare receivables (a)	272,112	1,821,056	0	0	272,112	2,968,786
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	943,237	0	0	975,000	943,237	813,500
13. Totals (Lines 9 - 10 + 11 + 12)	130,107,266	894,068,393	(4,545,941)	161,597,827	125,561,325	140,201,898

(a) Excludes \$.....0 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* 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 September 30, 2014 or December 31, 2013.

	<u>State of Domicile</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
<u>NET INCOME</u>			
(1) VSHP state basis (Page 4, Line 32, Columns 2&4)	TN	\$ 50,943,951	\$ 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	<u>\$ 50,943,951</u>	<u>\$ 42,015,897</u>
<u>SURPLUS</u>			
(5) VSHP state basis (Page 3, Line 33, Columns 3&4)	TN	\$ 310,096,757	\$ 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	<u>\$ 310,096,757</u>	<u>\$ 256,869,320</u>

B. No Change

C. No Change

2. Accounting Changes and Corrections of Errors

No Change

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.

Notes to Financial Statement

(2)&(3) The Company has not recognized any other-than-temporary-impairments (OTTI) on loan-backed securities as of September 30, 2014.

(4) Aggregate unrealized losses and related fair value of loan-backed securities where fair value was less than amortized cost at September 30, 2014 and for which OTTI has not been recognized is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 months	\$ 108,561
	2. 12 months or longer	\$ 36,950
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 months	\$ 31,059,857
	2. 12 months or longer	\$ 3,965,083

(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 nine months ended September 30, 2014.

F. No Change

G. No Change

H. No Change

I. The Company had no working capital finance investments as of September 30, 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

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>September 30, 2014</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 31,057,258	35.0%
ACA health insurer fee	6,465,073	7.3%
Change in net deferred income taxes	167,736	0.2%
2013 tax return true-up	101,004	0.1%
Federal income taxes incurred	\$ 37,791,071	42.6%

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. None of these capital contributions were passed through to VSHP. No capital contributions were transferred to SDBS or VSHP during the nine months ended September 30, 2014.

Notes to Financial Statement

The Company paid BCBST \$115,459,784 and \$134,169,231 for services performed under administrative services and tax sharing agreements during the nine months ended September 30, 2014 and the year ended December 31, 2013, respectively, net of payments from BCBST.

- 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 September 30, 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
- (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

Notes to Financial Statement**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 nine months ended September 30, 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 nine months ended September 30, 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 nine months ended September 30, 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	\$ 2,908,898	\$ 0	\$ 2,908,898
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 2,908,898	\$ 0	\$ 2,908,898
d. Total claim payment volume	\$ 265,743,724	\$ 0	\$ 265,743,724

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 September 30, 2014 and December 31, 2013, the Company held only investment grade bonds and money-market funds. Bonds 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 September 30, 2014 and December 31, 2013.

September 30, 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	\$ 51,056,847	\$ 51,023,452	\$ 47,801,743	\$ 3,255,104	\$ 0	\$ 0
States, municipalities and political subdivisions	50,761,533	50,232,266	4,098,282	46,663,251	0	0
Foreign securities, including Canada	25,568,862	25,432,442	15,126,577	10,442,285	0	0
Agency mortgage-backed securities	36,463,803	36,135,072	0	36,463,803	0	0
Commercial mortgage-backed securities	27,979,068	28,034,867	0	27,979,068	0	0
Asset-backed securities	29,368,631	29,359,934	0	29,368,631	0	0
Investment grade corporate bonds	109,544,040	109,471,053	76,375,498	33,168,542	0	0
Total bonds	330,742,784	329,689,086	143,402,100	187,340,684	0	0
Short-term investments	145,083,755	145,083,755	145,083,755	0	0	0
Total bonds and short-term investments	\$ 475,826,539	\$ 474,772,841	\$ 288,485,855	\$ 187,340,684	\$ 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 September 30, 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 September 30, 2014 and December 31, 2013.

- D. The Company held no financial assets for which it was not practicable to estimate the fair value at September 30, 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 nine months ended September 30, 2014 and 2013:

<u>Line#</u>	<u>Administrative Expenses:</u>	<u>September 30, 2014</u>	<u>September 30, 2013</u>	<u>% Change</u>
20	Claims adjustment expense	\$ 70,939,965	\$ 68,342,694	
21	General administrative expense	135,777,216	113,634,886	
	Total expense	206,717,181	181,977,580	
	ASO administrative fees	40,413,612	39,090,877	
	ACA annual fee assessment	(18,471,636)	0	
	Premium tax	(89,664,717)	(85,341,323)	
	Expenses, net of adjustments	<u>\$ 138,994,440</u>	<u>\$ 135,727,134</u>	2.4%

- 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 nine months ended September 30, 2014.
 I. No Change
 J. The services offered by the Company are not subject to the risk sharing provisions of the ACA as of September 30, 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 September 30, 2014, \$135,972,367 was paid for expenses attributable to insured events of prior years. The re-estimation of reserves for unpaid insured claims, accrued 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 \$15,300,555. The reserve remaining for prior years is \$(4,750,867) as of September 30, 2014 due to the estimation that recoveries will exceed payouts.

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

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	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? Yes [] No [X]
- 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 [] N/A [X]
16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
- 16.2 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ 0
- 16.3 Total payable for securities lending reported on the liability page \$ 0

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

1 Name of Custodian(s)	2 Custodian Address
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? Yes [] No [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
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	Wellington Management Company, LLP	280 Congress Street, Boston, MA 02210

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

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	..... 81.198%
1.2 A&H cost containment percent	..... 3.137%
1.3 A&H expense percent excluding cost containment expenses	..... 12.364%
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**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N	0	0	0	0	0	0	0	0
2. Alaska (AK)	N	0	0	0	0	0	0	0	0
3. Arizona (AZ)	N	0	0	0	0	0	0	0	0
4. Arkansas (AR)	N	0	0	0	0	0	0	0	0
5. California (CA)	N	0	0	0	0	0	0	0	0
6. Colorado (CO)	N	0	0	0	0	0	0	0	0
7. Connecticut (CT)	N	0	0	0	0	0	0	0	0
8. Delaware (DE)	N	0	0	0	0	0	0	0	0
9. District of Columbia (DC)	N	0	0	0	0	0	0	0	0
10. Florida (FL)	N	0	0	0	0	0	0	0	0
11. Georgia (GA)	N	0	0	0	0	0	0	0	0
12. Hawaii (HI)	N	0	0	0	0	0	0	0	0
13. Idaho (ID)	N	0	0	0	0	0	0	0	0
14. Illinois (IL)	N	0	0	0	0	0	0	0	0
15. Indiana (IN)	N	0	0	0	0	0	0	0	0
16. Iowa (IA)	N	0	0	0	0	0	0	0	0
17. Kansas (KS)	N	0	0	0	0	0	0	0	0
18. Kentucky (KY)	N	0	0	0	0	0	0	0	0
19. Louisiana (LA)	N	0	0	0	0	0	0	0	0
20. Maine (ME)	N	0	0	0	0	0	0	0	0
21. Maryland (MD)	N	0	0	0	0	0	0	0	0
22. Massachusetts (MA)	N	0	0	0	0	0	0	0	0
23. Michigan (MI)	N	0	0	0	0	0	0	0	0
24. Minnesota (MN)	N	0	0	0	0	0	0	0	0
25. Mississippi (MS)	N	0	0	0	0	0	0	0	0
26. Missouri (MO)	N	0	0	0	0	0	0	0	0
27. Montana (MT)	N	0	0	0	0	0	0	0	0
28. Nebraska (NE)	N	0	0	0	0	0	0	0	0
29. Nevada (NV)	N	0	0	0	0	0	0	0	0
30. New Hampshire (NH)	N	0	0	0	0	0	0	0	0
31. New Jersey (NJ)	N	0	0	0	0	0	0	0	0
32. New Mexico (NM)	N	0	0	0	0	0	0	0	0
33. New York (NY)	N	0	0	0	0	0	0	0	0
34. North Carolina (NC)	N	0	0	0	0	0	0	0	0
35. North Dakota (ND)	N	0	0	0	0	0	0	0	0
36. Ohio (OH)	N	0	0	0	0	0	0	0	0
37. Oklahoma (OK)	N	0	0	0	0	0	0	0	0
38. Oregon (OR)	N	0	0	0	0	0	0	0	0
39. Pennsylvania (PA)	N	0	0	0	0	0	0	0	0
40. Rhode Island (RI)	N	0	0	0	0	0	0	0	0
41. South Carolina (SC)	N	0	0	0	0	0	0	0	0
42. South Dakota (SD)	N	0	0	0	0	0	0	0	0
43. Tennessee (TN)	L	0	9,135,311	1,322,669,317	0	0	0	1,331,804,628	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	9,135,311	1,322,669,317	0	0	0	1,331,804,628	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	9,135,311	1,322,669,317	0	0	0	1,331,804,628	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

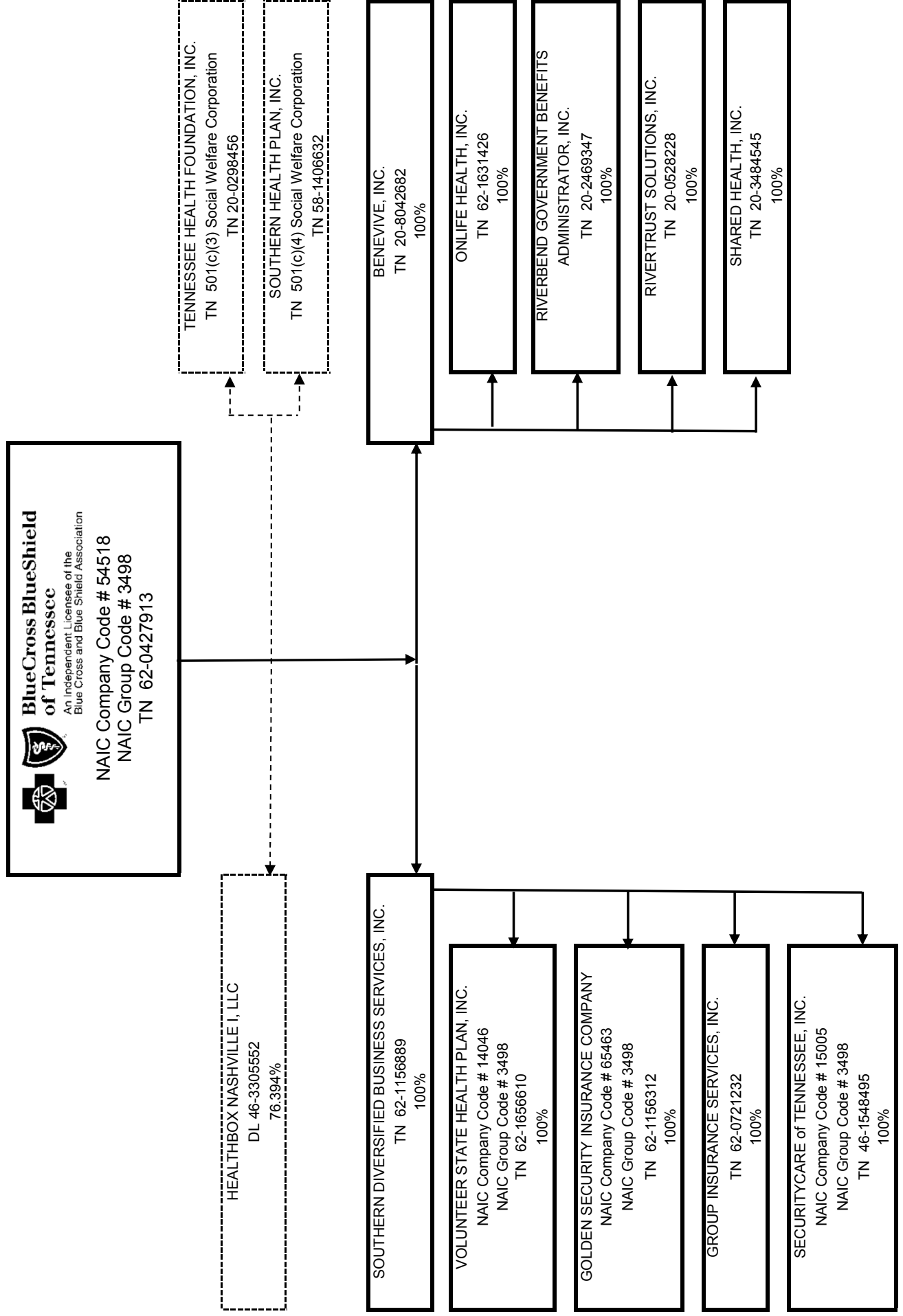
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business 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.	00000002
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.	00000001
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. doing business as BlueCross BlueShield of Tennessee Community Trust													

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



1404620143650003

2014

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF **September 30, 2014** OF THE **Volunteer State Health Plan, Inc.**
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 point	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	289,616,406	335,873,342
3. Accrual of discount	131,354	119,488
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	336,835	(176,514)
6. Deduct consideration for bonds and stocks disposed of	348,317,892	205,306,939
7. Deduct amortization of premium	3,059,399	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)	329,689,086	390,981,782
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	329,689,086	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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	461,774,606	719,338,893	736,790,957	(2,900,846)	424,989,767	461,774,606	441,421,696	409,655,095
2. NAIC 2 (a)	27,690,019	16,490,206	12,717,536	1,888,455	24,499,675	27,690,019	33,351,144	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	489,464,626	735,829,099	749,508,493	(1,012,391)	449,489,443	489,464,626	474,772,841	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	489,464,626	735,829,099	749,508,493	(1,012,391)	449,489,443	489,464,626	474,772,841	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	145,083,755	X X X	145,083,756	51,073	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	1,740,956,833	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	122	903
6. Deduct consideration received on disposals	1,627,423,356	1,961,067,240
7. Deduct amortization of premium	6,541	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)	145,083,755	31,556,697
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	145,083,755	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

NONE

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

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

1 Number	Replication (Synthetic Asset) Transactions				Components of the Replication (Synthetic Asset) Transactions										
	2 Description	3 NAIC Designation or Other Description	4 Notional Amount	5 Book/Adjusted Carrying Value	6 Fair Value	7 Effective Date	8 Maturity Date	9 Description	10 Book/Adjusted Carrying Value	11 Fair Value	12 CUSIP	13 Description	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value
NONE															
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	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	4,493,642	42,567,113
3.	Accrual of discount	0	570
4.	Unrealized valuation increase (decrease)	0	(570)
5.	Total gain (loss) on disposals	88	0
6.	Deduct consideration received on disposals	4,493,730	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								

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																	

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									
912828C73	U S TREASURY NOTE		08/27/2014	VARIOUS	XXX	18,418,924	18,414,000	39,123	1
912828VG2	U S TREASURY NOTE		09/30/2014	Chase Greenwich	XXX	1,482,567	1,481,000	2,205	1
912828WJ5	U S TREASURY NOTE		07/31/2014	Chemical Securities	XXX	571,766	575,000	3,047	1
912828WW6	U S TREASURY NOTE		07/31/2014	Chemical Securities	XXX	3,079,293	3,100,000	137	1
912828WT3	U S TREASURY NOTES		07/31/2014	Salomon Brothers	XXX	6,824,580	6,850,000	2,769	1
912828WY2	U S TREASURY NOTES		07/31/2014	Chemical Securities	XXX	775,303	775,000	47	1
0599999	Subtotal - Bonds - U.S. Governments				XXX	31,152,432	31,195,000	47,329	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
072024TM4	BAY AREA CA TOLL AUTH TOLL BRI		07/16/2014	Merrill Lynch	XXX	425,000	425,000	0	1FE
34074GDH4	FLORIDA ST HURRICANE CATASTROP		08/28/2014	Morgan Stanley	XXX	1,011,360	1,000,000	5,158	1
575896MP7	MASSACHUSETTS ST PORT AUTH		07/10/2014	Added by SunGard	XXX	1,310,478	1,120,000	0	1FE
592107AA4	MET GOVT NASHVILLE & DAVIDSON		07/31/2014	Merrill Lynch	XXX	1,000,000	1,000,000	0	1FE
59259YR50	MET TRANSPRTN AUTH NY REVENUE		07/09/2014	Goldman Sachs NY	XXX	1,114,410	1,000,000	7,778	1FE
59447PZL8	MICHIGAN ST FIN AUTH REVENUE		08/29/2014	Smith Barney	XXX	425,520	400,000	0	1FE
646131BX9	NEW JERSEY ST TRANSIT CORP		07/25/2014	Merrill Lynch	XXX	1,113,960	1,000,000	0	1FE
6461395H4	NEW JERSEY ST TURNPIKE AUTH		07/11/2014	Dain Rauscher	XXX	615,000	615,000	0	1FE
647207AL3	NEW MEXICO ST MUNI ENERGY ACQU		07/24/2014	Dain Rauscher	XXX	750,000	750,000	0	1FE
73358WTM6	PORT AUTH OF NEW YORK & NEW JE		08/15/2014	Smith Barney	XXX	1,183,170	1,000,000	0	1FE
735000QH7	PORT OF OAKLAND CA		07/25/2014	U S Bancorp	XXX	1,172,720	1,000,000	12,361	1FE
93265PCN7	WALNUT CA ENERGY CENTER AUTH R		07/10/2014	Smith Barney	XXX	1,125,734	960,000	0	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				XXX	11,247,353	10,270,000	25,297	XXX
Bonds - U.S. Special Revenue, Special Assessment									
052430HY4	AUSTIN TX INDEP SCH DIST		08/01/2014	FUNB Funds II	XXX	1,227,390	1,000,000	0	1FE
13077CL69	CALIFORNIA ST UNIV REVENUE		08/01/2014	Barclays Cap	XXX	1,166,880	1,000,000	0	1FE
167582NU7	CHICAGO IL MIDWAY ARPT REVENUE		07/08/2014	Barclays Cap	XXX	1,056,370	1,000,000	4,167	1FE
167593MK5	CHICAGO IL O'HARE INTERNATIONAL		07/30/2014	Added by SunGard	XXX	1,164,410	1,000,000	4,583	1FE
167501PK5	CHICAGO ILL BRD ED		09/10/2014	VARIOUS	XXX	505,125	450,000	5,550	1FE
176553E78	CITIZENS PROPERTY INSURANCE CO		07/23/2014	Robert Baird & Co	XXX	1,124,160	1,000,000	8,313	1FE
18085PPW8	CLARK CNTY NV ARPT REVENUE		07/25/2014	Added by SunGard	XXX	1,166,060	1,000,000	4,028	1FE
19648AS97	COLORADO ST HLTH FAGS AUTH REV		07/02/2014	Merrill Lynch	XXX	1,138,740	1,000,000	0	1FE
2350362V1	DALLAS-FORT WORTH TX INTERNATI		07/22/2014	VENDOR CODE KJ3 NOT IN TA	XXX	1,127,610	1,000,000	0	1FE
283734VZ1	EL PASO TX		07/31/2014	Dain Rauscher	XXX	1,211,370	1,000,000	0	1FE
2837675U1	EL PASO TX INDEP SCH DIST		07/28/2014	Siffei Nicolaus	XXX	1,115,920	1,000,000	23,056	1FE
29120RAQ7	EMERYVILLE CA REDEV AGY SUCCES		07/25/2014	Siffei Nicolaus	XXX	1,143,200	1,000,000	0	1FE
312939V73	FILMC POOL #A9-1538		08/04/2014	BNP Secs	XXX	1,865,494	1,725,312	1,294	1
3132GD6M9	FILMC POOL #Q0-0876		08/04/2014	Goldman Sachs NY	XXX	907,441	839,495	630	1
3132GTPY7	FILMC POOL #Q0-8239		08/01/2014	VARIOUS	XXX	4,049,863	3,977,461	1,547	1
3132JIN7K7	FILMC POOL #Q2-1798		08/01/2014	First Union Cap Mkts	XXX	1,787,052	1,824,978	608	1
3132M7XP8	FILMC POOL #Q2-7286		08/01/2014	VARIOUS	XXX	4,066,529	3,997,203	1,554	1
31417AJ59	FNMA POOL #0AB3872		08/01/2014	PNB Paribas	XXX	4,129,097	3,917,898	1,741	1
3138X3EZ1	FNMA POOL #0AU3751		08/01/2014	PNB Paribas	XXX	5,515,783	5,233,656	2,326	1
44237HAM7	HOUSTON TX HGR EDU FIN CORP ED		07/03/2014	Added by SunGard	XXX	1,180,080	1,000,000	0	1FE
451295WR6	IDAHO ST HLTH FAGS AUTH REVENU		08/13/2014	Chemical Securities	XXX	1,117,220	1,000,000	0	1FE
452152CP4	ILLINOIS ST		07/18/2014	Chemical Securities	XXX	1,088,020	1,000,000	3,056	1FE
45203HZX3	ILLINOIS ST FIN AUTH REVENUE		08/06/2014	Barclays Cap	XXX	1,195,620	1,000,000	0	1FE
514401AM0	LANCASTER OH PORT AUTH GAS REV		07/02/2014	Dain Rauscher	XXX	375,000	375,000	0	1FE
544495F41	LOS ANGELES CA DEPT WTR & PWRR		07/02/2014	FUNB Funds II	XXX	1,182,490	1,000,000	0	1FE
544646S52	LOS ANGELES CA UNIF SCH DIST		07/29/2014	Chemical Securities	XXX	1,213,730	1,000,000	4,861	1FE
546850CV8	LOUISVILLE KY REGL ARPT AUTH A		07/19/2014	Morgan Stanley	XXX	1,122,300	1,000,000	3,750	1FE
575200BB5	MASON CNTY WV POLL CONTROL REV		09/11/2014	Chemical Securities	XXX	500,000	500,000	0	2FE

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 Stock Shares	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
645020S90	NEW HAVEN CT		08/21/2014	Added by SunGard	XXX	1,701,259	1,455,000	0	1FE
659155FR1	NORTH EAST TX INDEP SCH DIST		07/16/2014	Smith Barney	XXX	1,025,220	1,000,000	0	1FE
692160KR4	OYSTER BAY NY		07/24/2014	VENDOR CODE HSE NOT IN TA	XXX	1,031,740	1,000,000	1,167	1FE
796269VCG	SAN ANTONIO TX INDEP SCH DIST		08/28/2014	Robert Baird & Co	XXX	1,033,100	1,000,000	0	1FE
833240FR0	SNOHOMISH CNTY WA SCH DIST #30		07/17/2014	Piper Jaffray Hopwood	XXX	1,112,885	930,000	0	1FE
833240GF5	SNOHOMISH CNTY WA SCH DIST #30		07/17/2014	Piper Jaffray Hopwood	XXX	444,150	375,000	0	1FE
880558FNG	TENNESSEE ST SCH BOND AUTH		08/07/2014	Smith Barney	XXX	1,215,990	1,000,000	0	1FE
93974DGG7	WASHINGTON ST		07/23/2014	Merrill Lynch	XXX	1,215,090	1,000,000	2,222	1FE
97712DEX0	WISCONSIN ST HLTH & EDUC TNL FA		08/01/2014	Merrill Lynch	XXX	1,000,000	1,000,000	0	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				XXX	54,222,388	49,601,002	74,452	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
74977RCA0	COOPERATIVE CENTRALE RAI 144A	F	07/09/2014	Merrill Lynch Prof	XXX	306,730	275,000	6,495	1FE
449786AY8	ING BANK NV 144A	F	07/09/2014	SBC Capital Mkts	XXX	309,290	275,000	4,829	2FE
55608JAE8	MACQUARIE GROUP LTD 144A	F	07/09/2014	Salomon Brothers	XXX	287,280	250,000	0	1FE
853294AJ9	STANDARD CHARTERED PLC 144A	F	07/09/2014	Salomon Brothers	XXX	295,911	300,000	99	1FE
90131HAB1	21ST CENTURY FOX AMERICA INC		07/02/2014	Nomura Secs NY	XXX	303,441	275,000	4,001	2FE
02799AN4	ABBEY NATL TREASURY SERV		07/09/2014	VENDOR CODE B6H NOT IN TA	XXX	284,037	275,000	3,697	1FE
02009MAC5	ALLY AUTO RECEIVABLES TRU 2 A3		08/01/2014	VARIOUS	XXX	489,677	490,000	226	1FE
02005AEJ3	ALLY MASTER OWNER TRUST 4 A1		07/08/2014	Chase Secs	XXX	485,000	485,000	0	1FE
02665WAJ0	AMERICAN HONDA FINANCE		09/04/2014	Barclays Cap	XXX	500,000	500,000	0	1FE
03027XAD2	AMERICAN TOWER CORP		07/02/2014	VENDOR CODE DL4 NOT IN TA	XXX	297,514	275,000	5,462	2FE
03061UAE3	AMERICREDIT AUTOMOBILE REC 3 C		07/17/2014	Barclays Cap	XXX	484,704	475,000	447	1FE
00185AAF1	AON PLC		08/12/2014	Montgomery Secs	XXX	347,337	350,000	2,756	2FE
05332AN2	AUTOZONE INC		07/22/2014	Alex Brown & Sons	XXX	313,365	325,000	260	2FE
06051GFF1	BANK OF AMERICA CORP		07/01/2014	Montgomery Secs	XXX	306,204	300,000	3,200	1FE
06051GFH7	BANK OF AMERICA CORP		08/21/2014	Montgomery Secs	XXX	194,858	195,000	0	2FE
06366RVD4	BANK OF MONTREAL		07/09/2014	Salomon Brothers	XXX	299,991	300,000	0	1FE
064159FL5	BANK OF NOVA SCOTIA		07/14/2014	Barclays Cap	XXX	299,301	300,000	0	1FE
07388RAE7	BEAR STEARNS COMMERCIA PW15 A4		08/07/2014	VARIOUS	XXX	463,981	430,536	957	1FM
07388YAE2	BEAR STEARNS COMMERCIA PW16 A4		08/15/2014	VARIOUS	XXX	469,373	415,000	448	1FM
07388QAE9	BEAR STEARNS COMMERCIA PW17 A4		09/04/2014	First Boston Corp	XXX	61,210	55,594	70	1FM
07401DBC4	BEAR STEARNS COMMERCIA PW18 A4		07/30/2014	UBS Secs	XXX	166,535	150,000	71	1FM
073945AE7	BEAR STEARNS COMMERCIAL T28 A4		07/30/2014	UBS Secs	XXX	500,379	450,000	215	1FM
073902RU4	BEAR STEARNS COS LLC/THE		07/15/2014	Montgomery Secs	XXX	2,841,846	2,398,000	80,649	1FE
084664CB5	BERKSHIRE HATHAWAY FINANCE COR		08/07/2014	Montgomery Secs	XXX	500,000	500,000	0	1FE
064255BA9	BK TOKYO-MITSUBISHI UFJ 144A		09/02/2014	Morgan Stanley	XXX	499,400	500,000	0	1FE
05579GAB9	BPCE SA 144A		07/09/2014	SBC Capital Mkts	XXX	290,150	275,000	6,806	2FE
126802BW6	CABELA'S MASTER CRE 4A A2 144A		07/18/2014	First Union Capital	XXX	503,379	500,000	78	1FE
13975EAD5	CAPITAL AUTO RECEIVABLES 1 A4		07/24/2014	First Boston Corp	XXX	395,196	396,000	96	1FE
13975JAD4	CAPITAL AUTO RECEIVABLES 3 A4		08/26/2014	Salomon Brothers	XXX	245,000	245,000	0	1FE
14042E3Y4	CAPITAL ONE NA		07/21/2014	First Boston Corp	XXX	299,154	300,000	0	1FE
14313PAC1	CARMAX AUTO OWNER TRUST 4 A3		08/01/2014	Chase Secs	XXX	500,059	500,000	233	1FE
12513YAF7	CD 2007-CD4 COMMERCIAL CD4 A4		07/16/2014	VARIOUS	XXX	487,997	450,000	1,331	1FM
12514AAE1	CD 2007-CD5 MORTGAGE TR CD5 A4		07/17/2014	Jefferies & Co	XXX	457,586	412,312	1,416	1FM
12527GAA1	CF INDUSTRIES INC		07/02/2014	Barclays Cap	XXX	293,653	250,000	3,199	2FE
161571GP3	CHASE ISSUANCE TRUST A6 A		07/17/2014	Chase Secs	XXX	514,930	515,000	0	1FE
172967BU4	CITIGROUP INC		07/01/2014	First Union Capital	XXX	307,491	275,000	6,059	2FE
172967EM9	CITIGROUP INC		07/15/2014	Salomon Brothers	XXX	1,701,975	1,493,000	14,479	1FE
172967HY0	CITIGROUP INC		08/07/2014	Salomon Brothers	XXX	952,664	954,000	0	1FE
12624HAD5	CNH EQUIPMENT TRUST 2012- D A4		08/01/2014	Chase Secs	XXX	497,988	500,000	254	1FE
20030NBM2	COMCAST CORP		08/05/2014	Chase Secs	XXX	234,116	235,000	0	1FE
20047RAE3	COMM 2007-C9 MORTGAGE TR C9 A4		08/28/2014	Salomon Brothers	XXX	499,852	450,000	150	1FM
12591QAM4	COMM MORTGAGE TR 14-UBSA CL A2		08/01/2014	Deutsche Banc	XXX	720,976	700,000	1,712	1FE

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 Stock Shares	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
22545DAD9	COMMERCIAL MORTGAGE PASS C3 A3		09/04/2014	First Union Cap Mkts	XXX	263,778	248,052	331	1FM
20173VAE0	COMMERCIAL MORTGAGE TR GG11 A4		07/21/2014	Barclays Cap	XXX	499,518	450,000	1,649	1FM
209111EH2	CONSOLIDATED EDISON CO OF NEW		07/02/2014	VENDOR CODE DL4 NOT IN TA	XXX	284,863	250,000	4,674	1FE
212015AL5	CONTINENTAL RESOURCES INC/OK		07/02/2014	VENDOR CODE DL4 NOT IN TA	XXX	293,433	275,000	2,853	2FE
12665VAA0	CVS PASS-THROUGH TR 2014 144A		07/14/2014	Barclays Cap	XXX	285,000	285,000	0	2FE
233851BF0	DAIMER FINANCE NA LLC 144A		07/24/2014	Lehman Bros Inc	XXX	1,993,100	2,000,000	0	1FE
233851B2J	DAIMLER FINANCE NA LLC 144A		07/24/2014	HSBC Securities	XXX	297,117	300,000	0	1FE
25466AAAF8	DISCOVER FINANCIAL SVS		08/04/2014	Salomon Brothers	XXX	299,196	300,000	0	2FE
29273RAY5	ENERGY TRANSFER PARTNERS LP		07/02/2014	First Boston Corp	XXX	294,467	275,000	5,877	2FE
29372EAT5	ENTERPRISE FLEET FIN 2 A3 144A		07/11/2014	Montgomery Secs	XXX	500,820	500,000	336	1FE
29372EBF4	ENTERPRISE FLEET FIN 2 A3 144A		08/06/2014	Chase Secs	XXX	199,939	200,000	0	1FE
26884TAL6	ERAC USA FINANCE LLC 144A		07/07/2014	Dain Rauscher	XXX	299,736	300,000	1,540	2FE
33829TAA4	FIVE CORNERS FUNDING TRUS 144A		07/01/2014	First Union Capital	XXX	288,461	275,000	1,755	2FE
341081EO6	FLORIDA POWER & LIGHT CO		07/02/2014	VENDOR CODE DL4 NOT IN TA	XXX	302,135	250,000	3,789	1FE
34530LAF8	FORD CREDIT AUTO LEASE 14-B		07/22/2014	Barclays Cap	XXX	499,927	500,000	0	1FE
34529YAD8	FORD CREDIT AUTO OWNER TRU AB		07/18/2014	Barclays Cap	XXX	503,477	500,000	190	1FE
34529YAD8	FORD CREDIT AUTO OWNER TRU CB		07/17/2014	Barclays Cap	XXX	276,418	275,000	68	1FE
34528QDF8	FORD CREDIT FLOORPLAN MAS 1 A2		08/01/2014	Nomura Secs Intl	XXX	501,406	500,000	169	1FE
36828QOE9	GE COML MTG CORP 05-C4 A4		09/03/2014	Bank of America	XXX	118,782	115,000	53	1FM
36159LCK0	GE DEALER FLOORPLAN MASTER 1 A		07/16/2014	Greenwich Capital Mkts	XXX	345,000	345,000	0	1FE
380881BQ4	GOLDEN CREDIT CARD 4A 144A		08/01/2014	Greenwich Capital Mkts	XXX	500,098	500,000	405	1FE
41283YAE7	HARLEY-DAVIDSON MOTORCYCLE 1 B		07/17/2014	Dain Rauscher	XXX	381,366	380,000	97	1FE
416515AZ7	HARTFORD FINANCIAL SERVICES GR		07/01/2014	Merrill Lynch Prof	XXX	286,580	250,000	3,705	2FE
421915EJ4	HCP INC		09/19/2014	VARIOUS	XXX	1,507,617	1,349,000	36,029	2FE
43289UAN5	HILTON USA TRUST HLT AFX 144A		07/29/2014	Jefferies & Co	XXX	352,844	350,000	776	1FM
40434CAD7	HSBC USA INC		07/01/2014	VENDOR CODE FDF NOT IN TA	XXX	300,624	300,000	408	1FE
45685EAB2	ING US INC		07/01/2014	Goldman Sachs NY	XXX	285,608	250,000	6,569	2FE
46629YAC3	J P MORGAN CHASE 07-CB18 CL A4		07/29/2014	Deutsche Banc	XXX	208,224	191,953	870	1FM
46631QAD4	J P MORGAN CHASE COMMER CB20 A4		07/24/2014	First Boston Corp	XXX	495,844	450,000	2,028	1FM
46629PAC2	J P MORGAN CHASE COMMER LDP9 A3		08/11/2014	UBS Secs	XXX	505,978	469,092	904	1FM
46625HF0	JPMORGAN CHASE & CO NT		07/01/2014	VENDOR CODE DUV NOT IN TA	XXX	283,655	225,000	2,080	1FE
50179AAE7	LB-UBS COMMERCIAL MORTG A C1 A4		08/05/2014	Salomon Brothers	XXX	511,177	469,998	1,912	1FM
53079EAV6	LIBERTY MUTUAL GROUP INC 144A		07/16/2014	Siffel Nicolas	XXX	303,375	275,000	1,910	2FE
552081AK7	LYONDELLBASELL INDUSTRIES NV		07/08/2014	VENDOR CODE ZFE NOT IN TA	XXX	287,406	219,000	3,008	2FE
58768UAA1	MERCEDES BENZ MASTER AA A 144A		08/01/2014	Barclays Cap	XXX	230,431	230,000	106	1FE
60688CAE6	ML-CFC COMMERCIAL MORTG A G 9 A4		08/27/2014	VARIOUS	XXX	497,077	450,000	172	1FM
55314QAD9	MMAF EQUIPMENT FINA AA A4 144A		08/01/2014	Barclays Cap	XXX	150,967	150,000	146	1FE
50075NAZ7	MONDELEZ INTERNATIONAL INC		07/09/2014	Nomura Secs NY	XXX	287,231	225,000	6,297	2FE
61746BDJ2	MORGAN STANLEY		07/01/2014	First Union Capital	XXX	305,133	300,000	4,125	1FE
61751XAE0	MORGAN STANLEY CAPITAL T25 A3		09/01/2014	UBS Secs	XXX	973,865	894,705	411	1FM
61754JAF5	MORGAN STANLEY CAPITAL T27 A4		09/02/2014	VARIOUS	XXX	276,728	250,000	319	1FM
61757LAE0	MORGAN STANLEY CAPITAL T29 A4		07/22/2014	Barclays Cap	XXX	485,247	425,000	1,779	1FM
654748AD4	NISSAN AUTO RECEIVABLES 2 A 4		07/21/2014	VENDOR CODE B11 NOT IN TA	XXX	499,297	500,000	94	1FE
62951XAA4	NYC TAX LIEN 14-A A 144A		09/04/2014	Chase Secs	XXX	129,983	130,000	0	1FE
74256LAM1	PRINCIPAL LIFE GLOBAL FUN 144A		07/02/2014	Alex Brown & Sons	XXX	1,996,061	1,997,000	0	1FE
743263AE5	PROGRESS ENERGY INC		07/02/2014	Chase Secs	XXX	279,910	200,000	5,468	2FE
747262AH6	QVC INC		07/01/2014	Goldman Sachs NY	XXX	292,740	275,000	196	2FE
80283DAE1	SANTANDER DRIVE AUTO RECEI 2 C		07/17/2014	First Boston Corp	XXX	507,188	500,000	190	1FE
842587CK1	SOUTHERN CO		08/19/2014	Chemical Securities	XXX	1,884,397	1,885,000	0	1FE
86944BAB9	SUTTER HEALTH		07/28/2014	Morgan Stanley	XXX	156,000	160,000	1,235	1FE
87165BAD5	SYNCHRONY FINANCIAL		08/06/2014	Chase Secs	XXX	64,874	65,000	0	2FE
87425EAL7	TALISMAN ENERGY INC		07/02/2014	First Union Capital	XXX	309,420	250,000	1,991	2FE
884903BU8	THOMSON REUTERS CORP		09/22/2014	Morgan Stanley	XXX	1,098,108	1,100,000	0	2FE
88732JBD9	TIME WARNER CABLE INC		07/02/2014	VENDOR CODE DL4 NOT IN TA	XXX	291,393	300,000	4,238	2FE

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)
887317AD7	TIME WARNER INC		07/02/2014	SBC Capital Mkts	XXX	305,503	250,000	2,392	2FE
89236TBP9	TOYOTA MOTOR CREDIT CORP		07/15/2014	Montgomery Secs	XXX	299,181	300,000	0	1FE
902133AR8	TYCO ELECTRONICS GROUP S		07/28/2014	Salomon Brothers	XXX	44,826	45,000	0	1FE
92277GAA5	VENTAS REALTY LP		09/08/2014	Bear Stearns	XXX	930,118	921,000	6,543	2FE
92343VBB8	VERIZON COMMUNICATIONS INC		07/02/2014	Nomura Secs NY	XXX	306,054	350,000	2,508	2FE
92343VCG7	VERIZON COMMUNICATIONS INC 144A		08/06/2014	VARIOUS	XXX	2,952,063	2,852,709	17,408	2FE
924190GP0	VERMONT ST HSG FIN AGY		07/10/2014	Added by SunGard	XXX	538,580	500,000	0	1FE
92890HAA0	WEA FINANCE LLC/WESTFIEL 144A		09/10/2014	Salomon Brothers	XXX	1,466,575	1,467,000	0	2FE
94973VB15	WELLPOINT INC		08/07/2014	Montgomery Secs	XXX	348,243	350,000	0	2FE
92939FAR0	WF-RBS COMML MTG 14-C21 A2		08/01/2014	Greenwich Capital Mkts	XXX	608,176	590,488	524	1FE
92890NAU3	WF-RBS COMMERCIAL MORTG C10 A3		07/30/2014	First Union Capital	XXX	112,619	115,000	28	1FM
92937FAD3	WFRBS COMMERCIAL MORTG C12 A4		07/30/2014	Nomura Secs Intl	XXX	301,641	300,000	80	1FM
981464EC0	WORLD FINANCIAL NETWORK CR A A		07/17/2014	Barclays Cap	XXX	500,781	500,000	52	1FE
98157HAD9	WORLD OMNI AUTO RECEIVABLE A B		07/17/2014	Nomura Secs Intl	XXX	363,347	360,000	104	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	54,520,250	52,004,419	290,084	XXX
8399997	Subtotal - Bonds - Part 3				XXX	151,142,423	143,070,421	437,161	XXX
8399999	Subtotal - Bonds				XXX	151,142,423	143,070,421	437,161	XXX
9899999	Subtotal - Preferred and Common Stocks				XXX	0	XXX	0	XXX
9999999	Total - Bonds, Preferred and Common Stocks				XXX	151,142,423	XXX	437,161	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21	22		
										11	12	13	14								15	
CUSIP Identification	Description	Disposal Date	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Years (Amortization)/Accretion	Current 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	Contractual Maturity Date	NAIC Designation or Market Indicator (e)	
Bonds - U.S. Governments																						
912828C73	U.S. TREASURY NOTE	09/17/2014		VARIOUS	XXX	5,676,755	5,672,000	5,682,916	0	0	(679)	0	(679)	0	5,682,037	0	(5,282)	(5,282)	19,683	04/15/2017	1	
912828VZ	U.S. TREASURY NOTE	07/08/2014		Lehman Bros Inc	XXX	16,667,199	16,664,000	16,613,475	11,882,790	0	9,070	0	9,070	0	16,628,220	0	38,979	38,979	47,124	06/15/2016	1	
912828V1	U.S. TREASURY NOTE	09/10/2014		Jefferies & Co	XXX	1,465,452	1,463,000	1,468,205	1,468,092	0	(1,384)	0	(1,384)	0	1,466,708	0	(1,255)	(1,255)	10,585	07/15/2016	1	
0599999	Subtotal - Bonds - U.S. Governments				XXX	23,809,407	23,798,000	23,764,597	13,350,882	0	6,807	0	6,807	0	23,776,965	0	32,442	32,442	77,391	XXX	XXX	
Bonds - U.S. Special Revenue, Special Assessment																						
312855L2	FHLMC POOL #1Q-1225	09/01/2014		PRINCIPAL RECEIPT	XXX	100,179	100,179	107,348	106,428	0	(6,249)	0	(6,249)	0	100,179	0	0	0	1,364	11/01/2036	1	
31342A519	FHLMC POOL #78-0851	09/01/2014		PRINCIPAL RECEIPT	XXX	6,498	6,498	6,709	6,688	0	(190)	0	(190)	0	6,498	0	0	0	99	09/01/2033	1	
31300LW50	FHLMC POOL #84-8768	09/01/2014		PRINCIPAL RECEIPT	XXX	120,265	120,265	128,063	127,918	0	(7,654)	0	(7,654)	0	120,265	0	0	0	1,757	12/01/2035	1	
312939V73	FHLMC POOL #49-1538	09/01/2014		PRINCIPAL RECEIPT	XXX	23,668	23,668	25,592	25,592	0	(1,923)	0	(1,923)	0	23,668	0	0	0	0	0	03/01/2040	1
3132GDM9	FHLMC POOL #04-0876	09/01/2014		PRINCIPAL RECEIPT	XXX	12,412	12,412	13,416	0	0	(1,005)	0	(1,005)	0	12,412	0	0	0	0	0	05/01/2041	1
3132CT97	FHLMC POOL #08-9239	09/01/2014		VARIOUS	XXX	2,062,284	2,059,284	2,059,574	0	0	(280)	0	(280)	0	2,062,284	0	0	0	778	05/01/2042	1	
3132JMTK7	FHLMC POOL #02-1738	09/01/2014		VARIOUS	XXX	900,375	919,388	900,282	0	0	93	0	93	0	900,375	0	0	0	375	09/01/2043	1	
3132JMPK8	FHLMC POOL #02-1738	09/01/2014		VARIOUS	XXX	2,040,680	2,006,193	2,040,988	0	0	(107)	0	(107)	0	2,040,880	0	0	0	778	07/01/2044	1	
31333NKZ4	FHLMC MULTICLASS MTG	09/01/2014		PRINCIPAL RECEIPT	XXX	122,777	122,777	132,138	125,984	0	(3,207)	0	(3,207)	0	122,777	0	0	0	3,822	03/15/2018	1	
31333RRD4	FHLMC MULTICLASS MTG	09/01/2014		PRINCIPAL RECEIPT	XXX	3,736	3,736	3,926	0	0	(189)	0	(189)	0	3,736	0	0	0	131	01/15/2018	1	
31333JG80	FHLMC MULTICLASS MTG 3853 CA	09/01/2014		PRINCIPAL RECEIPT	XXX	99,258	99,258	104,330	103,547	0	(4,289)	0	(4,289)	0	99,258	0	0	0	2,448	08/15/2019	1	
3137AGK99	FHLMC MULTICLASS MTG 3876 CA	09/01/2014		PRINCIPAL RECEIPT	XXX	248,490	248,490	256,954	256,880	0	(8,391)	0	(8,391)	0	248,490	0	0	0	4,259	06/15/2026	1	
3137ACT41	FHLMC MULTICLASS MTG 3902 MA	09/01/2014		PRINCIPAL RECEIPT	XXX	52,647	52,647	56,580	53,754	0	(1,106)	0	(1,106)	0	52,647	0	0	0	1,458	07/15/2029	1	
3137JYX6	FHLMC MULTICLASS MTG 3977 MA	09/01/2014		PRINCIPAL RECEIPT	XXX	113,977	113,977	118,136	116,940	0	(2,863)	0	(2,863)	0	113,977	0	0	0	2,074	09/15/2029	1	
3134ZAE2	FHLMC POOL #78-0741	09/01/2014		PRINCIPAL RECEIPT	XXX	7,414	7,414	7,624	0	0	(210)	0	(210)	0	7,414	0	0	0	107	07/01/2033	1	
31403DH9	FHLMC POOL #07-45530	09/01/2014		PRINCIPAL RECEIPT	XXX	15,186	15,186	17,237	16,402	0	(1,107)	0	(1,107)	0	15,186	0	0	0	471	07/01/2016	1	
31414HF9	FHLMC POOL #04B3872	09/01/2014		VARIOUS	XXX	2,083,990	1,987,935	2,098,037	0	0	(1,07)	0	(1,07)	0	2,083,990	0	0	0	874	11/01/2041	1	
31418ME6	FHLMC POOL #0A0D0149	09/01/2014		PRINCIPAL RECEIPT	XXX	3,248	3,248	3,721	3,721	0	(472)	0	(472)	0	3,248	0	0	0	102	06/01/2018	1	
3138EJPA0	FHLMC POOL #0A12216	09/01/2014		PRINCIPAL RECEIPT	XXX	120,150	120,150	128,710	126,911	0	(6,761)	0	(6,761)	0	120,150	0	0	0	1,653	09/01/2039	1	
3138X3E21	FHLMC POOL #0A0J351	09/01/2014		VARIOUS	XXX	2,186,974	2,045,603	2,188,218	0	0	(1,244)	0	(1,244)	0	2,186,974	0	0	0	1,166	08/01/2043	1	
3139VWK2	FHLMC GTD REMIC PIT 08-51 BC	09/01/2014		PRINCIPAL RECEIPT	XXX	98,959	98,959	62,478	60,209	0	(2,449)	0	(2,449)	0	98,959	0	0	0	1,594	06/25/2023	1	
3139EQW2	FHLMC GTD REMIC PIT 09-18 NT	09/01/2014		PRINCIPAL RECEIPT	XXX	19,490	19,490	19,693	19,693	0	(203)	0	(203)	0	19,490	0	0	0	468	08/25/2019	1	
3136AHC2	FHLMC GTD REMIC PIT 11-98 VC	09/01/2014		PRINCIPAL RECEIPT	XXX	22,191	22,191	23,841	23,486	0	(1,295)	0	(1,295)	0	22,191	0	0	0	457	01/25/2023	1	
3136ABD74	FHLMC GTD REMIC PIT 13-M1 ASQ2	09/01/2014		PRINCIPAL RECEIPT	XXX	160,354	160,354	161,958	161,454	0	(1,100)	0	(1,100)	0	160,354	0	0	0	1,264	01/25/2016	1	
3136AQT79	FHLMC GTD REMIC PIT 13-M5 ASQ2	09/01/2014		PRINCIPAL RECEIPT	XXX	70,726	70,726	70,864	0	0	(138)	0	(138)	0	70,726	0	0	0	22	08/25/2015	1	
31398PF46	FHLMC GTD REMIC PIT 201-041 DK	09/01/2014		PRINCIPAL RECEIPT	XXX	99,415	99,415	101,854	99,415	0	(2,439)	0	(2,439)	0	99,415	0	0	0	1,414	10/25/2024	1	
3139VUX2	FHLMC GTD REMIC PIT 201-151 MG	09/01/2014		PRINCIPAL RECEIPT	XXX	46,866	46,866	49,802	48,802	0	(1,937)	0	(1,937)	0	46,866	0	0	0	1,134	07/25/2026	1	
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				XXX	11,402,411	11,102,904	11,478,504	1,370,077	0	(56,551)	0	(56,551)	0	11,402,411	0	0	0	29,997	XXX	XXX	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
59511VA47	MICRON SEMICONDUCTOR ASIA PTE	07/01/2014		Sink PMT @ 100,000,000	XXX	147,000	147,000	147,000	147,000	0	0	0	0	147,000	0	0	0	0	128	01/15/2019	1FE	
874060A44	TAKEDA PHARMACEUTICAL 144A	09/11/2014		Mitsubishi LfJ Sees	XXX	1,415,147	1,410,000	1,415,668	1,412,694	0	(1,541)	0	(1,541)	0	1,411,152	0	3,984	3,984	14,497	03/17/2015	1FE	
001055A2	AFAC INC	09/17/2014		Salomon Brothers	XXX	1,207,031	1,175,000	1,227,135	1,191,496	0	(21,647)	0	(21,647)	0	1,205,488	0	1,543	1,543	44,253	08/15/2015	1FE	
002068VA4	AT & T INC	09/17/2014		VARIOUS	XXX	1,189,315	1,166,000	1,216,518	1,191,496	0	(10,219)	0	(10,219)	0	1,181,277	0	8,038	8,038	30,125	08/15/2015	1FE	
0594V2R8	BANK AMER CMBS 2005-5	09/01/2014		PRINCIPAL RECEIPT	XXX	6,606	6,606	7,052	6,967	0	(361)	0	(361)	0	6,606	0	0	0	217	10/10/2045	1FM	
06051GFF1	BANK OF AMERICA CORP	08/21/2014		Montgomery Segs	XXX	307,230	300,000	306,130	0	0	(74)	0	(74)	0	306,130	0	1,100	1,100	4,833	04/01/2024	1FE	
07388JAE8	BEAR STEARNS COMMERCIA PW12 A4	09/01/2014		PRINCIPAL RECEIPT	XXX	10,539	10,539	11,450	0	0	(912)	0	(912)	0	10,539	0	0	0	130	09/11/2038	1FM	
07388RAE7	BEAR STEARNS COMMERCIA PW15 A4	09/01/2014		PRINCIPAL RECEIPT	XXX	27,279	27,279	29,395	0	0	(2,117)	0	(2,117)	0	27,279	0	0	0	36	02/11/2044	1FE	
12513EAG9	CD 2005 C1 2006 C1 CL A4	09/01/2014		PRINCIPAL RECEIPT	XXX	19,386	19,386	21,714	20,617	0	(1,231)	0	(1,231)	0	19,386	0	0	0	592	07/15/2044	1FE	
12514AAE1	CD 2007-C05 MORTGAGE TR CDS A4	09/01/2014		PRINCIPAL RECEIPT	XXX	16,878	16,878	18,731	18,731	0	(1,853)	0	(1,853)	0	16,878	0	0	0	83	01/15/2044	1FE	
17305EDY8	CITIBANK CR CARD 07-A8 CL A4	09/17/2014		Salomon Brothers	XXX	817,828	730,000	833,711	0	0	(18,962)	0	(18,962)	0	814,749	0	3,079	3,079	20,393	09/20/2019	1FE	
17296V7H8	CITIBANK INC	08/25/2014		VARIOUS	XXX	2,446,803	2,350,000	2,513,203	2,447,812	0	(28,116)	0	(28,116)	0	2,419,696	0	27,107	27,107	92,633	08/10/2047	1FE	
12591QAM4	COMM MORTGAGE TR 14-UBS4 CL A2	08/01/2014		Deutsche Banc	XXX	360,488	350,000	360,488	0	0	(79)	0	(79)	0	360,400	0	79	79	1,712	08/10/2047	1FE	
22545AD9	COMMERCIAL MORTGAGE PASS C3 A3	09/01/2014		PRINCIPAL RECEIPT	XXX	29,003	29,003	31,235	0	0	(2,235)	0	(2,235)	0	29,003	0	0	0	175	06/15/2038	1FM	
22545AD1	COMMERCIAL MORTGAGE PASS C5 A3	09/01/2014		PRINCIPAL RECEIPT	XXX	1,532	1,532	1,670	0	0	(138)	0	(138)	0	1,532	0	0	0	41	12/15/2039	1FM	
22545V08	CREDIT SUISSE FR 05-C3 CL A-A4	09/01/2014		PRINCIPAL RECEIPT	XXX	22,734	22,734	23,775	23,775	0	(541)	0	(541)	0	22,734	0	0	0	703	07/15/2037	1FM	
12665VA0	CYS PASS-THROUGH TR 2014 14A4	09/10/2014		Sink PMT @ 100,000,000	XXX	661	661	661	0	0												

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/(Decrease)	12 Current Year's (Amortization)/Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)								15 Total Foreign Exchange Change in B./A.C.V.
50179AAE7	LB-UBS COMMERCIAL MORTGAGE C1 A4		09/17/2014	PRINCIPAL RECEIPT	XXX	1,535	1,535	1,670	0	0	(135)	0	0	1,535	0	0	0	8	02/15/2040	IFE
617451CL1	MORGAN STANLEY CAPITAL HQ7 A4		09/01/2014	PRINCIPAL RECEIPT	XXX	22,144	22,144	24,607	23,159	0	(1,014)	0	0	22,144	0	0	0	771	11/14/2042	IFM
61751XAE0	MORGAN STANLEY CAPITAL T25 A3		09/12/2014	VARIOUS	XXX	490,626	450,812	490,698	0	0	(1,493)	0	0	488,205	0	1,422	422	2,250	11/12/2049	IFE
654748AD4	NISSAN AUTO RECEIVABLES 2 A A4		09/26/2014	Nomura Secs Intl	XXX	498,769	500,000	495,297	0	0	40	0	0	498,337	0	(548)	(548)	458	07/15/2019	IFE
713448B5	PEP-SICO INC		09/17/2014	BNP Paribas Securities	XXX	2,104,536	2,100,000	2,106,543	2,103,160	0	(1,905)	0	0	2,101,255	0	3,281	3,281	16,319	03/05/2015	IFE
72201R75	PIMCO TOTAL RETURN ETF		09/17/2014	VENDOR CODE ISV NOT IN TA	XXX	8,761,592	0	8,844,071	8,844,071	0	0	0	0	8,844,071	0	(82,479)	(82,479)	86,319		2
74256LAC3	PRINCIPAL LIFE GLOBAL FUN 144A		09/05/2014	Salomon Brothers	XXX	1,865,852	1,855,000	1,859,218	1,857,933	0	(1,017)	0	0	1,856,916	0	8,936	8,936	13,861	12/11/2015	IFE
92276MAV7	VENTAS REALTY LP/CAP CRP		09/09/2014	BNY/Mizuho Secs	XXX	936,335	910,000	947,009	1,857,933	0	(12,498)	0	0	934,510	0	1,825	1,825	22,197	11/30/2015	2FE
92343VAY0	VERIZON COMMUNICATIONS INC		07/16/2014	VARIOUS	XXX	1,472,313	1,420,000	1,516,475	1,487,262	0	(16,009)	0	0	1,471,263	0	1,070	1,070	34,062	04/01/2016	2FE
92343VCG7	VERIZON COMMUNICATIONS INC 144A		09/21/2014	Salomon Brothers	XXX	1,486,216	1,376,709	1,469,269	1,487,262	0	(1,219)	0	0	1,467,050	0	18,166	18,166	0	09/14/2018	2FE
9237667GZ	WACHOVIA BANK COMMERCIAL C21 A4		09/01/2014	PRINCIPAL RECEIPT	XXX	10,022	10,022	10,549	0	0	(527)	0	0	10,022	0	0	0	191	10/15/2044	IFM
92376BBN1	WACHOVIA BANK COMMERCIAL C22 A4		09/01/2014	PRINCIPAL RECEIPT	XXX	71,1670	71,1670	80,208	76,331	0	(4,661)	0	0	71,1670	0	17,1670	17,1670	2,249	10/15/2044	IFM
92393FAR0	WF-RBS COMIL MTG 14-C21 A2		09/01/2014	Greenwich Capital Mkts	XXX	304,088	295,234	304,988	0	0	(1,09)	0	0	303,979	0	109	109	261	08/15/2047	IFE
3899999 Subtotal	Bonds - Industrial and Miscellaneous (Unaffiliated)				XXX	33,917,464	24,604,531	34,215,391	24,788,476	0	(168,813)	0	0	33,900,196	0	17,268	17,268	476,921		XXX
8399997 Subtotal	Bonds - Part 4				XXX	69,129,281	59,506,435	69,459,492	39,509,435	0	(218,557)	0	0	69,079,571	0	49,710	49,710	584,310		XXX
8399999 Subtotal	Bonds				XXX	69,129,281	59,506,435	69,459,492	39,509,435	0	(218,557)	0	0	69,079,571	0	49,710	49,710	584,310		XXX
9899999 Subtotal	Bonds - Preferred and Common Stocks				XXX	0	XXX	0	0	0	0	0	0	0	0	0	0	0		XXX
9999999 Total	Bonds, Preferred and Common Stocks				XXX	69,129,281	59,506,435	69,459,492	39,509,435	0	(218,557)	0	0	69,079,571	0	49,710	49,710	584,310		XXX
					XXX	69,129,281	59,506,435	69,459,492	39,509,435	0	(218,557)	0	0	69,079,571	0	49,710	49,710	584,310		XXX

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

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																				
1449999 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				0	0	0	XXX	XXX
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				0	0	XXX	XXX	XXX
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 First Month	7 Second Month	8 Third Month	
open depositories									
US Bank - BlueCare Disbursing	Nashville, TN		0.000	0	0	(222,648)	(335,285)	(205,048)	X X X
US Bank - BlueCare Plus	Nashville, TN		0.000	0	0	1,446,876	2,017,016	2,229,514	X X X
US Bank - Stabilization	Nashville, TN		0.000	0	0	2,342,995	2,343,013	2,339,876	X X X
US Bank - TCS	Nashville, TN		0.000	0	0	20,114,641	9,313,634	8,174,616	X X X
US Bank - VSHP Holding	Nashville, TN		0.000	0	0	684,752	684,775	684,798	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X	0	0	197,273	132,946	100,013	X X X
0199999 Totals - Open Depositories		X X X	X X X	0	0	24,563,889	14,156,099	13,323,769	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	0	0	24,563,889	14,156,099	13,323,769	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	0	0	24,563,889	14,156,099	13,323,769	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

(THIS PAGE LEFT BLANK INTENTIONALLY)

INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
 Realized; Q4
 Unrealized; Q4; Q5
Capital Stock; Q3; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06; QSI04
Cash; Q2; Q6; QE12
Cash Equivalents; Q2; Q6; QE13
Claims; Q3; Q4; Q8; Q9
Collars; QE06; QSI04
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8; QE06; QE08
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 12
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QSI01; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 21
Fair Value; Q7, Note 20
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05
Forwards; QE06; QSI04
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2
Health Care Receivables; Q2; Q9; Q10, Note 28
Holding Company; Q16
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q8; Q9
Income; Q4; Q5; Q6
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25
Intercompany Pooling; Q10, Note 26
Investment Income; Q10, Note 7
 Accrued; Q2
 Earned; Q2; QSI03
 Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2; QE08
Joint Venture; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; Q2; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02
Nonadmitted Assets; Q2; Q5; QSI01; QSI03
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06; QSI04
Organizational Chart; Q11; Q14
Out-of-Area; Q4
Outside Referrals; Q4
Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 29
Pharmaceutical Rebates; Q10, Note 28
Policyholder Dividends; Q5; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

INDEX TO HEALTH QUARTERLY STATEMENT

Premium Deficiency Reserves; Q10, Note 30
Premiums and Considerations
 Advance; Q3
 Collected; Q6
 Deferred; Q2
 Direct; Q7; Q13
 Earned; Q7
 Retrospective; Q2
 Uncollected; Q2
 Unearned; Q4
 Written; Q4; Q7
Prescription Drugs; Q4
Quasi Reorganizations; Q10, Note 13
Real Estate; Q2; Q6; QE01; QSI01
Redetermination, Contracts Subject to; Q10, Note 24
Reinsurance; Q9; Q10, Note 23
 Ceded; Q3; Q12
 Funds Held; Q2
 Payable; Q3
 Premiums; Q3
 Receivable; Q2; Q4
 Unauthorized; Q3; Q5
Reserves
 Accident and Health; Q3; Q4
 Claim; Q3; Q5; Q8
 Life; Q3
Retirement Plans; Q10, Note 12
Retrospectively Rated Policies; Q10, Note 24
Risk Revenue; Q4
Salvage and Subrogation; Q10, Note 31
Securities Lending; Q2; Q3; QE09; QE11
Servicing of Financial Assets; Q10, Note 17
Short-Term Investments; Q2; Q6; Q11.1; QSI03
Stockholder Dividends; Q5; Q6
Subsequent Events; Q10, Note 22
Surplus; Q3; Q5; Q6
Surplus Notes; Q3; Q5; Q6
Swaps; QE07; QSI04
Synthetic Assets; QSI04; QSI05
Third Party Administrator; Q10, Note 19
Treasury Stock; Q3; Q5
Uninsured Accident and Health; Q2; Q3; Q10, Note 18
Valuation Allowance; QSI01
Wash Sales; Q10, Note 17
Withholds; Q4; Q8

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.....	192,497	(5,165)	(348)	(397)		186,587
0399999 Premiums due and unpaid from Medicare entities.....						
Medicaid Entities:						
ACA Fee Premium Receivable.....				30,071,853		30,071,853
State of Tennessee Premium Withhold Receivable	3,521,074					3,521,074
Premium Accrual.....	4,498,474	3,093,848	2,820,228	(4,090,780)		6,321,770
0499997 Subtotal - Medicaid Entities:.....	8,019,548	3,093,848	2,820,228	25,981,073		39,914,697
0499999 Premiums due and unpaid from Medicaid entities.....	-	-	-	-	-	-
0599999 Accident and health premiums due and unpaid (Page 2, Line 15).....	8,212,045	3,088,683	2,819,880	25,980,676	-	40,101,284

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed.....	38,829	34,814	31,513	58,451	58,451	105,156
0199999 Subtotal - Pharmaceutical Rebate Receivables.....	38,829	34,814	31,513	58,451	58,451	105,156
Provider Receivables	-	-	-	1,929,561	1,929,561	-
0299998 Claim Overpayment Receivables - Not Individually Listed.....	-	-	-	1,929,561	1,929,561	-
0299999 Subtotal - Claim Overpayment Receivables.....	-	-	-	1,929,561	1,929,561	-
Loans and Advances to Providers	-	-	-	-	-	-
3000001 SouthEast Transportation	-	-	-	-	-	-
0399998 Loans and Advances to Providers - Not Individually Listed.....	-	-	-	-	-	-
0399999 Subtotal - Loans and Advances to Providers.....	-	-	-	-	-	-
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.....	38,829	34,814	31,513	1,988,012	1,988,012	105,156

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	20,623,031	20,623,031	-
0199999 Total - Individually listed payables	.....XXX	20,623,031	20,623,031	-
0299999 Payables not individually listed	.....XXX	.....	.....	.....
0399999 Total gross payables	.....XXX	20,623,031	20,623,031	-