

**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, 2019**

2019



QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE
Volunteer State Health Plan, Inc.

NAIC Group Code 3498 (Current Period) 3498 (Prior Period) NAIC Company Code 14046 Employer's ID Number 62-1656610
Organized under the Laws of Tennessee, State of Domicile or Port of Entry TN
Country of Domicile United States
Licensed as business type: Life, Accident & Health [], Dental Service Corporation [], Other [], Property/Casualty [], Vision Service Corporation [], Is HMO Federally Qualified? Yes [] No[X] N/A [], Hospital, Medical & Dental Service or Indemnity [], Health Maintenance Organization[X]
Incorporated/Organized 07/11/1996 Commenced Business 11/01/1996
Statutory Home Office 1 Cameron Hill Circle, Chattanooga, TN, US 37402-0001
Main Administrative Office 1 Cameron Hill Circle, Chattanooga, TN, US 37402-0001
Mail Address 1 Cameron Hill Circle, Chattanooga, TN, US 37402-0001
Primary Location of Books and Records 1 Cameron Hill Circle, Chattanooga, TN, US 37402-0001
Internet Web Site Address www.bluecare.bcbst.com
Statutory Statement Contact Joseph DeWayne Moser, Joseph_Moser@bcbst.com

CORPORATE OFFICERS

Table with 2 columns: Name, Title. Includes Amber Jeanine Cambron (President & CEO), Erbon Dennis Culver (Treasurer), Jill Anne Langston (Secretary), Mandy Holland Savage (Assistant Treasurer #), Kristy Leanne White (Assistant Secretary).

ADMINISTRATIVE OFFICERS

Amber Jeanine Cambron, President & CEO; Jeffrey Aaron Hocking, Chief Actuary; Jason Patrick Lloyd, VP #; Cheryl Diane McClatchey, VP #; Patrick Timothy Sullivan, VP, Chief Operating Officer; Casey Lee Dungan, VP, Chief Financial Officer #; Jeanne James, M.D., VP, Chief Medical Officer; Francis Elizabeth Martini, VP #; Stephani Jennifer Ryan, VP #; Joshua Trey White, Controller & Chief Accounting Officer.

DIRECTORS OR TRUSTEES

Jason David Hickey, M.D., Chairperson; Scott Christian Pierce; John Francis Giblin

State of Tennessee
County of Hamilton ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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.

Signature of Amber Jeanine Cambron
Amber Jeanine Cambron
1.
President & Chief Executive Officer
(Title)

Signature of Casey Lee Dungan
Casey Lee Dungan
2.
VP & Chief Financial Officer
(Title)

Signature of Jill Anne Langston
Jill Anne Langston
3.
Secretary
(Title)

Subscribed and sworn to before me this 11th day of Nov, 2019

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

Yes[X] No []
0

Signature of Amanda Poe
(Notary Public Signature)



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	494,123,636	0	494,123,636	380,674,032
2. Stocks:				
2.1 Preferred stocks	11,405,715	0	11,405,715	18,081,282
2.2 Common stocks	118,140,057	0	118,140,057	100,176,451
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 (\$.....10,072,389), cash equivalents (\$.....49,104,262) and short-term investments (\$.....402,926)	59,579,577	0	59,579,577	110,498,583
6. Contract loans (including \$.....0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	63,803	0	63,803	241,271
9. Receivables for securities	3,058,479	0	3,058,479	2,355,381
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)	686,371,267	0	686,371,267	612,026,998
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,729,551	0	3,729,551	2,989,673
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	50,986,412	0	50,986,412	95,849,449
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 (\$.....10,876,101) and contracts subject to redetermination (\$.....0)	10,876,101	0	10,876,101	7,502,344
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	45,437,807	1,916,415	43,521,392	134,173,361
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	226,183	0	226,183	6,172,651
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 (\$.....5,192,301) and other amounts receivable	14,523,450	9,331,149	5,192,301	1,264,731
25. Aggregate write-ins for other-than-invested assets	143,631	143,631	0	0
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	812,294,402	11,391,195	800,903,207	859,979,207
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	812,294,402	11,391,195	800,903,207	859,979,207
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. Prepaids and Other Miscellaneous	143,631	143,631	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)	143,631	143,631	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)	220,882,872	0	220,882,872	213,682,572
2. Accrued medical incentive pool and bonus amounts	4,454,825	0	4,454,825	2,762,982
3. Unpaid claims adjustment expenses	6,453,004	0	6,453,004	7,999,232
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	6,258,361	0	6,258,361	19,300,000
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	13,520,919	0	13,520,919	15,511,435
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))	0	0	0	0
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	17,608	0	17,608	14,076
13. Remittances and items not allocated	0	0	0	373
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	16,752,775	0	16,752,775	14,037,814
16. Derivatives	0	0	0	0
17. Payable for securities	3,830,345	0	3,830,345	7,718,786
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	70,905,967	0	70,905,967	125,664,596
23. Aggregate write-ins for other liabilities (including \$.....0 current)	39,890,735	0	39,890,735	42,368,901
24. Total liabilities (Lines 1 to 23)	382,967,411	0	382,967,411	449,060,767
25. Aggregate write-ins for special surplus funds	X X X	X X X	33,084,907	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	0	0
30. Aggregate write-ins for other-than-special surplus funds	X X X	X X X	0	0
31. Unassigned funds (surplus)	X X X	X X X	229,550,889	255,618,440
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	417,935,796	410,918,440
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	800,903,207	859,979,207
DETAILS OF WRITE-INS				
2301. Insured Premium Tax Payable	39,139,194	0	39,139,194	41,963,665
2302. Pending Escheatment to State	751,541	0	751,541	405,236
2303.	0	0	0	0
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)	39,890,735	0	39,890,735	42,368,901
2501. ACA 3rd Qtr Amount of 2020 Annual Assessment Fee	X X X	X X X	33,084,907	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	33,084,907	0
3001.	X X X	X X X	0	0
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	0	0

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	4,786,175	4,733,886	6,286,832
2. Net premium income (including \$.....0 non-health premium income)	X X X	1,963,495,456	1,947,967,478	2,576,762,067
3. Change in unearned premium reserves and reserves for rate credits	X X X	(3,258,361)	(3,200,000)	(800,000)
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	1,960,237,095	1,944,767,478	2,575,962,067
Hospital and Medical:				
9. Hospital/medical benefits	0	1,303,874,498	1,201,940,392	1,620,925,307
10. Other professional services	0	335,382,787	324,791,680	431,903,772
11. Outside referrals	0	0	0	0
12. Emergency room and out-of-area	0	73,677,206	77,223,946	99,824,961
13. Prescription drugs	0	7,803,992	14,366,804	19,264,815
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	5,754,746	3,655,242	5,483,558
16. Subtotal (Lines 9 to 15)	0	1,726,493,229	1,621,978,064	2,177,402,413
Less:				
17. Net reinsurance recoveries	0	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	1,726,493,229	1,621,978,064	2,177,402,413
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$.....59,726,105 cost containment expenses	0	92,042,123	94,006,778	154,332,047
21. General administrative expenses	0	186,009,091	215,585,485	249,465,641
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)	0	(16,300,000)	0	16,300,000
23. Total underwriting deductions (Lines 18 through 22)	0	1,988,244,443	1,931,570,327	2,597,500,101
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(28,007,348)	13,197,151	(21,538,034)
25. Net investment income earned	0	18,348,825	15,429,917	20,378,092
26. Net realized capital gains (losses) less capital gains tax of \$.....0	0	1,104,189	1,786,527	(1,697,893)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	19,453,014	17,216,444	18,680,199
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	(8,554,334)	30,413,595	(2,857,835)
31. Federal and foreign income taxes incurred	X X X	(4,430,935)	12,707,165	9,347,346
32. Net income (loss) (Lines 30 minus 31)	X X X	(4,123,399)	17,706,430	(12,205,181)
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	410,918,440	479,849,260	479,849,260
34. Net income or (loss) from Line 32	(4,123,399)	17,706,430	(12,205,181)
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 \$.....4,517,071	18,436,319	(2,015,314)	(11,320,672)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(1,429,397)	(1,246,564)	2,992,063
39. Change in nonadmitted assets	(5,690,161)	(2,560,084)	(413,030)
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	(47,984,000)	(47,984,000)
47. Aggregate write-ins for gains or (losses) in surplus	(176,006)	0	0
48. Net change in capital and surplus (Lines 34 to 47)	7,017,356	(36,099,532)	(68,930,820)
49. Capital and surplus end of reporting period (Line 33 plus 48)	417,935,796	443,749,728	410,918,440
DETAILS OF WRITE-INS			
4701. Prior period adjustment	(176,006)	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)	(176,006)	0	0

Report #2A: BlueCare East Only

Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	628,072	1,881,875	2,487,430
Estimated Revenues:			
1. TennCare Capitation	239,907,784	715,010,714	943,305,005
2. Investment	2,950,393	7,888,026	8,295,414
3. Other Revenues	77,741	(498,971)	20,290,824
4. Total Estimated Revenues (Lines 1 to 3)	242,935,917	722,399,769	971,891,243
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	48,305,896	132,804,369	171,108,662
7. Inpatient Hospital Services	39,773,323	143,548,346	177,839,905
8. Outpatient Hospital Services	23,710,259	73,182,306	86,867,496
9. Emergency Room Services	7,173,047	24,283,167	34,484,186
10. Dental Services	3,029	3,975	2,247
11. Vision Services	280,803	657,244	793,145
12. Pharmacy Services	-	-	-
13. Home Health Services	8,735,419	23,029,510	28,592,361
14. Chiropractic Services	-	-	-
15. Radiology Services	1,742,110	4,470,348	5,862,467
16. Laboratory Services	1,263,534	3,414,819	4,814,811
17. Durable Medical Equipment Services	4,520,590	11,284,443	16,904,747
18. Transportation Services	4,348,586	12,629,171	17,295,597
19. Outside Referrals	-	-	-
20. Occupancy, Depreciation and Amortization	-	-	-
21. ECF	1,787,214	4,777,617	7,290,768
22. Other Medical and Hospital Services - Write-Ins	(7,905,759)	8,914,148	33,192,690
23. Subtotal Medical and Hospital (Lines 5 to 22)	133,738,051	442,999,463	577,758,314
Mental Health and Substance Abuse Services			
24. Inpatient Psychiatric Facility Services	1,813,135	6,041,099	8,281,754
25. Inpatient Substance Abuse Treatment and Detox	192,597	421,911	577,924
26. Outpatient Mental Health Services	4,991,924	14,164,399	7,164,065
27. Outpatient Substance Abuse Treatment and Detox	-	-	-
28. Housing/Residential Treatment	3,681,558	10,916,447	15,075,373
29. Specialized Crisis Services	717,779	2,201,609	3,099,929
30. Psychiatric Rehab and Support Services	684,588	2,171,837	2,527,283
31. Case Management	284,706	1,042,124	2,225,641
32. Forensics	-	-	-
33. Other Judicial	-	-	-
34. Pharmacy	-	-	-
35. Lab Services	53,286	148,997	214,149
36. Transportation	-	-	-
37. Occupancy, Depreciation and Amortization	-	-	-
38. Other Mental Health and Substance Abuse Services	989,913	2,887,846	16,276,522
39. PCP and Specialist Services	-	-	-
40. Tennessee Health Link	6,761,850	14,875,330	14,393,863
41. Other Mental Health Services - Write-Ins	-	-	-
42. Subtotal MH & SAS (Lines 24 to 41)	20,171,336	54,871,599	69,836,503
CHOICES			
43. Nursing Facility Care	34,375,403	101,525,330	133,977,054
44. HCBS Services	12,169,498	35,017,600	46,337,842
45. Subtotal CHOICES	46,544,901	136,542,930	180,314,896
46. Value Based Payouts	-	-	614,237
47. Value Based Recoveries	-	-	-
48. Other Medical Incentive Pool and Withhold Adjustments	1,334,671	2,289,703	2,425,090
49. Subtotal Hospital, Medical, MH&SAS, CHOICES (Lines 23,42,45,46,47 and 48)	201,788,959	636,703,695	830,949,040
LESS:			
50. Net Reinsurance Recoveries Incurred	-	-	-
51. Copayments	10,552	33,825	24,256
52. Subrogation and Coordination of Benefits	-	-	27
53. Subtotal Reinsurance, Copay, Subrogation (Lines 48 to 50)	10,552	33,825	24,283
54. Total Hospital, Medical, MH&SAS (Lines 47 and 51)	201,778,407	636,669,870	830,924,757
Administration:			
55. Compensation	12,958,443	39,636,360	54,006,043
56. Direct and Allocated Admin expenses	-	-	-
57. Marketing	243,356	744,359	1,014,216
58. Health Insurer Fee	-	-	-
59. Interest Expense	-	-	14,825,568
60. Premium Tax Expense	14,434,904	42,947,515	57,793,384
61. Occupancy, Depreciation, and Amortization	823,430	2,518,648	3,431,753
62. Other Administration - Write-Ins	5,726,515	17,515,859	23,866,027
63. Total Administration Expenses (Lines 55 to 61)	34,186,648	103,362,741	154,936,991
64. Total Expenses (Lines 54 and 62)	235,965,055	740,032,611	985,861,748
65. Extraordinary Item	-	-	-
66. Provision for Income Tax	(1,538,565)	(5,265,806)	1,024,093
67. Net Income (Loss) (Line 4 Less Lines 63,64 and 65)	8,509,427	(12,367,036)	(14,994,598)
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Directed Premiums	24,663,010	65,058,754	107,668,930
0302. Directed Payments	(53,346,421)	(57,951,919)	(100,882,376)
0303. Directed Premium Tax	(1,458,945)	(3,882,690)	(6,460,136)
0304. Directed Payments Accrued	30,220,097	(3,223,117)	-
0399. Total Other Revenues	77,741	1,029	20,290,824
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	6,616,947	20,713,660	25,373,367
2202. Bad Debt Expense	(31,051)	105,003	528,555
2203. Out of Area Claims Expense	-	-	-
2204. PDR	(14,491,655)	(11,904,515)	-
2299. Total Other Medical and Hospital	(7,905,759)	8,914,148	33,192,690
Detail of Other MH & SAS:			
4101.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
6101. Equipment Rental	2,369,571	7,247,873	9,875,503
6102. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	758,019	2,318,576	3,159,149
6103. Auditing, Actuarial, and Other Consulting	1,374,133	4,203,100	5,726,884
6104. Outsourced Services	677,038	2,070,877	2,821,649
6105. Postage/Telephone	373,788	1,143,317	1,557,814
6106. Printing and Stationary	173,966	532,116	725,028
6199. Total Other Administration	5,726,515	17,515,859	23,866,027

Report #2A: BlueCare Middle Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	481,971	1,428,881	1,884,137
Estimated Revenues:			
1. TennCare Capitation	196,348,174	580,948,508	729,394,552
2. Investment	2,253,420	6,024,633	5,757,464
3. Other Revenues	(99,989)	(148,057)	14,736,865
4. Total Estimated Revenues (Lines 1 to 3)	198,501,605	586,825,085	749,888,881
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	26,776,856	85,778,983	108,656,213
7. Inpatient Hospital Services	31,354,631	102,157,506	139,829,249
8. Outpatient Hospital Services	14,179,393	45,032,461	51,536,443
9. Emergency Room Services	5,665,271	19,642,839	27,830,391
10. Dental Services	831	-	245
11. Vision Services	190,975	506,003	628,099
12. Pharmacy Services	-	-	-
13. Home Health Services	4,014,120	12,352,987	13,630,378
14. Chiropractic Services	-	-	-
15. Radiology Services	1,390,482	4,064,451	5,071,456
16. Laboratory Services	570,293	1,713,672	2,216,900
17. Durable Medical Equipment Services	2,371,590	6,660,428	8,746,859
18. Transportation Services	3,281,598	9,613,685	12,789,287
19. Outside Referrals	-	-	-
20. Occupancy, Depreciation and Amortization	-	-	-
21. ECF	2,572,048	5,193,979	6,191,188
22. Other Medical and Hospital Services - Write-Ins	730,804	12,279,656	23,416,103
23. Subtotal Medical and Hospital (Lines 5 to 22)	93,098,892	304,996,650	394,351,623
Mental Health and Substance Abuse Services			
24. Inpatient Psychiatric Facility Services	2,605,763	9,185,765	9,859,113
25. Inpatient Substance Abuse Treatment and Detox	163,684	568,067	1,105,111
26. Outpatient Mental Health Services	3,587,717	11,286,221	8,302,225
27. Outpatient Substance Abuse Treatment and Detox	-	-	-
28. Housing/Residential Treatment	2,683,935	8,998,749	10,203,192
29. Specialized Crisis Services	859,030	2,653,302	3,506,388
30. Psychiatric Rehab and Support Services	521,188	1,608,137	1,989,101
31. Case Management	1,202,251	3,792,258	9,717,555
32. Forensics	-	-	-
33. Other Judicial	-	-	-
34. Pharmacy	-	-	-
35. Lab Services	26,115	79,260	93,022
36. Transportation	-	-	-
37. Occupancy, Depreciation and Amortization	-	-	-
38. Other Mental Health and Substance Abuse Services	580,793	1,946,040	12,693,615
39. PCP and Specialist Services	-	-	-
40. Tennessee Health Link	9,080,536	13,588,929	7,728,635
41. Other Mental Health Services - Write-Ins	-	-	-
42. Subtotal MH & SAS (Lines 24 to 41)	21,311,012	53,706,728	65,197,957
CHOICES			
43. Nursing Facility Care	41,033,808	118,070,200	133,094,958
44. HCBS Services	9,382,495	27,195,158	34,229,344
45. Subtotal CHOICES	50,416,303	145,265,358	167,324,302
46. Value Based Payouts	-	-	-
47. Value Based Recoveries	-	-	(57,693)
48. Other Medical Incentive Pool and Withhold Adjustments	539,103	2,189,252	2,167,520
49. Subtotal Hospital, Medical, MH&SAS, CHOICES (Lines 23,42,45,46,47 and 48)	165,365,310	506,157,988	628,983,709
LESS:			
50. Net Reinsurance Recoveries Incurred	-	-	-
51. Copayments	6,711	23,090	10,616
52. Subrogation and Coordination of Benefits	-	-	-
53. Subtotal Reinsurance, Copay, Subrogation (Lines 48 to 50)	6,711	23,090	10,616
54. Total Hospital, Medical, MH&SAS (Lines 47 and 51)	165,358,599	506,134,898	628,973,093
Administration:			
55. Compensation	10,593,398	32,208,869	42,754,497
56. Direct and Allocated Admin expenses	-	-	-
57. Marketing	198,941	604,872	802,915
58. Health Insurer Fee	-	-	-
59. Interest Expense	-	-	10,760,464
60. Premium Tax Expense	11,818,760	34,875,906	44,635,749
61. Occupancy, Depreciation, and Amortization	673,145	2,046,676	2,716,786
62. Other Administration - Write-Ins	4,681,369	14,233,551	18,893,814
63. Total Administration Expenses (Lines 55 to 61)	27,965,613	83,969,874	120,564,225
64. Total Expenses (Lines 54 and 62)	193,324,212	590,104,772	749,537,318
65. Extraordinary Item	-	-	-
66. Provision for Income Tax	328,314	(979,434)	2,858,076
67. Net Income (Loss) (Line 4 Less Lines 63,64 and 65)	4,849,079	(2,300,253)	(2,506,513)
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Directed Premiums	30,932,334	57,305,401	112,771,673
0302. Directed Payments	(51,891,663)	(54,313,790)	(105,758,763)
0303. Directed Premium Tax	(1,849,242)	(3,431,626)	(6,766,300)
0304. Directed Payments Accrued	22,708,582	291,959	-
0399. Total Other Revenues	(99,989)	(148,057)	14,736,865
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	4,063,526	14,132,298	17,351,370
2202. Bad Debt Expense	(210,766)	361,584	(126,455)
2203. Out of Area Claims Expense	-	-	-
2204. PDR	(3,121,956)	(2,214,226)	-
2299. Total Other Medical and Hospital	730,804	12,279,656	23,416,103
Detail of Other MH & SAS:			
4101.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
6101. Equipment Rental	1,937,101	5,889,691	7,818,059
6102. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	619,673	1,884,096	2,500,975
6103. Auditing, Actuarial, and Other Consulting	1,123,340	3,415,478	4,533,752
6104. Outsourced Services	553,472	1,682,814	2,233,790
6105. Postage/Telephone	305,568	929,070	1,233,261
6106. Printing and Stationary	142,215	432,402	573,977
6199. Total Other Administration	4,681,369	14,233,551	18,893,814

Report #2A: BlueCare West Only			
Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	441,889	1,322,612	1,732,165
Estimated Revenues:			
1. TennCare Capitation	162,121,889	487,453,564	647,352,697
2. Investment	2,072,283	5,540,354	6,319,654
3. Other Revenues	206,623	(649,505)	13,401,703
4. Total Estimated Revenues (Lines 1 to 3)	164,400,794	492,344,413	667,074,054
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	26,469,789	75,646,240	99,220,686
7. Inpatient Hospital Services	22,855,077	68,849,188	98,391,770
8. Outpatient Hospital Services	15,845,993	48,832,483	65,029,435
9. Emergency Room Services	7,425,855	23,205,593	30,745,023
10. Dental Services	-	-	-
11. Vision Services	163,928	382,419	551,957
12. Pharmacy Services	-	-	-
13. Home Health Services	6,223,588	16,092,584	23,326,961
14. Chiropractic Services	-	-	-
15. Radiology Services	1,000,004	2,875,626	3,967,280
16. Laboratory Services	966,745	2,718,204	3,649,456
17. Durable Medical Equipment Services	2,149,466	6,061,971	8,778,215
18. Transportation Services	3,205,210	9,331,615	12,652,185
19. Outside Referrals	-	-	-
20. Occupancy, Depreciation and Amortization	-	-	-
21. ECF	1,153,090	3,116,619	3,848,862
22. Other Medical and Hospital Services - Write-Ins	1,328,660	10,764,469	21,016,799
23. Subtotal Medical and Hospital (Lines 5 to 22)	88,787,405	267,877,011	367,329,767
Mental Health and Substance Abuse Services			
24. Inpatient Psychiatric Facility Services	3,685,700	11,570,238	14,155,517
25. Inpatient Substance Abuse Treatment and Detox	187,896	486,433	684,565
26. Outpatient Mental Health Services	2,519,768	6,755,156	1,940,670
27. Outpatient Substance Abuse Treatment and Detox	-	-	-
28. Housing/Residential Treatment	4,197,636	14,305,099	15,579,684
29. Specialized Crisis Services	456,367	1,307,935	1,663,275
30. Psychiatric Rehab and Support Services	328,307	891,678	896,745
31. Case Management	464,894	1,539,819	1,039,193
32. Forensics	-	-	-
33. Other Judicial	-	-	-
34. Pharmacy	-	-	-
35. Lab Services	36,134	107,171	140,853
36. Transportation	-	-	-
37. Occupancy, Depreciation and Amortization	-	-	-
38. Other Mental Health and Substance Abuse Services	389,288	1,108,443	6,331,698
39. PCP and Specialist Services	-	-	-
40. Tennessee Health Link	2,006,843	6,283,001	8,636,045
41. Other Mental Health Services - Write-Ins	-	-	-
42. Subtotal MH & SAS (Lines 24 to 41)	14,272,833	44,354,973	51,068,245
CHOICES			
43. Nursing Facility Care	20,065,812	73,881,708	95,361,384
44. HCBS Services	16,833,970	36,059,134	50,971,626
45. Subtotal CHOICES	36,899,782	109,940,842	146,333,010
46. Value Based Payouts	-	-	-
47. Value Based Recoveries	-	-	(51,114)
48. Other Medical Incentive Pool and Withhold Adjustments	175,029	789,717	976,699
49. Subtotal Hospital, Medical, MH&SAS, CHOICES (Lines 23,42,45,46,47 and 48)	140,135,049	422,962,543	565,656,607
LESS:			
50. Net Reinsurance Recoveries Incurred	-	-	-
51. Copayments	4,397	14,938	9,703
52. Subrogation and Coordination of Benefits	1,650	1,650	-
53. Subtotal Reinsurance, Copay, Subrogation (Lines 48 to 50)	6,047	16,588	9,703
54. Total Hospital, Medical, MH&SAS (Lines 47 and 51)	140,129,002	422,945,955	565,646,904
Administration:			
55. Compensation	9,244,712	28,429,880	38,752,319
56. Direct and Allocated Admin expenses	-	-	-
57. Marketing	173,613	533,904	727,756
58. Health Insurer Fee	-	-	-
59. Interest Expense	-	-	9,782,292
60. Premium Tax Expense	9,768,692	29,295,426	39,634,350
61. Occupancy, Depreciation, and Amortization	587,445	1,806,545	2,462,472
62. Other Administration - Write-Ins	4,085,369	12,563,562	17,125,193
63. Total Administration Expenses (Lines 55 to 61)	23,859,831	72,629,317	108,484,382
64. Total Expenses (Lines 54 and 62)	163,988,833	495,575,272	674,131,286
65. Extraordinary Item	-	-	-
66. Provision for Income Tax	(525,256)	(964,851)	856,728
67. Net Income (Loss) (Line 4 Less Lines 63,64 and 65)	937,217	(2,266,007)	(7,913,960)
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Directed Premiums	8,860,442	48,402,387	77,611,571
0302. Directed Payments	(39,571,704)	(43,362,529)	(72,726,204)
0303. Directed Premium Tax	(507,987)	(2,880,503)	(4,656,694)
0304. Directed Payments Accrued	31,425,872	(2,008,859)	-
0399. Total Other Revenues	206,623	150,495	13,401,703
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,962,120	12,212,091	17,146,817
2202. Bad Debt Expense	(147,072)	733,636	21,120
2203. Out of Area Claims Expense	-	-	-
2204. PDR	(2,486,388)	(2,181,258)	-
2299. Total Other Medical and Hospital	1,328,660	10,764,469	21,016,799
Detail of Other MH & SAS:			
4101.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
6101. Equipment Rental	1,690,481	5,198,667	7,086,222
6102. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	540,782	1,663,041	2,266,864
6103. Auditing, Actuarial, and Other Consulting	980,323	3,014,747	4,109,354
6104. Outsourced Services	483,007	1,485,372	2,024,688
6105. Postage/Telephone	266,666	820,065	1,117,817
6106. Printing and Stationary	124,110	381,670	520,248
6199. Total Other Administration	4,085,369	12,563,562	17,125,193

Report #2A: TennCare Select Only

Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	200,202	586,588	762,705
Estimated Revenues:			
1. TennCare Capitation	112,559,702	357,651,475	452,642,898
2. Investment	-	-	-
3. Other Revenues	0	0	-
4. Total Estimated Revenues (Lines 1 to 3)	112,559,702	357,651,475	452,642,898
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	221,743	665,708	937,367
6. Fee-for Service Physician Services	11,531,272	39,783,121	53,086,644
7. Inpatient Hospital Services	17,399,191	59,543,652	66,768,236
8. Outpatient Hospital Services	8,288,207	24,265,880	31,952,939
9. Emergency Room Services	1,612,726	5,634,500	7,287,345
10. Dental Services	309	309	147
11. Vision Services	145,370	415,299	532,040
12. Pharmacy Services	-	-	-
13. Home Health Services	26,981,812	89,429,704	121,577,528
14. Chiropractic Services	-	-	-
15. Radiology Services	247,120	799,131	1,035,344
16. Laboratory Services	206,674	661,692	821,653
17. Durable Medical Equipment Services	6,229,408	21,227,679	28,973,409
18. Transportation Services	1,146,021	3,480,595	4,644,841
19. Outside Referrals	-	-	-
20. Occupancy, Depreciation and Amortization	-	-	-
21. ECF	-	-	-
22. Other Medical and Hospital Services - Write-Ins	3,212,027	9,781,316	8,394,150
23. Subtotal Medical and Hospital (Lines 5 to 22)	77,221,880	255,688,586	326,011,643
Mental Health and Substance Abuse Services			
24. Inpatient Psychiatric Facility Services	2,691,878	9,320,499	10,861,088
25. Inpatient Substance Abuse Treatment and Detox	13,723	43,283	40,930
26. Outpatient Mental Health Services	6,092,343	19,411,145	14,901,317
27. Outpatient Substance Abuse Treatment and Detox	-	-	-
28. Housing/Residential Treatment	3,020,202	8,885,400	11,932,720
29. Specialized Crisis Services	296,820	896,782	1,172,890
30. Psychiatric Rehab and Support Services	72,277	181,615	121,108
31. Case Management	480,379	1,763,272	3,130,915
32. Forensics	-	-	-
33. Other Judicial	-	-	-
34. Pharmacy	-	-	-
35. Lab Services	21,988	67,445	88,032
36. Transportation	-	-	-
37. Occupancy, Depreciation and Amortization	-	-	-
38. Other Mental Health and Substance Abuse Services	439,452	1,443,723	8,742,964
39. PCP and Specialist Services	-	-	-
40. Tennessee Health Link	4,927,331	9,850,248	13,207,391
41. Other Mental Health Services - Write-Ins	-	-	-
42. Subtotal MH & SAS (Lines 24 to 41)	18,056,393	51,863,412	64,199,355
CHOICES			
43. Nursing Facility Care	130,004	361,067	565,489
44. HCBS Services	1,697	6,463	138
45. Subtotal CHOICES	131,701	367,530	565,627
46. Value Based Payouts	-	-	73,942
47. Value Based Recoveries	-	-	-
48. Other Medical Incentive Pool and Withhold Adjustments	1,159,407	1,210,357	502,112
49. Subtotal Hospital, Medical, MH&SAS, CHOICES (Lines 23,42,45,46,47 and 48)	96,569,381	309,129,885	391,352,680
LESS:			
50. Net Reinsurance Recoveries Incurred	-	-	-
51. Copayments	1,363	3,964	1,204
52. Subrogation and Coordination of Benefits	-	-	-
53. Subtotal Reinsurance, Copay, Subrogation (Lines 48 to 50)	1,363	3,964	1,204
54. Total Hospital, Medical, MH&SAS (Lines 47 and 51)	96,568,018	309,125,921	391,351,476
Administration:			
55. Compensation	4,978,704	14,794,971	20,760,062
56. Direct and Allocated Admin expenses	-	-	-
57. Marketing	93,499	277,845	389,867
58. Health Insurer Fee	-	-	-
59. Interest Expense	1,650	1,650	3,846
60. Premium Tax Expense	6,782,076	21,486,419	27,158,432
61. Occupancy, Depreciation, and Amortization	316,365	940,129	1,319,175
62. Other Administration - Write-Ins	2,200,157	6,538,104	6,535,172
63. Total Administration Expenses (Lines 55 to 61)	14,372,451	44,039,118	56,166,554
64. Total Expenses (Lines 54 and 62)	110,940,469	353,165,039	447,518,029
65. Extraordinary Item	-	-	-
66. Provision for Income Tax	303,203	799,825	1,020,896
67. Net Income (Loss) (Line 4 Less Lines 63,64 and 65)	1,316,030	3,686,611	4,103,973
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Directed Premiums	9,688,797	11,136,360	41,272,646
0302. Directed Payments	(9,107,469)	(10,468,179)	(38,796,287)
0303. Directed Premium Tax	(581,328)	(668,182)	(2,476,359)
0304. Directed Payments Accrued	-	-	-
0399. Total Other Revenues	0	0	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	2,469,226	8,507,122	8,180,266
2202. Bad Debt Expense	742,801	1,274,194	213,884
2203. Out of Area Claims Expense	-	-	-
2204. PDR	-	-	-
2299. Total Other Medical and Hospital	3,212,027	9,781,316	8,394,150
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
Detail of Other Administration:			
6101. Equipment Rental	910,402	2,705,396	3,796,168
6102. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	291,234	865,450	(1,424,604)
6103. Auditing, Actuarial, and Other Consulting	527,949	1,568,881	2,201,429
6104. Outsourced Services	260,122	772,992	1,084,649
6105. Postage/Telephone	143,611	426,763	598,827
6106. Printing and Stationary	66,839	198,622	278,703
6199. Total Other Administration	2,200,157	6,538,104	6,535,172

Report #2A: CoverKids Plan Only

Member Months	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
	127,359	384,354	705,149
Estimated Revenues:			
1. Cover Kids Revenue	28,085,532	84,482,203	144,086,094
2. Investment	-	-	(3,942)
3. Other Revenues	-	-	-
4. Total Estimated Revenues (Lines 1 to 3)	28,085,532	84,482,203	144,082,152
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	7,541,324	25,948,361	43,281,930
7. Inpatient Hospital Services	6,279,903	18,383,859	29,514,182
8. Outpatient Hospital Services	1,738,279	4,797,077	9,374,733
9. Emergency Room Services	603,995	1,899,836	3,709,619
10. Dental Services	38,952	111,333	266,525
11. Vision Services	132,495	333,447	783,434
12. Pharmacy Services	4,250,217	12,043,356	22,643,501
13. Home Health Services	130,672	275,589	816,386
14. Chiropractic Services	-	-	-
15. Radiology Services	135,312	388,047	760,547
16. Laboratory Services	179,854	493,388	951,687
17. Durable Medical Equipment Services	362,571	1,015,745	1,446,009
18. Transportation Services	41,955	117,707	220,131
19. Outside Referrals	-	-	-
20. Occupancy, Depreciation and Amortization	-	-	-
21. ECF	-	-	-
22. Other Medical and Hospital Services - Write-Ins	1,736,279	3,308,078	3,969,978
23. Subtotal Medical and Hospital (Lines 5 to 22)	23,171,808	69,115,823	117,738,662
Mental Health and Substance Abuse Services			
24. Inpatient Psychiatric Facility Services	-	-	-
25. Inpatient Substance Abuse Treatment and Detox	-	-	-
26. Outpatient Mental Health Services	-	-	-
27. Outpatient Substance Abuse Treatment and Detox	-	-	-
28. Housing/Residential Treatment	-	-	-
29. Specialized Crisis Services	-	-	-
30. Psychiatric Rehab and Support Services	-	-	-
31. Case Management	-	-	-
32. Forensics	-	-	-
33. Other Judicial	-	-	-
34. Pharmacy	-	-	-
35. Lab Services	-	-	-
36. Transportation	-	-	-
37. Occupancy, Depreciation and Amortization	-	-	-
38. Other Mental Health and Substance Abuse Services	-	-	-
39. PCP and Specialist Services	-	-	-
40. Tennessee Health Link	-	-	-
41. Other Mental Health Services - Write-Ins	-	-	-
42. Subtotal MH & SAS (Lines 24 to 41)	-	-	-
CHOICES			
43. Nursing Facility Care	-	-	-
44. HCBS Services	-	-	-
45. Subtotal CHOICES	-	-	-
46. Value Based Payouts	-	-	-
47. Value Based Recoveries	-	-	-
48. Other Medical Incentive Pool and Withhold Adjustments	-	-	(1,784)
49. Subtotal Hospital, Medical, MH&SAS, CHOICES (Lines 23,42,45,46,47 and 48)	23,171,808	69,115,823	117,736,878
LESS:			
50. Net Reinsurance Recoveries Incurred	-	-	-
51. Copayments	240,023	901,946	1,593,621
52. Subrogation and Coordination of Benefits	-	-	-
53. Subtotal Reinsurance, Copay, Subrogation (Lines 48 to 50)	240,023	901,946	1,593,621
54. Total Hospital, Medical, MH&SAS (Lines 47 and 51)	22,931,785	68,213,877	116,143,257
Administration:			
55. Compensation	1,944,223	5,867,439	9,956,925
56. Direct and Allocated Admin expenses	-	-	-
57. Marketing	36,512	110,189	186,988
58. Health Insurer Fee	-	-	-
59. Interest Expense	427	427	6,156
60. Premium Tax Expense	1,697,627	5,076,149	8,717,830
61. Occupancy, Depreciation, and Amortization	123,544	372,839	632,702
62. Other Administration - Write-Ins	859,180	2,592,905	4,400,103
63. Total Administration Expenses (Lines 55 to 61)	4,661,513	14,019,948	23,900,704
64. Total Expenses (Lines 54 and 62)	27,593,298	82,233,825	140,043,961
65. Extraordinary Item	-	-	-
66. Provision for Income Tax	96,621	400,832	804,306
67. Net Income (Loss) (Line 4 Less Lines 63,64 and 65)	395,613	1,847,546	3,233,885
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Directed Premiums	-	-	-
0302. Directed Payments	-	-	-
0303. Directed Premium Tax	-	-	-
0304. Directed Payments Accrued	-	-	-
0399. Total Other Revenues	-	-	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	566,975	1,922,347	3,931,274
2202. Bad Debt Expense	1,169,304	1,385,731	38,704
2203. Out of Area Claims Expense	-	-	-
2204. PDR	-	-	-
2299. Total Other Medical and Hospital	1,736,279	3,308,078	3,969,978
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
6101. Equipment Rental	355,520	1,072,916	1,820,714
6102. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	113,730	343,224	582,443
6103. Auditing, Actuarial, and Other Consulting	206,168	622,192	1,055,848
6104. Outsourced Services	101,580	306,556	520,218
6105. Postage/Telephone	56,081	169,247	287,209
6106. Printing and Stationary	26,101	78,770	133,671
6199. Total Other Administration	859,180	2,592,905	4,400,103

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	1,988,684,736	1,974,889,774	2,640,547,828
2. Net investment income	18,734,231	16,420,955	22,191,523
3. Miscellaneous income	0	0	0
4. TOTAL (Lines 1 to 3)	2,007,418,967	1,991,310,729	2,662,739,351
5. Benefit and loss related payments	1,710,010,726	1,626,727,783	2,195,837,224
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	246,459,528	315,745,867	406,686,543
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(4,430,935)	12,707,165	11,540,773
10. TOTAL (Lines 5 through 9)	1,952,039,319	1,955,180,815	2,614,064,540
11. Net cash from operations (Line 4 minus Line 10)	55,379,648	36,129,914	48,674,811
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	208,318,753	269,446,473	366,007,064
12.2 Stocks	29,191,043	79,573,198	89,945,262
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	178,098	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	78,244
12.7 Miscellaneous proceeds	3,245,159	0	4,841,579
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	240,933,053	349,019,671	460,872,149
13. Cost of investments acquired (long-term only):			
13.1 Bonds	317,824,040	354,341,538	401,310,794
13.2 Stocks	21,591,680	97,154,181	104,742,660
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	241,931	241,932
13.6 Miscellaneous applications	7,736,755	8,573,145	1,930,340
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	347,152,475	460,310,795	508,225,726
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)	(106,219,421)	(111,291,124)	(47,353,577)
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	47,984,000	47,984,000
16.6 Other cash provided (applied)	(79,233)	49,192,923	(3,954,348)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(79,233)	1,208,923	(51,938,348)
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)	(50,919,006)	(73,952,287)	(50,617,114)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	110,498,583	161,115,697	161,115,697
19.2 End of period (Line 18 plus Line 19.1)	59,579,577	87,163,410	110,498,583

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

20.0001	0	0	0
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	520,290	0	0	0	0	0	0	15,798	504,492	0
2. First Quarter	529,128	0	0	0	0	0	0	16,692	512,436	0
3. Second Quarter	536,192	0	0	0	0	0	0	17,044	519,148	0
4. Third Quarter	534,314	0	0	0	0	0	0	17,820	516,494	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	4,786,175	0	0	0	0	0	0	152,808	4,633,367	0
Total Member Ambulatory Encounters for Period:										
7. Physician	4,257,838	0	0	0	0	0	0	343,841	3,913,997	0
8. Non-Physician	370,247	0	0	0	0	0	0	29,899	340,348	0
9. Total	4,628,085	0	0	0	0	0	0	373,740	4,254,345	0
10. Hospital Patient Days Incurred	306,810	0	0	0	0	0	0	28,611	278,199	0
11. Number of Inpatient Admissions	41,406	0	0	0	0	0	0	3,018	38,388	0
12. Health Premiums Written (a)	1,963,495,456	0	0	0	0	0	0	216,335,367	1,747,160,089	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	1,960,237,095	0	0	0	0	0	0	213,077,006	1,747,160,089	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	1,722,247,823	0	0	0	0	0	0	167,011,033	1,555,236,790	0
18. Amount Incurred for Provision of Health Care Services	1,726,493,229	0	0	0	0	0	0	169,519,933	1,556,973,296	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....216,335,367.

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
0299999 Aggregate Accounts Not Individually Listed - Uncovered	0	0	0	0	0	0
0399999 Aggregate Accounts Not Individually Listed - Covered	5,181,289	4,576,765	2,234,205	2,019,132	2,209,258	16,220,649
0499999 Subtotals	5,181,289	4,576,765	2,234,205	2,019,132	2,209,258	16,220,649
0599999 Unreported claims and other claim reserves						204,662,223
0699999 Total Amounts Withheld						0
0799999 Total Claims Unpaid						220,882,872
0899999 Accrued Medical Incentive Pool And Bonus Amounts						4,454,825

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	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	13,274,633	153,736,400	(6,068,910)	199,193,346	7,205,723	22,722,149
7. Title XIX - Medicaid	192,464,560	1,362,772,230	968,930	26,789,506	193,433,490	190,960,423
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	205,739,193	1,516,508,630	(5,099,980)	225,982,852	200,639,213	213,682,572
10. Healthcare receivables (a)	743,818	12,273,510	0	1,506,122	743,818	5,813,810
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	485,319	3,577,584	0	4,454,825	485,319	2,762,982
13. Totals (Lines 9 - 10 + 11 + 12)	205,480,694	1,507,812,704	(5,099,980)	228,931,555	200,380,714	210,631,744

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies and Going Concern

- A. The accompanying financial statements of Volunteer State Health Plan, Inc. (VSHP or the Company), doing business as BlueCare Tennessee, have been prepared in conformity with statutory accounting principles (SAP) 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 (the State) for determining and reporting the financial condition and results of operations of an insurance company. 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. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the TDCI. All accounting practices that are not prescribed are considered to be permitted accounting practices and require approval of the TDCI.

Tennessee Code Annotated (T.C.A.) § 56-3-303, *Authorized Investments*, prescribes limits on the admission of equity investments according to criteria measuring both the concentration and earnings quality of such assets. As of September 30, 2019 and December 31, 2018, no equity investments were excluded from admitted assets under the concentration test formula developed in accordance with T.C.A. § 56-3-303 and the TDCI.

T.C.A. § 56-3-303 prescribes that bonds and stocks with an NAIC Securities Valuation Office rating or designation of 4, 5 or 6 shall not be reported as admitted assets. At the request of the Company, the TDCI has permitted an exception to this prescribed practice whereby the Company can admit bonds with a designation of 4 to the extent the aggregate par value of those bonds do not exceed 3% of admitted assets. As of September 30, 2019 and December 31, 2018, bonds with a carrying value of \$7,363,009 and \$10,359,761, respectively, with a designation of 4 were admitted as a result of this permitted practice. No bonds or stocks with a designation of 4, 5 or 6 were nonadmitted due to the prescribed practice as of September 30, 2019 or December 31, 2018.

The Company has accepted the risk for uninsured claims overpayments for which the Company determined the State 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 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) and Administrative Services Contract (ASC) plans. 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.

A reconciliation of the Company's net income and surplus between NAIC SAP and practices prescribed and permitted by the State is as follows:

	SSAP #	F/S Page	F/S Line #	September 30, 2019	December 31, 2018
<u>NET INCOME</u>					
(1) VSHP state basis				\$ (4,123,399)	\$ (12,205,181)
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP:				0	0
(3) State permitted practices that are an increase/(decrease) from NAIC SAP:				0	0
(4) NAIC SAP (1-2-3=4)				<u>\$ (4,123,399)</u>	<u>\$ (12,205,181)</u>
<u>SURPLUS</u>					
(5) VSHP state basis				\$ 417,935,796	\$ 410,918,440
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP:				0	0
(7) State permitted practices that are an increase/(decrease) from NAIC SAP:				0	0
(8) NAIC SAP (5-6-7=8)				<u>\$ 417,935,796</u>	<u>\$ 410,918,440</u>

- B. There were no significant changes since December 31, 2018.

- C. (1) There were no significant changes since December 31, 2018.
- (2) Bonds not backed by other loans with an NAIC designation of 1 or 2 are stated at amortized cost using the scientific amortization method. Bonds with a designation of 3 or 4 to the extent allowed under the prescribed practice are reported at the lower of amortized cost or fair value. Bonds with a designation of 5 or 6 are nonadmitted.
- (3) There were no significant changes since December 31, 2018.
- (4) Perpetual preferred stocks are reported at fair value. See Note 20 for a description of the inputs and methods used to determine fair value. Mandatorily redeemable preferred (MRP) stocks with an NAIC designation of 1 or 2 are stated at amortized cost using the scientific amortization method. MRP stocks with a designation of 3 are reported at the lower of amortized cost or fair value. MRP stocks with a designation of 4, 5 or 6 are nonadmitted.
- (5) There were no significant changes since December 31, 2018.

Notes to Financial Statement

- (6) Loan-backed securities with a designation of 1 or 2 are stated at amortized cost net of principal pay-downs. Loan-backed securities with a designation of 3 or 4 to the extent allowed under the prescribed practice are reported at the lower of amortized cost or fair value. Loan-backed securities with a designation of 5 or 6 are nonadmitted. The adjustment methodology for loan-backed securities is prospective.

(7)-(13) There were no significant changes since December 31, 2018.

D. Management has assessed the Company's ability to continue as a going concern and noted no issues.

2. Accounting Changes and Corrections of Errors

There were no significant changes since December 31, 2018.

3. Business Combinations and Goodwill

There were no significant changes since December 31, 2018.

4. Discontinued Operations

There were no significant changes since December 31, 2018.

5. Investments

A-C. There were no significant changes since December 31, 2018.

D. The Company had loan-backed securities as of September 30, 2019 and December 31, 2018:

(1) Prepayment assumptions for loan-backed securities are obtained from Bloomberg, bond portfolio managers, pricing services and custodians. The assumptions are consistent with current interest rates and the current economic environment. Fair values are obtained from custodians using actual market quotes, if available, or matrix pricing of securities with similar terms.

(2)&(3) For the period ended September 30, 2019, the Company did not recognize any other-than-temporary-impairments (OTTI) on loan-backed securities.

(4) Aggregate unrealized losses and related fair value of loan-backed securities where fair value was less than amortized cost at September 30, 2019 and for which OTTI has not been recognized is as follows:

a. The aggregate amount of unrealized losses:	1. Less than 12 months	\$	26,659
	2. 12 months or longer	\$	57,083
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 months	\$	11,491,364
	2. 12 months or longer	\$	8,102,901

(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 dollar repurchase agreements or securities lending transactions as of September 30, 2019.

F. The Company had no repurchase agreements transactions accounted for as secured borrowing as of September 30, 2019.

G. The Company had no reverse repurchase agreements transactions accounted for as secured borrowing as of September 30, 2019.

H. The Company had no repurchase agreements transactions accounted for as a sale as of September 30, 2019.

I. The Company had no reverse repurchase agreements transactions accounted for as a sale as of September 30, 2019.

J-L. There were no significant changes since December 31, 2018.

M. The Company had no working capital finance investments as of September 30, 2019.

N. The Company did not offset any derivative, repurchase, reverse repurchase, securities borrowing or securities lending assets and liabilities as of September 30, 2019.

O-R. There were no significant changes since December 31, 2018.

6. Joint Ventures, Partnerships and Limited Liability Companies

There were no significant changes since December 31, 2018.

7. Investment Income

There were no significant changes since December 31, 2018.

8. Derivative Instruments

A-G. There were no significant changes since December 31, 2018.

H. The Company had no premium costs associated with derivative contracts as of September 30, 2019.

Notes to Financial Statement

9. Income Taxes

The application of SSAP No. 101 — *Income Taxes*, requires a company to evaluate the recoverability of its deferred tax asset (DTA) and to establish a valuation allowance, if necessary, to reduce the DTA to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of DTAs and deferred tax liabilities (DTLs); (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable earnings exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the DTAs; and (7) tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused. Management believes it is more likely than not that the DTA will be realized. Accordingly, the Company has not recorded a valuation allowance as of September 30, 2019.

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

	9/30/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Gross DTA	\$ 6,668,012	\$ 803,458	\$ 7,471,470	\$ 8,492,729	\$ 444,426	\$ 8,937,155	\$ (1,824,717)	\$ 359,032	\$ (1,465,685)
(b) Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
(c) Adjusted gross DTA (1a - 1b)	6,668,012	803,458	7,471,470	8,492,729	444,426	8,937,155	(1,824,717)	359,032	(1,465,685)
(d) DTA nonadmitted	0	0	0	0	0	0	0	0	0
(e) Subtotal net admitted DTA (1c - 1d)	6,668,012	803,458	7,471,470	8,492,729	444,426	8,937,155	(1,824,717)	359,032	(1,465,685)
(f) DTL	302,399	6,942,888	7,245,287	338,687	2,425,817	2,764,504	(36,288)	4,517,071	4,480,783
(g) Net admitted DTA/(Net DTL) (1e - 1f)	\$ 6,365,613	\$ (6,139,430)	\$ 226,183	\$ 8,154,042	\$ (198,139)	\$ 6,172,651	\$ (1,788,429)	\$ (4,158,039)	\$ (5,946,468)

	9/30/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total

2.

Admission calculation components (SSAP No. 101)

(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 6,137,272	\$ 0	\$ 6,137,272	\$ 8,153,721	\$ 0	\$ 8,153,721	\$ (2,016,449)	\$ 0	\$ (2,016,449)
(b) Adjusted gross DTA expected to be realized (excluding the amount of DTA from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	530,740	0	530,740	339,008	0	339,008	19,1732	0	19,1732
1. Adjusted gross DTA expected to be realized following the balance sheet date	530,740	803,458	1,334,198	339,008	444,426	783,434	19,1732	359,032	550,764
2. Adjusted gross DTA allowed per limitation threshold	xxx	xxx	62,656,442	xxx	xxx	60,711,868	xxx	xxx	1,944,574
(c) Adjusted gross DTA (excluding the amount of DTA from 2(a) and 2(b) above) offset by gross DTL	0	803,458	803,458	0	444,426	444,426	0	359,032	359,032
(d) DTA admitted as the result of application of SSAP No. 101 (Total 2(a) + 2(b) + 2(c))	\$ 6,668,012	\$ 803,458	\$ 7,471,470	\$ 8,492,729	\$ 444,426	\$ 8,937,155	\$ (1,824,717)	\$ 359,032	\$ (1,465,685)

3.

2019	2018
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(a) Ratio percentage used to determine recovery period and threshold limitation amount	511%	511%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 404,745,789	\$ 404,745,789

4.

	9/30/2019		12/31/2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (Col 2-4) Capital

(a) Determination of adjusted gross DTA and net admitted DTA, by tax character, as a percentage

1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 6,668,012	\$ 803,458	\$ 8,492,729	\$ 444,426	\$ (1,824,717)	\$ 359,032
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 6,668,012	\$ 803,458	\$ 8,492,729	\$ 444,426	\$ (1,824,717)	\$ 359,032
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes No X

B. The Company had no unrecognized DTLs in 2019 or 2018.

Notes to Financial Statement

- C. The provisions for income taxes incurred for the periods ended September 30, 2019 and December 31, 2018 are:

	1	2	3
	9/30/2019	12/31/2018	(Col 1-2) Change
1. Current income tax:			
(a) Federal	\$ (4,430,935)	\$ 9,347,346	\$ (13,778,281)
(b) Foreign	0	0	0
(c) Subtotal	<u>(4,430,935)</u>	<u>9,347,346</u>	<u>(13,778,281)</u>
(d) Federal income tax on net capital gains	0	0	0
(e) Utilization of capital loss carryforwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	<u>\$ (4,430,935)</u>	<u>\$ 9,347,346</u>	<u>\$ (13,778,281)</u>
2. DTA:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,983,001	\$ 1,964,443	\$ 18,558
(2) Unearned premium reserve	0	0	0
(3) Policyholder reserves	0	3,423,000	(3,423,000)
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	0	0	0
(8) Compensation and benefits accrual	1,003,313	847,461	155,852
(9) Pension accrual	0	0	0
(10) Receivables – nonadmitted	3,643,743	2,254,685	1,389,058
(11) Net operating loss carryforward	0	0	0
(12) Tax credit carryforward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	37,955	3,140	34,815
(99) Subtotal	<u>6,668,012</u>	<u>8,492,729</u>	<u>(1,824,717)</u>
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	0	0	0
(d) Admitted ordinary DTA (2a99 – 2b – 2c)	<u>6,668,012</u>	<u>8,492,729</u>	<u>(1,824,717)</u>
(e) Capital			
(1) Investments	803,458	444,426	359,032
(2) Net capital loss carryforward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	<u>803,458</u>	<u>444,426</u>	<u>359,032</u>
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital DTA (2e99 – 2f – 2g)	<u>803,458</u>	<u>444,426</u>	<u>359,032</u>
(i) Admitted DTA (2d + 2h)	<u>\$ 7,471,470</u>	<u>\$ 8,937,155</u>	<u>\$ (1,465,685)</u>

Notes to Financial Statement

3. DTL:

(a) Ordinary

(1) Investments	\$	0	\$	0	\$	0
(2) Fixed assets		0		0		0
(3) Deferred and uncollected premium		0		0		0
(4) Policyholder reserves		0		0		0
(5) Other (including items <5% of total ordinary tax liabilities)		302,399		338,687		(36,288)
(99) Subtotal		<u>302,399</u>		<u>338,687</u>		<u>(36,288)</u>

(b) Capital

(1) Investments	6,942,888	2,425,817	4,517,071
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	<u>6,942,888</u>	<u>2,425,817</u>	<u>4,517,071</u>

(c) DTL (3a99 + 3b99)

\$	7,245,287	\$	2,764,504	\$	4,480,783
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4. Net DTA/(DTL) (2i - 3c)

\$	226,183	\$	6,172,651	\$	(5,946,468)
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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, 2019</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ (1,796,410)	21.0%
Other permanent differences	12,761	(0.1)%
Dividend received deduction	(213,452)	2.5%
Tax-exempt interest income	(389,468)	4.6%
Change in net deferred income taxes	(2,044,366)	23.9%
Federal income taxes incurred	<u>\$ (4,430,935)</u>	<u>51.9%</u>

E. (1) The Company incurred net capital losses of \$(620,975) and \$(1,264,708) for the periods ended September 30, 2019 and December 31, 2018, respectively, which are available to offset future capital gains.

(2)-(3) There were no significant changes since December 31, 2018.

F-G. There were no significant changes since December 31, 2018.

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

A. There were no significant changes since December 31, 2018.

B&C. No dividends were transferred between Southern Diversified Business Services, Inc. (SDBS), BlueCross BlueShield of Tennessee, Inc. (BCBST or parent), and VSHP for the period ended September 30, 2019. In 2018, VSHP paid an ordinary dividend of \$47,984,000 to SDBS, which was passed through to BCBST. No capital contributions were transferred to VSHP during the periods ended September 30, 2019 and December 31, 2018.

The Company paid BCBST \$127,038,717 and \$178,278,037 for services performed under administrative services and tax sharing agreements for the periods ended September 30, 2019 and December 31, 2018, respectively, net of payments from BCBST.

D. The Company reported \$16,752,775 and \$14,037,814 due to the parent as of September 30, 2019 and December 31, 2018, respectively. Amounts due to or from parent are settled monthly as funds are available.

E-O. There were no significant changes since December 31, 2018.

11. Debt

A. There were no significant changes since December 31, 2018.

B. The Company had no Federal Home Loan Bank agreements as of September 30, 2019.

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

A. The Company participates in defined benefit plans sponsored by BCBST. The financial balances related to the defined benefit plans are recorded on the financial statements of BCBST, and all disclosures related to defined benefit plans are included in the quarterly statement of BCBST.

B-I. There were no significant changes since December 31, 2018.

Notes to Financial Statement

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

There were no significant changes since December 31, 2018.

14. Liabilities, Contingencies and Assessments

There were no significant changes since December 31, 2018.

15. Leases

There were no significant changes since December 31, 2018.

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

There were no significant changes since December 31, 2018.

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

A. There were no significant changes since December 31, 2018.

B. The Company had no transfers, servicing or extinguishments of financial assets or liabilities as of September 30, 2019.

C. (1) In the course of the Company's asset management, securities may be sold by one investment manager and reacquired within 30 days of the sale date by another investment manager, creating a wash sale for the Company's investment portfolio as a whole.

(2) The details of securities with an unrated NAIC designation or an NAIC designation of 3, 4, 5 or 6 sold during the quarter ended September 30, 2019 and reacquired within 30 days of the sale date are as follows:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain (Loss)
Bonds	3	18	\$ 2,774,388	\$ 1,289,816	\$ 241,699
Bonds	4	9	\$ 457,871	\$ 502,906	\$ 79,725

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

The Company is a contractor for TennCare Select, an ASO arrangement, and a subcontractor for CoverKids, an ASC arrangement, both with the State. The Company is a contractor for the Dual Special Needs Program (DSNP) Medicare Advantage product, an insured arrangement with a partially uninsured reimbursement contracted with the Centers for Medicare and Medicaid Services. Cash and invested assets related to TennCare Select, CoverKids and DSNP are reported in the appropriate categories on the Assets page. At the request of the TDCI, premium tax payable to the State is netted against premium tax receivable from the State for premium taxes related to TennCare Select and CoverKids. Medicare Advantage products are federally exempted from premium tax. Other assets and liabilities related to TennCare Select, CoverKids and DSNP are netted and reported either on page 2, line 17, Amounts receivable relating to uninsured plans, or on page 3, line 22, Liability for amounts held under uninsured plans.

Amounts receivable from ASO and ASC plans at September 30, 2019 as reflected on page 2, line 17, are as follows:

Pharmacy benefit manager (timing differences)	\$ 16,581,578
Directed payments	16,395,085
CMS low income subsidy and reinsurance	4,419,417
Employment and Community First Choices	3,694,785
Unbilled expenses	2,318,769
Select Community premium accrual	1,145,500
Case management	370,000
ASO premium accrual	175,646
Pay for Performance penalty	(154,920)
Provider overpayment	(700,000)
Suspended provider	(724,468)
Total amounts receivable relating to ASO and ASC plans	<u><u>\$ 43,521,392</u></u>

Notes to Financial Statement

- A. The gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during the period ended September 30, 2019:

	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	\$ 4,487,644	\$ 0	\$ 4,487,644
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	\$ 4,487,644	\$ 0	\$ 4,487,644
d. Total claim payment volume	\$ 308,535,293	\$ 0	\$ 308,535,293

- B. The gain from operations from ASC uninsured plans and the uninsured portion of partially insured plans was as follows during the period ended September 30, 2019:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 68,701,551	\$ 87,418,834	\$ 156,120,385
b. Gross administrative fees accrued	16,419,366	9,798,584	26,217,950
c. Other income or expenses (including interest paid to or received from plans)	0	0	0
d. Gross expenses incurred (claims and administrative)	82,753,099	97,217,418	179,970,517
e. Total net gain from operations	\$ 2,367,818	\$ 0	\$ 2,367,818

- C. There were no significant changes since December 31, 2018.

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

There were no significant changes since December 31, 2018.

20. Fair Value Measurement

A&B. (1) The following tables provide information about the Company's financial assets and liabilities measured and reported at fair value using the hierarchy defined by SSAP No. 100R — Fair Value as of September 30, 2019 and December 31, 2018:

Description for each class of asset or liability	September 30, 2019			
	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Bonds below investment grade:				
Commercial mortgage-backed securities	\$ 0	\$ 167,343	\$ 0	\$ 167,343
Convertible bonds	1,431,781	4,157,231	0	5,589,012
Bank loans	0	6,282,856	0	6,282,856
Stocks:				
Preferred stocks	6,740,922	2,223,627	0	8,964,549
Exchange traded funds	28,625,407	0	0	28,625,407
Domestic large capitalization common stocks	89,514,650	0	0	89,514,650
Total assets at fair value	\$ 126,312,760	\$ 12,831,057	\$ 0	\$ 139,143,817
b. Liabilities at fair value				
Total liabilities at fair value	\$ 0	\$ 0	\$ 0	\$ 0

Notes to Financial Statement

Description for each class of asset or liability	December 31, 2018			
	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Bonds below investment grade:				
States, municipalities and political subdivisions	\$ 0	\$ 597,563	\$ 0	\$ 597,563
Commercial mortgage-backed securities	0	149,661	0	149,661
High yield corporate bonds	140,043	1,327,697	0	1,467,740
Convertible bonds	2,476,345	10,538,328	0	13,014,673
Bank loans	0	25,396,215	0	25,396,215
Stocks:				
Preferred stocks	13,492,655	4,588,627	0	18,081,282
Exchange traded funds	25,852,059	0	0	25,852,059
Domestic large capitalization common stocks	74,302,929	21,463	0	74,324,392
Total assets at fair value	\$ 116,264,031	\$ 42,619,554	\$ 0	\$ 158,883,585
b. Liabilities at fair value	\$ 0	\$ 0	\$ 0	\$ 0
Total liabilities at fair value	\$ 0	\$ 0	\$ 0	\$ 0

The following table provides information about the Level 1 and 2 transfers during the period ended September 30, 2019 for financial assets measured and reported at fair value:

Type of Financial Instrument	Transfers from	Transfers from
	Level 1 to Level 2	Level 2 to Level 1
Convertible bonds	\$ 199,676	\$ 173,531
Preferred stocks	204,752	40,878
Total transfers	\$ 404,428	\$ 214,410

Transfers between Level 1 and 2 are due to the availability of unadjusted quoted prices for the period ended September 30, 2019.

(2) The Company did not hold any investments classified as Level 3.

(3) Transfers between levels are reported as of the beginning of the reporting period of transfer.

(4) Valuation techniques for estimating fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets. The income approach uses future amounts, such as cash flows or earnings, in a discounted cash flow analysis. 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, 2019 and December 31, 2018.

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 correlates to the level of pricing observability. Pricing observability is 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.

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, 2019 and December 31, 2018.

Quantitative information regarding commercial and non-agency residential mortgage-backed securities that are measured and reported at fair value at September 30, 2019 is as follows:

Commercial and non-agency residential mortgage-backed securities

- The average credit rating was BB.
- The weighted average duration of the securities was approximately 2.8 years.
- No underlying assets were guaranteed or had other credit enhancements.

(5) The Company had no derivative assets or liabilities as of September 30, 2019 or December 31, 2018.

Notes to Financial Statement

- C. The following tables provide information about the fair value of the Company's financial assets as of September 30, 2019 and December 31, 2018:

Type of Financial Instrument	September 30, 2019					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	
Bonds:						
U.S. government and government agencies and authorities	\$ 46,457,500	\$ 43,932,747	\$ 43,471,005	\$ 2,986,495	\$ 0	\$ 0
States, municipalities and political subdivisions	111,811,315	105,383,306	0	111,811,315	0	0
Foreign securities, including Canada	15,018,617	14,643,026	5,915,593	9,103,024	0	0
Agency mortgage-backed securities	81,518,826	79,901,035	0	81,518,826	0	0
Commercial mortgage-backed securities	47,131,077	46,392,245	0	47,131,077	0	0
High yield corporate bonds	831,803	795,537	394,613	437,190	0	0
Asset-backed securities	40,358,267	39,983,236	0	40,358,267	0	0
Investment grade corporate bonds	121,706,957	117,499,446	52,898,834	68,808,123	0	0
Convertible bonds	16,122,645	15,408,321	4,202,732	11,919,913	0	0
Bank loans	30,365,842	30,184,737	0	30,365,842	0	0
Total bonds	511,322,849	494,123,636	106,882,777	404,440,072	0	0
Stocks:						
Preferred stocks	11,589,418	11,405,715	9,115,941	2,473,477	0	0
Exchange traded funds	28,625,407	28,625,407	28,625,407	0	0	0
Domestic large capitalization common stocks	89,514,650	89,514,650	89,514,650	0	0	0
Total stocks	129,729,475	129,545,772	127,255,998	2,473,477	0	0
Short-term investments	403,084	402,926	0	403,084	0	0
Total investments	\$ 641,455,408	\$ 624,072,334	\$ 234,138,775	\$ 407,316,633	\$ 0	\$ 0

Type of Financial Instrument	December 31, 2018					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	
Bonds:						
U.S. government and government agencies and authorities	\$ 31,401,827	\$ 31,601,732	\$ 26,985,963	\$ 4,415,864	\$ 0	\$ 0
States, municipalities and political subdivisions	93,990,054	93,149,527	0	93,990,054	0	0
Foreign securities, including Canada	7,686,324	7,803,609	0	7,686,324	0	0
Agency mortgage-backed securities	30,922,271	31,449,159	0	30,922,271	0	0
Commercial mortgage-backed securities	34,121,146	34,437,781	0	34,121,146	0	0
High yield corporate bonds	1,467,740	1,467,740	140,043	1,327,697	0	0
Asset-backed securities	42,710,315	42,910,335	0	42,710,315	0	0
Investment grade corporate bonds	82,360,060	84,147,854	1,486,773	80,873,287	0	0
Convertible bonds	24,955,038	25,236,681	5,030,996	19,924,042	0	0
Bank loans	28,371,421	28,469,614	0	28,371,421	0	0
Total bonds	377,986,196	380,674,032	33,643,775	344,342,421	0	0
Stocks:						
Preferred stocks	18,081,282	18,081,282	13,492,655	4,588,627	0	0
Exchange traded funds	25,852,059	25,852,059	25,852,059	0	0	0
Domestic large capitalization common stocks	74,324,392	74,324,392	74,302,929	21,463	0	0
Total stocks	118,257,733	118,257,733	113,647,643	4,610,090	0	0
Short-term investments	60,071	60,104	0	60,071	0	0
Total investments	\$ 496,304,000	\$ 498,991,869	\$ 147,291,418	\$ 349,012,582	\$ 0	\$ 0

- D. The Company held no financial assets for which it was not practicable to estimate the fair value at September 30, 2019 or December 31, 2018.

- E. The Company held no investments measured using the net asset value practical expedient at September 30, 2019 or December 31, 2018.

Notes to Financial Statement

21. Other Items

A-B. There were no significant changes since December 31, 2018.

C. Administrative Expense Analysis

Expenses are shown on the Statement of Revenue and Expenses net of administrative fees from ASO and ASC contracts. The following provides a comparison of expenses adjusted for ASO and ASC administrative fees, the Affordable Care Act (ACA) annual fee assessment and premium tax for the periods ended September 30, 2019 and 2018:

Line #	Administrative Expenses:	September 30, 2019	September 30, 2018	% Change
20	Claims adjustment expense	\$ 92,042,123	\$ 94,006,778	
21	General administrative expense	186,009,091	215,585,485	
	Total expense	278,051,214	309,592,263	
	ASO administrative fees	49,237,045	46,470,678	
	ASC administrative fees	36,416,236	32,336,653	
	ACA annual fee assessment	0	(39,706,902)	
	Premium tax	(144,537,799)	(135,635,391)	
	Expenses, net of adjustments	<u>\$ 219,166,696</u>	<u>\$ 213,057,301</u>	2.9%

Premium Deficiency Reserve

For the period ended December 31, 2018, the Company experienced a membership reduction of approximately 5% from December 31, 2017 due to the Division of TennCare's member reverification program. This membership reduction adversely impacted the risk mix of business in the Company's at-risk contracts with the State. At December 31, 2018, the Company recorded a Premium Deficiency Reserve (PDR) of \$16,300,000 for the 2019 benefit year. The calculation of PDR includes investment income, an estimate of retroactive premium adjustments in 2019 from the State of approximately \$55,000,000 which is consistent with the adjustment received for 2017, and assumes benefit coverage through the extended contract term of 2020. For the period ended September 30, 2019, the Company reevaluated the calculation of the PDR and determined that a reserve was no longer needed due to a recent improvement in claims experience as well as updated premium rate assumptions included in the evaluation as a result of the establishment and communication of 2020 premium rates by the Bureau of TennCare. See also Note 30.

D-H. There were no significant changes since December 31, 2018.

22. Events Subsequent

There were no significant changes since December 31, 2018.

23. Reinsurance

There were no significant changes since December 31, 2018.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A-D. There were no significant changes since December 31, 2018.

E. The services offered by the Company are not subject to the risk sharing provisions of the ACA as of September 30, 2019.

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2018, the reserve for unpaid insured claims, accrued medical incentive pool and unpaid claim adjustment expenses, net of gross healthcare receivables, was \$218,630,976. Through September 30, 2019, \$213,284,303 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 unpaid claim adjustment expenses, net of gross healthcare receivables, for 2018 and prior based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior-year development of \$10,640,337. The reserve remaining for prior years is \$(5,293,664) as of September 30, 2019 due to the estimation that recoveries will exceed payouts.

26. Intercompany Pooling Arrangements

There were no significant changes since December 31, 2018.

27. Structured Settlements

Not applicable to health entities.

28. Health Care Receivables

There were no significant changes since December 31, 2018.

29. Participating Policies

There were no significant changes since December 31, 2018.

Notes to Financial Statement

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$	0
2. Date of the most recent evaluation of this liability		9/30/2019
3. Was anticipated investment income utilized in the calculation?		Yes

31. Anticipated Salvage and Subrogation a

There were no significant changes since December 31, 2018.

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: Yes[] No[X]
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. Yes[] No[X]

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 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. 12/31/2017
- 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. 12/31/2017
- 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). 11/08/2018
- 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[] No[] N/A[X]

- 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 Yes[] No[X]

- 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. Yes[] No[X]
- 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. Yes[] No[X]

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

- 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: Yes[X] No[]
- 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 Conduct resulted in non-substantive situation and language modifications for consistency, clarity and readability. The updated Code was effective January 2019.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

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

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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

Yes No

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

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

Yes No
 Yes No N/A

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

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

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 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
Camden Asset Management, LP	U
Cohen & Steers, Inc.	U
Income Research + Management	U
MacKay Shields, LLC	U
Northern Trust Asset Management	U
Northern Trust Guaranteed Advisors	U
Raymond James	U
Vanguard Group	U
Waterfall Asset Management	U
Wellington Management Company, LLP	U

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes No

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes No

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
000705	Raymond James	U4ONQX15J3RO8XCCKE979 ...	SEC	NO
007927	Northern Trust Guaranteed Advisors	3CHSO99JSPHD9HGNYJ46 ...	SEC	NO

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104863	Income Research + Management	254900RO33N8JBVSKJ39	SEC	NO
105780	Northern Trust Asset Management	BEL4B8X7EHJU845Y2N39	SEC	NO
106266	Cohen & Steers, Inc.	FW2FPJ6GDBIAYMEK6K90	SEC	NO
106595	Wellington Management Company, LLP	549300YHP12TEZNLX41	SEC	NO
107717	Mackay Shields, LLC	549300Y7LLCOFU7R8H16	SEC	NO
137746	Waterfall Asset Management	549300RACQVOIC68DB49	SEC	NO
Exempt	Camden Asset Management, LP	IUJOPS7WM0VTYSB3XY51	SEC	NO
Exempt	Vanguard Group	C1JB0QNLPT2SSWMJ5W92	SEC	NO

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

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?

Yes[] No[X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:

- The security was purchased prior to January 1, 2018 .
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes[] No[X]

GENERAL INTERROGATORIES

PART 2 - HEALTH

- | | |
|---|---------------|
| 1. Operating Percentages: | |
| 1.1 A&H loss percent | 90.291% |
| 1.2 A&H cost containment percent | 3.047% |
| 1.3 A&H expense percent excluding cost containment expenses | 11.138% |
| 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 |
| 3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? | Yes[] No[X] |
| 3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? | Yes[] No[X] |

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

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		Direct Business Only								
State, Etc.	1 Active Status (a)	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	
2.	Alaska (AK)	N	0	0	0	0	0	0	0	
3.	Arizona (AZ)	N	0	0	0	0	0	0	0	
4.	Arkansas (AR)	N	0	0	0	0	0	0	0	
5.	California (CA)	N	0	0	0	0	0	0	0	
6.	Colorado (CO)	N	0	0	0	0	0	0	0	
7.	Connecticut (CT)	N	0	0	0	0	0	0	0	
8.	Delaware (DE)	N	0	0	0	0	0	0	0	
9.	District of Columbia (DC)	N	0	0	0	0	0	0	0	
10.	Florida (FL)	N	0	0	0	0	0	0	0	
11.	Georgia (GA)	N	0	0	0	0	0	0	0	
12.	Hawaii (HI)	N	0	0	0	0	0	0	0	
13.	Idaho (ID)	N	0	0	0	0	0	0	0	
14.	Illinois (IL)	N	0	0	0	0	0	0	0	
15.	Indiana (IN)	N	0	0	0	0	0	0	0	
16.	Iowa (IA)	N	0	0	0	0	0	0	0	
17.	Kansas (KS)	N	0	0	0	0	0	0	0	
18.	Kentucky (KY)	N	0	0	0	0	0	0	0	
19.	Louisiana (LA)	N	0	0	0	0	0	0	0	
20.	Maine (ME)	N	0	0	0	0	0	0	0	
21.	Maryland (MD)	N	0	0	0	0	0	0	0	
22.	Massachusetts (MA)	N	0	0	0	0	0	0	0	
23.	Michigan (MI)	N	0	0	0	0	0	0	0	
24.	Minnesota (MN)	N	0	0	0	0	0	0	0	
25.	Mississippi (MS)	N	0	0	0	0	0	0	0	
26.	Missouri (MO)	N	0	0	0	0	0	0	0	
27.	Montana (MT)	N	0	0	0	0	0	0	0	
28.	Nebraska (NE)	N	0	0	0	0	0	0	0	
29.	Nevada (NV)	N	0	0	0	0	0	0	0	
30.	New Hampshire (NH)	N	0	0	0	0	0	0	0	
31.	New Jersey (NJ)	N	0	0	0	0	0	0	0	
32.	New Mexico (NM)	N	0	0	0	0	0	0	0	
33.	New York (NY)	N	0	0	0	0	0	0	0	
34.	North Carolina (NC)	N	0	0	0	0	0	0	0	
35.	North Dakota (ND)	N	0	0	0	0	0	0	0	
36.	Ohio (OH)	N	0	0	0	0	0	0	0	
37.	Oklahoma (OK)	N	0	0	0	0	0	0	0	
38.	Oregon (OR)	N	0	0	0	0	0	0	0	
39.	Pennsylvania (PA)	N	0	0	0	0	0	0	0	
40.	Rhode Island (RI)	N	0	0	0	0	0	0	0	
41.	South Carolina (SC)	N	0	0	0	0	0	0	0	
42.	South Dakota (SD)	N	0	0	0	0	0	0	0	
43.	Tennessee (TN)	L	0	216,335,367	1,747,160,089	0	0	1,963,495,456	0	
44.	Texas (TX)	N	0	0	0	0	0	0	0	
45.	Utah (UT)	N	0	0	0	0	0	0	0	
46.	Vermont (VT)	N	0	0	0	0	0	0	0	
47.	Virginia (VA)	N	0	0	0	0	0	0	0	
48.	Washington (WA)	N	0	0	0	0	0	0	0	
49.	West Virginia (WV)	N	0	0	0	0	0	0	0	
50.	Wisconsin (WI)	N	0	0	0	0	0	0	0	
51.	Wyoming (WY)	N	0	0	0	0	0	0	0	
52.	American Samoa (AS)	N	0	0	0	0	0	0	0	
53.	Guam (GU)	N	0	0	0	0	0	0	0	
54.	Puerto Rico (PR)	N	0	0	0	0	0	0	0	
55.	U.S. Virgin Islands (VI)	N	0	0	0	0	0	0	0	
56.	Northern Mariana Islands (MP)	N	0	0	0	0	0	0	0	
57.	Canada (CAN)	N	0	0	0	0	0	0	0	
58.	Aggregate other alien (OT)	X X X	0	0	0	0	0	0	0	
59.	Subtotal	X X X	0	216,335,367	1,747,160,089	0	0	1,963,495,456	0	
60.	Reporting entity contributions for Employee Benefit Plans	X X X	0	0	0	0	0	0	0	
61.	Total (Direct Business)	X X X	0	216,335,367	1,747,160,089	0	0	1,963,495,456	0	
DETAILS OF WRITE-INS										
58001.		X X X	0	0	0	0	0	0	0	
58002.		X X X	0	0	0	0	0	0	0	
58003.		X X X	0	0	0	0	0	0	0	
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0	0	0	
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	0	0	0	0	0	0	0	

(a) Active Status Counts:

L Licensed or Chartered - Licensed insurance carrier or domiciled RRG
 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

1
 0
 56

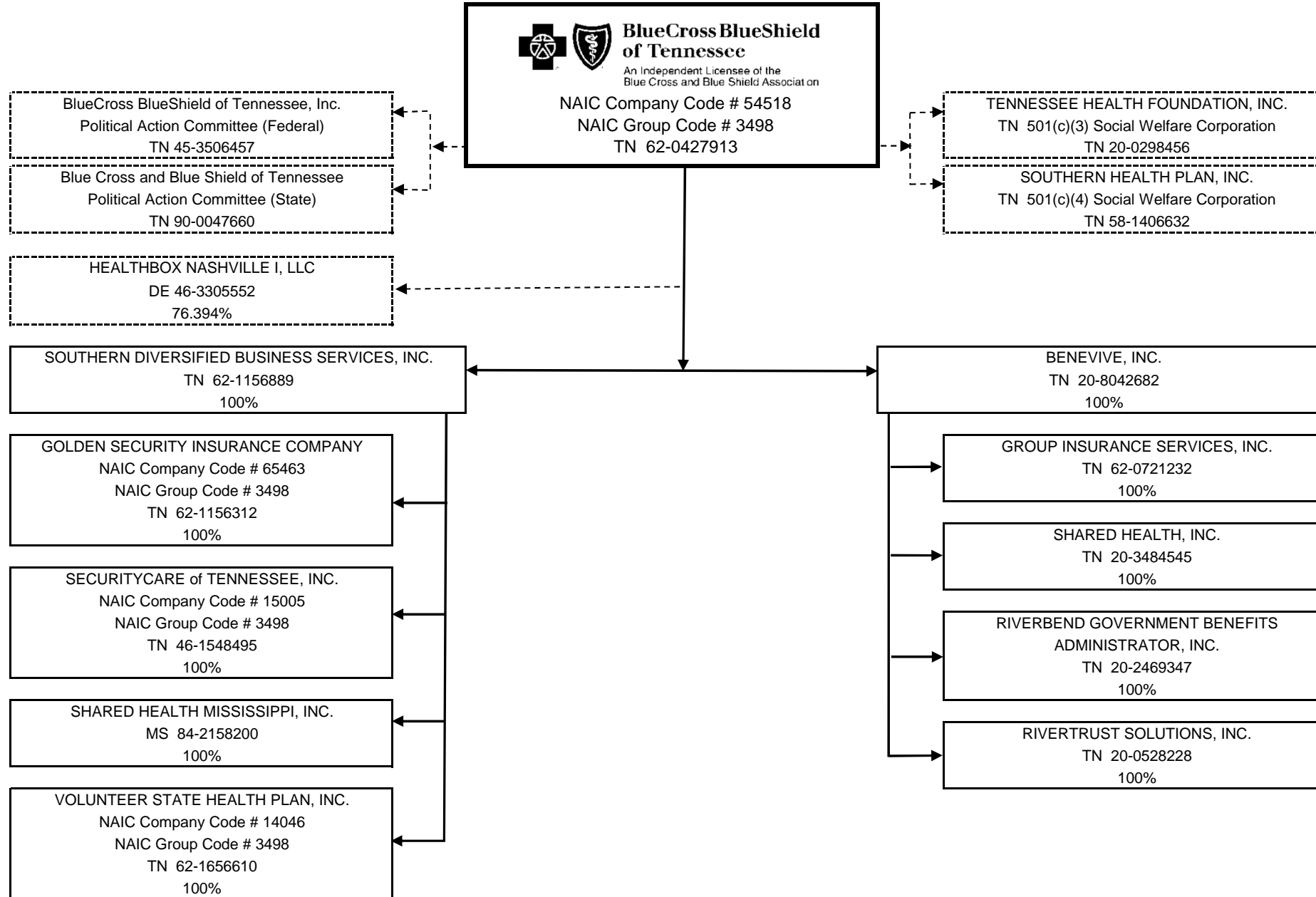
R Registered - Non-domiciled RRGs
 Q Qualified - Qualified or accredited reinsurer

0
 0

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Q15

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	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
3498 0000	BlueCross BlueShield of Tennessee	54518 00000	62-0427913 62-1156889				BlueCross BlueShield of Tennessee, Inc. Southern Diversified Business Services, Inc.	TN TN	UIP UDP			0.0 100.0		N Y	
3498	BlueCross BlueShield of Tennessee	14046	62-1656610				Volunteer State Health Plan, Inc.	TN	RE	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	Y	
3498	BlueCross BlueShield of Tennessee	65463	62-1156312				Golden Security Insurance Company	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	Y	
3498	BlueCross BlueShield of Tennessee, Inc.	15005	46-1548495				SecurityCare of Tennessee, Inc.	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	Y	
0000		00000	84-2158200				Shared Health Mississippi, Inc.	MS	NIA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	Y	
0000		00000	20-8042682				BeneVive, Inc.	TN	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	N	
0000		00000	62-0721232				Group Insurance Services, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	N	
0000		00000	20-2469347				Riverbend Government Benefits Administrator, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	N	
0000		00000	20-0528228				RiverTrust Solutions, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	N	
0000		00000	20-3484545				Shared Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	N	
0000		00000	46-3305552				Healthbox Nashville I, Inc.	DE	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership, Influence	76.4	BlueCross BlueShield of Tennessee, Inc.	N	
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.	N	0000001
0000		00000	58-1406632				Southern Health Plan, Inc.	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors	0.0	BlueCross BlueShield of Tennessee, Inc.	N	0000002
0000		00000	45-3506457				Blue Cross and Blue Shield of Tennessee Political Action Committee (State)	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Management, Influence	0.0	BlueCross BlueShield of Tennessee, Inc.	N	0000003
0000		00000	90-0047660				Blue Cross and Blue Shield of Tennessee Political Action Committee (State)	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Management, Influence	0.0	BlueCross BlueShield of Tennessee, Inc.	N	0000004

Q16

Asterisk	Explanation
0000001	BlueCross BlueShield of Tennessee, Inc. and Tennessee Health Foundation, Inc. share the same Board
0000002	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Southern Health Plan, Inc. doing business as BlueCross BlueShield of Tennessee Community Trust
0000003	BlueCross BlueShield of Tennessee, Inc. appoints the Federal PAC Director
0000004	BlueCross BlueShield of Tennessee, Inc. appoints the State PAC Director

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



14046201936500003

2019

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF **September 30, 2019** 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

NONE

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 points	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

NONE

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	241,271	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	241,932
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	2,258	0
7. Deduct amounts received on disposals	178,098	0
8. Deduct amortization of premium and depreciation	1,628	661
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)	63,803	241,271
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	63,803	241,271

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	498,931,764	466,926,934
2. Cost of bonds and stocks acquired	339,415,720	506,053,454
3. Accrual of discount	358,989	436,370
4. Unrealized valuation increase (decrease)	22,962,536	(14,345,339)
5. Total gain (loss) on disposals	4,247,146	139,153
6. Deduct consideration for bonds and stocks disposed of	237,538,263	455,961,829
7. Deduct amortization of premium	1,482,645	2,470,448
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	3,254,305	1,856,034
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	28,466	9,503
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	623,669,408	498,931,764
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	623,669,408	498,931,764

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)	331,654,072	54,178,346	35,395,782	(1,333,143)	315,856,299	331,654,072	349,103,492	251,774,730
2. NAIC 2 (a)	106,244,221	13,074,737	17,578,240	2,395,254	100,408,296	106,244,221	104,135,972	83,323,641
3. NAIC 3 (a)	49,689,594	2,954,572	15,033,319	(3,686,757)	43,796,123	49,689,594	33,924,090	35,276,004
4. NAIC 4 (a)	8,736,351	2,063,175	5,818,062	2,381,545	7,607,345	8,736,351	7,363,009	10,359,761
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	496,324,238	72,270,830	73,825,404	(243,101)	467,668,063	496,324,238	494,526,563	380,734,136
PREFERRED STOCK								
8. NAIC 1	0	0	0	0	0	0	0	0
9. NAIC 2	19,312,224	2,550,478	12,126,704	(293,379)	17,767,802	19,312,224	9,442,619	14,577,820
10. NAIC 3	3,768,777	486,605	2,264,853	(27,433)	4,423,902	3,768,777	1,963,096	3,503,462
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	23,081,001	3,037,082	14,391,557	(320,812)	22,191,705	23,081,001	11,405,715	18,081,282
15. Total Bonds & Preferred Stock	519,405,239	75,307,912	88,216,961	(563,913)	489,859,768	519,405,239	505,932,277	398,815,417

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....402,926; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QS102

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	402,926	X X X	412,388	11,000	2,811

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	60,104	0
2. Cost of short-term investments acquired	1,404,837	2,015,291
3. Accrual of discount	838	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	(696)	861
6. Deduct consideration received on disposals	1,052,590	1,916,170
7. Deduct amortization of premium	9,566	19,743
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	20,134
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	402,926	60,104
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	402,926	60,104

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	0			
	3.24 Section 1, Column 19, prior year	0	0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year			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

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions										
1 Number	2 Description	3 NAIC Designation or Other Description	4 Notional Amount	5 Book/Adjusted Carrying Value	6 Fair Value	7 Effective Date	8 Maturity Date	Derivative Instrument(s) Open			Cash Instrument(s) Held							
								9 Description	10 Book/Adjusted Carrying Value	11 Fair Value	12 CUSIP	13 Description	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value			
NONE																		
999999999 Totals				0	0	. X X X .	. X X X .	. X X X .	0	0	. X X X .	. X X X .	. X X X .	0	0			

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SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

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

SCHEDULE DB - VERIFICATION**Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts**

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

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

NONE

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

SCHEDULE E - PART 2 - VERIFICATION**(Cash Equivalents)**

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	102,244,175	73,578,931
2.	Cost of cash equivalents acquired	2,255,599,125	2,947,939,018
3.	Accrual of discount	0	0
4.	Unrealized valuation increase (decrease)	(9,145)	15,373
5.	Total gain (loss) on disposals	109,786	38,261
6.	Deduct consideration received on disposals	2,308,839,679	2,919,327,407
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)	49,104,262	102,244,175
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	49,104,262	102,244,175

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 City	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	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						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.							
NONE																			
0399999 Totals					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

QE01

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

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

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment					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					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	
NONE																		
0599999 Totals							0	0	0	0	0	0	0	0	0	0	0	0

QE02

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation and Administrative Symbol/ Market Indicator	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
4499999 Total - Unaffiliated								0	0	0	0	X X X
4599999 Total - Affiliated								0	0	0	0	X X X
4699999 TOTALS								0	0	0	0	X X X

SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income		
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B./A.C.V.								
Surplus Debentures - Unaffiliated																					
638671AK3	NATIONWIDE MUTUAL INSURAN 144A		US	Non Broker Trade	09/30/2018	07/22/2019	176,932	0	(1,092)	0	0	(1,092)	0	175,839	178,098	0	2,258	2,258	9,711		
2399999 Subtotal - Surplus Debentures - Unaffiliated								176,932	0	(1,092)	0	0	(1,092)	0	175,839	178,098	0	2,258	2,258	9,711	
4499999 Total - Unaffiliated								176,932	0	(1,092)	0	0	(1,092)	0	175,839	178,098	0	2,258	2,258	9,711	
4599999 Total - Affiliated								0	0	0	0	0	0	0	0	0	0	0	0	0	0
4699999 TOTALS								176,932	0	(1,092)	0	0	(1,092)	0	175,839	178,098	0	2,258	2,258	9,711	

QE03

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 and Administrative Symbol/ Market Indicator (a)
Bonds - U.S. Governments									
83162CXB4	SBA GTD PARTN CTFS 2015-20F 1		07/02/2019	Raymond James/FL/Saint Petersburg	X X X	219,365	213,778	655	1
912810EG9	U S TREASURY BOND		08/09/2019	Goldman Sachs NY	X X X	1,603,594	1,500,000	64,537	1
912810RK6	U S TREASURY BOND		08/09/2019	Chemical Securities	X X X	4,250,073	4,025,000	48,512	1
912828Z8	U S TREASURY NOTE		09/27/2019	VARIOUS	X X X	3,297,201	3,278,000	8,691	1
912828XR6	U S TREASURY NOTE		08/21/2019	Morgan Stanley	X X X	906,504	900,000	3,572	1
912828XW5	U S TREASURY NOTE		09/20/2019	VARIOUS	X X X	1,660,785	1,654,000	5,953	1
059999	Subtotal - Bonds - U.S. Governments				X X X	11,937,522	11,570,778	131,920	X X X
Bonds - U.S. States, Territories and Possessions									
702282QN7	PASADENA CA UNIF SCH DIST		08/29/2019	Dain Rauscher	X X X	375,000	375,000	0	1FE
179999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	375,000	375,000	0	X X X
Bonds - U.S. Special Revenue, Special Assessment									
04052FAW5	ARIZONA ST INDL DEV AUTH NATIO		08/09/2019	Dain Rauscher	X X X	486,782	405,000	0	1FE
052398GY4	AUSTIN TX ARPT SYS REVENUE		07/24/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	600,905	500,000	0	1FE
162410ED2	CHATTANOOGA TN HLTH EDUCTNL &H		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	24,675	20,000	0	2FE
162410EE0	CHATTANOOGA TN HLTH EDUCTNL &H		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	24,536	20,000	0	2FE
162410EF7	CHATTANOOGA TN HLTH EDUCTNL &H		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	24,437	20,000	0	2FE
162410EG5	CHATTANOOGA TN HLTH EDUCTNL &H		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	30,423	25,000	0	2FE
19648FJS4	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	61,688	50,000	0	2FE
19648FJT2	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	85,876	70,000	0	2FE
19648FJU9	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	73,311	60,000	0	2FE
19648FJV7	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	79,100	65,000	0	2FE
19648FKJ2	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	61,688	50,000	0	2FE
19648FKK9	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	92,010	75,000	0	2FE
19648FKL7	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	61,093	50,000	0	2FE
19648FKM5	COLORADO ST HLTH FACS AUTH HOS		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	73,016	60,000	0	2FE
2350364M9	DALLAS-FORT WORTH TX INTERNATI		08/08/2019	Chemical Securities	X X X	1,600,000	1,600,000	0	1FE
31288QCA6	FHLMC POOL #84-0965		07/11/2019	Montgomery Secs	X X X	374,721	366,882	773	1
3133KKG72	FHLMC POOL #RA-1218		08/06/2019	Montgomery Secs	X X X	2,945,413	2,850,974	2,217	1
3132DV3N3	FHLMC POOL #SD-8005		08/06/2019	First Union Cap Mkts	X X X	2,930,205	2,842,811	2,211	1
3132A5J55	FHLMC POOL #ZS-4784		08/06/2019	Chemical Securities	X X X	2,860,953	2,771,738	2,156	1
3140HVBD5	FNMA POOL #OBL3635		09/30/2019	Morgan Stanley	X X X	1,148,392	1,072,285	179	1
3140QBJL3	FNMA POOL #OCA3866		08/06/2019	Morgan Stanley	X X X	2,928,654	2,830,472	3,302	1
31418DCY6	FNMA POOL #OMA3686		08/06/2019	BK OF NEW YORK MELLON/TORONTO DOMINION	X X X	2,914,351	2,829,038	2,200	1
31418DC67	FNMA POOL #OMA3692		08/06/2019	Montgomery Secs	X X X	2,923,870	2,837,203	2,207	1
31418DET5	FNMA POOL #OMA3745		08/06/2019	First Union Cap Mkts	X X X	2,927,751	2,839,999	2,209	1
31418DGK2	FNMA POOL #OMA3801		08/29/2019	Nomura Secs Intl	X X X	2,309,164	2,300,000	479	1
392274W93	GTR ORLANDO FL AVIATION AUTH A		07/02/2019	SAMUEL A RAMIREZ & COMPANY, BROOKLYN	X X X	449,703	380,000	4,961	1FE

QE04

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 and Administrative Symbol/ Market Indicator (a)
41978CBH7	HAWAII ST ARPTS SYS CUSTOMER F		08/15/2019	Merrill Lynch	X X X	930,000	930,000	0	1FE
45200F6G9	ILLINOIS ST FIN AUTH REVENUE		09/17/2019	First Union Cap Mkts	X X X	1,000,000	1,000,000	507	1FE
626207Y40	MUNI ELEC AUTH OF GEORGIA		09/20/2019	Goldman Sachs NY	X X X	147,834	125,000	0	2FE
626207Y57	MUNI ELEC AUTH OF GEORGIA		09/20/2019	Goldman Sachs NY	X X X	147,298	125,000	0	2FE
626207Y65	MUNI ELEC AUTH OF GEORGIA		09/20/2019	Goldman Sachs NY	X X X	146,871	125,000	0	2FE
626207Y73	MUNI ELEC AUTH OF GEORGIA		09/20/2019	Goldman Sachs NY	X X X	146,446	125,000	0	2FE
64990FKP8	NEW YORK ST DORM AUTH ST PERSO		07/08/2019	Dain Rauscher	X X X	1,042,643	825,000	1,375	1FE
928104MF2	VIRGINIA ST SMALL BUSINESS FIN		07/19/2019	Chemical Securities	X X X	1,056,940	1,000,000	0	2FE
93978HWP7	WASHINGTON ST HLTH CARE FACS A		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	37,013	30,000	0	2FE
93978HWC5	WASHINGTON ST HLTH CARE FACS A		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	36,804	30,000	0	2FE
93978HWD3	WASHINGTON ST HLTH CARE FACS A		08/08/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	42,765	35,000	0	2FE
93978HWE1	WASHINGTON ST HLTH CARE FACS A		08/29/2019	CITIGROUP GLOBAL MARKETS, INC., NEW YORK	X X X	111,515	90,000	100	2FE
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					X X X	32,938,846	31,431,401	24,877	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
046353AD0	ASTRAZENECA PLC	D	07/09/2019	US Bancorp Investments Inc, New York	X X X	680,265	500,000	10,392	2FE
05253JAR2	AUSTRALIA & NEW ZEALAND BANKIN	D	08/07/2019	VARIOUS	X X X	950,921	950,000	9,496	1FE
85771PAQ5	EQUINOR ASA	D	08/06/2019	Goldman Sachs NY	X X X	946,613	750,000	9,000	1FE
63254AA6	NATIONAL AUSTRALIA BANK LTD/NE	D	08/06/2019	Chase Secs	X X X	955,843	950,000	1,715	1FE
87938WAC7	TELEFONICA EMISIONES SA	D	08/06/2019	Morgan Stanley	X X X	715,076	525,000	4,932	2FE
00115BAA5	AEP TEXAS RESTORATION FUN 1 A1		09/11/2019	Goldman Sachs NY	X X X	300,000	300,000	0	1FE
00771VAA6	AERIE PHARMACEUTICALS INC 144A		09/05/2019	Merrill Lynch	X X X	25,000	25,000	0	4
00971TAJ0	AKAMAI TECHNOLOGIES INC		09/24/2019	VARIOUS	X X X	477,098	425,000	197	1FE
02156BAC7	ALTERYX INC 144A		08/08/2019	Goldman Sachs NY	X X X	25,000	25,000	0	4
02156BAE3	ALTERYX INC 144A		08/08/2019	Goldman Sachs NY	X X X	25,000	25,000	0	4
026874BS5	AMERICAN INTERNATIONAL GROUP I		09/13/2019	Jefferies & Co	X X X	33,188	25,000	693	2FE
036752AJ2	ANTHEM INC		09/04/2019	Goldman Sachs NY	X X X	223,803	224,000	0	2FE
04033JAB7	ARI FLEET LEASE TRU A A2A 144A		09/24/2019	Dain Rauscher	X X X	221,366	220,000	162	1FE
05369AAA9	AVIATION CAPITAL GROUP LL 144A		08/06/2019	WELLS FARGO SECURITIES, LLC, NEW YORK	X X X	359,860	350,000	3,301	2FE
08162FAB9	BENCHMARK 2019-B12 MORT B12 A2		08/01/2019	Salomon Brothers	X X X	368,739	358,000	209	1FE
09239BAA7	BLACKLINE INC 144A		08/09/2019	Morgan Stanley	X X X	25,000	25,000	0	4
12514MAZ8	CD 2016-CD1 MORTGAGE TR CD1 A2		09/24/2019	Alex Brown & Sons	X X X	352,393	350,000	596	1FM
125261AA5	CFG INVESTMENTS LTD 1 A 144A		07/02/2019	Donaldson Lufkin	X X X	808,996	809,000	0	2FE
171798AD3	CIMAREX ENERGY CO		08/06/2019	Salomon Brothers	X X X	535,500	525,000	4,721	2FE
29429JAJ9	CITIGROUP COMMERCIA PRM D 144A		07/11/2019	Salomon Brothers	X X X	392,429	381,000	1,105	2FE
172967EW7	CITIGROUP INC		08/06/2019	Jane Street Execution Services, New York	X X X	367,652	225,000	1,168	1FE
17328BAA2	CITIGROUP MORTGAG IMC1 A1 144A		08/23/2019	Salomon Brothers	X X X	154,916	155,000	316	1FE
196860AA8	COLT FUNDING LLC 4 A1 144A		09/27/2019	First Boston Corp	X X X	284,998	285,000	633	1FE
20268JAB9	COMMONSPIRIT HEALTH		08/07/2019	VENDOR CODE FDH NOT IN TABLE	X X X	290,000	290,000	0	2FE
224044CK1	COX COMMUNICATIONS INC 144A		08/06/2019	Raymond James/FL/Saint Petersburg	X X X	349,417	325,000	7,184	2FE
26441CAT2	DUKE ENERGY CORP		08/06/2019	Salomon Brothers	X X X	458,528	450,000	7,359	2FE
269442AA7	EAGLE BULK SHIPPING INC 144A		07/25/2019	Jefferies & Co	X X X	25,000	25,000	0	3
292554AL6	ENCORE CAPITAL GROUP INC 144A		09/05/2019	First Boston Corp	X X X	25,000	25,000	0	4
29379VAP8	ENTERPRISE PRODUCTS OPER		08/06/2019	Morgan Stanley	X X X	928,017	900,000	20,410	2FE
29404KAA4	ENVESTNET INC CONVERTIBLE		08/15/2019	Dain Rauscher	X X X	101,708	100,000	311	4
34528QHF4	FORD CREDIT FLOORPLAN MAST 4 A		09/17/2019	Montgomery Secs	X X X	219,974	220,000	0	1FE
34959JAJ7	FORTIVE CORP 144A		09/30/2019	BARCLAYS CAPITAL LE, NEW YORK	X X X	173,250	175,000	200	2FE
36167CAA4	GCAT 2019-RPL1 TR RPL1 A1 144A		08/15/2019	Salomon Brothers	X X X	977,743	975,000	2,010	1FE
42805EAA6	HESKA CORP 144A		09/13/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	25,000	25,000	0	4
45781MAB7	INNOVIVA INC		08/28/2019	Nomura Secs Intl	X X X	220,561	225,000	234	4FE

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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 and Administrative Symbol/ Market Indicator (a)
46185LAA1	INVITAE CORP 144A		09/06/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	25,000	25,000	0	4
46333XAE8	IRONWOOD PHARMACEUTICALS 144A		08/08/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	25,000	25,000	0	4
46333XAG3	IRONWOOD PHARMACEUTICALS 144A		08/08/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	25,000	25,000	0	4
46591JAL0	JP MORGAN CHASE CO BKWD D 144A		09/24/2019	Chemical Securities	X X X	763,000	763,000	0	4
46650MAQ0	JP MORGAN MORTGAGE 8 A15 144A		09/11/2019	Chemical Securities	X X X	205,669	204,368	297	1FM
46623EKG3	JPMORGAN CHASE & CO		08/06/2019	Jane Street Execution Services, New York	X X X	851,131	850,000	9,374	1FE
59001KAF7	MERITOR INC		08/02/2019	BNP PARIBAS PRIME BROKERAGE, JERSEY CITY	X X X	25,250	25,000	251	3FE
59064RAA7	MESA LABORATORIES INC		08/08/2019	Jefferies & Co	X X X	25,000	25,000	0	4
59156RBT4	METLIFE INC		07/01/2019	Donaldson Lufkin	X X X	37,240	35,000	617	2FE
55316EAC6	MMAF EQUIPMENT FINAN B A3 144A		09/10/2019	Chemical Securities	X X X	299,923	300,000	0	1FE
61747WAF6	MORGAN STANLEY		08/06/2019	VENDOR CODE GQA NOT IN TABLE	X X X	630,636	600,000	1,246	1FE
67020YAN0	NUANCE COMMUNICATIONS INC		07/02/2019	Merrill Lynch	X X X	148,444	150,000	490	3FE
674599CW3	OCCIDENTAL PETROLEUM CORP		08/06/2019	Salomon Brothers	X X X	439,428	440,000	0	2FE
674599DB8	OCCIDENTAL PETROLEUM CORP		09/16/2019	Non Broker Trade	X X X	325,850	275,000	0	2FE
674599DC6	OCCIDENTAL PETROLEUM CORP		09/16/2019	Non Broker Trade	X X X	685,008	600,000	0	2FE
679295AC9	OKTA INC 144A		09/05/2019	Goldman Sachs NY	X X X	50,000	50,000	0	1FE
682189AK1	ON SEMICONDUCTOR CORP		09/24/2019	Merrill Lynch	X X X	87,368	75,000	240	3FE
682189AP0	ON SEMICONDUCTOR CORP		08/06/2019	Merrill Lynch	X X X	86,652	75,000	383	3FE
671044AD7	OSI SYSTEMS INC		09/25/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	229,568	200,000	181	2
709599BG8	PENSKE TRUCK LEASING CO L 144A		09/10/2019	First Union Cap Mkts	X X X	219,545	220,000	0	2FE
693475AX3	PNC FINANCIAL SERVICES GROUP I		07/18/2019	Added by SunGard	X X X	868,338	870,000	0	1FE
743424AE3	PROOFPOINT INC 144A		08/21/2019	VENDOR CODE FDH NOT IN TABLE	X X X	75,000	75,000	0	3
69366JAC5	PTC THERAPEUTICS INC 144A		09/18/2019	First Boston Corp	X X X	50,000	50,000	0	3
759916AB5	REPLIGEN CORP		07/17/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	25,000	25,000	0	1FE
74967XAC7	RH 144A		09/13/2019	Merrill Lynch	X X X	25,000	25,000	0	4
78355HKN8	RYDER SYSTEM INC		08/01/2019	U S Bancorp	X X X	369,700	370,000	0	2FE
78781PAA3	SAILPOINT TECHNOLOGIES HO 144A		09/20/2019	Morgan Stanley	X X X	25,000	25,000	0	4
80281GAD8	SANTANDER RETAIL AUT B A3 144A		07/16/2019	Bank of America	X X X	220,960	221,000	0	1FE
826919AB8	SILICON LABORATORIES INC		08/05/2019	Nomura Secs Intl	X X X	92,124	75,000	447	3
83304AAA4	SNAP INC 144A		08/07/2019	Goldman Sachs NY	X X X	100,000	100,000	0	4
848637AC8	SPLUNK INC		08/06/2019	Jefferies & Co	X X X	55,124	50,000	99	4
852234AD5	SQUARE INC		08/12/2019	J.P MORGAN SECURITIES INC, NEW YORK	X X X	397,782	350,000	411	4
868459AD0	SUPERNUS PHARMACEUTICALS INC		09/25/2019	First Boston Corp	X X X	70,458	75,000	229	3
907818EV6	UNION PACIFIC CORP		07/09/2019	MARKETAXESS CORP, NJ	X X X	554,620	500,000	7,352	2FE
92343XAA8	VERINT SYSTEMS INC		08/02/2019	Jefferies & Co	X X X	82,241	75,000	203	3FE
94419LAE1	WAYFAIR INC 144A		08/15/2019	Goldman Sachs NY	X X X	50,000	50,000	0	4
94988J5N3	WELLS FARGO BANK NA		08/06/2019	VENDOR CODE GQA NOT IN TABLE	X X X	1,762,408	1,750,000	2,907	1FE
94988HAP6	WELLS FARGO COMMERC LC5 D 144A		08/12/2019	First Union Cap Mkts	X X X	168,220	161,000	277	3FM
96950FAM6	WILLIAMS COS INC/THE		08/06/2019	Morgan Stanley	X X X	773,988	725,000	13,336	2FE
98139AAA3	WORKIVA INC 144A		08/14/2019	BNY/Suntrust Capital Mkts, New York	X X X	25,000	25,000	0	3
98954MAD3	ZILLOW GROUP INC 144A		09/05/2019	Morgan Stanley	X X X	75,000	75,000	0	4
06368B5P9	BANK OF MONTREAL	D	07/23/2019	Goldman Sachs NY	X X X	50,000	50,000	0	2FE
290876AD3	EMERA INC	D	09/04/2019	Jefferies & Co	X X X	27,375	25,000	380	3FE
8935268Z9	TRANSCANADA PIPELINES LTD	D	08/06/2019	Goldman Sachs NY	X X X	660,375	450,000	2,192	2FE
89356BAE8	TRANSCANADA TRUST	D	09/18/2019	VARIOUS	X X X	215,748	215,000	44	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	25,028,022	23,516,368	127,297	X X X
Bonds - Bank Loans									
02376CBB0	AMR 5/18 TL		07/01/2019	Non Broker Trade	X X X	5,115	5,115	0	3FE
00000000	NASCAR 7/19 COV-LITE TLB		07/26/2019	Non Broker Trade	X X X	99,500	100,000	0	3FE
90276DAB5	UGIENERGY 7/19 TLB		08/08/2019	Non Broker Trade	X X X	830,825	835,000	0	3FE
90349YAF3	US ECOLOGY 8/19 COV-LITE TLB		08/14/2019	Non Broker Trade	X X X	209,475	210,000	0	3FE
90351HAD0	US FOODS 8/19 TLB		08/15/2019	Non Broker Trade	X X X	179,100	180,000	0	3FE
92645DAE9	VICTORY CAPITAL 5/19 TLB		07/01/2019	Non Broker Trade	X X X	294,300	297,273	0	3FE

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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 and Administrative Symbol/ Market Indicator (a)
C4927UAB8	WESTJET AIRLINES 8/19 TLB	D	08/08/2019	Non Broker Trade	X X X	373,125	375,000	0	3FE
8299999	Subtotal - Bonds - Bank Loans				X X X	1,991,440	2,002,388	0	X X X
8399997	Subtotal - Bonds - Part 3				X X X	72,270,830	68,895,935	284,094	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	72,270,830	68,895,935	284,094	X X X
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
008252850	AFFILIATED MANAGERS GROUP INC		08/14/2019	Bear Stearns	600.000	15,815	25.00	0	RP2FEL
020002838	ALLSTATE CORP/THE		08/02/2019	VARIOUS	5,550.000	138,795	0.00	0	P2FEL
G0684D305	ATHENE HOLDING LTD		09/17/2019	Bear Stearns	1,122.000	30,070	25.00	0	P2FEL
060505229	BANK OF AMERICA CORP		09/18/2019	VARIOUS	3,400.000	91,049	0.00	0	P2FEL
060505260	BANK OF AMERICA CORP		09/25/2019	Bear Stearns	2,350.000	61,808	0.00	0	RP2FEL
060505FL3	BANK OF AMERICA CORP		08/27/2019	BNP Paribas Securites	80,000.000	86,160	0.00	2,141	P2FEU
06053U601	BANK OF AMERICA CORP		07/30/2019	Bear Stearns	1,700.000	43,990	25.00	0	P2FEL
06055H202	BANK OF AMERICA CORP		09/10/2019	Montgomery Secs	1,725.000	43,125	25.00	0	P2FEL
054937602	BB&T CORP		09/03/2019	Bear Stearns	1,885.000	47,657	0.00	0	P2FEL
054937AL1	BB&T CORP		07/22/2019	Morgan Stanley	110,000.000	110,000	0.00	0	P2FEL
101121408	BOSTON PROPERTIES INC		08/30/2019	Bear Stearns	1,038.000	26,193	0.00	0	P2FEL
14040H824	CAPITAL ONE FINANCIAL CORP		09/04/2019	Morgan Stanley	3,400.000	85,000	0.00	0	P3FEL
172967MG3	CITIGROUP INC		09/05/2019	Salomon Brothers	100,000.000	100,000	0.00	0	P3FEU
233331701	DTE ENERGY CO		09/04/2019	Bear Stearns	1,700.000	43,211	25.00	0	RP2FEL
26441CBG9	DUKE ENERGY CORP		09/27/2019	VARIOUS	215,000.000	216,602	0.00	159	P2FEU
336158803	FIRST REPUBLIC BANK/CA		09/03/2019	Bear Stearns	2,772.000	72,313	25.00	0	P2FEL
33616C886	FIRST REPUBLIC BANK/CA		09/04/2019	Bear Stearns	3,550.000	90,756	0.00	0	P2FEL
369604BQ5	GENERAL ELECTRIC CO		08/06/2019	BNP Paribas Securites	16,000.000	15,390	0.00	114	P2FEL
46637G124	JPMORGAN CHASE & CO		09/19/2019	Bear Stearns	2,800.000	71,606	25.00	0	P2FEL
48128BAF8	JPMORGAN CHASE & CO		07/24/2019	Chemical Securities	60,000.000	60,000	0.00	0	P2FEU
55261FAL8	M&T BANK CORP		07/23/2019	Morgan Stanley	40,000.000	40,000	0.00	0	P2FEL
61762V606	MORGAN STANLEY		09/05/2019	VARIOUS	5,250.000	143,006	0.00	0	P3FEL
65339K860	NEXTERA ENERGY CAPITAL HOLDING		09/18/2019	Bear Stearns	1,015.000	27,176	25.00	0	RP2FEL
693475832	PNC FINANCIAL SERVICES GROUP I		09/03/2019	Bear Stearns	6,681.000	170,515	25.00	0	P2FEL
69360J578	PS BUSINESS PARKS INC		09/04/2019	Bear Stearns	1,447.000	37,384	25.00	0	P2FEL
74460W602	PUBLIC STORAGE		09/03/2019	VARIOUS	2,500.000	63,751	25.00	0	P2FEL
74460W628	PUBLIC STORAGE		09/06/2019	Donaldson Lufkin	2,575.000	64,761	0.00	0	P2FEL
74460W800	PUBLIC STORAGE		09/05/2019	Bear Stearns	7,618.000	193,552	0.00	0	P2FEL
74460W875	PUBLIC STORAGE		09/19/2019	Bear Stearns	4,525.000	114,621	0.00	0	P2FEL
816851604	SEMPRA ENERGY		07/12/2019	VARIOUS	3,930.000	99,149	25.00	0	RP2FEL
838518207	SOUTH JERSEY INDUSTRIES INC		09/12/2019	VARIOUS	3,200.000	80,136	25.00	0	RP3FEL
84857L309	SPIRE INC		08/21/2019	Bear Stearns	937.000	25,378	0.00	0	P3FEL
857477509	STATE STREET CORP		09/04/2019	Bear Stearns	2,155.000	54,594	25.00	0	P2FEL
857477608	STATE STREET CORP		09/04/2019	Bear Stearns	4,610.000	123,548	0.00	0	P2FEL
867914BP7	SUNTRUST BANKS INC		07/15/2019	VARIOUS	140,000.000	138,085	25.00	594	P3FEL
949746366	WELLS FARGO & CO		07/30/2019	Bear Stearns	1,700.000	43,419	0.00	0	P2FEL
949746465	WELLS FARGO & CO		09/26/2019	VARIOUS	3,150.000	87,702	25.00	0	P2FEL
949746556	WELLS FARGO & CO		08/05/2019	Bear Stearns	1,188.000	31,089	0.00	0	RP2FEL
94988U656	WELLS FARGO & CO		07/16/2019	Bear Stearns	3,500.000	91,050	0.00	0	P2FEL
94988U672	WELLS FARGO & CO		09/20/2019	Bear Stearns	1,700.000	43,627	0.00	0	RP2FEL
8499999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)				X X X	3,122,082	X X X	3,008	X X X
8999997	Subtotal - Preferred Stocks - Part 3				X X X	3,122,082	X X X	3,008	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8999999	Subtotal - Preferred Stocks				X X X	3,122,082	X X X	3,008	X X X

QE04.3

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 and Administrative Symbol/ Market Indicator (a)
Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
G0250X107	AMCOR PLC	D	08/01/2019	Dain Rauscher	2,419.000	25,541	X X X	0	L
G1890L107	CAPRI HOLDINGS LTD	D	08/01/2019	Dain Rauscher	636.000	21,519	X X X	0	L
003654100	ABIOMED INC		08/01/2019	Dain Rauscher	119.000	23,799	X X X	0	L
008252108	AFFILIATED MANAGERS GROUP INC		08/01/2019	Dain Rauscher	215.000	17,683	X X X	0	L
015351109	ALEXION PHARMACEUTICALS INC		08/01/2019	Dain Rauscher	327.000	37,604	X X X	0	L
018802108	ALLIANT ENERGY CORP		08/01/2019	Dain Rauscher	259.000	12,934	X X X	0	L
02079K305	ALPHABET INC		08/01/2019	Dain Rauscher	67.000	81,487	X X X	0	L
02376R102	AMERICAN AIRLINES GROUP INC		08/01/2019	Dain Rauscher	412.000	12,212	X X X	0	L
039483102	ARCHER DANIELS MIDLAND CO COM		08/01/2019	Dain Rauscher	468.000	19,263	X X X	0	L
00206R102	AT & T INC COM		08/01/2019	Dain Rauscher	2,016.000	68,942	X X X	0	L
101121101	BOSTON PPTYS INC COM		08/01/2019	Dain Rauscher	191.000	25,067	X X X	0	L
124857202	CBS CORP NEW CL B		08/01/2019	Dain Rauscher	543.000	27,556	X X X	0	L
125523100	CIGNA CORP		08/01/2019	Dain Rauscher	253.000	42,168	X X X	0	L
194162103	COLGATE PALMOLIVE CO		08/01/2019	Dain Rauscher	58.000	4,157	X X X	0	L
20605P101	CONCHO RESOURCES INC/MIDLAND T		08/01/2019	Dain Rauscher	715.000	52,692	X X X	0	L
25179M103	DEVON ENERGY CORP NEW COM		08/01/2019	Dain Rauscher	550.000	13,811	X X X	0	L
254687106	DISNEY WALT CO COM		09/01/2019	Non Broker Trade	0.948	105	X X X	0	L
30231G102	EXXON MOBIL CORP		08/01/2019	Dain Rauscher	1,448.000	105,670	X X X	0	L
31620M106	FIDELITY NATL INFORMATION SVCS		09/03/2019	VARIOUS	1,069.000	144,660	X X X	0	L
364760108	GAP INC COM		08/01/2019	Dain Rauscher	893.000	16,288	X X X	0	L
369604103	GENERAL ELEC CO COM		08/01/2019	Dain Rauscher	6,391.000	64,133	X X X	0	L
37940X102	GLOBAL PAYMENTS INC		09/18/2019	VARIOUS	434.213	23,839	X X X	0	L
37959E102	GLOBE LIFE INC		08/09/2019	VARIOUS	332.000	18,717	X X X	0	L
460146103	INTERNATIONAL PAPER CO COM		08/01/2019	Dain Rauscher	367.000	15,731	X X X	0	L
46625H100	J P MORGAN CHASE & CO		09/03/2019	VARIOUS	1,206.000	130,530	X X X	0	L
445658107	JB HUNT TRANSPORT SERVICES INC		08/01/2019	Dain Rauscher	45.000	4,609	X X X	0	L
502431109	L3HARRIS TECHNOLOGIES INC		07/01/2019	VARIOUS	710.300	71,565	X X X	0	L
513272104	LAMB WESTON HOLDINGS INC		08/01/2019	Dain Rauscher	366.000	24,398	X X X	0	L
501889208	LKQ CORP		08/01/2019	Dain Rauscher	1,246.000	32,765	X X X	0	L
55616P104	MACYS INC COM		08/01/2019	Dain Rauscher	191.000	4,107	X X X	0	L
58155Q103	MCKESSON HBOC INC COM		08/01/2019	Dain Rauscher	115.000	16,975	X X X	0	L
60871R209	MOLSON COORS BREWING CO CL B		08/01/2019	Dain Rauscher	380.000	20,054	X X X	0	L
637071101	NATIONAL-OILWELL INC		08/01/2019	Dain Rauscher	1,627.000	36,424	X X X	0	L
651639106	NEWMONT MINING CORP COM		08/01/2019	Dain Rauscher	718.000	26,593	X X X	0	L
G6518L108	NIELSEN HOLDINGS PLC		08/01/2019	Dain Rauscher	1,499.000	34,579	X X X	0	L
655044105	NOBLE ENERGY INC		08/01/2019	Dain Rauscher	1,811.000	37,221	X X X	0	L
655664100	NORDSTROM INC WASH COM		08/01/2019	Dain Rauscher	443.000	13,758	X X X	0	L
665859104	NORTHERN TR CORP COM		08/01/2019	Dain Rauscher	143.000	13,672	X X X	0	L
674599105	OCCIDENTAL PETE CORP COM		08/09/2019	VARIOUS	599.123	28,069	X X X	0	L
682680103	ONEOK INC		08/01/2019	Dain Rauscher	229.000	16,371	X X X	0	L
718546104	PHILLIPS 66		08/01/2019	Dain Rauscher	124.000	12,616	X X X	0	L
74144T108	PRICE T ROWE GROUP INC COM		08/01/2019	Dain Rauscher	192.000	21,271	X X X	0	L
74460D109	PUBLIC STORAGE INC COM		08/01/2019	Dain Rauscher	115.000	28,306	X X X	0	L
75886F107	REGENERON PHARMACEUTICALS INC		08/01/2019	Dain Rauscher	174.000	53,580	X X X	0	L
828806109	SIMON PPTY GROUP INC NEW COM		08/01/2019	Dain Rauscher	44.000	6,978	X X X	0	L
84790A105	SPECTRUM BRANDS HOLDINGS INC		09/27/2019	Investment Tech Group	26.500	1,325	X X X	0	L
872590104	T-MOBILE US INC		08/01/2019	Dain Rauscher	193.000	15,297	X X X	0	L
949746101	WELLS FARGO & CO NEW COM		08/01/2019	Dain Rauscher	785.000	37,268	X X X	0	L
958102105	WESTERN DIGITAL CORP DEL COM		08/01/2019	Dain Rauscher	229.000	12,676	X X X	0	L
98421M106	XEROX HOLDINGS CORP		08/01/2019	VARIOUS	857.000	18,982	X X X	0	L
98956P102	ZIMMER HOLDINGS		08/01/2019	Dain Rauscher	345.000	47,338	X X X	0	L
909999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				X X X	1,642,904	X X X	0	X X X
979997	Subtotal - Common Stocks - Part 3				X X X	1,642,904	X X X	0	X X X

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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 and Administrative Symbol/Market Indicator (a)
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799999	Subtotal - Common Stocks				X X X	1,642,904	X X X	0	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	4,764,987	X X X	3,008	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	77,035,816	X X X	287,102	X X X

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

SCHEDULE DB - PART A - SECTION 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Indexed Received (Paid)	Cumulative Prior Year(s) Initial Cost of Undiscounted Premium (Received) Paid	Current Year Initial Cost of Undiscounted Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization) Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (b)	
144999999 Totals									0	0	0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX

QE06

(a)

1	2
Code	Description of Hedged Risk(s)
NONE	

(b)

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

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open 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			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	7 Exposure net of Collateral	8 Contracts With Fair Value > 0	9 Contracts With Fair Value < 0	10 Exposure Net of Collateral		
NONE											
0999999999 Gross Total				0	0	0	0	0	0	0	0
1. Offset per SSAP No. 64					0	0					
2. Net after right of offset per SSAP No. 64					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								
0199999999 Total				0	0	0	... X X X ...	... X X X ...

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								
0299999999 Total				0	0	... X X X ...	... X X X ...	... X X X ...

QE09

SCHEDULE DL - PART 1 SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets reported in aggregate on Line 10 of the Assets page and not included on Schedules A, B, BA, D, DB and E)

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation and Administrative Symbol/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
 (Securities lending collateral assets included on Schedules A, B, BA, D, DB and E
 and not reported in aggregate on Line 10 of the Assets page)

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation and Administrative Symbol/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									
Bank of America - VSHP	Chattanooga, TN		0.000	0	0	725,229	725,229	725,229	X X X
First Tennessee Bank - Coverkids	Chattanooga, TN		0.000	0	0	5,755,057	7,790,108	4,606,343	X X X
First Tennessee Bank - DSNP	Chattanooga, TN		0.000	0	0	(1,406,051)	(237,863)	(160,896)	X X X
First Tennessee Bank - TennCare Select	Chattanooga, TN		0.000	0	0	13,480,140	16,370,332	6,343,361	X X X
First Tennessee Bank - VSHP	Chattanooga, TN		0.000	0	0	1,855,127	(2,914,445)	(1,441,648)	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	0	0	0	X X X
0199999 Totals - Open Depositories		X X X	X X X	0	0	20,409,502	21,733,361	10,072,389	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	20,409,502	21,733,361	10,072,389	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	20,409,502	21,733,361	10,072,389	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
Cusip	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
All Other Money Market Mutual Funds								
26188J206	DREYFUS CASH MGMT		09/30/2019	(1.165)	X X X	48,881,737	241,077	5,100,525
31846V435	FIRST AMERICAN PRIME OBLIGATIONS		09/16/2019	0.000	X X X	222,525	0	2,643
8699999	Subtotal - All Other Money Market Mutual Funds					49,104,262	241,077	5,103,169
8899999	Total - Cash Equivalents					49,104,262	241,077	5,103,169

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 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199999 Total Individuals.....	.....	.....	.....	.....	.....	.....
0299999 Total group.....	.....	.....	.....	.....	.....	.....
0399999 Premiums due and unpaid from Medicare entities.....	328,817	61,624	16,690	(2,385,743)		(1,978,613)
Medicaid Entities:						
Premium Accrual.....	11,655,400	5,062,335	4,460,227	24,796,382	.....	45,974,344
State of Tennessee Premium Withhold Receivable	5,147,468	.....	.....	.....	.....	5,147,468
THL Premiums	2,114	1,795,411	1,227,709	(1,515,295)	.....	1,509,939
Quality Incentive Accrual	333,274	.....	.....	.....	.....	333,274
0499997 Subtotal - Medicaid Entities:.....	17,138,255	6,857,746	5,687,936	23,281,087	-	52,965,024
0499999 Premiums due and unpaid from Medicaid entities.....	-	-	-	-	-	-
0599999 Accident and health premiums due and unpaid (Page 2, Line 15).....	17,467,072	6,919,370	5,704,626	20,895,344	-	50,986,412

SUPPLEMENT 1

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.....	1,752,380	1,666,484	1,773,437	2,364,937	2,364,937	5,192,301
0199999 Subtotal - Pharmaceutical Rebate Receivables.....	1,752,380	1,666,484	1,773,437	2,364,937	2,364,937	5,192,301
Provider Receivables	-	-	-	6,966,212	6,966,212	-
0299998 Claim Overpayment Receivables - Not Individually Listed.....	-	-	-	6,966,212	6,966,212	-
0299999 Subtotal - Claim Overpayment Receivables.....						
Loans and Advances to Providers						
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.....						
Other Receivables						
Provider receivables.....						-
0699998 Other Receivables - Not Individually Listed.....						
0699999 Subtotal - Other Receivables.....	-	-	-	-	-	-
0799999 Gross health care receivables.....	1,752,380	1,666,484	1,773,437	9,331,149	9,331,149	5,192,301

SUPPLEMENT 2

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

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

SUPPLEMENT 3

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

Affiliate	2 Description	3 Amount	4	
			Current	5 Non-Current
BlueCross BlueShield of Tennessee	Administrative Expense offset and Federal Income Tax Expense	16,752,775	16,752,775	-
		-	-	-
0199999 Total - Individually listed payables	.....XXX.....	16,752,775	16,752,775	-
0299999 Payables not individually listed	.....XXX.....			
0399999 Total gross payables	.....XXX.....	16,752,775	16,752,775	-

SUPPLEMENT 4