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ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2018

OF THE CONDITION AND AFFAIRS OF THE

Neighborhood Health Plan of Rhode Island

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 95402 Employer's ID Number 05-0477052

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry RI

Country of Domicile United States of America

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

Incorporated/Organized 12/09/1993 Commenced Business 12/01/1994

Statutory Home Office 910 Douglas Pike (Street and Number), Smithfield, RI, US 02917 (City or Town, State, Country and Zip Code)

Main Administrative Office 910 Douglas Pike (Street and Number)

Smithfield, RI, US 02917 (City or Town, State, Country and Zip Code) (401)459-6000 (Area Code) (Telephone Number)

Mail Address 910 Douglas Pike (Street and Number or P.O. Box), Smithfield, RI, US 02917 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 910 Douglas Pike (Street and Number)

Smithfield, RI, US 02917 (City or Town, State, Country and Zip Code) (401)459-6000 (Area Code) (Telephone Number)

Internet Website Address http://www.nhpri.org/

Statutory Statement Contact Joanne Roux (Name) (401)459-6118 (Area Code)(Telephone Number)(Extension)

jroux@nhpri.org (E-Mail Address) (401)459-6043 (Fax Number)

OFFICERS

Name	Title
Peter Marino	Chief Executive Officer
Frank Meaney	Chief Financial Officer
Peter Lymm	Chief Operating Officer
Marylou Buyse	Chief Medical Officer #

OTHERS

Peter Bancroft, Chairman
Brenda Dowlatshahi, Secretary
Jane Hayward, Vice Chairman
Merrill Thomas, Treasurer

DIRECTORS OR TRUSTEES

Merrill Thomas
Raymond Joseph Lavoie Jr.
Pablo Rodriguez MD
Peter Bancroft CPA
Jeanne LaChance
Brenda Dowlatshahi
Christopher Little Esq.
Jane Hayward
Doris De Los Santos
William Hochstrasser-Walsh

State of Rhode Island
County of Providence ss

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

(Signature)	(Signature)	(Signature)
Peter Marino	Frank Meaney	Peter Lymm
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	Chief Financial Officer	Chief Operating Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
_________ day of _________ , 2019

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

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	104,084,675		104,084,675	102,349,117
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..............0 encumbrances)				
4.2 Properties held for the production of income (less $..............0 encumbrances)				
4.3 Properties held for sale (less $..............0 encumbrances)				
5. Cash ($......43,818,990, Schedule E Part 1), cash equivalents ($......46,948,371, Schedule E Part 2) and short-term investments ($......52,770,121, Schedule DA)	143,537,483		143,537,483	243,611,242
6. Contract loans (including $..............0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	6,433		6,433	10,835
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	247,628,591		247,628,591	345,971,194
13. Title plants less $..............0 charged off (for Title insurers only)				
14. Investment income due and accrued	831,110		831,110	846,575
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	37,489,580	1,190,269	36,299,311	9,528,368
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums ($......14,557,001) and contracts subject to redetermination ($..............0)	14,557,001		14,557,001	15,356,078
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,002,705		2,002,705	1,085,347
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	9,130,503		9,130,503	
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,188,826	286,272	902,554	1,361,628
21. Furniture and equipment, including health care delivery assets ($..............0)	738,646	738,646		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care ($......12,898,924) and other amounts receivable	17,503,611	4,604,687	12,898,924	5,352,352
25. Aggregate write-ins for other than invested assets	15,541,378	5,910,587	9,630,791	3,071,215
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	346,611,951	12,730,461	333,881,490	382,572,757
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	346,611,951	12,730,461	333,881,490	382,572,757
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Premium Tax	907,867		907,867	3,071,215
2502. Prepaid Expenses	1,505,286	1,505,286		
2503. Receivable from State	4,740,688		4,740,688	
2598. Summary of remaining write-ins for Line 25 from overflow page	8,387,537	4,405,301	3,982,236	
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	15,541,378	5,910,587	9,630,791	3,071,215

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $...............0 reinsurance ceded)	129,685,152		129,685,152	154,720,427
2.	Accrued medical incentive pool and bonus amounts	1,442,239		1,442,239	3,190,351
3.	Unpaid claims adjustment expenses	3,364,213		3,364,213	3,816,620
4.	Aggregate health policy reserves, including the liability of $...............0 for medical loss ratio rebate per the Public Health Service Act	7,500,000		7,500,000	10,413,158
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	72,909,685		72,909,685	91,787,572
9.	General expenses due or accrued	14,210,243		14,210,243	14,148,524
10.1	Current federal and foreign income tax payable and interest thereon (including $...............0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others	2,491,279		2,491,279	1,765,572
13.	Remittances and items not allocated				
14.	Borrowed money (including $...............0 current) and interest thereon $...............0 (including $...............0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with $...............0 authorized reinsurers, $...............0 unauthorized reinsurers and $...............0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified ($...............0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				2,446,518
23.	Aggregate write-ins for other liabilities (including $...............0 current)	712,389		712,389	6,447
24.	TOTAL Liabilities (Lines 1 to 23)	232,315,200		232,315,200	282,295,189
25.	Aggregate write-ins for special surplus funds	XXX	XXX		
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	101,566,289	100,277,568
32.	Less treasury stock, at cost:				
	32.1 ....0 shares common (value included in Line 26 $...............0)	XXX	XXX		
	32.2 ....0 shares preferred (value included in Line 27 $...............0)	XXX	XXX		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	101,566,289	100,277,568
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	333,881,489	382,572,757
DETAILS OF WRITE-INS					
2301.	Unclaimed Property Payable	12,389		12,389	6,447
2302.	Penalty and Interest	700,000		700,000	
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	712,389		712,389	6,447
2501.		XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	2,440,979	2,407,779
2.	Net premium income (including $...............0 non-health premium income)	X X X	1,373,688,533	1,363,671,765
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of $...............0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	4,058,486	2,214,798
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	1,377,747,019	1,365,886,563
Hospital and Medical:				
9.	Hospital/medical benefits		565,961,530	591,563,495
10.	Other professional services		295,916,021	268,392,516
11.	Outside referrals		174,033,997	177,646,290
12.	Emergency room and out-of-area		48,292,294	47,183,129
13.	Prescription drugs		168,373,108	152,120,221
14.	Aggregate write-ins for other hospital and medical		(8,118,809)	(8,129,753)
15.	Incentive pool, withhold adjustments and bonus amounts		(412,272)	5,820,681
16.	Subtotal (Lines 9 to 15)		1,244,045,869	1,234,596,579
Less:				
17.	Net reinsurance recoveries		4,569,785	2,310,810
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		1,239,476,084	1,232,285,769
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $......19,092,354 cost containment expenses		31,441,514	29,889,981
21.	General administrative expenses		103,426,579	103,393,547
22.	Increase in reserves for life and accident and health contracts (including $...............0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		1,374,344,177	1,365,569,297
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,402,842	317,266
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		3,765,562	2,138,981
26.	Net realized capital gains (losses) less capital gains tax of $...............0		(545,457)	(87,109)
27.	Net investment gains (losses) (Lines 25 plus 26)		3,220,105	2,051,872
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.........147,721) (amount charged off $...............0)]		147,721	(4,032,989)
29.	Aggregate write-ins for other income or expenses		(700,000)	
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	6,070,668	(1,663,851)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	6,070,668	(1,663,851)
DETAILS OF WRITE-INS				
0601.	EOHHS Incentive Income	X X X	4,058,486	2,212,298
0602.	Grant Revenue	X X X		2,500
0603.		X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	4,058,486	2,214,798
0701.		X X X		
0702.		X X X		
0703.		X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Stop Loss Recoveries from EOHHS		(8,118,809)	(1,743,877)
1402.	CMS Cost Sharing Reduction Recoveries			(6,385,876)
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		(8,118,809)	(8,129,753)
2901.	Penalty and Interest		(700,000)	
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(700,000)	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	100,277,568	102,702,671
34.	Net income or (loss) from Line 32	6,070,668	(1,663,851)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $..............0	480,882	342,423
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(5,262,827)	(1,103,674)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in		
	44.2 Transferred from surplus (Stock Dividend)		
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in		
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	1,288,723	(2,425,102)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	101,566,291	100,277,569
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

			1 Current Year	2 Prior Year
		Cash from Operations		
1.		Premiums collected net of reinsurance	1,324,990,340	1,359,394,589
2.		Net investment income	4,022,496	2,460,657
3.		Miscellaneous income	4,058,486	2,214,798
4.		TOTAL (Lines 1 through 3)	1,333,071,322	1,364,070,044
5.		Benefit and loss related payments	1,275,373,832	1,192,761,687
6.		Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.		Commissions, expenses paid and aggregate write-ins for deductions	147,388,080	139,079,399
8.		Dividends paid to policyholders		
9.		Federal and foreign income taxes paid (recovered) net of $..............0 tax on capital gains (losses)		
10.		TOTAL (Lines 5 through 9)	1,422,761,912	1,331,841,086
11.		Net cash from operations (Line 4 minus Line 10)	(89,690,590)	32,228,958
		Cash from Investments		
12.		Proceeds from investments sold, matured or repaid:		
	12.1	Bonds	31,897,557	35,154,634
	12.2	Stocks		
	12.3	Mortgage loans		
	12.4	Real estate		
	12.5	Other invested assets		
	12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7	Miscellaneous proceeds	4,402	4,103,374
	12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	31,901,959	39,258,008
13.		Cost of investments acquired (long-term only):		
	13.1	Bonds	33,938,573	38,192,828
	13.2	Stocks		
	13.3	Mortgage loans		
	13.4	Real estate		
	13.5	Other invested assets		
	13.6	Miscellaneous applications	587	1,152
	13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	33,939,160	38,193,980
14.		Net increase (decrease) in contract loans and premium notes		
15.		Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,037,200)	1,064,028
		Cash from Financing and Miscellaneous Sources		
16.		Cash provided (applied):		
	16.1	Surplus notes, capital notes		
	16.2	Capital and paid in surplus, less treasury stock		
	16.3	Borrowed funds		
	16.4	Net deposits on deposit-type contracts and other insurance liabilities		
	16.5	Dividends to stockholders		
	16.6	Other cash provided (applied)	(8,345,969)	2,178,781
17.		Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(8,345,969)	2,178,781
		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)	(100,073,759)	35,471,767
19.		Cash, cash equivalents and short-term investments:		
	19.1	Beginning of year	243,611,242	208,139,475
	19.2	End of year (Line 18 plus Line 19.1)	143,537,483	243,611,242

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

20.0001			

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1.	Net premium income	1,373,688,533	100,982,407						1,272,706,126		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of $..............0 medical expenses)										XXX
4.	Risk revenue										XXX
5.	Aggregate write-ins for other health care related revenues	4,058,486							4,058,486		XXX
6.	Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7.	TOTAL Revenues (Lines 1 to 6)	1,377,747,019	100,982,407						1,276,764,612		
8.	Hospital/medical benefits	565,961,530	24,039,344						541,922,186		XXX
9.	Other professional services	295,916,021	19,581,589						276,334,432		XXX
10.	Outside referrals	174,033,997	3,256,565						170,777,432		XXX
11.	Emergency room and out-of-area	48,292,294	2,493,545						45,798,749		XXX
12.	Prescription drugs	168,373,108	14,787,359						153,585,749		XXX
13.	Aggregate write-ins for other hospital and medical	(8,118,809)							(8,118,809)		XXX
14.	Incentive pool, withhold adjustments and bonus amounts	(412,272)							(412,272)		XXX
15.	Subtotal (Lines 8 to 14)	1,244,045,869	64,158,402						1,179,887,467		XXX
16.	Net reinsurance recoveries	4,569,785	24,995						4,544,790		XXX
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	1,239,476,084	64,133,407						1,175,342,677		XXX
18.	Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses including $......19,092,354 cost containment expenses	31,441,514	3,620,196						27,821,318		
20.	General administrative expenses	103,426,579	13,230,808						90,195,771		
21.	Increase in reserves for accident and health contracts										XXX
22.	Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	1,374,344,177	80,984,411						1,293,359,766		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	3,402,842	19,997,996						(16,595,154)		
DETAILS OF WRITE-INS											
0501.	EOHHS Incentive Income	4,058,486							4,058,486		XXX
0502.											XXX
0503.											XXX
0598.	Summary of remaining write-ins for Line 5 from overflow page										XXX
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	4,058,486							4,058,486		XXX
0601.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698.	Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.	Stop Loss Recoveries from EOHHS	(8,118,809)							(8,118,809)		XXX
1302.											XXX
1303.											XXX
1398.	Summary of remaining write-ins for Line 13 from overflow page										XXX
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	(8,118,809)							(8,118,809)		XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	101,274,117		291,710	100,982,407
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	1,276,190,547		3,484,421	1,272,706,126
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	1,377,464,664		3,776,131	1,373,688,533
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	1,377,464,664		3,776,131	1,373,688,533

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	1,277,690,418	63,510,996						1,214,179,422		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	3,652,427	123,695						3,528,732		
1.4 Net	1,274,037,991	63,387,301						1,210,650,690		
2. Paid medical incentive pools and bonuses	1,335,840							1,335,840		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	129,685,152	8,702,403						120,982,749		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	129,685,152	8,702,403						120,982,749		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	1,442,239							1,442,239		
6. Net healthcare receivables (a)	8,197,003	108,389						8,088,614		
7. Amounts recoverable from reinsurers December 31, current year	2,002,705							2,002,705		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	154,720,426	7,946,607						146,773,819		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	154,720,426	7,946,607						146,773,819		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	3,190,351							3,190,351		
11. Amounts recoverable from reinsurers December 31, prior year	1,085,347	98,699						986,648		
12. Incurred benefits:										
12.1 Direct	1,244,458,141	64,158,403						1,180,299,738		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	4,569,785	24,996						4,544,789		
12.4 Net	1,239,888,356	64,133,407						1,175,754,949		
13. Incurred medical incentive pools and bonuses	(412,272)							(412,272)		

(a) Excludes $.........645,000 loans or advances to providers not yet expensed.

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

	1 Total	2 Compre-hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	16,173,146	1,085,284						15,087,862		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	16,173,146	1,085,284						15,087,862		
2. Incurred but Unreported:										
2.1 Direct	113,512,006	7,617,119						105,894,887		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	113,512,006	7,617,119						105,894,887		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	129,685,152	8,702,403						120,982,749		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	129,685,152	8,702,403						120,982,749		

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
Line of Business	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	5,157,628	58,328,374	1,398,997	7,303,406	6,556,625	7,946,607
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	111,001,699	1,098,632,933	5,264,866	115,717,884	116,266,565	146,773,819
8. Other health						
9. Health subtotal (Lines 1 to 8)	116,159,327	1,156,961,307	6,663,863	123,021,290	122,823,190	154,720,426
10. Healthcare receivables (a)	7,542,901	1,564,260	(71,726)	7,823,176	7,471,175	8,661,608
11. Other non-health						
12. Medical incentive pool and bonus amounts	744,883	590,956		1,442,239	744,883	3,190,351
13. TOTALS (Lines 9 - 10 + 11 + 12)	109,361,309	1,155,988,003	6,735,589	116,640,353	116,096,898	149,249,169

(a) Excludes $.........645,000 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	35,947	35,714	35,133	34,729	34,532
2. 2014	721,291	792,183	792,133	791,621	791,463
3. 2015	XXX	807,565	888,231	887,562	886,894
4. 2016	XXX	XXX	861,203	968,808	968,459
5. 2017	XXX	XXX	XXX	1,091,858	1,210,134
6. 2018	XXX	XXX	XXX	XXX	1,149,355

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	36,238	35,612	35,134	34,729	34,532
2. 2014	801,302	792,183	792,133	791,621	791,463
3. 2015	XXX	890,819	889,770	887,562	886,894
4. 2016	XXX	XXX	983,166	972,528	968,459
5. 2017	XXX	XXX	XXX	1,246,048	1,216,798
6. 2018	XXX	XXX	XXX	XXX	1,273,818

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014	892,604	791,463	12,256	1.549	803,719	90.042			803,719	90.042
2. 2015	1,009,430	886,894	19,412	2.189	906,306	89.784			906,306	89.784
3. 2016	1,119,660	968,459	23,603	2.437	992,062	88.604			992,062	88.604
4. 2017	1,363,672	1,210,134	27,114	2.241	1,237,248	90.729	6,664	172	1,244,084	91.230
5. 2018	1,373,688	1,149,355	27,535	2.396	1,176,890	85.674	124,463	3,192	1,304,545	94.967

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior		102	102	102	102
2. 2014	1,666	1,743	1,678	1,741	1,739
3. 2015	X X X	23,827	23,329	23,962	24,172
4. 2016	X X X	X X X	23,712	29,737	30,038
5. 2017	X X X	X X X	X X X	31,319	35,967
6. 2018	X X X	X X X	X X X	X X X	58,220

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior			102	102	102
2. 2014	1,850	1,743	1,678	1,741	1,739
3. 2015	X X X	29,529	24,108	23,962	24,172
4. 2016	X X X	X X X	31,568	29,988	30,038
5. 2017	X X X	X X X	X X X	39,014	37,366
6. 2018	X X X	X X X	X X X	X X X	65,523

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014	2,441	1,739	0	(0.003)	1,739	71.239			1,739	71.239
2. 2015	42,649	24,172	244	1.008	24,416	57.248			24,416	57.248
3. 2016	52,676	30,038	489	1.627	30,527	57.952			30,527	57.952
4. 2017	54,119	35,967	3,182	8.848	39,149	72.339	1,399	37	40,585	74.993
5. 2018	100,982	58,220	3,114	5.349	61,334	60.738	7,303	189	68,826	68.157

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	35,947	35,612	35,031	34,627	34,430
2. 2014	719,625	790,440	790,455	789,880	789,724
3. 2015	XXX	783,738	864,902	863,600	862,722
4. 2016	XXX	XXX	837,491	939,071	938,421
5. 2017	XXX	XXX	XXX	1,060,539	1,174,167
6. 2018	XXX	XXX	XXX	XXX	1,091,135

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	36,238	35,612	35,032	34,627	34,430
2. 2014	799,452	790,440	790,455	789,880	789,724
3. 2015	XXX	861,290	865,662	863,600	862,722
4. 2016	XXX	XXX	951,598	942,540	938,421
5. 2017	XXX	XXX	XXX	1,207,034	1,179,432
6. 2018	XXX	XXX	XXX	XXX	1,208,295

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014	890,163	789,724	12,257	1.552	801,981	90.094			801,981	90.094
2. 2015	966,781	862,722	19,169	2.222	881,891	91.219			881,891	91.219
3. 2016	1,066,984	938,421	23,114	2.463	961,535	90.117			961,535	90.117
4. 2017	1,309,553	1,174,167	23,932	2.038	1,198,099	91.489	5,265	135	1,203,499	91.901
5. 2018	1,272,706	1,091,135	24,421	2.238	1,115,556	87.652	117,160	3,003	1,235,719	97.094

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS ($000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015					
4. 2016		XX			
5. 2017		XX	XXX		
6. 2018	XXX	XXX	XXX	XXX	

NONE

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior					
2. 2014					
3. 2015					
4. 2016		XX			
5. 2017		XX	XXX		
6. 2018	XXX	XXX	XXX	XXX	

NONE

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2014										
2. 2015										
3. 2016										
4. 2017										
5. 2018										

NONE

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

	1 Total	2 Compre-hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including $..............0 for investment income)									
5. Aggregate write-ins for other policy reserves	7,500,000	7,500,000							
6. TOTALS (Gross)	7,500,000	7,500,000							
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	7,500,000	7,500,000							
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. Risk Adjustment Liability	7,500,000	7,500,000							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	7,500,000	7,500,000							
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($..............0 for occupancy of own building)	277,829	179,137	1,470,912		1,927,878
2. Salaries, wages and other benefits	9,737,002	6,689,745	32,887,305		49,314,052
3. Commissions (less $..............0 ceded plus $..............0 assumed)					
4. Legal fees and expenses	22,884	14,755	121,156		158,795
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	965,566	622,570	5,111,998		6,700,134
7. Traveling expenses	49,158	31,696	260,257		341,111
8. Marketing and advertising	348,105	224,448	1,842,973		2,415,526
9. Postage, express and telephone	106,498	68,667	563,834		738,999
10. Printing and office supplies	237,632	153,218	1,258,093		1,648,943
11. Occupancy, depreciation and amortization	158,072	101,921	836,882		1,096,875
12. Equipment	241,107	155,459	1,276,493		1,673,059
13. Cost or depreciation of EDP equipment and software	674,080	434,628	3,568,783		4,677,491
14. Outsourced services including EDP, claims, and other services	5,015,253	3,233,693	26,552,257		34,801,203
15. Boards, bureaus and association fees	113,471	73,163	134,460		321,094
16. Insurance, except on real estate	112,353	72,441	594,828		779,622
17. Collection and bank service charges				466,289	466,289
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			23,630,195		23,630,195
23.3 Regulatory authority licenses and fees	43,843	28,269	232,118		304,230
23.4 Payroll taxes	820,834	244,399	2,132,660		3,197,893
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	168,667	20,951	951,375		1,140,993
26. TOTAL Expenses Incurred (Lines 1 to 25)	19,092,354	12,349,160	103,426,579	466,289	(a) 135,334,382
27. Less expenses unpaid December 31, current year		3,364,213	14,210,243		17,574,456
28. Add expenses unpaid December 31, prior year		3,816,620	14,148,523		17,965,143
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	19,092,354	12,801,567	103,364,859	466,289	135,725,069
DETAILS OF WRITE-INS					
2501. Conferences, Training, and Tuition		18,505	180,652		199,157
2502. Recruitment Fees		78,972	770,935		849,907
2503. Meeting		8,542	83,387		91,929
2598. Summary of remaining write-ins for Line 25 from overflow page	168,667	(85,068)	(83,599)		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	168,667	20,951	951,375		1,140,993

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 839,474	863,464
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 1,059,118	1,063,166
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 2,348,723	2,305,221
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL gross investment income	4,247,315	4,231,851
11.	Investment expenses		(g) 466,289
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		466,289
17.	Net Investment income (Line 10 minus Line 16)		3,765,562
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

(a) Includes $..........99,666 accrual of discount less $.........341,134 amortization of premium and less $.........134,891 paid for accrued interest on purchases.
(b) Includes $...............0 accrual of discount less $...............0 amortization of premium and less $...............0 paid for accrued dividends on purchases.
(c) Includes $...............0 accrual of discount less $...............0 amortization of premium and less $...............0 paid for accrued interest on purchases.
(d) Includes $...............0 for company's occupancy of its own buildings; and excludes $...............0 interest on encumbrances.
(e) Includes $.........326,233 accrual of discount less $..........73,034 amortization of premium and less $.........292,863 paid for accrued interest on purchases.
(f) Includes $...............0 accrual of discount less $...............0 amortization of premium.
(g) Includes $...............0 investment expenses and $...............0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $...............0 interest on surplus notes and $...............0 interest on capital notes.
(i) Includes $...............0 depreciation on real estate and $...............0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(528,692)		(528,692)	480,882	
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	(16,179)		(16,179)		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	(587)		(587)		
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	(545,457)		(545,457)	480,882	
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	1,190,269	254,987	(935,282)
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	15.3 Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
	16.3 Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software	286,272	15,269	(271,003)
21.	Furniture and equipment, including health care delivery assets	738,646	911,501	172,855
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	4,604,687	4,899,760	295,073
25.	Aggregate write-ins for other than invested assets	5,910,587	1,386,117	(4,524,470)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,730,461	7,467,634	(5,262,827)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	12,730,461	7,467,634	(5,262,827)
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Premium Taxes			
2502.	Prepaid Expenses	1,505,286	1,186,624	(318,662)
2503.	Receivable from State			
2598.	Summary of remaining write-ins for Line 25 from overflow page	4,405,301	199,493	(4,205,808)
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,910,587	1,386,117	(4,524,470)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	199,639	207,101	206,667	204,433	193,920	2,440,979
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	199,639	207,101	206,667	204,433	193,920	2,440,979
DETAILS OF WRITE-INS							
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

		SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME						
(1)	State basis (Page 4, Line 32, Columns 2 & 3)				6,070,668	(1,663,851)
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(201)						
(299)	Total				0	0
(3)	State Permitted Practices that are an increase/(decrease) NAIC SAP:					
(301)						
(399)	Total				0	0
(4)	NAIC SAP (1-2-3=4)				6,070,668	(1,663,851)
SURPLUS						
(5)	State basis (Page 3, Line 33, Columns 3 & 4)				101,566,289	100,277,568
(6)	State Prescribed Practices that are an increase/(decrease) NAIC SAP:					
(601)						
(699)	Total				0	0
(7)	State Permitted Practices that are an increase/(decrease) NAIC SAP:					
(701)						
(799)	Total				0	0
(8)	NAIC SAP (5-6-7=8)				101,566,289	100,277,568

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are authorized, as well as when services are provided without authorization to the extent such services are expected to be ultimately authorized. Expenses are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.

(2) Bonds are stated at amortized cost using the scientific interest method. The Company does not have any mandatory convertible securities and SVO-identified investments.

Notes to Financial Statements

(3) The Company had no common stock.

(4) The Company had no preferred stock.

(5) The Company had no mortgage loans.

(6) The Company only had loan-backed securities designated with NAIC 1 designations and are reported at amortized cost.

(7) The Company had no investments in parent, subsidiary or affiliates.

(8) The Company had no investments in joint ventures, partnership, and limited liability companies based on the underlying GAAP equity of the investee.

(9) The Company had no derivatives.

(10) The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company's capitalization policy has not changed.

(13) The Company's pharmaceutical rebate receivables are estimated based on a historical percentage of gross pharmaceutical claims methodology.

D. Going Concern

None

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method - None

B. Statutory Merger - None

C. Assumption Reinsurance – None

D. Impairment Loss – None

4. Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Health for Sale – None

B. Change in Plan of Sale of Discontinued Operation – None

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal – None

D. Equity Interest Retained in Discontinued Operation After Disposal - None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages – None

Notes to Financial Statements

D. Loan-Backed Securities

(1) Prepayment assumptions for loan-backed securities were obtained from third party sources

(2), (3) There were no other-than-temporary impairments on any loan-backed securities

E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

H. Repurchase Agreements Transactions Accounted for as a Sale – None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None

J. Real Estate – None

K. Low-income housing tax credits (LIHTC) – None

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

	Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets	7 Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown	$	$	$	$		.........%	........%
b.	Collateral held under security lending agreements	....	....	....	....		....	....
c.	Subject to repurchase agreements	....	....	....	....		....	....
d.	Subject to reverse repurchase agreements	....	....	....	....		....	....
e.	Subject to dollar repurchase agreements	....	....	....	....		....	....
f.	Subject to dollar reverse repurchase agreements	....	....	....	....		....	....
g.	Placed under option contracts	....	....	....	....		....	....
h.	Letter stock or securities restricted as to sale– excluding FHLB capital stock	....	....	....	....		....	....
i.	FHLB capital stock	....	....	....	....		....	....
j.	On deposit with states	85,991,393	84,464,872	1,526,521		85,991,393	24.809	25.755
k.	On deposit with other regulatory bodies	....	....	....	....		....	....
l.	Pledged as collateral to FHLB (including assets backing funding agreements)	....	....	....	....		....	....
m.	Pledged as collateral not captured in other categories	....	....	....	....		....	....
n.	Other restricted assets	....	....	....	....		....	....
o.	Total Restricted Assets	$85,991,393	$84,464,872	$1,526,521		$85,991,393	24.809	25.755

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

M. Working Capital Finance Investments – None

N. Offsetting and Netting of Assets and Liabilities – None

Notes to Financial Statements

O. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (Yes/No)
912810FR4	105,581	101,514	105,518	NO
912810FR4	553,572	532,223	553,236	NO
912810FS2	69,035	68,010	70,000	NO
912810FS2	367,244	361,813	372,387	NO
912810PS1	63,627	60,918	63,853	NO
912810PS1	338,393	323,973	339,596	NO
9128282L3	179,283	177,887	183,136	NO
9128282L3	947,921	940,540	968,296	NO
9128283R9	185,576	184,071	189,759	NO
9128283R9	982,160	974,205	1,004,201	NO
9128284H0	77,983	76,704	79,229	NO
9128284H0	411,912	405,157	418,492	NO
912828B25	221,879	226,183	233,379	NO
912828B25	1,101,577	1,140,516	1,170,423	NO
912828C99	21,405	22,340	22,670	NO
912828C99	110,140	114,890	116,590	NO
912828H45	216,999	218,772	229,897	NO
912828H45	1,135,888	1,144,976	1,203,342	NO
912828K33	199,457	204,786	210,528	NO
912828K33	1,049,776	1,077,768	1,107,981	NO
912828LA6	43,439	41,325	41,934	NO
912828LA6	211,753	201,900	204,887	NO
912828MF4	18,756	18,589	19,047	NO
912828MF4	112,684	111,533	114,249	NO
912828N71	223,353	225,051	235,009	NO
912828N71	1,180,568	1,189,554	1,242,190	NO
912828NM8	113,732	113,406	115,665	NO
912828NM8	613,045	614,473	626,186	NO
912828PP9	157,980	155,385	159,805	NO
912828PP9	830,573	832,173	852,479	NO
912828Q60	161,848	161,897	167,115	NO
912828Q60	850,746	850,996	878,447	NO
912828QV5	148,803	149,837	154,085	NO
912828QV5	779,118	796,908	816,850	NO
912828S50	135,458	132,767	141,599	NO
912828S50	721,749	707,431	754,462	NO
912828SA9	217,642	224,512	231,882	NO
912828SA9	1,133,957	1,195,229	1,229,304	NO
912828TE0	222,753	229,749	237,191	NO
912828TE0	1,201,907	1,214,998	1,269,128	NO
912828UH1	175,824	182,045	188,323	NO
912828UH1	935,897	963,144	1,004,327	NO
912828V49	203,929	202,939	212,559	NO
912828V49	1,078,638	1,073,389	1,124,279	NO
912828VM9	183,416	188,098	194,141	NO
912828VM9	938,234	994,687	1,015,775	NO
912828WU0	168,292	176,789	181,094	NO
912828WU0	887,500	930,951	954,423	NO
912828X39	78,619	78,484	81,427	NO
912828X39	412,248	411,536	426,968	NO
912828XL9	193,261	198,520	205,743	NO
912828XL9	1,032,495	1,060,487	1,099,150	NO
912828Y38	83,261	82,908	83,656	NO
912828Y38	439,086	437,241	441,169	NO
	24,229,972	24,506,174	25,347,065	XXX

Notes to Financial Statements

P. 5GI Securities – None

Q. Short Sales – None

R. Prepayment Penalty and Acceleration Fees

Description	
Number of CUSIPS	9
Aggregate Amount of Investment Income	6,128

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

B. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

None. The Company is a non-profit HMO.

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

A, B, C & D

A Neighborhood bylaw includes certain Rhode Island Community Health Centers to be "Members of the Corporation" so long as specific criteria continue to be met, which includes having in effect with Neighborhood a contract to provide health care services for Neighborhood's enrollees in exchange for payment. Contracts entered into by and between Neighborhood and the Members of the Corporation provide for capitation-based reimbursement to manage and deliver primary care medical services and fee-for-service based reimbursement to deliver other medical services. For the years ended December 31, 2017 and 2018, medical and hospital expenses included $34,272,511 and $33,642,240, respectively, for medical services provided, and incentive arrangements earned, by such Members of the Corporation. At December 31, 2017 and 2018 accrued incentives in the amount of $3,190,531 and $961,493 were due to members of the Corporation.

E. Guarantees - None

F. Material management contracts – None

G. Common Control – None

H. Deductions in Value – There have been no deductions in value between affiliated companies.

I. SCA that exceed 10% of Admitted Assets – None

J. Impaired SCAs – None

K. Foreign Subsidiary – None

L. Downstream Noninsurance Holding Company – None

M. Non-Insurance SCA Investments - None

N. Investment in Insurance SCA – None

O. SCA Loss Tracking - None

Notes to Financial Statements

11. Debt

A. Debt – None

B. FHLB (Federal Home Loan Bank) Agreements – None

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

A. Defined Benefit Plan - None

B. Investment Policies and Strategies – None

C. Plan Assets – None

D. Long-term Rate-of-return-on-assets Assumption - None

E. Defined Contribution Plans - Neighborhood sponsors a Safe Harbor 401(k) Profit Sharing Plan and Trust (the Plan) covering employees meeting certain age and length of service requirements. Neighborhood matches one hundred percent of the first three percent of a participant's eligible compensation and fifty percent of the next two percent of a participant's eligible compensation contribution. Employer contributions to the Plan included in administrative expenses, totaled $1,153,411 and $1,298,625 for the years ended December 31, 2017 and 2018, respectively. At December 31, 2018, the fair value of plan assets was $27,198,305.

F. Multi-Employer Plan – None

G. Consolidated/Holding Company Plans – None

H. Post-Employment Benefits and Compensated Absences – None

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

(1) The Company has no common stock issued or outstanding.

(2) The Company has no preferred stock issued or outstanding.

(3) No dividends can be issued since the Company is not a stock company.

(4) None.

(5) None.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) Portion of unassigned funds represented or reduced by unrealized gains or losses is $1,409,430.

(11) Surplus Notes - None

(12), (13) There have been no quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments - None

B. Assessments – None.

C. Gain Contingencies – None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None

E. Joint and Several Liabilities – None

F. All Other Contingencies – None

Notes to Financial Statements

15. Leases

A. Lessee Operating Lease –

(1)
Neighborhood has two operating lease agreement, one with Foundry Parcel Six Associates, LLC and the other with Smithfield Office Center LLC. It also has one sublease agreement with Northwestern Mutual Life Insurance Company.

Neighborhood operating lease agreement with Foundry Parcel Six Associates, LLC, leases approximately 61,040 square feet of office space. The 61,040 square feet of office space is made up of 44,328 square feet of office space leased on July 16, 2003 (amended by both parties on August 23, 2005 to include an additional 6,100 square feet) and 10,612 square feet of office space leased on September, 2007. The terms and conditions for these agreements as at December 31, 2018 extend through December 31, 2020. The exception to that is Neighborhood has exercised the option to terminate early and exit by December 31, 2019 from the 10,612 square feet of office space leased on September, 2007 by paying a buyout fee of $23,034.

Neighborhood sublease agreement of approximately 9,250 square feet of office space with the Northwestern Mutual Life Insurance Company on October 31, 2013 has been terminated effective December 31, 2018.

In December 2015 the Company entered into a lease with Smithfield Office Center, LLC to rent out 75,543 square feet of administrative office space through November 2025. Neighborhood has the option to extend the term of this lease for two (2) consecutive additional periods of five (5) year each.

In addition to base rent, Neighborhood pays to Foundry Parcel Six Associates, LLC and Smithfield Office Center, LLC, increases in real estate taxes and operating expenses over the base year amounts, as well as maintenance and insurance costs on all leases and subleases. Neighborhood also pays to Northwestern Mutual Life Insurance Company a square footage percentage of electricity costs based on the total rentable space. The above operating leases (excluding the sublease) require Neighborhood to pay the lessor security deposits of $79,363. The security deposits, together with any and all accrued interest, will be held by the lessor during the term of the leases.

Minimum rent expense related to the leases totaled approximately $2,014,541 and $ 2,560,270 for the years ended December 31, 2017 and 2018 respectively.

At December 31, 2018 the annual minimum future lease payments under all non-cancelable operating leases with Foundry Parcel Six Associates, LLC, and Smithfield Office Center, LLC, and Northwestern Mutual Life Insurance Company, excluding real estate taxes and operating expenses, are $13,041,972.

(2) a. At January 1, 2019, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
2019	2,645,415
2020	2,667,101
2021	1,512,338
2022	1,541,874
2023	1,573,267
There After	3,101,977
Total	$13,041,972

b. None

B. Lessor Leases – None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

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

A. Transfers of Receivables reported as Sales – None

B. Transfer and Servicing of Financial Assets – None

C. Wash Sales – None

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

A. ASO Plans – None

B. ASC Plans - None

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – None

Notes to Financial Statements

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

None

20. Fair Value Measurements

A.

(1) Fair Value Measurements at reporting date: During 2018, Neighborhood only reports Money Market Mutual Funds in Cash Equivalents at fair value using Level 2. The Company has no other assets or liabilities reported at fair value. Level 1 measurement is the unadjusted quoted price for identical assets or liabilities in active markets accessible at the measurement date, Level 2 measurement requires significant other observable inputs, and Level 3 requires significant unobservable inputs. Neighborhood's investments, comprised principally of bonds, are recorded at amortized cost.

	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a.	Assets at fair value					
	Cash Equivalents					
	Money Market Mutual Fund		46,948,371			46,948,371
	Total Cash Equivalents		46,948,371			46,948,371
	Subtotal – Assets at fair value		46,948,371			46,948,371
b.	Liabilities at fair value					
	Subtotal – Liabilities at fair value					

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

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

(4) The valuation techniques and inputs used in the fair value measurement Level 2: The fair value of most securities is priced automatically through Neighborhood's primary pricing vendor: Interactive Data Pricing and Reference Data, Inc., and other industry leading pricing sources like Bloomberg and PricingDirect Inc. In the event an automated price is not available from pricing vendors, other pricing sources, like investment managers and brokers, are used to ensure accurate and timely pricing.

The valuation techniques and inputs used in the fair value measurement Level 3: not applicable.

(5) Derivative assets and liabilities- None

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

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	102,569,361	104,084,675		102,569,361			
Short-term Investments	52,760,030	52,770,121		52,760,030			
Cash Equivalents	46,948,371	46,948,371		46,948,371			

D. Not Practicable to Estimate Fair Value – None

E. Investments Measured at Net Asset Value (NAV) - None

21. Other Items

A. Unusual and Infrequent Items – None

B. Troubled Debt Restructuring – None

C. Other Disclosures – None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-transferable Tax Credits - None

F. Subprime-Mortgage-Related Risk Exposure – None

G. Retained Assets – None

Notes to Financial Statements

H. Insurance-Linked Securities – None

22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2019 for the statutory statement issued on December 31, 2018.

None

Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2019 for the statutory statement issued on December 31, 2018.

On January 1, 2019, the Company is not subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA) due to being a non-profit HMO with a percentage of Medicaid business being over 80% of total premiums.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (x)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured polices?

Yes ( ) No (x)

Section 3 – Ceded Reinsurance Report – Part B – None

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.

B. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.

C. The Company has no accrued retrospective rated contracts or contracts subject to redetermination.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act - None

Notes to Financial Statements

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

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

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

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1.Premium adjustments receivable due to ACA Risk Adjustment	0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	37,719
3.Premium adjustments payable due to ACA Risk Adjustment	7,500,000
Operations (Revenue & Expense)	
4.Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	(5,721,020)
5.Reported in expenses as ACA risk adjustment user fees (incurred/paid)	37,719
b. Transitional ACA Reinsurance Program	
Assets	
1.Amounts recoverable for claims paid due to ACA Reinsurance	0
2.Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	0
3.Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	0
Liabilities	
4.Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	
5.Ceded reinsurance premiums payable due to ACA Reinsurance	0
6.Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	
Operations (Revenue & Expense)	
7.Ceded reinsurance premiums due to ACA Reinsurance	0
8.Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	(15,609)
9.ACA Reinsurance contributions – not reported as ceded premium	0
c. Temporary ACA Risk Corridors Program	
Assets	
1.Accrued retrospective premium due to ACA Risk Corridors	0
Liabilities	
2.Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
Operations (Revenue & Expense)	
3.Effect of ACA Risk Corridors on net premium income (paid/received)	0
4.Effect of ACA Risk Corridors on change in reserves for rate credits	0

Notes to Financial Statements

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	$0	$0	$0	$0	$0	$0	$0	$0	A	$0	$0
2. Premium adjustments (payable)	$0	$10,413,158	$0	$8,634,178	$0	$1,778,980	$0	$(1,778,980)	B	$0	$0
3. Subtotal ACA Permanent Risk Adjustment Program	$0	$10,413,158	$0	$8,634,178	$0	$1,778,980	$0	$(1,778,980)		$0	$0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$34,518	$0	$50,126	$0	$(15,609)	$0	$15,609	$0	C	$0	$0
2. Amounts recoverable for claims unpaid (contra liability)	$0	$0	$0	$0	$0	$0	$0	$0	D	$0	$0
3. Amounts receivable relating to uninsured plans	$0	$0	$0	$0	$0	$0	$0	$0	E	$0	$0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$0	$0	$0		$0	$0	$0	$0	F	$0	$0
5. Ceded reinsurance premiums payable	$0	$0	$0		$0	$0	$0	$0	G	$0	$0
6. Liability for amounts held under uninsured plans	$0	$0	$0	$0	$0	$0	$0	$0	H	$0	$0
7. Subtotal ACA Transitional Reinsurance Program	$34,518	$0	$50,126	$0	$(15,609)	$0	$15,609	$0		$0	$0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	$0	$0	$0	$0	$0	$0	$0	$0	I	$0	$0
2. Reserve for rate credits or policy experience rating refunds	$0	$0	$0	$0	$0	$0	$0	$0	J	$0	$0
3. Subtotal ACA Risk Corridors Program	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0
d. Total for ACA Risk Sharing Provisions	$34,518	$10,413,158	$50,126	$8,634,178	$(15,609)	$1,778,980	$15,609	$1,778,980		$0	$0

Explanations of Adjustments

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

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances - None

(5) ACA Risk Corridor Receivable - None

Notes to Financial Statements

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2017 were $161,727,398. As of December 31, 2018, $120,720,829 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $(807,313) as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a $38,852,866 favorable prior-year development since December 31, 2017 to December 31, 2018. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables
In accordance with NAIC SAP Statement No. 84, the following is a summary of the required disclosures relating to pharmaceutical rebates:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2018	3,356,268	3,356,268			
09/30/2018	3,367,615	3,356,268			
06/30/2018	3,257,805	3,276,859	2,301,432		
03/31/2018	3,206,333	3,206,333	1,111,906	2,033,195	
12/31/2017	2,591,499	2,820,056	1,741,636	1,022,119	
09/30/2017	2,893,508	2,867,135	2,033,987	827,153	5,994
06/30/2017	2,434,744	3,026,707		2,997,843	28,864
03/31/2017	2,110,730	1,404,598		1,404,598	
12/31/2016	848,081	1,207,338		1,207,338	
09/30/2016	1,050,000	1,482,762		1,162,316	
06/30/2016	1,050,000	1,383,794		1,378,371	
03/31/2016	1,050,000	1,144,285		533,785	605,957

Pharmaceutical rebate receivables are estimated based on the past experience and historical trends.

B. Risk Sharing Receivables - None

29. Participating Policies

None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2018
3. Was anticipated investment income utilized in the calculation? (Yes / No)	YES

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[ ] No[X]
If yes, complete Schedule Y, Parts 1, 1A and 2.
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[ ] No[ ] N/A[X]
1.3 State Regulating? ....
1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[ ] No[X]
1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

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

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013
3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/21/2014
3.4 By what department or departments?
Rhode Island Department of Business Regulation, Insurance Division
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]
3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[X] N/A[ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[ ] No[X]
4.12 renewals? Yes[ ] No[X]
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[ ] No[X]
4.22 renewals? Yes[ ] No[X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
If yes, complete and file the merger history data file with the NAIC.
5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP, 200 Charendon Street, Boston, MA 02116

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
10.2 If response to 10.1 is yes, provide information related to this exemption:
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
10.4 If response to 10.3 is yes, provide information related to this exemption:
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jeremy D. Palmer, Principal & Consulting Actuary, Milliman, 111 Monument Circle, Suite 601, Indianapolis, IN 46204

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
12.11 Name of real estate holding company
12.12 Number of parcels involved 0
12.13 Total book/adjusted carrying value $........................ 0
12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]
13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? 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.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes[ ] No[X]
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers $........................ 0
20.12 To stockholders not officers $........................ 0
20.13 Trustees, supreme or grand (Fraternal only) $........................ 0
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers $........................ 0
20.22 To stockholders not officers $........................ 0
20.23 Trustees, supreme or grand (Fraternal only) $........................ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others $........................ 0
21.22 Borrowed from others $........................ 0
21.23 Leased from others $........................ 0
21.24 Other $........................ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment $........................ 0
22.22 Amount paid as expenses $........................ 0
22.23 Other amounts paid $........................ 0

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
24.02 If no, give full and complete information, relating thereto
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Not Applicable
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $........................ 0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $........................ 0
24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]
24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
- 24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 85,991,393
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Comerica Bank	411 West Lafayette, Detroit, MI 48226	Not all provisions related to safeguards and controls were included in Custodial Agreement.
RBS Citizens Bank	One Citizens Plaza, Providence, RI 02903	Not all provisions related to safeguards and controls were included in Custodial Agreement

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[ ] No[X]

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

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

28.05 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
Income Research & Management	U
RBS Citizens Bank - Private Wealth	U

28.0597 For those firms/individuals listed in the table for Question 28.05, 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[X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[ ] No[X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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		SEC	DS
	RBS Citizens Bank - Private Wealth	DRMSV1Q0EKMEXLAU1P80	Inv Mgr, not a registered Investment Advisor	NO

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

29.2 If yes, complete the following schedule:

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

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	156,854,796	155,329,390	(1,525,406)
30.2	Preferred stocks			
30.3	Totals	156,854,796	155,329,390	(1,525,406)

30.4 Describe the sources or methods utilized in determining the fair values:
Comerica

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. 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.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. 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]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. 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]

OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 219,900

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
America's Health Insurance Plans	96,574
Association for Community Affiliated Plans	70,417

36.1 Amount of payments for legal expenses, if any? $ 158,795

36.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? $ 86,400

37.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Capitol City Group, Ltd.	86,400

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

		1 Current Year	2 Prior Year
2.1	Premium Numerator	1,373,688,533	1,363,671,765
2.2	Premium Denominator	1,373,688,533	1,363,671,765
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	138,627,391	168,323,936
2.5	Reserve Denominator	138,627,391	168,323,936
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes[ ] No[X]
3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No[ ]
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[X] No[ ] N/A[ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[ ]
5.2 If no, explain:
5.3 Maximum retained risk (see instructions):
5.31 Comprehensive Medical $ 525,000
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & Vision $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Company has hold harmless clause with all contracted providers

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No[ ]
7.2 If no, give details:

8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year 6,799
8.2 Number of providers at end of reporting year 6,740

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[ ] No[X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months 0
9.22 Business with rate guarantees over 36 months 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No[ ]
10.2 If yes:
10.21 Maximum amount payable bonuses $ 1,442,239
10.22 Amount actually paid for year bonuses $ 1,335,840
10.23 Maximum amount payable withholds $ 0
10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes[ ] No[X]
11.13 An Individual Practice Association (IPA), or, Yes[ ] No[X]
11.14 A Mixed Model (combination of above)? Yes[X] No[ ]
11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No[ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Rhode Island
11.4 If yes, show the amount required. $ 99,171,312
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[ ] No[X]
11.6 If the amount is calculated, show the calculation.
200% of Authorized Control Level RBC

12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Rhode Island

13.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]
13.2 If yes, please provide the amount of custodial funds held as of the reporting date: $ 0
13.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]
13.4 If yes, please provide the balance of the funds administered as of the reporting date: $ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes[ ] No[ ] N/A[X]
14.2 If the answer to 14.1 is yes, please provide the following:

GENERAL INTERROGATORIES (Continued)

1	2	3	4	Assets Supporting Reserve Credit		
	NAIC			5	6	7
Company Name	Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
    - 15.1 Direct Premium Written $ 0
    - 15.2 Total incurred claims $ 0
    - 15.2 Number of covered lives 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[ ] No[X]

16.1 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]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	333,881,490	382,572,757	348,826,417	369,480,153	251,986,846
2. TOTAL Liabilities (Page 3, Line 24)	232,315,200	282,295,189	246,123,746	283,924,104	193,871,536
3. Statutory minimum capital and surplus requirement	99,171,312	95,640,338	76,324,796	68,106,626	62,512,730
4. TOTAL Capital and Surplus (Page 3, Line 33)	101,566,289	100,277,568	102,702,671	85,556,049	58,115,309
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	1,377,747,019	1,365,886,563	1,121,891,188	1,011,374,936	894,421,716
6. TOTAL Medical and Hospital Expenses (Line 18)	1,239,476,084	1,232,285,769	981,487,659	881,073,729	796,061,342
7. Claims adjustment expenses (Line 20)	31,441,514	29,889,981	27,159,852	23,395,147	18,464,974
8. TOTAL Administrative Expenses (Line 21)	103,426,579	103,393,547	93,717,742	78,880,735	59,451,842
9. Net underwriting gain (loss) (Line 24)	3,402,842	317,266	19,525,935	28,025,325	20,443,558
10. Net investment gain (loss) (Line 27)	3,220,105	2,051,872	1,565,533	936,952	719,765
11. TOTAL Other Income (Lines 28 plus 29)	(552,279)	(4,032,989)	(1,358,596)	(386,625)	(31,689)
12. Net income or (loss) (Line 32)	6,070,668	(1,663,851)	19,732,872	28,575,652	21,131,634
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(89,690,590)	32,228,958	(35,450,603)	114,796,935	111,503,021
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	101,566,289	100,277,568	102,702,671	85,556,049	58,115,309
15. Authorized control level risk-based capital	49,588,540	47,820,169	38,162,355	34,053,313	31,256,365
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	193,920	199,639	192,678	178,418	147,699
17. TOTAL Members Months (Column 6, Line 7)	2,440,979	2,407,779	2,231,981	2,068,756	1,662,870
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	90.2	90.4	87.7	87.3	89.2
20. Cost containment expenses	1.4	1.3	1.5	1.4	1.1
21. Other claims adjustment expenses	0.9	0.9	1.0	1.0	1.0
22. TOTAL Underwriting Deductions (Line 23)	100.0	100.1	98.5	97.4	97.9
23. TOTAL Underwriting Gain (Loss) (Line 24)	0.2	0.0	1.7	2.8	2.3
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	116,096,898	109,380,174	81,487,345	68,698,073	36,237,795
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	149,249,169	109,932,734	73,051,660	77,302,499	38,479,315
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

ALLOCATED BY STATES AND TERRITORIES

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	L	101,274,117		1,276,190,547				1,377,464,664	
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX	101,274,117		1,276,190,547				1,377,464,664	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. TOTAL (Direct Business)	XXX	101,274,117		1,276,190,547				1,377,464,664	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1	R - Registered - Non-domiciled RRGs	
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state		Q - Qualified - Qualified or accredited reinsurer	
N - None of the above - Not allowed to write business in the state	56		

Explanation of basis of allocation by state, premiums by state, etc.: Premiums were allocated by residence of member.

39 Schedule T - Part 2 - Interstate Compact - Exhibit of Premiums Written . . . . . . NONE

40 Schedule Y - Part 1 . . . . NONE

41 Schedule Y - Part 1A . . . . NONE

42 Schedule Y - Part 2 . . . . NONE

INDEX TO HEALTH ANNUAL STATEMENT

INDEX TO HEALTH
ANNUAL STATEMENT