ANNUAL STATEMENT

OF THE

MCS Advantage Inc.

of

San Juan

in the state of

Puerto Rico

TO THE

Insurance Department

OF THE STATE OF

Puerto Rico

For the Year Ending
DECEMBER 31, 2014

2014

HEALTH

2014

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ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2014

OF THE CONDITION AND AFFAIRS OF THE

MCS Advantage Inc.

NAIC Group Code 1301 (Current Period), 1301 (Prior Period) NAIC Company Code 13022 Employer's ID Number 660642758

Organized under the Laws of Puerto Rico, State of Domicile or Port of Entry Puerto Rico

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[ ] N/A[X]

Incorporated/Organized 03/17/2004 Commenced Business 02/01/2007

Statutory Home Office Suite 203 255 Ponce de León Avenue (Street and Number), San Juan, PR, 00917 (City or Town, State, Country and Zip Code)

Main Administrative Office Suite 203 255 Ponce de León Avenue (Street and Number)
San Juan, PR, 00917 (City or Town, State, Country and Zip Code) (787)758-2500 (Area Code) (Telephone Number)

Mail Address PO Box 193310 (Street and Number or P.O. Box), San Juan, PR, 00917 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records Suite 203 255 Ponce de León Avenue (Street and Number)
San Juan, PR, 00917 (City or Town, State, Country and Zip Code) (787)758-2500 (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact David P Schaffer (Name) (787)758-2500-2920 (Area Code)(Telephone Number)(Extension)
davids@medicalcardsystem.com (E-Mail Address) (Fax Number)

OFFICERS

Name	Title
David Scanavino	President
David Schaffer	CFO
Martiza Munich	Secretary

OTHERS

DIRECTORS OR TRUSTEES

Daniel Agroskin
Gerald Landgraf
Jay Wagner
James O'Drobinak
Robert VanHees
Paul S Levy
Cyril Meduña
Alexander Castaldi
Carmen Conde

State of Puerto Rico
County of 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)
David Scanavino	David Schaffer	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Chief Financial Officer	0
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
_____ day of _____, 2015

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)

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)	77,807,834		77,807,834	82,762,139
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 $.....0 encumbrances)				
5. Cash ($.....30,613,338, Schedule E Part 1), cash equivalents ($.....0, Schedule E Part 2) and short-term investments ($.....0, Schedule DA)	30,613,338		30,613,338	16,135,466
6. Contract loans (including $.....0 premium notes)				
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)	108,421,172		108,421,172	98,897,605
13. Title plants less $.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	422,351		422,351	454,302
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	43,262,675		43,262,675	55,076,727
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				1,076,579
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	38,940,954		38,940,954	17,384,483
18.1 Current federal and foreign income tax recoverable and interest thereon	10,011,097	3,893,655	6,117,442	6,684,518
18.2 Net deferred tax asset	10,041,861	10,041,861		0
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	4,665,069		4,665,069	4,885,060
24. Health care ($.....12,804,447) and other amounts receivable	13,456,321	651,874	12,804,447	4,563,859
25. Aggregate write-ins for other than invested assets	24,563,857	24,563,857		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	253,785,357	39,151,248	214,634,110	189,023,133
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	253,785,357	39,151,248	214,634,110	189,023,133
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. Deferred Cost	24,529,099	24,529,099		
2502. Prepaids and other assets	34,759	34,759		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	24,563,857	24,563,857		

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)	123,023,931		123,023,931	81,794,619
2.	Accrued medical incentive pool and bonus amounts	10,681,429		10,681,429	22,518,413
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	1,870,377		1,870,377	
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	12,695,661		12,695,661	11,149,826
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	1,951,993		1,951,993	1,928,098
13.	Remittances and items not allocated	4,133,849		4,133,849	7,936,942
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	429,131		429,131	
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	11,722,530		11,722,530	
23.	Aggregate write-ins for other liabilities (including $.....0 current)	600,000		600,000	600,000
24.	TOTAL Liabilities (Lines 1 to 23)	167,108,900		167,108,900	125,927,897
25.	Aggregate write-ins for special surplus funds	XXX	XXX		
26.	Common capital stock	XXX	XXX	1	1
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	639,999	639,999
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	29,943,815	
31.	Unassigned funds (surplus)	XXX	XXX	16,941,395	62,455,236
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	47,525,210	63,095,236
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	214,634,110	189,023,133
DETAILS OF WRITE-INS					
2301.	Statutory Deposits	600,000		600,000	600,000
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	600,000		600,000	600,000
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.	Federal Provider Fees (Data Year)	XXX	XXX	29,943,815	
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	29,943,815	

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX	2,048,997	1,490,072
2.	Net premium income (including $.....0 non-health premium income)	XXX	1,475,064,778	1,173,785,058
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $.....0 medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX		
7.	Aggregate write-ins for other non-health revenues	XXX		
8.	TOTAL Revenues (Lines 2 to 7)	XXX	1,475,064,778	1,173,785,058
Hospital and Medical:				
9.	Hospital/medical benefits		948,211,728	761,145,362
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs		331,134,674	195,054,547
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		11,722,509	32,873,781
16.	Subtotal (Lines 9 to 15)		1,291,068,911	989,073,690
Less:				
17.	Net reinsurance recoveries			
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		1,291,068,911	989,073,690
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.....0 cost containment expenses		16,232,268	14,123,687
21.	General administrative expenses		173,572,162	166,572,950
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)		1,480,873,341	1,169,770,326
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(5,808,563)	4,014,732
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,711,924	1,616,292
26.	Net realized capital gains (losses) less capital gains tax of $.....0		(81,380)	(429,526)
27.	Net investment gains (losses) (Lines 25 plus 26)		1,630,544	1,186,766
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29.	Aggregate write-ins for other income or expenses		(16,782,854)	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(20,960,872)	5,201,497
31.	Federal and foreign income taxes incurred	XXX	131,921	1,476,159
32.	Net income (loss) (Lines 30 minus 31)	XXX	(21,092,793)	3,725,338
DETAILS OF WRITE-INS				
0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701.		XXX		
0702.		XXX		
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Federal Health Providers Fees		(16,782,854)	
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)		(16,782,854)	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	63,095,236	62,782,663
34.	Net income or (loss) from Line 32	(21,092,793)	3,725,338
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		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(2,323,590)	4,049,037
39.	Change in nonadmitted assets	7,846,357	(7,461,802)
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)	(15,570,026)	312,573
49.	Capital and surplus end of reporting year (Line 33 plus 48)	47,525,210	63,095,236
DETAILS OF WRITE-INS			
4701.			
4702.	Statutory deposit		
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	1,489,825,786	1,143,165,659
2.	Net investment income	1,910,025	1,775,629
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	1,491,735,810	1,144,941,288
5.	Benefit and loss related payments	1,268,409,973	1,005,679,983
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	214,875,389	179,862,168
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	0	0
10.	TOTAL (Lines 5 through 9)	1,483,285,362	1,185,542,151
11.	Net cash from operations (Line 4 minus Line 10)	8,450,448	(40,600,863)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	9,085,465	11,150,440
	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		0
	12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	9,085,465	11,150,440
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	4,378,690	30,319,927
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications	0	0
	13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	4,378,690	30,319,927
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)	4,706,775	(19,169,487)
	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)	1,320,649	2,777,787
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,320,649	2,777,787
	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)	14,477,872	(56,992,563)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	16,135,466	73,128,029
	19.2 End of year (Line 18 plus Line 19.1)	30,613,338	16,135,466

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	1,475,064,778						1,475,064,778			
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										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)	1,475,064,778						1,475,064,778			
8.	Hospital/medical benefits	948,211,728						948,211,728			XXX
9.	Other professional services										XXX
10.	Outside referrals										XXX
11.	Emergency room and out-of-area										XXX
12.	Prescription drugs	331,134,674						331,134,674			XXX
13.	Aggregate write-ins for other hospital and medical										XXX
14.	Incentive pool, withhold adjustments and bonus amounts	11,722,509						11,722,509			XXX
15.	Subtotal (Lines 8 to 14)	1,291,068,911						1,291,068,911			XXX
16.	Net reinsurance recoveries										XXX
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	1,291,068,911						1,291,068,911			XXX
18.	Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses including $.....0 cost containment expenses	16,232,268						16,232,268			
20.	General administrative expenses	173,572,162						173,572,162			
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)	1,480,873,341						1,480,873,341			
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(5,808,563)						(5,808,563)			
DETAILS OF WRITE-INS											
0501.											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)										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.											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)										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)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare	1,475,064,778			1,475,064,778
7. Title XIX - Medicaid				
8. Other health				
9. Health subtotal (Lines 1 through 8)	1,475,064,778			1,475,064,778
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	1,475,064,778			1,475,064,778

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	1,238,117,091						1,238,117,091			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	1,238,117,091						1,238,117,091			
2. Paid medical incentive pools and bonuses	23,559,493						23,559,493			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	123,023,931						123,023,931			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	123,023,931						123,023,931			
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	10,681,429						10,681,429			
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	81,794,619						81,794,619			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	81,794,619						81,794,619			
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	22,518,413						22,518,413			
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	1,279,346,403						1,279,346,403			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	1,279,346,403						1,279,346,403			
13. Incurred medical incentive pools and bonuses	11,722,509						11,722,509			

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT 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. Reported in Process of Adjustment:										
1.1 Direct	91,246,312						91,246,312			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	91,246,312						91,246,312			
2. Incurred but Unreported:										
2.1 Direct	31,777,619						31,777,619			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	31,777,619						31,777,619			
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	123,023,931						123,023,931			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	123,023,931						123,023,931			

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	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)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	73,424,467	1,177,314,089		123,023,931	73,424,467	81,794,619
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	73,424,467	1,177,314,089		123,023,931	73,424,467	81,794,619
10. Healthcare receivables (a)		12,621,465				
11. Other non-health						
12. Medical incentive pool and bonus amounts	15,585,363	7,974,129		10,681,429	15,585,363	22,518,413
13. TOTALS (Lines 9 - 10 + 11 + 12)	89,009,830	1,172,666,753		133,705,359	89,009,830	104,313,032

(a) Excludes $.....0 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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	100,218	98,386	98,934	98,934	98,934
2. 2010	808,532	940,624	945,329	945,364	945,364
3. 2011	XXX	905,142	1,023,335	1,024,925	1,023,302
4. 2012	XXX	XXX	860,512	954,479	953,609
5. 2013	XXX	XXX	XXX	907,885	999,388
6. 2014	XXX	XXX	XXX	XXX	1,172,667

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	106,327	98,313	98,934	98,934	98,934
2. 2010	930,981	942,099	946,040	945,364	945,364
3. 2011	XXX	1,037,597	1,027,695	1,025,083	1,023,302
4. 2012	XXX	XXX	974,157	955,024	953,609
5. 2013	XXX	XXX	XXX	1,011,495	999,388
6. 2014	XXX	XXX	XXX	XXX	1,306,372

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. 2010	1,163,738	945,364	24,114	2.551	969,478	83.307			969,478	83.307
2. 2011	1,183,601	1,023,302	10,553	1.031	1,033,855	87.348			1,033,855	87.348
3. 2012	1,146,435	953,609	8,979	0.942	962,588	83.964			962,588	83.964
4. 2013	1,173,785	999,388	14,268	1.428	1,013,656	86.358			1,013,656	86.358
5. 2014	1,475,065	1,172,667	14,151	1.207	1,186,817	80.459	133,705		1,320,523	89.523

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	100,218	98,386	98,934	98,934	98,934
2. 2010	808,532	940,624	945,329	945,364	945,364
3. 2011	XXX	905,142	1,023,335	1,024,925	1,023,302
4. 2012	XXX	XXX	860,512	954,479	953,609
5. 2013	XXX	XXX	XXX	907,885	999,388
6. 2014	XXX	XXX	XXX	XXX	1,172,667

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	106,327	98,313	98,934	98,934	98,934
2. 2010	930,981	942,099	946,040	945,364	945,364
3. 2011	XXX	1,037,597	1,027,695	1,025,083	1,023,302
4. 2012	XXX	XXX	974,157	955,024	953,609
5. 2013	XXX	XXX	XXX	1,011,495	999,388
6. 2014	XXX	XXX	XXX	XXX	1,306,372

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. 2010	1,163,738	945,364	24,114	2.551	969,478	83.307			969,478	83.307
2. 2011	1,183,601	1,023,302	10,553	1.031	1,033,855	87.348			1,033,855	87.348
3. 2012	1,146,435	953,609	8,979	0.942	962,588	83.964			962,588	83.964
4. 2013	1,173,785	999,388	14,268	1.428	1,013,656	86.358			1,013,656	86.358
5. 2014	1,475,065	1,172,667	14,151	1.207	1,186,817	80.459	133,705		1,320,523	89.523

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

	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
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)	1,870,377						1,870,377		
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	1,870,377						1,870,377		
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	1,870,377						1,870,377		
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.									
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)									
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)			1,130,751		1,130,751
2.	Salaries, wages and other benefits			16,252,362		16,252,362
3.	Commissions (less $.....0 ceded plus $.....0 assumed)			13,881,814		13,881,814
4.	Legal fees and expenses			2,003,284		2,003,284
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			5,515,642		5,515,642
7.	Traveling expenses			390,991		390,991
8.	Marketing and advertising			4,177,672		4,177,672
9.	Postage, express and telephone			473,874		473,874
10.	Printing and office supplies			7,176		7,176
11.	Occupancy, depreciation and amortization					
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services		16,232,268			16,232,268
15.	Boards, bureaus and association fees			157,536		157,536
16.	Insurance, except on real estate			33,160		33,160
17.	Collection and bank service charges			129,826		129,826
18.	Group service and administration fees			126,672,556		126,672,556
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					
	23.3 Regulatory authority licenses and fees			678,839		678,839
	23.4 Payroll taxes			2,043,110		2,043,110
	23.5 Other (excluding federal income and real estate taxes)			45,654		45,654
24.	Investment expenses not included elsewhere				26,703	26,703
25.	Aggregate write-ins for expenses			(22,085)		(22,085)
26.	TOTAL Expenses Incurred (Lines 1 to 25)		16,232,268	173,572,162	26,703	(a) 189,831,134
27.	Less expenses unpaid December 31, current year			12,695,661		12,695,661
28.	Add expenses unpaid December 31, prior year			11,149,826		11,149,826
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)		16,232,268	172,026,328	26,703	188,285,299
DETAILS OF WRITE-INS						
2501.	Miscellaneous expenses			(22,085)		(22,085)
2502.						
2503.						
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			(22,085)		(22,085)

(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) 1,530,422	1,349,330
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 387,192	373,776
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) 15,520	15,520
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	1,933,134	1,738,627
11.	Investment expenses		(g) 26,703
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)		26,703
17.	Net Investment income (Line 10 minus Line 16)		1,711,924
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 $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 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 $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 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	(16,627)		(16,627)		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	(29,571)	(35,182)	(64,753)		
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					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	(46,198)	(35,182)	(81,380)		
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			
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	15.3 Accrued retrospective premiums			
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	3,893,655	3,458,500	(435,155)
18.2	Net deferred tax asset	10,041,861	12,365,451	2,323,590
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates		4,450,725	4,450,725
24.	Health care and other amounts receivable	651,874		(651,874)
25.	Aggregate write-ins for other than invested assets	24,563,857	26,722,929	2,159,072
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	39,151,248	46,997,605	7,846,357
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	39,151,248	46,997,605	7,846,357
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.	Deferred Cost	24,529,099		(24,529,099)
2502.	Prepaids and Other assets	34,759	26,722,929	26,688,171
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	24,563,857	26,722,929	2,159,072

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	130,392	164,146	171,646	175,408	179,539	2,048,997
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	130,392	164,146	171,646	175,408	179,539	2,048,997
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)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 TOTAL Individuals	58,398	27,210	13,004			98,612
Group Subscribers:						
ASES	795,390					795,390
0299997 Subtotal - Group Subscribers:	795,390					795,390
0299998 Premiums due and unpaid not individually listed	1,518,400	119,970	54,200			1,692,570
0299999 TOTAL Group	2,313,790	119,970	54,200			2,487,960
0399999 Premiums due and unpaid from Medicare entities	9,728,793	2,090,444	2,052,929	26,803,936		40,676,102
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	12,100,982	2,237,624	2,120,133	26,803,936		43,262,675

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
	7,658,148	4,963,317				12,621,465
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables	7,658,148	4,963,317				12,621,465
0299998 Claim Overpayment Receivables - Not Individually Listed						
0299999 Subtotal - Claim Overpayment Receivables						
Loans and Advances to Providers						
	50,000	6,160				56,160
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers	50,000	6,160				56,160
Capitation Arrangements Receivables						
	123,840			651,874	651,874	123,840
0499998 Capitation Arrangement Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangement Receivables	123,840			651,874	651,874	123,840
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
Other Receivables						
Plan to Plan	2,981					2,981
0699998 Other Receivables - Not Individually Listed						
0699999 Subtotal - Other Receivables	2,981					2,981
0799999 Gross health care receivables	7,834,969	4,969,477		651,874	651,874	12,804,447

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

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	3,582,897	10,966,287		12,621,465	3,582,897	4,551,709
2. Claim overpayment receivables						
3. Loans and advances to providers				56,160		
4. Capitation arrangement receivables				775,714		
5. Risk sharing receivables						
6. Other health care receivables				2,981		11,896
7. TOTALS (Lines 1 through 6)	3,582,897	10,966,287		13,456,321	3,582,897	4,563,605

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

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
0199999 Total - Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	69,312,645	21,933,667				91,246,312
0499999 Subtotals	69,312,645	21,933,667				91,246,312
0599999 Unreported claims and other claim reserves						31,777,619
0699999 TOTAL Amounts Withheld						
0799999 TOTAL Claims Unpaid						123,023,931
0899999 Accrued Medical Incentive Pool and Bonus Amounts						10,681,429

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually listed receivables							
MCS Life Insurance Company	1,384,363	3,280,705				4,665,069	
0199999 Total - Individually listed receivables	1,384,363	3,280,705				4,665,069	
0299999 Receivables not inidvidually listed							
0399999 TOTAL Gross Amounts Receivable	1,384,363	3,280,705				4,665,069	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Individually Listed Payables				
Medical Card System		429,131	429,131	
0199999 Total - Individually Listed Payables	X X X	429,131	429,131	
0299999 Payables not Individually Listed	X X X			
0399999 TOTAL Gross Payables	X X X	429,131	429,131	

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	266,207,008	21.501				266,207,008
2. Intermediaries						
3. All other providers						
4. TOTAL Capitation Payments	266,207,008	21.501				266,207,008
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	971,910,083	78.499	X X X	X X X		971,910,083
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. TOTAL Other Payments	971,910,083	78.499	X X X	X X X		971,910,083
13. TOTAL (Line 4 plus Line 12)	1,238,117,091	100.000	X X X	X X X		1,238,117,091

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
	NONE				
9999999 TOTALS			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1.	Administrative furniture and equipment						
2.	Medical furniture, equipment and fixtures						
3.	Pharmaceuticals and surgical supplies						
4.	Durable medical equipment						
5.	Other property and equipment						
6.	TOTAL						

NONE

Notes to Financial Statements

Notes to Financial Statements

MCS Advantage Inc. (the "Company") is a wholly owned subsidiary of Medical Card System, Inc. ("MCS") and operates as health insurance Company under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. It is primarily engaged in offering Medicare Advantage (MA) insurance coverage pursuant to two contracts with Centers for Medicaid & Medicare Services a federal agency within the U.S. Department of Health and Human Services.

Under the terms of these contracts, CMS pays the Company a fixed amount for each healthcare member of its coordinated care plan and the Company provides the coverage to that member for the health services provided. The MA plans offered by the Company provide coverage to residents of Puerto Rico who are eligible for Medicare benefits.

These plans provide plan members with full Medicare benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that Medicare does not provide. Also, the Company provides enhanced benefit coverage to Medicaid-eligible members under the Medicare Platino Program sponsored by the Puerto Rico Health Insurance Administration.

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with the NAIC Accounting Practices and Procedures Manual. The Commissioner of Insurance of Puerto Rico adopted the NAIC Accounting Practices and Procedures Manual as long as it does not contradict the provisions of the Insurance Code. The accounting practices used in preparing these financial statements did not result in differences for net income or capital and surplus under the NAIC Accounting Practices and Procedures Manual and practices permitted or prescribed by the Insurance Commissioner of Puerto Rico.

	NET INCOME	State of Domicile	2014	2013
(1)	MCS Advantage, Inc. state basis	PR	$ (21,092,793)	$ 3,725,338
(2)	State Prescribed Practices that increase / (decrease)	PR	-	-
(3)	State Permitted Practices that increase / (decrease)	PR	-	-
(4)	NAIC SAP (1-2-3=4)	PR	$ (21,092,793)	$ 3,725,338
	SURPLUS			
(5)	MCS Advantage, Inc. state basis	PR	$ 47,525,210	$ 63,095,236
(6)	State Prescribed Practices that increase / (decrease)	PR	-	-
(7)	State Permitted Practices that increase / (decrease)	PR	-	-
(8)	NAIC SAP (5-6-7=8)	PR	$ 47,525,210	$ 63,095,236

B. Use of Estimates

Management used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with the NAIC Accounting Practices and Procedures Manual. Actual results could differ from those estimates.

C. Accounting Policies

Premiums are recorded as revenue when due. Expenses incurred in connection to the acquisition of business, such as sales and broker commissions, are charged to operations as incurred.
The Company carries its premium receivables net of allowances for doubtful amounts based on the evaluation of the aging and other factors that deserve recognition.
Certain assets designated as "non-admitted assets" have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus.

Non-admitted assets as of December 31, 2014 and 2013 consist of the following:

Notes to Financial Statements

Non-Admitted Assets	2014	2013
Prepaid Assets	$ 24,563,857	$ 26,722,929
Prepaid tax credits	3,893,655	3,458,500
Healthcare receivables and other amount receivable	651,874	-
Due from affiliates	-	4,450,725
Deferred tax assets	10,041,861	12,365,451
	$ 39,151,248	$ 46,997,605

In addition, the company uses the following accounting policies:

1. Basis of valuation of short term investments - Short-term investments include debt securities with maturities of one year or less at the time of purchase and are stated at amortized cost, which approximates fair value.

2. Basis of valuation of bonds - Debt securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (classified 1 through 5 by the Securities and Valuation Office (SVO) of the NAIC) are stated at amortized cost net of unamortized premiums and/or discounts. Debt securities classified 6 by the SVO are stated at the lower of amortized cost or fair market value.

3. Basis of valuation of common stocks - Investments in common stocks are presented at estimated fair value. Unrealized gains or losses on investments in common stock are accounted as direct increases or decreases in surplus.

4. Basis of valuation of preferred stock - Investments in nonredeemable preferred stock are presented at estimated fair value. Unrealized gains or losses on investments in nonredeemable preferred stock are accounted as direct increases or decreases in surplus. A decline in the estimated fair value of any investment in debt securities, nonredeemable preferred and common stock below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established.

5. The company has no mortgage loans or real state.

6. The Company applies the provisions of SAP No. 43, Loan-Backed and Structured Securities (SSAP No. 43), which requires insurers to separate other-than-temporary impairments between interest and noninterest-related declines in the value of all loan-backed and structured securities. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method. Interest and dividend income are recognized when earned. Realized gains or losses on the sale of investments are included in the statutory statements of operations and are determined on a specific-identification basis.

7. The company does not have investments in subsidiaries or affiliated entities.

8. The company does not have investments in joint venture, partnership and limited liability entities.

9. The company does not invest in derivatives.

10. The company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

11. Independent care providers such as hospitals, physicians, clinics, and others provide health services under contractual arrangements. Services rendered to insured members are billed and paid on a fee-for-service basis up to established limits based on eligible members. Claim payables represent accrued medical claims and related expenses (hospitalization and other outside medical services) for amounts billed and not paid and an estimate of cost incurred for unbilled services provided to the balance sheet date based on experience and accumulated statistical data on claims processed, incomplete and unreported. The above liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current operations.

12. The company has not modified its capitalization policy from the prior.

Notes to Financial Statements

13. The company estimate anticipated pharmacy rebates receivable using the analysis of historical recovery.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory purchase method – None

B. Statutory merge – None

C. Assumption reinsurance – None

D. Impairment loss – None

4. Discontinued Operations

The company had no discontinued operations during 2014.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable

B. Debt Restructuring – None

C. Reverse Mortgage – None

D. Loan-Backed Securities

1. Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values.

2. Amortized cost exceeds the estimated fair value of certain investments at December 31, 2014. Write-downs for impairment of securities, which are deemed to be other than temporary, amounted to $35,182 during the year ended December 31, 2014 and is recorded in realized capital gain (loss).

Notes to Financial Statements

	Amortized Cost Basis Before Other-than-Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value
OTTI recognized 1st Quarter			
a. Intent to Sell	$ -	$ -	$ -
b. Inability or lack of intent to reain the investment in the security for a period of time sufficient to recover the amortized cost basis	-	-	-
c. Total 1st Quarter	$ -	$ -	$ -
			-
OTTI recognized 2nd Quarter			-
d. Intent to Sell	-	-	-
e. Inability or lack of intent to reain the investment in the security for a period of time sufficient to recover the amortized cost basis	975,623	15,899	959,724
f. Total 2nd Quarter	$ 975,623	$ 15,899	$ 959,724
			-
OTTI recognized 3rd Quarter			-
g. Intent to Sell	-	-	-
h. Inability or lack of intent to reain the investment in the security for a period of time sufficient to recover the amortized cost basis			-
i. Total 3rd Quarter	$ -	$ -	$ -
			-
OTTI recognized 4th Quarter			-
j. Intent to Sell	-	-	-
k. Inability or lack of intent to reain the investment in the security for a period of time sufficient to recover the amortized cost basis	835,207	19,283	815,924
l. Total 4th Quarter	$ 835,207	$ 19,283	$ 815,924
m. Annual Aggregate Total		$ 35,182	

3. Each security, by CUSIP, with an Other-than-temporary impairment at December 31, 2014 were as follows:

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
745185-BF-4	975,623	959,724	15,899	959,724	959,724	12/31/2014
745185-BF-4	835,207	815,924	19,283	815,924	815,924	12/31/2014
	-	-	-	-	-	
Total	1,810,830	1,775,648	$ 35,182	1,775,648	1,775,648	

4. All impaired securities for which an other than temporary impairment has not been recognized in earnings as a realized loss:

a. The aggregate amount of unrealized losses:

1. Less than 12 months $ 77,231
2. 12 Months or longer $ 1,695,449

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months $ 6,068,604
2. 12 Months or longer $ 61,224,749

The unrealized loss on investments in fixed-income securities were caused mainly by rising inflationary expectations and changes in interest rates during 2014. This had negative implications for fixed-income security prices. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than amortized cost of the investment.

Notes to Financial Statements

Because the company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-tank-temporarily impaired.

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of all owned investment securities at December 31, 2014 and 2013 were as follows:

	2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	$ 74,215,246	$ 78,390	$ (1,742,029)	$ 72,551,607
Obligations of the Commonwealth of PR and its instrumentalities	1,006,849	24,721	-	1,031,570
Corporate Bond	250,000	-	(3,500)	246,500
Mortgage-backed securities	2,335,738	63,836	(27,150)	2,372,424
Total	$ 77,807,834	$ 166,947	$ (1,772,679)	$ 76,202,101

	2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	$ 78,776,711	$ 56,385	$ (5,339,889)	$ 73,493,207
Obligations of the Commonwealth of PR and its instrumentalities	1,138,756	-	-	1,138,756
Mortgage-backed securities	2,846,672	71,694	(19,802)	2,898,563
Total	$ 82,762,139	$ 128,079	$ (5,359,691)	$ 77,530,527

The amortized cost and estimated fair value of investment securities at December 31, 2014, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair value
Due less than one year	$ 1,305,900	$ 1,323,915
Due after one year through five years	24,668,814	24,271,483
Due after five years through ten years	47,861,339	46,596,043
Due after ten years through Twenty years	1,636,043	1,638,238
Mortgage-backed securities	2,335,738	2,372,424
	$ 77,807,834	$ 76,202,101

For the mortgage-backed securities, Management evaluated SSAP No. 43R and concluded than the company does not intend to sell such security, and it is more likely than not that it will not be required to sell such security prior to the recovery of its amortized cost basis.

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

F. Real Estate – None

G. Low-income housing tax credits (LHITC) – None

H. Restricted Assets

Notes to Financial Statements

1. Restricted Assets (Including Pledged)

	Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted From Prior Year	3 Increase / (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	0%	0%
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			-			
i.	On deposit with states	646,574	641,694	4,880	646,574	25%	30%
j.	On deposit with other regulatory bodies			-			
k.	Pledged as collateral not captured in other categories			-			
l.	Other restricted assets			-			
m	Total Restricted Assets	$ 646,574	$ 641,694	$ 4,880	$ 646,574	25%	30%

At December 31, 2014, the Company has on deposit with states of $646,574 from the Commissioner of Insurance of Puerto Rico.

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

3. Detail of Other Restricted Assets – None

6. Joint ventures, Partnerships and Limited Liability Companies

A. The company has no investment in joint ventures, partnerships or limited liability companies.

B. Write downs for impairments of joint ventures, partnerships or limited liability companies - Non applicable.

7. Investment Income

A. Interest income is recognized when earned. Realized gains and losses from the sale of securities are determined using the specific identification method for determining the cost of the security sold.

B. The company did not have any non-admitted due and accrued investment income as of December 31, 2014.

8. Derivative Instruments

A. None

9. Income Taxes

The Company is currently only subject to Puerto Rico income taxes as operations are only conducted in Puerto Rico. The Company operates as a qualified domestic health insurance company and is subject to the alternative minimum tax and is also taxed on its capital gains. Deferred income taxes have been provided for the tax consequences of temporary differences between statutory and tax basis of assets and liabilities.

A. The component of the net deferred tax assets (liabilities) at December 31, 2014 are as follow:

Notes to Financial Statements

1.

	12/31/2014			12/31/2013			Change		
	-1	-2	-3 (Col 1+2)	-4	-5	-6 (Col 4+5)	-7 (Col 1-4)	-8 (Col 2-5)	-9 (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	$ 10,041,861	$ -	$ 10,041,861	$ 12,365,451	$ -	$ 12,365,451	$ (2,323,590)	$ -	$ (2,323,590)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	10,041,861	-	10,041,861	12,365,451	-	12,365,451	(2,323,590)	-	(2,323,590)
(d) Deferred Tax Assets Nonadmitted	10,041,861	-	10,041,861	12,365,451	-	12,365,451	(2,323,590)	-	(2,323,590)
(e) Subtotal net Admitted Deferred Tax Asset (1c-1d)	-	-	-	-	-	-	-	-	-
(f) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
(g) Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e-1f)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

B. The company has not recognized deferred tax liabilities as of December 31, 2014.

C. Deferred income taxes reflect the tax effects of: (a) temporary differences between carrying amounts of admitted assets and liabilities for financial reporting and income tax purposes. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2014 and 2013 are presented below:

	12/31/2014	12/31/2013	Change
1. Current Income Tax			
Federal	$ -	$ -	$ -
Foreign			-
Subtotal	$ -	$ -	$ -
Other	131,921	1,476,159	(1,344,238)
Federal and foreign income taxes incurred	$ 131,921	$ 1,476,159	$ (1,344,238)
2.. Deferred Tax Assets:			
Ordinary			
Receivables – nonadmitted	254,231	1,735,783	(1,481,552)
Net operating loss carry-forward	7,586,093	-	7,586,093
Tax credit carry-forward - AMT	133,451	207,726	(74,275)
Other (including items <5% of total ordinary tax assets)	2,068,086	10,421,942	(8,353,856)
Subtotal	$10,041,861	$ 12,365,451	$ (2,323,590)
Nonadmitted	10,041,861	12,365,451	(2,323,590)
Admitted ordinary deferred tax assets	$ (0)	$ -	$ (0)
Capital:			
Admitted deferred tax assets	$ (0)	$ -	$ (0)
3. Deferred Tax Liabilities:			
Ordinary			
Subtotal	$ -	$ -	$ -
Capital:			
Subtotal	$ -	$ -	$ -
Deferred tax liabilities	$ -	$ -	$ -
4. Net deferred tax assets/liabilities	$ (0)	$ -	$ (0)

D. The company is a qualified domestic insurance company, which was incorporated under the law of the Commonwealth of Puerto Rico. The company is exempt from federal income tax.

E. Operating loss and tax credit carry forwards - None

Notes to Financial Statements

F. Consolidated federal income tax return – None

G. Federal or foreign income tax loss contingencies - None

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

A. (applied for A, B, C & F) MCS Inc., the parent company, provide administrative claims processing, consulting, and other administrative services to the company. These services are provided through a service agreement approved by the Commissioner of Insurance. Administrative service fees under the service agreement are based on per member per month rates for all services provided. Total administrative service fees amounted to $126.7 million and $127.8 million for the years ended December 31, 2014 and 2013, respectively.

D. At December 31, 2014, the company has a balance receivable from MCS Life of $4.7 million as admitted assets and a payable balance to MCS Inc. of $429,131.

E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.

G. All outstanding shares of the company are owned by the Company.

H. The company owns no shares of the stock of its parent or any of its affiliate.

I. Investment in subsidiaries – None

J. Write down for impairment of investments in affiliates - Not applicable

K. Investment in foreign insurance subsidiaries - Not applicable

L. Investment in downstream noninsurance holding companies – None

11. Debt

The company had no debentures outstanding, no outstanding liability for borrowed money and does not have any reverse repurchase agreements.

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

A. (A thru D) - The company has no defined benefit plan.

E. Defined Contribution Plans - Not applicable.

F. The company does not participate in a multiemployer plan.

G. The company does not participate in a consolidated/holding company plan.

H. Postemployment Benefits and Compensated Absences - None

I. Impact or Medicare Modernization Act on postretirement benefit - Not applicable

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

1. The company has 100 shares, authorized and 1 share issued and outstanding. All shares are common stocks, $1 par value.

2. The company has no preferred stock authorized.

3. 4 & 5. The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. As a condition to the approval of the Company's RBC Plan, the Company must obtain authorization from the Commissioner of Insurance prior to the payment of any dividends.

The Company is required to maintain a minimum capital and surplus of $600,000. Generally, the payment of dividends is limited to unassigned surplus. Unassigned surplus is detailed as follows:

Accumulated earnings	$	86,036,458
Special Surplus - Health Insurance Provider Fees		(29,943,815)
Non-admitted assets		(39,151,248)
Unassigned surplus	$	16,941,395

Notes to Financial Statements

On March 18, 2008, the Commonwealth of Puerto Rico enacted Law No. 32 (the Law) to add a new Chapter 45, Risk-Based Capital, to the Insurance Code of Puerto Rico. RBC provides for targeted surplus levels based on formulas that specify various weighting factors that are applied to the financial balances or various levels of activity based on the perceived degree of risk and are set forth in the RBC requirements. Such formulas focus on four general types of risk, which includes the risk with respect to the Company's assets (asset or default risk), the risk of adverse insurance experience with respect to the Company's liabilities and obligations (insurance or underwriting risk), the interest rate risk with respect to the Company's business (asset/liability matching), and all other business risks (management, regulatory action, and contingencies). The amount determined under such formulas is called the authorized control level RBC (ACLC).

The Law requires, among other things, that all insurance companies, including health service organizations, authorized to conduct business in Puerto Rico to comply with the RBC requirements as adopted by the NAIC, to annually file an RBC report with the NAIC and the Commissioner of Insurance on or before March 31, and to maintain a minimum RBC level of 200% of the ACLC. The Law states that the Commissioner of Insurance will provide a ruling whereby an RBC compliance transition period of five years will be established. On January 5, 2010, Rule 92, Standards for Implementing the Provisions Related to Risk-Based Capital (Rule 92 or the Rule), was approved by the Commissioner of Insurance to establish the requirements to implement the Law. Rule 92 established a phased transition period of five years to comply with the minimum 200% RBC level requirement depending on the RBC of the Company at the Rule's effective date. Under the transition period guidance, the Company's minimum RBC requirement at December 31, 2014 and 2013 was 200% and 150%, respectively, of the ACLC. At December 31, 2014 and 2013, the company RBC was 106% and 174% respectively.

The Affordable Care Act (ACA) imposes an assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. Pursuant to Section 9010 of the ACA, a reporting entity's portion of the assessment is paid no later than September 30 of the applicable calendar year (the fee year) beginning in 2014. The amount of the assessment for the reporting entity is based on the ratio of the amount of an entity's subject net health premiums written for any U.S. health risk during the preceding calendar year (data year) to the aggregate amount of subject net health premiums written by all subject U.S. health insurance providers during the preceding calendar year. The company has recorded $16.8 million as expense at the beginning of the year related annual fee on health insurance provider. Also, the company reclassified $29.9 million from unassigned surplus to special surplus in the data year 2014

6. Unassigned funds – None

7. There have been no advances to surplus.

8. Amount of stock held by the company for special purposes - $0

9. Change in the balance of special surplus funds from prior year is $29,943,815.

10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:

    Unrealized gain and losses - $0

11. The company has not issued any surplus note or debentures or similar obligations.

12. Impact of quasi-reorganizations - Not applicable

13. Date of quasi-reorganizations - Not applicable

14. Contingencies

A. Contingent commitments – None

B. Assessment - None

C. Gain contingencies – None

D. Extra contractual obligations – None

E. Other Contingencies - None

15. Leases

A. Lessee Leasing Arrangements – None

Notes to Financial Statements

B. Lesser Leasing Arrangements – None

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

A. Financial instruments with off-balance-sheet risk – Not applicable

B. Financial instruments with concentrations of credit risk

1) Off-balance sheet credit exposure – Not applicable

2) Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of premiums receivable, accrued interest receivable, and other receivables. The Company's business activity is for insured's located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

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

The Company provides Medicare prescription drug coverage to eligible members with Medicare. As a result, the Company renewed its contracts with CMS to offer MAPD insurance coverage for medical and prescription drug benefits.

In general, pharmacy benefits under Part D plans (collectively referred to as Part D plans) may vary in terms of coverage levels and out-of-pocket costs for beneficiary premiums, deductibles, and coinsurance. However, all Part D plans must offer either "standard coverage" or its actuarial equivalent (with the Company's out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). These "defined standard" benefits represent the minimum level of benefits mandated by the U.S. Congress.

The payment the Company receives monthly from CMS generally represents the Company's bid amount for providing insurance coverage. The Company recognizes premium revenue for providing this insurance coverage ratably over the term of the annual contract. However, the payment is subject to 1) risk sharing through the risk corridor provisions, 2) reinsurance subsidy in order for the Company and CMS to share the risk associated with financing the ultimate costs of the Part D benefit, and 3) CMS coverage gap discount program (CGDP) subsidy.

The amount of revenue payable to a plan by CMS is subject to adjustment, positive or negative, based upon the application of risk corridors that compare a plan's revenues targeted in their bids (target amount) to actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company (risk-sharing receivable) or require the Company to refund to CMS (risk-sharing payable) a portion of the payments the Company received. Actual prescription drug costs subject to risk sharing with CMS are limited to the costs that are, or would have been, incurred under the CMS "defined standard" benefit plan (allowable risk corridor costs). The Company recognizes any changes in the risk-sharing receivable from or payable to CMS as an adjustment to premium revenue.

Reinsurance subsidies represent reimbursements from CMS for claims the Company paid for which the Company assumed no risk, including reinsurance payments. Claims paid above the out-of-pocket or catastrophic threshold for which the Company is not at risk are all reimbursed by CMS through the reinsurance subsidy for Part D plans offering the standard coverage. The Company accounts for these subsidies as a receivable for amounts due from uninsured plans. The Company does not recognize premium revenue or claims expense for these CMS subsidies.

Effective January 1, 2011, Part D sponsors must provide the discounts for applicable drugs in the Medicare Part D coverage gap (difference between the initial coverage limit and the catastrophic coverage threshold) at point of sale under the CGDP. Part D sponsors receive monthly prospective payments from CMS under the CGDP. These prospective payments provide cash flows to Part D sponsors for advancing the gap discounts at the point of sale. The Company accounts for these prospective payments or subsidies as a liability. For the year ended December 31, 2014, CGDP payments made monthly by CMS to MCS were lower than the actual gap discounts incurred and paid by MCS on behalf of CMS, resulting in a receivable from CMS approximately $18.8 million reported as part of amounts due from uninsured plans.

On a quarterly basis, CMS invoices manufacturers for discounts provided by Part D sponsors that are recorded as an account receivable from manufacturers as part of other receivables in the accompanying

Notes to Financial Statements

statutory statements of admitted assets, liabilities, and capital and surplus. The manufacturers remit payments for invoiced amounts directly to Part D sponsors. The prospective payments made to Part D sponsors are reduced by the discount amounts invoiced to manufacturers. For the year ended December 31, 2014, the discount amounts invoiced to manufacturers exceeded the reductions applied by CMS to the prospective payments received, causing the Company to have an outstanding payable to CMS approximately $11.7 million reported as part of liability for amounts held under uninsured plans in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The Company does not recognize premium revenue or claims expense for these CMS prospective payments or invoiced amounts to manufacturers.

These estimates of amounts due to or from CMS are primarily determined on the prescription drug benefit claim data submitted by plans to CMS in the form of Prescription Drug Event (PDE) data records. The Company used PDE submission reports and data, claims paid data, and actuarial assumptions pursuant to CMS risk-sharing and reinsurance guidelines in order to estimate the final settlement of amounts due to or from CMS.

At December 31, 2014, the Company has a Part D risk-sharing payable of $1.9 reported as aggregate health policy reserves in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. At December 31, 2014, the Company recorded a receivable of approximately $12.6 million for Part D reinsurance subsidies reported as amount due from uninsured plans in the accompanying statements of admitted assets, liabilities, and capital and surplus.

The Part D related accounting estimates for risk sharing and reinsurance due to or from CMS is necessarily based on estimates, and while management believes that amounts are adequate, the ultimate asset or liability may be in excess or less than the amount provided. The methodology for making such estimates and for establishing the resulting assets or liabilities are continually reviewed, and adjustments, if any, are reflected in the current year. The final Part D related estimates due to or from CMS are determined within one year after the contract year-end.

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

None

20. Fair Value Measurements

A. Inputs used for assets measured and reported at fair value.

1. Included in various investment-related line items in the statutory financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms, and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used.

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP 100. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Notes to Financial Statements

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the fair value hierarchy level for the company's assets and liabilities that are measured at fair market value at December 31, 2014 and 2013.

(1) **Fair Value Measurements at reporting Date**

2014

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Bonds				
Us Treasury Securities and Us Obligation of the US Gov Instr and States		$ 72,551,607		$ 72,551,607
Mortgage-backed Sec		2,372,424		2,372,424
Obligation of the Commonwalth of PR and its Intrumentalities		1,031,570		1,031,570
Corporate Bond		246,500		246,500
Money markets Funds	5,534,768			5,534,768
Total Bonds	$ 5,534,768	$ 76,202,101	$ -	$ 81,736,870
Total assets at fair value	$ 5,534,768	$ 76,202,101	$ -	$ 81,736,870

Fair Value Measurements at reporting Date

2013

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Bonds				
Us Treasury Securities and Us Obligation of the US Gov Instr and States		$ 73,493,207		$ 73,493,207
Mortgage-backed Sec		2,898,563		2,898,563
Obligation of the Commonwalth of PR and its Intrumentalities		1,138,756		1,138,756
Money markets Funds	5,581,313			5,581,313
Total Bonds	$ 5,581,313	$ 77,530,526	$ -	$ 83,111,839
Total assets at fair value	$ 5,581,313	$ 77,530,526	$ -	$ 83,111,839

2. The company has no assets or liabilities measured at Fair Value in Level 3

3. (3 & 4) - No transfers into or out of Level 3

4. The company has no derivative assets and liabilities reporting.

B. Other Fair Value disclosures – Non applicable.

C. The table below reflects the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in the table above.

Notes to Financial Statements

Type of financial Instruments	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 76,202,101	$ 77,807,834		$ 76,202,101		
Cash, cash equivalent and short-term investments	30,613,338	30,613,338	5,534,768			

D. Financial instruments for which it is not practicable to estimate fair values – Not applicable.

21. Other Items

A. Extraordinary Items - Not applicable.

B. Troubled Debt Restructuring - Not applicable.

C. A certificate of deposit of $646,574 is deposited with the Commissioner of Insurance to comply with deposit requirements of the Insurance Code.

D. Business Interruption Insurance Recoveries – Not applicable.

E. The company has a non-transferable Puerto Rico tax credit amount of $3,893,655 as non-admitted assets. The company has not recognized impairment loss.

F. The company has no exposure to subprime mortgage risk.

G. Retained Assets – Not applicable.

H. Offsetting and Netting of Assets and Liabilities – Not applicable.

I. Join and Several Liabilities – Not applicable.

22. Events Subsequent

None

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. Are any of the reinsurers, listed in Schedule S and 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 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)

   a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate $0.

Notes to Financial Statements

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? $0.

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

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. $0.

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

   Yes ( ) No (X)

B. As of December 31, 2014, the Company had no uncollectible reinsurance balances written off through income and expenses.

C. The company has not commuted any ceded reinsurance during the year.

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Not accrued retrospective premiums were recorded.

B. None

C. None

D. None

25. Change in Incurred Losses and Loss Adjustment Expenses

The activity in the unpaid medical claims for 2014 and 2013 is as follows:

	2014	2013
Unpaid medical claims, at beginning of year	$ 81,794,619	$ 99,010,158
Incurred claims:		
Current period insured events	1,287,716,554	982,585,422
Prior period insured events	(8,370,152)	(21,833,804)
Total incurred	1,279,346,402	960,751,618
Payment for claims:		
Current period insured events	1,164,692,624	900,790,803
Prior period insured events	73,424,467	77,176,354
Total paid	1,238,117,091	977,967,157
Unpaid medical claims, at end of year	$ 123,023,931	$ 81,794,619

The above table shows the components of changes in unpaid medical claims. Unpaid medical claims include claims in process as well as provisions for the estimate of incurred but not reported claims and provisions for disputed claim obligations. Such estimates are computed using actuarial principles and assumptions that consider, among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, and other relevant factors consider, among other

Notes to Financial Statements

things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, and other relevant factors.

Because unpaid claims include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of change in estimate of insured events in prior years, the incurred claims for prior period insured events during the years ended December 31, 2014 and 2013 were lower due to a favorable development of claims that is attributed to lower-than-expected cost per service and utilization trends.

Management believes the amount of unpaid medical claims is reasonable and adequate to cover the Company's liability for unpaid medical claims and for claims incurred, but not yet reported as of December 31, 2014.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivable

A. The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Prescription Benefit Manager. The company balance of pharmacy rebate receivable as of December 31, 2014 is $12,621,465. Also, the company has another receivables amounted of $2,981 related plan to plan Rx Receivables, $56,160 of recoveries from providers and $775,714 of capitation arrangement receivable of which $651,874 is non-admitted.

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 biling
12/31/2014	7,658,148	6,861,432			
9/30/2014	10,403,276	6,344,682	6,342,203		
6/30/2014	3,057,516	5,465,922	4,810,012	-	
3/31/2014	1,500,000	4,898,109		5,429,947	

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 biling
12/31/2013	2,855,815	2,302,216	-	2,263,828	-
9/30/2013	2,444,373	2,324,315	2,045,397		-
6/30/2013	1,700,000	2,163,494	2,330,323		-
3/31/2013	1,500,000	2,157,541	1,618,156		-

B. Risk Sharing Receivable – None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

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[X] No[ ]
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[X] No[ ] N/A[ ]
1.3 State Regulating? Puerto Rico

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. 12/31/2009
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. 12/31/2009
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). 10/31/2014
3.4 By what department or departments?
3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]
3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

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

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

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

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

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
7.2 If yes,
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 location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, San Juan Office

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
10.2 If response to 10.1 is "yes," provide information related to this exemption:
10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
10.4 If response to 10.3 is "yes," provide information related to this exemption:
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[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?
Matthew P. Chamblee, Milliman Tampa, FL

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]

GENERAL INTERROGATORIES (Continued)

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
15.2001				

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[X] No[ ]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 4,665,069

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[ ] No[X]
24.02 If no, give full and complete information, relating thereto
$646,574 in investment are under custody of the Commissioner of Insurance to comply with the deposit regulatory
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
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]

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

24.103 Total payable for securities lending reported on the liability page. $ 0

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

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	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	$ 646,574
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[X] No[ ]

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

1 Name of Custodian(s)	2 Custodian's Address
UBS Financial Services	1161 Ashford Ave. San Juan, PR 00907-1228
Merrill Lynch	Suite 210 Metro Office Park, Guaynabo, PR 00968

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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:

GENERAL INTERROGATORIES (Continued)

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	77,807,834	76,202,101	(1,605,733)
30.2 Preferred stocks			
30.3 Totals	77,807,834	76,202,101	(1,605,733)

30.4 Describe the sources or methods utilized in determining the fair values
Broker's statements

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 40,000
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ACODESE	40,000

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

1 Name	2 Amount Paid

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

1 Name	2 Amount Paid

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	1,475,064,778	1,173,785,058
2.2	Premium Denominator	1,475,064,778	1,173,785,058
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	135,575,736	104,313,032
2.5	Reserve Denominator	135,575,736	104,313,032
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

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

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

5.1 Does the reporting entity have stop-loss reinsurance? Yes[ ] No[X]
5.2 If no, explain:
not considered necesarry
5.3 Maximum retained risk (see instructions):
5.31 Comprehensive Medical $ 0
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & Vision $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

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

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 10,311
8.2 Number of providers at end of reporting year 12,379

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 $ 0
10.22 Amount actually paid for year bonuses $ 23,559,492
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 Minimum Net Worth Requirements? Yes[X] No[ ]
11.3 If yes, show the name of the state requiring such net worth.
Puerto Rico
11.4 If yes, show the amount required. $ 600,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No[ ]
11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
Puerto Rico

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		
				5	6	7
Company Name	NAIC 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)

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	214,634,110	189,023,133	200,095,080	207,562,128	249,314,417
2. TOTAL Liabilities (Page 3, Line 24)	167,108,900	125,927,897	137,312,417	158,982,083	171,350,300
3. Statutory surplus	600,000	600,000	600,000	600,000	600,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	47,525,210	63,095,236	62,782,663	48,580,046	77,964,117
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	1,475,064,778	1,173,785,058	1,146,434,799	1,183,600,987	1,165,090,013
6. TOTAL Medical and Hospital Expenses (Line 18)	1,291,068,911	989,073,690	968,816,757	1,044,950,910	931,131,950
7. Claims adjustment expenses (Line 20)	16,232,268	14,123,687	8,287,230	10,975,624	22,440,726
8. TOTAL Administrative Expenses (Line 21)	173,572,162	166,572,950	145,496,121	155,757,978	103,106,796
9. Net underwriting gain (loss) (Line 24)	(5,808,563)	4,014,732	23,834,690	(28,083,525)	108,410,541
10. Net investment gain (loss) (Line 27)	1,630,544	1,186,766	3,537,646	2,880,844	1,744,962
11. TOTAL Other Income (Lines 28 plus 29)	(16,782,854)			12,584	88,814
12. Net income or (loss) (Line 32)	(21,092,793)	3,725,338	27,337,645	(25,081,266)	69,118,531
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	8,450,448	(40,600,863)	3,220,248	(10,270,078)	68,953,096
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	47,525,210	63,095,236	62,782,663	48,580,045	77,964,117
15. Authorized control level risk-based capital	44,518,122	36,151,097	36,248,970	38,953,246	34,929,655
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	179,539	130,392	113,436	112,343	125,474
17. TOTAL Members Months (Column 6, Line 7)	2,048,997	1,490,072	1,352,081	1,416,251	1,454,554
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)	87.5	84.3	84.5	88.3	79.9
20. Cost containment expenses					
21. Other claims adjustment expenses	1.1	1.2	0.7	0.9	1.9
22. TOTAL Underwriting Deductions (Line 23)	100.4	99.7	97.9	102.4	90.7
23. TOTAL Underwriting Gain (Loss) (Line 24)	(0.4)	0.3	2.1	(2.4)	9.3
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	89,009,830	96,294,436	129,364,736	136,997,469	102,111,342
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	104,313,032	118,716,029	133,857,481	128,558,455	106,177,204
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::

13022201443054100 2014 Document Code: 430

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 1301 BUSINESS IN THE STATE OF **PUERTO RICO** DURING THE YEAR NAIC Company Code 13022

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
TOTAL Members at end of:										
1. Prior Year	130,392							130,392		
2. First Quarter	164,146							164,146		
3. Second Quarter	171,646							171,646		
4. Third Quarter	175,408							175,408		
5. Current Year	179,539							179,539		
6. Current Year Member Months	2,048,997							2,048,997		
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	2,451,119							2,451,119		
8. Non-Physician	99,742							99,742		
9. TOTAL	2,550,861							2,550,861		
10. Hospital Patient Days Incurred	202,963							202,963		
11. Number of Inpatient Admissions	34,839							34,839		
12. Health Premiums Written (b)	1,475,064,778							1,475,064,778		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	1,475,064,778							1,475,064,778		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	1,238,117,091							1,238,117,091		
18. Amount Incurred for Provision of Health Care Services	1,291,068,911							1,291,068,911		

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

13022201443059100 2014 Document Code: 430

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 1301 BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR NAIC Company Code 13022

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
TOTAL Members at end of:										
1. Prior Year	130,392							130,392		
2. First Quarter	164,146							164,146		
3. Second Quarter	171,646							171,646		
4. Third Quarter	175,408							175,408		
5. Current Year	179,539							179,539		
6. Current Year Member Months	2,048,997							2,048,997		
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	2,451,119							2,451,119		
8. Non-Physician	99,742							99,742		
9. TOTAL	2,550,861							2,550,861		
10. Hospital Patient Days Incurred	202,963							202,963		
11. Number of Inpatient Admissions	34,839							34,839		
12. Health Premiums Written (b)	1,475,064,778							1,475,064,778		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	1,475,064,778							1,475,064,778		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	1,238,117,091							1,238,117,091		
18. Amount Incurred for Provision of Health Care Services	1,291,068,911							1,291,068,911		

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

31 Schedule S - Part 1 - Section 2 . . . . . NONE

32 Schedule S - Part 2 . . . . . NONE

33 Schedule S - Part 3 - Section 2 . . . . . NONE

34 Schedule S - Part 4 . . . . . NONE

35 Schedule S - Part 5 . . . . . NONE

36 Schedule S - Part 6 . . . . . NONE

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	108,421,172		108,421,172
2. Accident and health premiums due and unpaid (Line 15)	43,262,675		43,262,675
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	62,950,263		62,950,263
6. TOTAL Assets (Line 28)	214,634,110		214,634,110
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	123,023,931		123,023,931
8. Accrued medical incentive pool and bonus payments (Line 2)	10,681,429		10,681,429
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)			
14. All other liabilities (Balance)	33,403,540		33,403,540
15. TOTAL Liabilities (Line 24)	167,108,900		167,108,900
16. TOTAL Capital and Surplus (Line 33)	47,525,210	X X X	47,525,210
17. TOTAL Liabilities, Capital and Surplus (Line 34)	214,634,110		214,634,110
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid			
19. Accrued medical incentive pool			
20. Premiums received in advance			
21. Reinsurance recoverable on paid losses			
22. Other ceded reinsurance recoverables			
23. TOTAL Ceded Reinsurance Recoverables			
24. Premiums receivable			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
26. Unauthorized reinsurance			
27. Reinsurance with Certified Reinsurers			
28. Funds held under reinsurance treaties with Certified Reinsurers			
29. Other ceded reinsurance payables/offsets			
30. TOTAL Ceded Reinsurance Payables/Offsets			
31. TOTAL Net Credit for Ceded Reinsurance			

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	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)	N								
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)	L		1,475,064,778					1,475,064,778	
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		1,475,064,778					1,475,064,778	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. TOTAL (Direct Business)	(a) 1		1,475,064,778					1,475,064,778	
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								

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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: MCS Advantage, Inc. only has operations in State of Puerto Rico

SCHEDULE T - PART 2

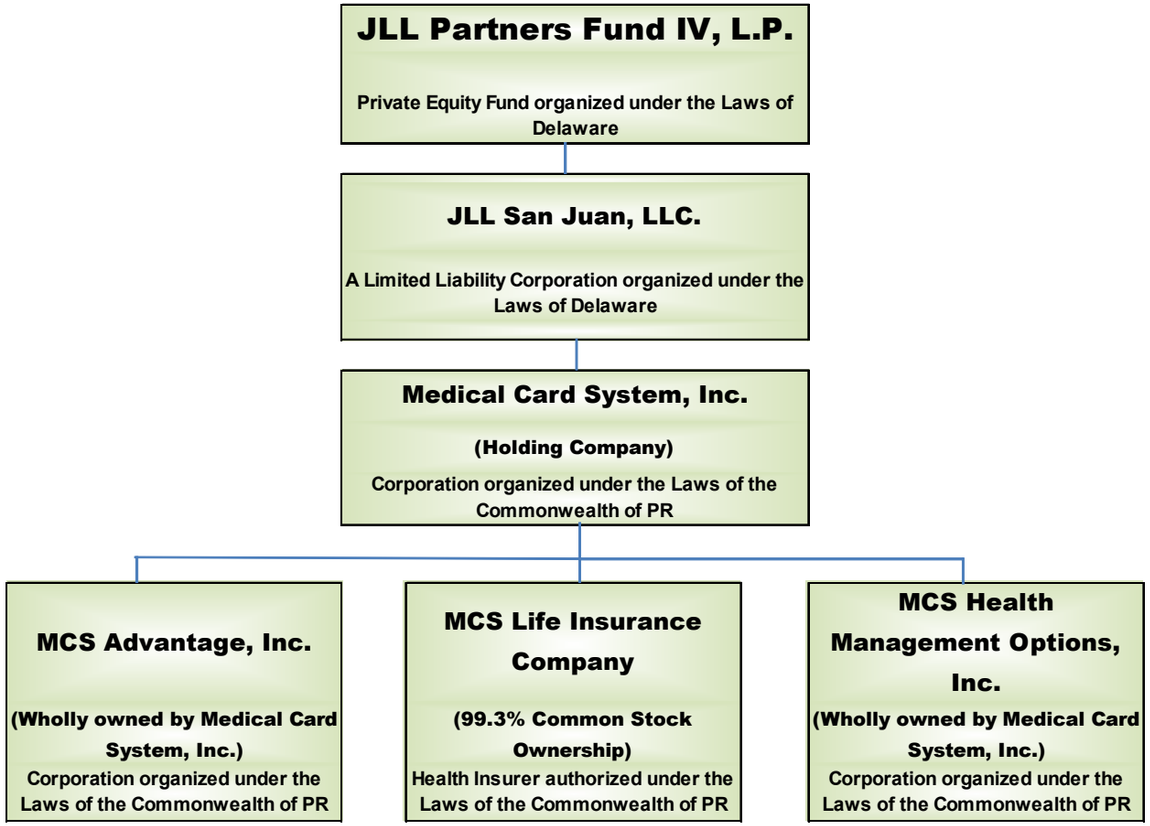
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

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

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Holding Company System's Organizational Chart



SCHEDULE Y - INFORMATION CONCERNING
MEMBERS OF A HOLDING COMPAN
PART 1 - ORGANIZATIONAL CH

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 FEDERAL RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies) / Person(s)	15 *
1301	Medical Card System Inc	13022	66-0642758				MCS ADVANTAGE INC	PR	UDP	Medical Card System Inc	Ownership, Board of Directors	100.0	JLL Partners Fund IV, LLC	
1301	Medical Card System Inc	60030	66-0520918				MCS LIFE INS CO	PR	IA	Medical Card System Inc	Ownership, Board of Directors	99.3	JLL Partners Fund IV, LLC	
1301	Medical Card System Inc	95779	66-0411947				MCS HLTH MGMT OPTIONS INC	PR	IA	Medical Card System Inc	Ownership, Board of Directors	100.0	JLL Partners Fund IV, LLC	

Asterisk	Explanation
0000001	

SCHEDULE Y

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

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/(Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/(Payable) on Losses and/or Reserve Credit Taken/(Liability)
13022	66-0642758	MCS ADVANTAGE INC					126,672,556				126,672,556	
00000	66-0396197	Medical Card System, Inc.					(126,672,556)				(126,672,556)	
9999999 Control Totals									X X X			

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

	Response
The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.	
MARCH FILING	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Waived
2. Will an actuarial opinion be filed by March 1?	Yes
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	Yes
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	Yes
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	Yes
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	Waived
JUNE FILING	
8. Will an audited financial report be filed by June 1?	Yes
9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	Yes
AUGUST FILING	
10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	Yes
The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.	
MARCH FILING	
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	No
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	No
13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	No
14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	No
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	No
16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	No
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	No
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be file electronically with the NAIC by March 1?	No
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	No
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	No
APRIL FILING	
21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	No
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	No
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	No
24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	See Explanation
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?	No
AUGUST FILING	
26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	No

Explanations:

Bar Codes:

Supplemental Compensation Exhibit
13022201446000000 2014 Document Code: 460

Accident and Health Policy Experience Exhibit
13022201421000000 2014 Document Code: 210

Medicare Supplement Insurance Experience Exhibit
13022201436000000 2014 Document Code: 360

Health Life Supplement
13022201420500000 2014 Document Code: 205

Health Property / Casualty Supplement
13022201420700000 2014 Document Code: 207

Schedule SIS
13022201442000000 2014 Document Code: 420

Actuarial Opinion on Participating and Non-Participating Policies
13022201437100000 2014 Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5
13022201437000000 2014 Document Code: 370

Medicare Part D Coverage Supplement
13022201436500000 2014 Document Code: 365

Approval for Relief related to five-year rotation for lead Audit Partner
13022201422400000 2014 Document Code: 224

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Approval for Relief related to one-year cooling off period for inde. CPA

13022201422500000 2014 Document Code: 225

Approval for Relief related to Require. for Audit Committees

13022201422600000 2014 Document Code: 226

LTC Supplemental Interrogatorries

13022201430600000 2014 Document Code: 306

Health Life Supplement - LHA Guaranty Association Reconciliation

13022201421100000 2014 Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit

13022201421300000 2014 Document Code: 213

Supplemental Health Care Exhibit's Expense Allocation Report

13022201421700000 2014 Document Code: 217

Management's Report of Internal Control over Financial Reporting

13022201422300000 2014 Document Code: 223

OVERFLOW PAGE FOR WRITE-INS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	67,201,964	61.982	67,201,694		67,201,694	61.982
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	8,020,131	7.397	8,020,131		8,020,131	7.397
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA	2,065,162	1.905	2,065,162		2,065,162	1.905
1.512 Issued or Guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	270,576	0.250	270,576		270,576	0.250
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	250,000	0.231	250,000		250,000	0.231
2.2 Unaffiliated Non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	30,613,338	28.236	30,613,338		30,613,338	28.236
11. Other invested assets						
12. TOTAL Invested assets	108,421,172	100.000	108,420,902		108,420,902	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)		
3.	Current year change in encumbrances:		
	3.1 TOTALS, Part 1, Column 13		
	3.2 TOTALS, Part 3, Column 11		
4.	TOTAL gain (loss) on disposals, Part 3, Column 18		
5.	Deduct amounts received on disposals, Part 3, Column 15		
6.	TOTAL foreign exchange change in book/adjusted		
	6.1 TOTALS, Part 1, Column 15		
	6.2 TOTALS, Part 3, Column 13		
7.	Deduct current year's other-than-temporary impairment recognized:		
	7.1 TOTALS, Part 1, Column 12		
	7.2 TOTALS, Part 3, Column 10		
8.	Deduct current year's depreciation:		
	8.1 TOTALS, Part 1, Column 11		
	8.2 TOTALS, Part 3, Column 9		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Lines 9 minus 10)		

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 7)		
	2.2 Additional investment made after acquisition (Part 2, Column 8)		
3.	Capitalized deferred interest and other:		
	3.1 TOTALS, Part 1, Column 12		
	3.2 TOTALS, Part 3, Column 11		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 TOTALS, Part 1, Column 9		
	5.2 TOTALS, Part 3, Column 8		
6.	TOTAL gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Col		
8.	Deduct amortization of premium and mortgage inte		
9.	TOTAL foreign exchange change in book value/rec d interest		
	9.1 TOTALS, Part 1, Column 13		
	9.2 TOTALS, Part 3, Column 13		
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 TOTALS, Part 1, Column 11		
	10.2 TOTALS, Part 3, Column 10		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	TOTAL valuation allowance		
13.	Subtotal (Lines 11 plus 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 8)		
	2.2 Additional investment made after acquisition (Part 2, Column 9)		
3.	Capitalized deferred interest and other:		
	3.1 TOTALS, Part 1, Column 16		
	3.2 TOTALS, Part 3, Column 12		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 TOTALS, Part 1, Column 13		
	5.2 TOTALS, Part 3, Column 9		
6.	TOTAL gain (loss) on disposals, Part 3, Column 19		
7.	Deduct amounts received on disposals, Part 3, Col		
8.	Deduct amortization of premium and depreciation		
9.	TOTAL foreign exchange change in book/adjusted carrying value:		
	9.1 TOTALS, Part 1, Column 17		
	9.2 TOTALS, Part 3, Column 14		
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 TOTALS, Part 1, Column 15		
	10.2 TOTALS, Part 3, Column 11		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		82,762,139
2.	Cost of bonds and stocks acquired, Part 3, Column 7		4,378,690
3.	Accrual of Discount		104,694
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12		
	4.2 Part 2, Section 1, Column 15		
	4.3 Part 2, Section 2, Column 13		
	4.4 Part 4, Column 11		
5.	TOTAL gain (loss) on disposals, Part 4, Column 19		(46,198)
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		9,085,465
7.	Deduct amortization of premium		270,845
8.	TOTAL foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15		
	8.2 Part 2, Section 1, Column 19		
	8.3 Part 2, Section 2, Column 16		
	8.4 Part 4, Column 15		
9.	Deduct current year's other-than-temporary impairment recognized:		
	9.1 Part 1, Column 14	35,182	
	9.2 Part 2, Section 1, Column 17		
	9.3 Part 2, Section 2. Column 14		
	9.4 Part 4, Column 13		35,182
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		77,807,834
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		77,807,834

SCHEDULE D - SUMMARY BY COUNTRY

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

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1.	United States	69,537,702	67,877,274	69,754,322	68,990,582
Governments	2.	Canada				
(Including all obligations guaranteed	3.	Other Countries				
by governments)	4.	TOTALS	69,537,702	67,877,274	69,754,322	68,990,582
U.S. States, Territories and Possessions (Direct and guaranteed)	5.	TOTALS				
U.S. Political Subdivisions of States, Territories and Possessions (Diresct and guaranteed)	6.	TOTALS	8,020,131	8,078,327	8,278,055	7,670,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7.	TOTALS				
	8.	United States	250,000	246,500	250,000	25,000
Industrial and Miscellaneous and	9.	Canada				
Hybrid Securities (unaffiliated)	10.	Other Countries				
	11.	TOTALS	250,000	246,500	250,000	25,000
Parent, Subsidiaries and Affiliates	12.	TOTALS				
	13.	TOTAL Bonds	77,807,834	76,202,101	78,282,377	76,685,582
PREFERRED STOCKS	14.	United States				
Industrial and Miscellaneous (unaffiliated)	15.	Canada				
	16.	Other Countries				
	17.	TOTALS				
Parent, Subsidiaries and Affiliates	18.	TOTALS				
	19.	TOTAL Preferred Stocks				
COMMON STOCKS	20.	United States				
Industrial and Miscellaneous (unaffiliated)	21.	Canada				
	22.	Other Countries				
	23.	TOTALS				
Parent, Subsidiaries and Affiliates	24.	TOTALS				
	25.	TOTAL Common Stocks				
	26.	TOTAL Stocks				
	27.	TOTAL Bonds and Stocks	77,807,834	76,202,101	78,282,377	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1	306,449	16,854,924	48,443,085	2,613,574	1,319,671	69,537,702	89.37	73,132,614	88.36	69,537,702	
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 TOTALS	306,449	16,854,924	48,443,085	2,613,574	1,319,671	69,537,702	89.37	73,132,614	88.36	69,537,702	
2. All Other Governments											
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 NAIC 1											
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 NAIC 1	999,451	1,819,599	3,639,296	554,936		7,013,282	9.01	8,490,769	10.26	7,013,282	
4.2 NAIC 2								189,261	0.23		
4.3 NAIC 3								949,495	1.15		
4.4 NAIC 4				190,925		190,925	0.25			190,925	
4.5 NAIC 5		815,924				815,924	1.05			815,924	
4.6 NAIC 6											
4.7 TOTALS	999,451	2,635,523	3,639,296	745,861		8,020,131	10.31	9,629,525	11.64	8,020,131	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 NAIC 1											
5.2 NAIC 2											
5.3 NAIC 3											
5.4 NAIC 4											
5.5 NAIC 5											
5.6 NAIC 6											
5.7 TOTALS											

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

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 NAIC 1		250,000				250,000	0.32			250,000	
6.2 NAIC 2											
6.3 NAIC 3											
6.4 NAIC 4											
6.5 NAIC 5											
6.6 NAIC 6											
6.7 TOTALS		250,000				250,000	0.32			250,000	
7. Hybrid Securities											
7.1 NAIC 1											
7.2 NAIC 2											
7.3 NAIC 3											
7.4 NAIC 4											
7.5 NAIC 5											
7.6 NAIC 6											
7.7 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1											
8.2 NAIC 2											
8.3 NAIC 3											
8.4 NAIC 4											
8.5 NAIC 5											
8.6 NAIC 6											
8.7 TOTALS											

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

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d) 1,305,900	18,924,523	52,082,381	3,168,510	1,319,671	76,800,984	98.71	XXX	XXX	76,800,984	
9.2 NAIC 2	(d)							XXX	XXX		
9.3 NAIC 3	(d)							XXX	XXX		
9.4 NAIC 4	(d)			190,925		190,925	0.25	XXX	XXX	190,925	
9.5 NAIC 5	(d)	815,924				(c) 815,924	1.05	XXX	XXX	815,924	
9.6 NAIC 6	(d)					(c)		XXX	XXX		
9.7 TOTALS	1,305,900	19,740,447	52,082,381	3,359,435	1,319,671	(b) 77,807,833	100.00	XXX	XXX	77,807,833	
9.8 Line 9.7 as a % of Column 6	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	
10. Total Bonds Prior Year											
10.1 NAIC 1	1,079,807	13,280,287	61,540,430	4,331,475	1,391,384	XXX	XXX	81,623,383	98.62	81,623,383	
10.2 NAIC 2					189,261	XXX	XXX	189,261	0.23	189,261	
10.3 NAIC 3		949,495				XXX	XXX	949,495	1.15	949,495	
10.4 NAIC 4						XXX	XXX				
10.5 NAIC 5						XXX	XXX	(c)			
10.6 NAIC 6						XXX	XXX	(c)			
10.7 TOTALS	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	XXX	XXX	(b) 82,762,139	100.00	82,762,139	
10.8 Line 10.7 as a % of Col. 8	1.30	17.19	74.36	5.23	1.91	XXX	XXX	100.00	XXX	100.00	
11. Total Publicly Traded Bonds											
11.1 NAIC 1	1,305,900	18,924,523	52,082,381	3,168,510	1,319,671	76,800,985	98.71	81,623,383	98.62	76,800,985	XXX
11.2 NAIC 2								189,261	0.23		XXX
11.3 NAIC 3								949,495	1.15		XXX
11.4 NAIC 4				190,925		190,925	0.25			190,925	XXX
11.5 NAIC 5		815,924				815,924	1.05			815,924	XXX
11.6 NAIC 6											XXX
11.7 TOTALS	1,305,900	19,740,447	52,082,381	3,359,435	1,319,671	77,807,834	100.00	82,762,139	100.00	77,807,834	XXX
11.8 Line 11.7 as a % of Col. 6	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	XXX
12. Total Privately Placed Bonds											
12.1 NAIC 1										XXX	
12.2 NAIC 2										XXX	
12.3 NAIC 3										XXX	
12.4 NAIC 4										XXX	
12.5 NAIC 5										XXX	
12.6 NAIC 6										XXX	
12.7 TOTALS										XXX	
12.8 Line 12.7 as a % of Col. 6							XXX	XXX	XXX	XXX	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							XXX	XXX	XXX	XXX	

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b) Includes $.....0 current year, $.....0 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes $.....0 current year, $.....0 prior year of bonds with 5* designations and $.....0 current year, $.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	306,449	16,854,924	48,443,085	1,597,507		67,201,964	86.37	70,285,942	84.93	67,201,964	
1.2 Residential Mortgage-Backed Securities				1,016,067	1,319,671	2,335,738	3.00	2,846,672	3.44	2,335,738	
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 TOTALS	306,449	16,854,924	48,443,085	2,613,574	1,319,671	69,537,702	89.37	73,132,614	88.36	69,537,702	
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 TOTALS											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 TOTALS											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	999,451	2,635,524	3,639,296	745,861		8,020,131	10.31	9,629,525	11.64	8,020,131	
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 TOTALS	999,451	2,635,524	3,639,296	745,861		8,020,131	10.31	9,629,525	11.64	8,020,131	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations											
5.2 Residential Mortgage-Backed Securities											
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 TOTALS											
6. Industrial and Miscellaneous											
6.1 Issuer Obligations		250,000				250,000	0.32			250,000	
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities											
6.5 TOTALS		250,000				250,000	0.32			250,000	
7. Hybrid Securities											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 TOTALS											

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations	1,305,900	19,740,448	52,082,380	2,343,368		75,472,095	97.00	XXX	XXX	75,472,096	
9.2 Residential Mortgage-Backed Securities				1,016,067	1,319,671	2,335,738	3.00	XXX	XXX	2,335,738	
9.3 Commercial Mortgage-Backed Securities								XXX	XXX		
9.4 Other Loan-Backed and Structured Securities								XXX	XXX		
9.5 TOTALS	1,305,900	19,740,448	52,082,380	3,359,435	1,319,671	77,807,834	100.00	XXX	XXX	77,807,834	
9.6 Line 9.5 as a % of Col. 6	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	1,079,807	14,229,782	61,540,430	2,876,187	189,261	XXX	XXX	79,915,467	96.56	79,915,467	
10.2 Residential Mortgage-Backed Securities				1,455,288	1,391,384	XXX	XXX	2,846,672	3.44	2,846,672	
10.3 Commercial Mortgage-Backed Securities						XXX	XXX				
10.4 Other Loan-Backed and Structured Securities						XXX	XXX				
10.5 TOTALS	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	XXX	XXX	82,762,139	100.00	82,762,139	
10.6 Line 10.5 as a % of Col. 8	1.30	17.19	74.36	5.23	1.91	XXX	XXX	100.00	XXX	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	1,305,900	19,740,448	52,082,380	2,343,368		75,472,096	97.00	79,915,467	96.56	75,472,096	XXX
11.2 Residential Mortgage-Backed Securities				1,016,067	1,319,671	2,335,738	3.00	2,846,672	3.44	2,335,738	XXX
11.3 Commercial Mortgage-Backed Securities											XXX
11.4 Other Loan-Backed and Structured Securities											XXX
11.5 TOTALS	1,305,900	19,740,448	52,082,380	3,359,435	1,319,671	77,807,834	100.00	82,762,139	100.00	77,807,834	XXX
11.6 Line 11.5 as a % of Col. 6	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	1.68	25.37	66.94	4.32	1.70	100.00	XXX	XXX	XXX	100.00	XXX
12. Total Privately Placed Bonds											
12.1 Issuer Obligations										XXX	
12.2 Residential Mortgage-Backed Securities										XXX	
12.3 Commercial Mortgage-Backed Securities										XXX	
12.4 Other Loan-Backed and Structured Securities										XXX	
12.5 TOTALS										XXX	
12.6 Line 12.5 as a % of Col. 6							XXX	XXX	XXX	XXX	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							XXX	XXX	XXX	XXX	

SI10 Schedule DA - Verification . . . . . NONE

SI11 Schedule DB Part A Verification . . . . . NONE

SI11 Schedule DB Part B Verification . . . . . NONE

SI12 Schedule DB Part C Sn 1 - Rep. (Syn Asset) Transactions . . . . . NONE

SI13 Schedule DB Part C Sn 2 - Rep. (Syn Asset) Transactions . . . . . NONE

SI14 Schedule DB Verification . . . . . NONE

SI15 Schedule E - Verification . . . . . NONE

E01 Schedule A - Part 1 Real Estate Owned . . . . . NONE

E02 Schedule A - Part 2 Real Estate Acquired . . . . . NONE

E03 Schedule A - Part 3 Real Estate Disposed . . . . . NONE

E04 Schedule B Part 1 - Mortgage Loans Owned . . . . . NONE

E05 Schedule B Part 2 - Mortgage Loans Acquired . . . . . NONE

E06 Schedule B Part 3 - Mortgage Loans Disposed . . . . . NONE

E07 Schedule BA Part 1 - Long-Term Invested Assets Owned . . . . . NONE

E08 Schedule BA Part 2 - Long-Term Invested Assets Acquired . . . . . NONE

E09 Schedule BA Part 3 - Long-Term Invested Assets Disposed . . . . . NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	FOREIGN	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
U.S. Governments - Issuer Obligations																					
3133XDZ20	FHLB Bond 5.46%				1	286,353	103.9540	264,085	254,040	252,379		1,714			5.460	6.207	MN	1,310	12,925	06/14/2011	11/27/2015
3133EC6Y5	FED FARM CRED BANK 2.12% 12/12/22				1	1,794,353	96.1000	1,728,839	1,799,000	1,795,179		435			2.120	2.149	JD	2,013	38,139	03/05/2013	12/12/2022
3133EA3N6	FEDERAL FARM BOND1.720% DUE 7-9-20				1	250,000	97.6480	244,120	250,000	250,000					1.720	1.720	JJ	2,054	4,300	11/02/2012	07/09/2020
3133EAX45	FEDERAL FARM CRED 2.180% 09/20/21				1	500,005	99.5350	497,675	500,000	500,000					2.180	2.180	MS	3,058	10,900	09/20/2012	09/20/2021
3133FXDS3	FFCB BOND 1.05% DUE 12/15/2019				1	500,000	96.1310	480,655	500,000	500,000					1.050	1.050	JD	233	5,250	12/13/2012	12/15/2019
3133EAY51	FFCB BOND 1.230% DUE 01/07/2019				1	932,954	99.6120	921,411	925,000	930,195		(1,259)			1.230	1.087	JJ	5,499	11,378	10/18/2012	01/07/2019
3133EA7H5	FFCB BOND 1.24% DUE 11/13/2018				1	1,503,380	98.1710	1,472,565	1,500,000	1,502,201		(554)			1.240	1.201	MN	2,480	18,600	11/13/2012	11/13/2018
3133EA2N7	FFCB BOND 1.375% DUE 09/26/2019				1	1,004,875	98.3110	983,110	1,000,000	1,003,368		(686)			1.375	1.301	MS	3,628	13,750	10/18/2012	09/26/2019
3133EAD62	FFCB BOND 1.44% DUE 08/01/2019				1	1,008,774	97.9790	984,689	1,005,000	1,007,509		(527)			1.440	1.384	FA	6,030	14,472	08/02/2012	08/01/2019
3133EAQY7	FFCB BOND 1.550% DUE 05/16/2019				1	488,204	99.9980	479,990	480,000	485,364		(1,185)			1.550	1.286	MN	930	7,440	08/02/2012	05/16/2019
3133FXDZ7	FFCB BOND 1.650% DUE 02/15/2021				1	1,000,000	96.9480	969,480	1,000,000	1,000,000					1.650	1.650	FA	6,233	16,500	02/26/2013	02/15/2021
3133ECFB5	FFCB BOND 1.69% DUE 02/13/2020				1	1,752,828	98.3160	1,720,530	1,750,000	1,752,098		(392)			1.690	1.665	FA	11,337	29,575	03/11/2013	02/13/2020
3133EAN46	FFCB BOND 1.70% DUE 04/27/2020				1	308,403	98.2220	293,684	299,000	305,790		(1,226)			1.700	1.257	AO	904	5,083	11/09/2012	04/27/2020
3133EC2B9	FFCB BOND 1.70% DUE 11/09/2021				1	2,016,825	97.7130	1,954,260	2,000,000	2,013,101		(1,797)			1.700	1.599	MN	4,911	34,000	12/12/2012	11/09/2021
3133EA2U1	FFCB BOND 1.80% DUE 10/01/2020				1	904,505	97.8830	880,947	900,000	903,292		(541)			1.800	1.733	AO	4,050	16,200	10/01/2012	10/01/2020
3133EA7J1	FFCB BOND 1.82% DUE 11/13/2020				1	1,008,005	97.1680	971,680	1,000,000	1,005,974		(961)			1.820	1.712	MN	2,427	18,200	11/16/2012	11/13/2020
3133ECDX9	FFCB BOND 1.84% DUE 02/04/2021				1	199,500	97.6210	195,242	200,000	199,609		60			1.840	1.874	FA	1,503	3,680	02/21/2013	02/04/2021
3133EAGM4	FFCB BOND 1.85% DUE 03/09/2020				1	250,793	99.3400	238,416	240,000	247,733		(1,436)			1.850	1.207	MS	1,381	4,440	11/09/2012	03/09/2020
3133EC3V4	FFCB BOND 1.94% DUE 11/26/2021				1	501,755	96.5570	482,785	500,000	501,374		(185)			1.940	1.897	MN	943	9,700	12/12/2012	11/26/2021
3133ECCH5	FFCB BOND 2.00% DUE 01/10/2022				1	1,000,005	97.6500	976,500	1,000,000	999,996					2.000	2.000	JJ	9,500	20,000	02/14/2013	01/10/2022
3133EASX7	FFCB BOND 2.040% DUE 06/07/2022				1	230,646	99.4560	223,776	225,000	229,475		(559)			2.040	1.753	JD	306	4,590	11/21/2012	06/07/2022
3133ECEB6	FFCB BOND 2.050% DUE 02/01/2022				1	249,375	96.8160	242,040	250,000	249,493		66			2.050	2.081	FA	2,135	5,125	02/21/2013	02/01/2022
3133ECC36	FFCB BOND 2.20% DUE 12/27/2022				1	249,125	98.0530	245,133	250,000	249,273		82			2.200	2.240	JD	61	5,500	02/21/2013	12/27/2022
3133EAP51	FFCB BOND 2.200% DUE 08/27/21				1	481,205	98.2660	471,677	480,000	480,911		(127)			2.200	2.169	FA	3,637	10,560	09/18/2012	08/27/2021
3133ECCV4	FFCB BOND 2.220% DUE 01/17/2023				1	997,287	96.3930	963,930	1,000,000	997,736		253			2.220	2.251	JJ	10,113	22,200	03/05/2013	01/17/2023
3133ECDH4	FFCB BOND 2.230% DUE 01/23/2023				1	2,492,016	96.4360	2,410,900	2,500,000	2,493,336		743			2.230	2.266	JJ	24,468	55,750	03/08/2013	01/23/2023
3133ECE42	FFCB BOND 2.240% DUE 01/30/2023				1	496,505	96.5610	482,805	500,000	497,067		326			2.240	2.320	JJ	4,698	11,200	02/21/2013	01/30/2023
3133ECDA9	FFCB BOND 2.40% DUE 01/17/2024				1	249,625	98.9560	247,390	250,000	249,678		31			2.400	2.416	JJ	2,733	6,000	02/21/2013	01/17/2024
3133ECFH2	FFCB BOND 2.440% DUE 02/14/2023				1	1,001,255	97.7430	977,430	1,000,000	1,001,028		(115)			2.440	2.426	FA	9,286	24,400	02/21/2013	02/14/2023
3133ECD68	FFCB BOND 2.550% DUE 01/17/2025				1	498,880	97.9540	489,770	500,000	499,025		84			2.550	2.572	JJ	5,808	12,750	02/21/2013	01/17/2025
31331JX65	FFCB BOND 2.80% DUE 10/28/2020				1	1,110,295	103.3880	1,033,880	1,000,000	1,081,878		(13,431)			2.800	1.334	AO	4,900	28,000	11/14/2012	10/28/2020
3133EDRN4	FFCB BOND 3.28% DUE 08/05/2024				1	999,000	100.7670	1,007,670	1,000,000	999,014		14			3.280	3.292	FA	13,302		08/05/2014	08/05/2024
3133EC3X0	FFCB CALL BOND 1.87% DUE 08/20/21				1	499,500	97.8480	489,240	500,000	499,600		55			1.870	1.883	FA	3,402	9,350	01/09/2013	08/20/2021
3133EC7K4	FFCB CALL BOND 1.94% DUE 12/14/21				1	273,969	97.7920	268,928	275,000	274,179		109			1.940	1.986	JD	252	5,335	01/11/2013	12/14/2021
3133EA2Q0	FFCB CALL BOND 2.070% DUE 9/27/21				1	738,180	98.3920	723,181	735,000	737,429		(335)			2.070	2.017	MS	3,973	15,215	10/18/2012	09/27/2021
3133EC5Y6	FFCB CALL BOND 2.100% DUE 12/05/22				1	999,500	97.9580	979,580	1,000,000	999,575		48			2.100	2.106	JD	1,517	21,000	01/22/2013	12/05/2022
3133EC2K9	FFCB CALL BOND 2.180% DUE 11/14/22				1	1,002,000	97.2720	972,720	1,000,000	1,001,615		(188)			2.180	2.157	MN	2,846	21,800	01/24/2013	11/14/2022
3133FXDM6	FFCB NTS 1.375% DUE 10/15/2020				1	750,000	96.0690	720,518	750,000	750,000					1.375	1.375	AO	2,177	10,313	10/11/2012	10/15/2020
3133ECH80	FFCB NTS BOND 2.190% DUE 3/07/2022				1	2,002,261	96.9390	1,938,780	2,000,000	2,001,813		(234)			2.230	2.216	MS	14,123	43,800	03/28/2013	03/07/2022
313373ZY1	FHLB BOND 03.625% DUE 06/11/21				1	1,138,291	108.9460	1,089,460	1,000,000	1,104,215		(15,065)			3.625	1.899	JD	2,014	36,250	09/18/2012	06/11/2021
313376ZK4	FHLB BOND 1.20% 02/28/18				1	1,999,005	99.4730	1,989,460	2,000,000	1,999,423		175			1.200	1.209	FA	8,067	24,000	02/28/2012	02/28/2018
3133381C94	FHLB BOND 1.25% DUE 12/13/2019				1	1,506,336	97.3900	1,460,850	1,500,000	1,504,512		(880)			1.250	1.187	JD	208	18,750	12/05/2012	12/13/2019
3133786P1	FHLB BOND 1.28% DUE 02/16/2018				1	747,680	100.0890	750,668	750,000	748,749		389			1.280	1.335	FA	3,600	9,600	03/14/2012	02/16/2018
313379PE3	FHLB BOND 1.330% DUE 09/20/2018				1	2,031,827	99.9190	1,998,380	2,000,000	2,019,534		(5,124)			1.330	1.061	MS	7,463	26,600	08/02/2012	09/20/2018
313380Z75	FHLB BOND 1.37% DUE 10/24/2019				1	2,065,268	97.5340	2,004,324	2,055,000	2,062,231		(1,449)			1.370	1.294	AO	5,240	28,154	12/12/2012	10/24/2019
3133813H6	FHLB BOND 1.43% DUE 10/29/19				1	301,205	96.5520	289,656	300,000	300,845		(168)			1.430	1.369	AO	739	4,290	11/09/2012	10/29/2019
3133815X9	FHLB BOND 1.480% DUE 10/31/2019				1	135,473	97.8200	132,057	135,000	135,332		(66)			1.480	1.427	AO	339	1,998	11/13/2012	10/31/2019
3133782M2	FHLB BOND 1.50% DUE 03/08/2019				1	1,029,705	99.4370	994,370	1,000,000	1,019,932		(4,639)			1.500	1.012	MS	4,708	15,000	11/19/2012	03/08/2019
3133812C8	FHLB BOND 1.50% DUE 05/08/2020				1	753,188	96.8980	726,735	750,000	752,311		(413)			1.500	1.440	MN	1,656	11,250	11/15/2012	05/08/2020
313380PW1	FHLB BOND 1.55% DUE 07/03/2019				1	750,005	98.2520	736,890	750,000	750,000					1.550	1.550	JJ	5,748	11,625	10/03/2012	07/03/2019
313380WC7	FHLB BOND 1.60% DUE 10/22/2020				1	275,963	97.3570	267,732	275,000	275,713		(117)			1.600	1.553	AO	843	4,400	11/13/2012	10/22/2020
313379EE5	FHLB BOND 1.625% DUE 06/14/19				1	388,707	99.7770	379,153	380,000	385,730		(1,243)			1.625	1.275	JD	292	6,175	08/02/2012	06/14/2019
3133381AV7	FHLB BOND 1.625% DUE 12/10/2021				1	500,045	95.7480	478,740	500,000	500,034		(5)			1.625	1.624	JD	474	8,125	12/12/2012	12/10/2021
313381BP9	FHLB BOND 1.75% DUE 11/27/2020				1	752,813	97.4430	730,823	750,000	752,108		(337)			1.750	1.700	MN	1,240	13,125	11/27/2012	11/27/2020
3133827M9	FHLB BOND 1.93% DUE 12/01/2021				1	914,477	97.9660	881,694	900,000	911,703		(1,580)			1.930	1.730	JD	1,448	17,370	03/28/2013	12/01/2021
3133381HU2	FHLB BOND 2.04% DUE 06/28/2022				1	2,000,000	96.7140	1,934,280	2,000,000	2,000,000					2.040	2.040	JD	340	40,800	01/24/2013	06/28/2022
3133381C60	FHLB BOND 2.080% DUE 06/07/2022				1	1,291,368	95.9390	1,237,613	1,290,000	1,291,067		(133)			2.080	2.068	JD	1,789	26,832	03/05/2013	06/07/2022
313380XH5	FHLB BOND 2.125% DUE 10/24/2022				1	982,940	96.1910	942,672	980,000	982,336		(274)			2.125	2.092	AO	3,876	20,825	10/24/2012	10/24/2022
313380ZP5	FHLB BOND 2.150% DUE 11/01/2022				1	703,913	96.6930	676,851	700,000	703,132		(365)			2.150	2.088	MN	2,508	15,050	11/15/2012	11/01/2022
3133814S1	FHLB BOND 2.180% DUE 11-01-2022				1	1,003,750	96.5010	965,010	1,000,000	1,002,996		(349)			2.180	2.138	MN	3,573	21,800	11/13/2012	11/01/2022
3133381AX3	FHLB BOND 2.20% DUE 11/21/2022				1	1,006,630	97.6850	976,850	1,000,000	1,005,341		(617)			2.200	2.126	MN	2,444	22,000	11/27/2012	11/21/2022
3133381EE1	FHLB BOND 2.20% DUE 12/05/2022				1	2,074,805	96.5660	2,008,573	2,080,000	2,075,669		492			2.200	2.229	JD	3,305	45,760	02/19/2013	12/05/2022
313380WT0	FHLB BOND 2.25% DUE 10-11-2022				1	1,002,000	97.0660	970,660	1,000,000	1,001,578		(186)			2.250	2.228	AO	5,000	22,500	10/11/2012	10/11/2022
3133381AY1	FHLB BOND 2.25% DUE 11/21/2022				1	226,069	97.9070	220,291	225,000	225,860		(99)			2.250	2.197	MN	563	5,063	11/21/2012	11/21/2022

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	FOREIGN	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
313381ZS7	FHLB BOND 2.30% DUE 02/21/2023				1	1,717,220	98.5430	1,694,940	1,720,000	1,717,653		257			2.300	2.318	FA	14,286	39,560	05/24/2013	02/21/2023
313380QL4	FHLB BOND 2.330% DUE 09/20/22				1	750,005	98.5540	739,155	750,000	749,992					2.330	2.330	MS	4,903	17,475	09/20/2012	09/20/2022
313381HC2	FHLB BOND 2.35% DUE 12/28/2023				1	1,000,000	97.7300	977,300	1,000,000	1,000,000					2.350	2.350	JD	196	23,500	12/28/2012	12/28/2023
313376C94	FHLB BOND 2.625% DYE 12/10/2021				1	512,443	102.3590	511,795	500,000	509,114		(1,196)			2.625	2.339	JD	766	13,125	03/02/2012	12/10/2021
313381B95	FHLB BOND 2.65% DUE 11/21/2025				1	978,656	96.1030	937,004	975,000	978,129		(247)			2.650	2.616	MN	2,871	25,838	11/21/2012	11/21/2025
313375LS4	FHLB BOND 2.750% DUE 09/10/2021				1	1,073,615	103.1930	1,031,930	1,000,000	1,058,956		(8,218)			2.750	1.810	MS	8,479	27,500	03/08/2013	09/10/2021
313380TV9	FHLB BOND 2.77% DUE 04/04/2025				1	120,420	98.3570	118,028	120,000	120,353		(30)			2.770	2.737	AO	803	3,324	11/13/2012	04/04/2025
3133712Y1	FHLB BOND 3.00% DUE 03/27/20				1	551,495	105.3630	526,815	500,000	536,468		(6,634)			3.000	1.545	MS	3,917	15,000	09/18/2012	03/27/2020
3133735C2	FHLB BOND 3.920% DUE 03/30/21				1	533,756	103.6680	497,606	480,000	520,417		(5,918)			3.920	2.457	MS	4,756	18,816	09/18/2012	03/31/2021
313380C47	FHLB BOND STEP UP 1.25% 08/22/22				1	1,000,005	96.7100	967,100	1,000,000	1,000,000		(1)			1.250	1.250	FA	4,479	12,500	08/22/2012	08/22/2022
3133816M2	FHLB CALL BOND 1.530% DUE 11/21/19				1	500,000	98.3480	491,740	500,000	500,000					1.530	1.530	MN	850	7,650	01/09/2013	11/21/2019
313381HW8	FHLB CALL BOND 2.190% DUE 12/19/22				1	499,000	96.5630	482,815	500,000	499,178		93			2.190	2.213	JD	365	10,950	01/09/2013	12/19/2022
3133XPJJ4	FHLB BOND STRUCT NOTE 4.805%				1	57,299	102.1950	54,822	53,644	54,070		(687)			4.805	2.148	MON	215	2,183	12/14/2009	08/20/2015
0199999 Subtotal - U.S. Governments - Issuer Obligations						67,407,518	XXX	65,504,850	66,735,684	67,201,964		(76,352)			XXX	XXX	XXX	294,524	1,282,183	XXX	XXX
U.S. Governments - Residential Mortgage-Backed Securities																					
36295FCD4	GNMA PL 668868X				1	1,053,075	109.7560	1,112,696	1,013,791	1,049,095		(818)			5.000	4.485	MON	4,154	50,690	05/19/2009	09/15/2038
36234CV77	GNMA POOL 425582 UNIT 100				1	28,982	101.1210	27,832	27,523	28,733		(77)			6.500	5.405	MON	110	1,789	06/14/2011	07/15/2026
36234CWB7	GNMA POOL 425582 UNIT 96				1	26,263	99.8390	24,960	25,000	26,036		(70)			6.500	5.430	MON	99	1,625	06/14/2011	01/15/2026
36234CWA9	GNMA POOL 425582 UNIT 97				1	26,275	100.0290	25,007	25,000	26,048		(70)			6.500	5.424	MON	99	1,625	06/14/2011	02/15/2026
36234CV93	GNMA POOL 425582 UNIT 98				1	26,288	100.4230	25,106	25,000	26,062		(70)			6.500	5.422	MON	99	1,625	06/14/2011	04/15/2026
36234CV85	GNMA POOL 425582 UNIT 99				1	26,300	100.8080	25,202	25,000	26,074		(70)			6.500	5.417	MON	99	1,625	06/14/2011	05/15/2026
36234CX26	GNMA POOL 425583 UNIT 100				1	42,406	100.8080	40,617	40,291	42,046		(112)			6.500	5.414	MON	160	2,619	06/14/2011	07/15/2026
36234CX42	GNMA POOL 425583 UNIT 98				1	26,275	100.0400	25,010	25,000	26,040		(73)			6.500	5.409	MON	98	1,625	06/14/2011	10/15/2025
36235LGZ1	GNMA POOL 470960 UNIT 87				1	26,250	99.8850	24,971	25,000	26,044		(64)			6.500	5.474	MON	100	1,625	06/14/2011	11/15/2026
36235QRM7	GNMA POOL 487543 UNIT				1	25,825	100.9420	25,236	25,000	25,690		(42)			6.500	5.798	MON	100	1,625	06/14/2011	02/15/2027
36235QRP0	GNMA POOL 487543 UNIT 82				1	25,825	100.2150	25,054	25,000	25,688		(42)			6.500	5.805	MON	100	1,625	06/14/2011	10/15/2026
36235QRN5	GNMA POOL 487543 UNIT 83				1	25,825	100.5690	25,142	25,000	25,687		(43)			6.500	5.794	MON	100	1,625	06/14/2011	12/15/2026
36235QRK1	GNMA POOL 487543 UNIT 86				1	26,250	101.5670	25,392	25,000	26,054		(61)			6.500	5.493	MON	101	1,625	06/14/2011	05/15/2027
36235QRH8	GNMA POOL 487543 UNIT 88				1	26,250	102.2190	25,555	25,000	26,060		(59)			6.500	5.505	MON	101	1,625	06/14/2011	09/15/2027
36235QRG0	GNMA POOL 487543 UNIT 89				1	26,263	102.5770	25,644	25,000	26,072		(59)			6.500	5.499	MON	101	1,625	06/14/2011	10/15/2027
36235QRF2	GNMA POOL 487543 UNIT 90				1	26,263	102.9120	25,728	25,000	26,075		(58)			6.500	5.505	MON	101	1,625	06/14/2011	12/15/2027
36235QRE5	GNMA POOL 487543 UNIT 91				1	26,263	103.2330	25,808	25,000	26,078		(57)			6.500	5.511	MON	102	1,625	06/14/2011	02/15/2028
36235QRC9	GNMA POOL 487543 UNIT 93				1	26,275	103.8600	25,965	25,000	26,093		(56)			6.500	5.511	MON	102	1,625	06/14/2011	05/15/2028
36235QRB1	GNMA POOL 487543 UNIT 94				1	26,288	104.1730	26,043	25,000	26,110		(55)			6.500	5.521	MON	102	1,625	06/14/2011	07/15/2028
36235QRA3	GNMA POOL 487543 UNIT 95				1	26,288	104.4860	26,122	25,000	26,110		(55)			6.500	5.513	MON	102	1,625	06/14/2011	09/15/2028
36235QQ89	GNMA POOL 487543 UNIT 97				1	26,300	104.7690	26,192	25,000	26,125		(54)			6.500	5.512	MON	103	1,625	06/14/2011	12/15/2028
36235QQ71	GNMA POOL 487543 UNIT 98				1	26,300	104.8210	26,205	25,000	26,128		(54)			6.500	5.517	MON	103	1,625	06/14/2011	02/15/2029
36235QQ63	GNMA POOL 487543 UNIT 99				1	26,313	104.8730	26,218	25,000	26,140		(54)			6.500	5.511	MON	103	1,625	06/14/2011	03/15/2029
36235TPV3	GNMA POOL 498826 UNIT 100				1	33,179	101.8110	32,080	31,509	32,971		(65)			6.500	5.520	MON	130	2,048	06/14/2011	10/15/2029
36235TP27	GNMA POOL 498826 UNIT 70				1	26,288	100.0270	25,007	25,000	26,108		(56)			6.500	5.518	MON	102	1,625	06/14/2011	06/15/2028
36235TPY7	GNMA POOL 498826 UNIT 97				1	26,300	100.8710	25,218	25,000	26,123		(55)			6.500	5.518	MON	102	1,625	06/14/2011	09/15/2028
36235TPX9	GNMA POOL 498826 UNIT 98				1	26,300	101.1840	25,296	25,000	26,124		(55)			6.500	5.509	MON	102	1,625	06/14/2011	11/15/2028
36235TPW1	GNMA POOL 498826 UNIT 99				1	26,313	101.4980	25,375	25,000	26,136		(55)			6.500	5.503	MON	103	1,625	06/14/2011	12/15/2028
36235XXD5	GNMA POOL 515329 UNIT 100				1	45,572	102.5200	44,369	43,278	45,297		(86)			6.500	5.531	MON	180	2,813	06/14/2011	03/15/2030
36235XXN3	GNMA POOL 515329 UNIT 91				1	25,825	99.8640	24,966	25,000	25,712		(35)			6.500	5.841	MON	103	1,625	06/14/2011	12/15/2028
36235XXM5	GNMA POOL 515329 UNIT 92				1	25,825	99.8280	24,957	25,000	25,714		(35)			6.500	5.844	MON	103	1,625	06/14/2011	02/15/2029
36235XXL7	GNMA POOL 515329 UNIT 93				1	26,250	100.1080	25,027	25,000	26,086		(51)			6.500	5.553	MON	103	1,625	06/14/2011	03/15/2029
36235XXJ2	GNMA POOL 515329 UNIT 95				1	26,263	100.8950	25,224	25,000	26,100		(50)			6.500	5.552	MON	103	1,625	06/14/2011	06/15/2029
36235XXH6	GNMA POOL 515329 UNIT 96				1	26,275	101.2660	25,317	25,000	26,114		(50)			6.500	5.549	MON	103	1,625	06/14/2011	08/15/2029
36235XXG8	GNMA POOL 515329 UNIT 97				1	26,275	101.5800	25,395	25,000	26,115		(50)			6.500	5.551	MON	103	1,625	06/14/2011	09/15/2029
36235XXE3	GNMA POOL 515329 UNIT 99				1	26,300	102.2060	25,552	25,000	26,142		(49)			6.500	5.543	MON	104	1,625	06/14/2011	01/15/2030
36236MJ69	GNMA POOL 531508 UNIT 100				1	34,172	100.5250	32,607	32,437	33,980		(60)			7.000	6.021	MON	146	2,271	06/14/2011	11/15/2030
36236MJ77	GNMA POOL 531508 UNIT 99				1	26,300	100.1920	25,048	25,000	26,152		(46)			7.000	6.039	MON	113	1,750	06/14/2011	08/15/2030
38378TQ37	GNMA CMO 2013 2.75% DUE 06/2043				1	270,725	101.2090	269,285	266,069	270,576		(105)			2.750	2.665	JD	224	7,356	08/19/2013	06/20/2043
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						2,346,804	XXX	2,372,424	2,254,898	2,335,738		(3,076)			XXX	XXX	XXX	8,363	121,711	XXX	XXX
0599999 Subtotal - U.S. Governments						69,754,322	XXX	67,877,274	68,990,582	69,537,702		(79,428)			XXX	XXX	XXX	302,887	1,403,894	XXX	XXX
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
003464KJ2	ABILENE TEX INDPT 5% 02/15/2022				1	59,572	121.0400	60,520	50,000	58,675		(896)			5.000	2.341	FA	944	1,069	03/11/2014	02/15/2022
015302H62	ALEXANDRIA VA 1.731% DUE 07/01/20				1	231,532	109.9430	219,886	200,000	223,790		(4,383)			1.731	(0.405)	JJ	1,731	8,100	03/26/2013	07/01/2020
021087TU5	ALPINE UTAH DIST 5% DUE 03/15/24				1	89,096	122.1200	91,590	75,000	87,627		(1,182)			5.000	2.902	MS	1,104	3,563	10/03/2013	03/15/2024
235219FT4	CITY OF DALLAS TX 1.466% 02/15/20				1	307,670	117.3770	293,443	250,000	292,256		(8,684)			1.466	(1.680)	FA	1,385	12,500	03/26/2013	02/15/2020
232263FA6	CUYAHOGA CNTY 3.60% DUE 06/01/17				1	65,996	105.5070	63,304	60,000	63,131		(1,265)			3.600	1.396	JD	180	2,160	09/19/2012	06/01/2017

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	FOREIGN	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
246381EH6	DELAWARE ST BOND 5% DUE 07/01/27				1	91,009	123.7430	92,807	75,000	90,899		(110)			5.000	2.959	JJ	438		11/17/2014	07/01/2027
269696DU1	EAGLE MNT SAGINAW TEX 5% 8/15/2021				1	120,071	119.7670	119,767	100,000	118,857		(1,214)			5.000	1.950	FA	1,889		07/17/2014	08/15/2021
29270CYL3	ENERGY NORTHWEST 2.147% DUE7/1/18				1	256,125	101.4100	253,525	250,000	253,790		(1,042)			2.147	1.699	JJ	2,684	5,368	09/27/2012	07/01/2018
38378LCB1	GOVERNORS ST 4.25% DUE 01/01/18				1	67,035	106.6400	63,984	60,000	64,080		(1,309)			4.250	1.907	JJ	1,275	2,550	09/19/2012	01/01/2018
395468HG9	GREENSBORO NC ENTP 5% 06/01/21				1	126,511	119.8810	119,881	100,000	120,761		(3,050)			5.000	1.584	JD	417	5,000	02/08/2013	06/01/2021
452152BH3	ILLINOIS ST 3.321% DUE 02/01/19				1	227,076	108.5250	222,476	205,000	220,602		(3,688)			3.321	1.397	FA	2,837	10,994	03/26/2013	02/01/2019
452152HS3	ILLINOIS ST 5.365% DUE 03/01/17				1	278,773	107.2630	268,158	250,000	264,404		(6,384)			5.365	2.611	MS	4,471	13,413	09/18/2012	03/01/2017
4521517V9	ILLINOIS ST SR A 3.75% DUE 9/1/16				1	32,609	104.5030	31,351	30,000	31,119		(659)			3.750	1.476	MS	375	1,125	09/19/2012	09/01/2016
529284D99	LEXINGTON MASS 4.00% 02/15/2021				1	289,909	114.2420	279,893	245,000	279,769		(5,372)			4.000	1.560	FA	3,702	9,800	02/07/2013	02/15/2021
574193JG4	MARYLAND ST & LOC 5% 08/01/2020				1	90,482	119.0260	89,270	75,000	88,627		(1,856)			5.000	1.587	FA	1,563	1,385	03/13/2014	08/01/2020
59447PTX9	MICHIGAN FIN AUTH 5% 10/01/2024				1	281,086	121.1560	272,601	225,000	273,041		(4,298)			5.000	2.516	AO	2,813	11,250	02/11/2013	10/01/2024
645020J25	NEW HAVEN CT 3.00% DUE 11/01/20				1	264,145	104.1020	260,255	250,000	260,406		(1,653)			3.000	2.235	MN	1,250	7,500	09/17/2012	11/01/2020
64579FY31	NEW JERSEY HEALTH CARE4.00% 7/1/16				1	65,611	104.5320	62,719	60,000	62,261		(1,480)			4.000	1.451	JJ	1,200	2,400	09/19/2012	07/01/2016
64711NWB7	NEW MEXICO FIN BOND 2% 06/01/2019				1	77,576	103.1610	77,371	75,000	77,376		(201)			2.000	1.260	JD	125	450	08/13/2014	06/01/2019
650367KL8	NEWARK NJ 2.498% DUE 04/01/20				1	207,156	99.9710	199,942	200,000	205,444		(976)			2.498	1.950	AO	1,249	6,114	03/26/2013	04/01/2020
666045AM1	NORTHERN VA BOND 5% DUE 6/1/2026				1	91,058	122.3000	91,725	75,000	91,007		(51)			5.000	2.803	JD	156		12/16/2014	06/01/2026
64971MZC9	NYC TRANS FIN 1.552% DUE 08/01/18				1	290,290	108.8520	272,130	250,000	274,557		(7,032)			1.552	(1.126)	FA	1,617	11,165	10/11/2012	08/01/2018
68608UWQ5	OREGON ST 5.00% 05/01/2023				1	127,752	122.8070	122,807	100,000	123,049		(2,520)			5.000	1.985	MN	833	5,000	02/14/2013	05/01/2023
688022CB6	OSCEOLA CNTY FL 4% DUE10/01/17				1	66,900	107.1000	64,260	60,000	63,838		(1,354)			4.000	1.612	AO	600	2,400	09/19/2012	10/01/2017
702750CT5	PASSAIC CNTY 5.00% DUE 05/01/18				1	70,547	111.8470	67,108	60,000	66,378		(1,844)			5.000	1.705	MN	500	3,000	09/19/2012	05/01/2018
70914PLX8	PENNSYLVANIA ST 1.217% DUE 2/15/19				1	261,064	114.6840	246,571	215,000	246,635		(8,113)			1.217	(2.175)	FA	988	10,750	03/26/2013	02/15/2019
745160PR6	PR ACUEDU SEWER 6.1% 07/01/2034				4	189,261	71.8820	215,646	300,000	190,925		1,664			6.100	10.526	JJ	9,150	18,299	06/14/2011	07/01/2034
745185BF4	PR HWY & TRANS 5.55% 07/01/18				5FE	815,924	76.9740	815,924	1,060,000	815,924		46,672	35,182		5.550	14.112	JJ	29,415	58,830	06/14/2011	07/01/2018
763665XU5	RICHLAND CNTY 5% 03/01/2022				1	280,305	121.2160	272,736	225,000	269,612		(5,732)			5.000	2.015	MS	3,750	11,250	02/14/2013	03/01/2022
763682ZV6	RICHLAND CNTY 5.00% 05/01/2023				1	276,782	118.2200	265,995	225,000	268,040		(4,603)			5.000	2.448	MN	1,875	11,250	02/01/2013	05/01/2023
770873KY2	ROBINSON TWP PA 5.375% DUE 5/15/18				1	69,600	108.2340	64,940	60,000	65,852		(1,664)			5.375	2.326	MN	502	3,225	09/19/2012	05/05/2018
771694LE4	ROCHESTER NY 1.763% 02/01/2020				1	362,379	116.4350	349,305	300,000	345,839		(9,337)			1.763	(1.147)	FA	2,204	15,000	03/26/2013	02/01/2020
795685EJ1	SALT LAKE CNTY 5% 02/01/2023				1	281,606	119.9690	269,930	225,000	271,796		(5,240)			5.000	2.180	FA	4,688	11,250	02/11/2013	02/01/2023
810489NP5	SCOTTSDALE ARIZ MUN 5.00% 07/01/20				1	280,375	118.3260	266,234	225,000	266,639		(7,214)			5.000	1.484	JJ	5,625	11,250	02/01/2013	07/01/2020
84055QER7	SOUTH TEXAS CMNTY 5% DUE 08/15/25				1	287,390	120.4220	301,055	250,000	285,084		(2,306)			5.000	3.413	FA	4,722		02/26/2014	08/15/2025
791687BM7	ST LOUIS MO 5.25% DUE 08/15/17				1	70,250	110.3420	66,205	60,000	65,578		(2,066)			5.250	1.614	FA	1,190	3,150	09/19/2012	08/15/2017
914714CB4	UNIV NC CHAPEL HILL 2.453% 2/1/15				1	250,000	100.1750	250,438	250,000	250,000					2.453	2.443	FA	2,555	6,133	11/23/2010	02/01/2015
93974DDH8	WASHINGTON ST VAR 5% DUE 02/01/25				1	88,931	122.7060	92,030	75,000	87,946		(985)			5.000	3.003	FA	1,563	1,833	02/05/2014	02/01/2025
131537ZB1	CALVERT CNTY BOND 4% DUE 04/01/22				1	87,074	114.6350	85,976	75,000	85,071		(1,279)			4.000	2.001	AO	750	3,000	06/05/2013	04/01/2022
4521518V8	ILLINOIS ST TAX 4.421%				1	151,344	100.0000	145,000	145,000	145,000		(1,612)			4.421	3.282	JJ	3,205	6,410	11/12/2010	01/01/2015
452152GP0	ILLINOIS ST TAX 5-BUI 4.85%				1	264,063	101.9100	254,775	250,000	251,634		(3,183)			4.850	3.520	JJ	6,063	12,125	11/19/2010	07/01/2015
79765AC87	SAN FRANCISCO CA CITY 4.75%				1	386,120	101.3700	354,795	350,000	352,817		(8,356)			4.750	2.303	MN	2,771	16,625	11/15/2010	05/01/2015
1899999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						8,278,055	XXX	8,078,327	7,670,000	8,020,131		(75,857)	35,182		XXX	XXX	XXX	116,354	326,686	XXX	XXX
2499999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						8,278,055	XXX	8,078,327	7,670,000	8,020,131		(75,857)	35,182		XXX	XXX	XXX	116,354	326,686	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
40434D756	DJIA LIRN ISSUER HSBC DUE 09/27/19				1	250,000	9.8600	246,500	25,000	250,000							MAT			10/02/2014	09/27/2019
3299999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						250,000	XXX	246,500	25,000	250,000					XXX	XXX	XXX			XXX	XXX
3899999 Subtotal - Industrial & Miscellaneous (Unaffiliated)						250,000	XXX	246,500	25,000	250,000					XXX	XXX	XXX			XXX	XXX
7799999 Subtotals - Issuer Obligations						75,935,573	XXX	73,829,677	74,430,684	75,472,096		(152,209)	35,182		XXX	XXX	XXX	410,878	1,608,869	XXX	XXX
7899999 Subtotals - Residential Mortgage-Backed Securities						2,346,804	XXX	2,372,424	2,254,898	2,335,738		(3,076)			XXX	XXX	XXX	8,363	121,711	XXX	XXX
8399999 Grand Total - Bonds						78,282,377	XXX	76,202,101	76,685,582	77,807,834		(155,285)	35,182		XXX	XXX	XXX	419,241	1,730,580	XXX	XXX

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned . . . . . NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned . . . . . NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
3133EDRN4	FFCB BOND 3.28% DUE 08/05/2024		08/05/2014	Merrill Lynch	X X X	999,000	1,000,000	
0599999 Subtotal - Bonds - U.S. Governments						999,000	1,000,000	
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)								
003464KJ2	ABILENE TEX INDPT 5% 02/15/2022		03/11/2014	Merrill Lynch	X X X	59,572	50,000	
246381EH6	DELAWARE ST BOND 5% DUE 07/01/27		11/17/2014	Merrill Lynch	X X X	91,009	75,000	135
269696DU1	EAGLE MNT SAGINAW TEX 5% 8/15/2021		07/17/2014	Merrill Lynch	X X X	120,071	100,000	69
574193JG4	MARYLAND ST & LOC 5% 08/01/2020		03/13/2014	Merrill Lynch	X X X	90,482	75,000	
64711NWB7	NEW MEXICO FIN BOND 2% 06/01/2019		08/13/2014	Merrill Lynch	X X X	77,576	75,000	
666045AM1	NORTHERN VA BOND 5% DUE 6/1/2026		12/16/2014	Merrill Lynch	X X X	91,058	75,000	
84055QER7	SOUTH TEXAS CMNTY 5% DUE 08/15/25		02/26/2014	Merrill Lynch	X X X	287,390	250,000	
93974DDH8	WASHINGTON ST VAR 5% DUE 02/01/25		02/05/2014	Merrill Lynch	X X X	88,931	75,000	
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)						906,089	775,000	204
Bonds - Industrial and Miscellaneous (Unaffiliated)								
40434D756	DJIA LIRN ISSUER HSBC DUE 09/27/19		10/02/2014	Merrill Lynch	X X X	250,000	25,000	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						250,000	25,000	
8399997 Subtotal - Bonds - Part 3						2,155,089	1,800,000	204
8399998 Summary item from Part 5 for Bonds						2,223,601	2,180,000	1,861
8399999 Subtotal - Bonds						4,378,690	3,980,000	2,065
8999998 Summary Item from Part 5 for Preferred Stocks							X X X	
9799998 Summary Item from Part 5 for Common Stocks							X X X	
9899999 Subtotal - Preferred and Common Stocks							X X X	
9999999 Totals						4,378,690	X X X	2,065

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Governments																				
3133XDZ20	FHLB Bond 5.46%		12/27/2014	MATURITY	XXX	66,798	66,798	75,294	65,910		888		888		66,798				1,650	11/27/2015
31331KXQ8	FED FARM CRED BANK 2.99% 09/09/21		05/08/2014	Merrill Lynch	XXX	750,000	750,000	766,875	763,802		(572)		(572)		763,230		(13,230)	(13,230)	14,888	09/09/2021
313380RE9	FED NATL MTG ASOC MULTI % 9/27/27		12/29/2014	MATURITY	XXX	1,000,000	1,000,000	1,001,250	1,001,149		(1,149)		(1,149)		1,000,000				12,054	09/27/2027
3133ECVL5	FFCB BOND 2.84% DUE 10/29/2020		03/05/2014	Merrill Lynch	XXX	500,000	500,000	500,875	500,806		(19)		(19)		500,787		(787)	(787)	4,970	10/29/2020
3133ECVN1	FFCB BOND 3.24% DUE 07/29/2022		03/10/2014	Merrill Lynch	XXX	1,000,000	1,000,000	999,500	999,479		(13)		(13)		999,467		533	533	19,890	07/29/2022
31331G4P1	FFCB BOND 3.95% 11-25-19 ML		11/20/2014	Merrill Lynch	XXX	72,000	72,000	71,748	71,830		25		25		71,855		145	145	2,844	11/25/2019
3133XPJJ4	FHLB BOND STRUCT NOTE 4.805%		12/15/2014	PRINCIPAL RECEIPT	XXX	23,361	23,361	24,952	23,845		(484)		(484)		23,361				544	08/20/2015
3133XMHR5	FHLB BONDS 5.2% 7/15/14		07/15/2014	PRINCIPAL RECEIPT	XXX	540,240	573,205	608,065	579,807		(39,567)		(39,567)		540,240				15,794	07/15/2014
36295FCD4	GNMA PL 668868X		07/15/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	25,969	25,891		(891)		(891)		25,000				729	09/15/2038
36235LG24	GNMA POOL 470960 UNIT 86		11/17/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	25,825	25,728		(728)		(728)		25,000				1,490	09/15/2026
36235QRS4	GNMA POOL 487543 UNIT 79		12/20/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	25,063	25,047		(47)		(47)		25,000				1,625	05/15/2026
36235QRR6	GNMA POOL 487543 UNIT 80		12/20/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	25,825	25,726		(726)		(726)		25,000				1,625	07/15/2026
36235TP43	GNMA POOL 498826 UNIT 93		12/15/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,275	26,150		(1,150)		(1,150)		25,000				1,625	03/15/2028
36235TP35	GNMA POOL 498826 UNIT 94		12/20/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,288	26,161		(1,161)		(1,161)		25,000				1,625	05/15/2028
36235XXQ6	GNMA POOL 515329 UNIT		02/18/2014	VARIOUS	XXX	25,000	25,000	25,063	25,050		(2)		(2)		25,048		(48)	(48)	271	09/15/2028
36235XXR4	GNMA POOL 515329 UNIT 88		02/18/2014	VARIOUS	XXX	25,000	25,000	25,063	25,050		(2)		(2)		25,048		(48)	(48)	271	07/15/2028
36235XXP8	GNMA POOL 515329 UNIT 90		02/18/2014	VARIOUS	XXX	25,000	25,000	25,825	25,746		(9)		(9)		25,737		(737)	(737)	271	10/15/2028
36236MKG5	GNMA POOL 531508 UNIT 90		02/18/2014	VARIOUS	XXX	25,000	25,000	25,075	25,062		(2)		(2)		25,060		(60)	(60)	292	05/15/2029
36236MKF7	GNMA POOL 531508 UNIT 91		02/18/2014	VARIOUS	XXX	25,000	25,000	25,075	25,062		(2)		(2)		25,060		(60)	(60)	292	07/15/2029
36236MKE0	GNMA POOL 531508 UNIT 92		02/18/2014	VARIOUS	XXX	25,000	25,000	25,950	25,868		(9)		(9)		25,858		(858)	(858)	292	08/15/2029
36236MKD2	GNMA POOL 531508 UNIT 93		02/18/2014	VARIOUS	XXX	25,000	25,000	25,950	25,869		(9)		(9)		25,860		(860)	(860)	292	10/15/2029
36236MKC4	GNMA POOL 531508 UNIT 94		04/15/2014	VARIOUS	XXX	25,000	25,000	25,950	25,870		(14)		(14)		25,856		(856)	(856)	583	12/15/2029
36236MKB6	GNMA POOL 531508 UNIT 95		07/20/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,263	26,160		(1,160)		(1,160)		25,000				1,021	03/15/2030
36236MKA8	GNMA POOL 531508 UNIT 96		09/20/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,263	26,160		(1,160)		(1,160)		25,000				1,312	03/15/2030
36236MJ93	GNMA POOL 531508 UNIT 97		09/15/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,275	26,176		(1,176)		(1,176)		25,000				1,312	06/15/2030
36236MJ85	GNMA POOL 531508 UNIT 98		09/15/2014	PRINCIPAL RECEIPT	XXX	25,000	25,000	26,288	26,186		(1,186)		(1,186)		25,000				1,312	06/15/2030
38378TQ37	GNMA CMO 2013 2.75% DUE 06/2043		12/22/2014	MATURITY	XXX	44,134	44,134	44,907	44,899		(765)		(765)		44,134				608	06/20/2043
0599999 Subtotal - Bonds - U.S. Governments						4,446,533	4,479,498	4,557,751	4,514,489		(51,090)		(51,090)		4,463,399		(16,867)	(16,867)	89,482	XXX
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)																				
270764AR4	EAST BATON ROUGE 5% DUE 02/01/20		02/04/2014	Merrill Lynch	XXX	101,000	100,000	101,513	101,507		(24)		(24)		101,483		(483)	(483)	2,500	02/01/2020
351352KL2	FOX CHAPEL PA 4.00% DUE 08/01/2021		06/19/2014	Merrill Lynch	XXX	238,743	210,000	245,507	242,282		(1,862)		(1,862)		240,420		(1,677)	(1,677)	7,537	08/01/2021
416489NE8	HARTFORD CNTY 5% 06/01/2022		02/03/2014	Merrill Lynch	XXX	270,041	225,000	281,412	276,322		(500)		(500)		275,822		(5,782)	(5,782)	5,688	06/01/2022
592646MD2	METRO WAC DC 5% DUE 10/01/18		10/01/2014	UBS Financial Services	XXX	250,000	250,000	272,680	268,273		(2,688)		(2,688)		265,586		(15,586)	(15,586)	12,500	10/01/2018
64990HHS2	NEW YORK ST DORM BOND 5% 07/01/20		01/22/2014	Merrill Lynch	XXX	147,511	125,000	154,248	151,456		(227)		(227)		151,229		(3,718)	(3,718)	3,576	07/01/2020
72177LBW8	PIMA CNTY AZ 5.00% DUE 07/01/17		10/28/2014	UBS Financial Services	XXX	61,200	60,000	70,107	67,458		(1,728)		(1,728)		65,730		(4,530)	(4,530)	3,975	07/01/2017
745185BF4	PR HWY & TRANS 5.55% 07/01/18		07/01/2014	MATURITY	XXX	195,000	195,000	149,120	147,531		49,939		49,939		195,000				6,313	07/01/2018
167485RT0	CHICAGO IL PROJ & TAX 5.3%		01/01/2014	MATURITY	XXX	500,000	500,000	540,015	500,000						500,000				13,250	01/01/2014
6055806B0	MISSISSIPPI ST TELECOM 1.745%		11/01/2014	MATURITY	XXX	650,000	650,000	659,750	652,083		(2,083)		(2,083)		650,000				11,343	11/01/2014
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)						2,413,495	2,315,000	2,474,352	2,406,912		40,827		40,827		2,445,270		(31,776)	(31,776)	66,682	XXX
8399997 Subtotal - Bonds - Part 4						6,860,028	6,794,498	7,032,103	6,921,401		(10,263)		(10,263)		6,908,669		(48,643)	(48,643)	156,164	XXX
8399998 Summary Item from Part 5 for Bonds						2,225,437	2,180,000	2,223,601			(609)		(609)		2,222,992		2,445	2,445	36,588	XXX
8399999 Subtotal - Bonds						9,085,465	8,974,498	9,255,704	6,921,401		(10,872)		(10,872)		9,131,661		(46,198)	(46,198)	192,752	XXX
8999998 Summary Item from Part 5 for Preferred Stocks							XXX													XXX
9799998 Summary Item from Part 5 for Common Stocks							XXX													XXX
9899999 Subtotal - Preferred and Common Stocks							XXX													XXX
9999999 Totals						9,085,465	XXX	9,255,704	6,921,401		(10,872)		(10,872)		9,131,661		(46,198)	(46,198)	192,752	XXX

SCHEDULE D - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	FOREIGN	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (Col. 12+ 13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments																				
3133EDGQ9	FFCB BOND 3.050% DUE 09/12/2022		03/12/2014	Merrill Lynch	12/08/2014	Merrill Lynch	830,000	830,830	830,000	830,742		(88)		(88)			(742)	(742)	18,705	
3130A0WD8	FHLB BOND 3.35% DUE 08/28/2023		02/28/2014	Merrill Lynch	07/31/2014	Merrill Lynch	1,000,000	999,000	1,000,000	999,018		18		18			982	982	14,144	
0599999 Subtotal - Bonds - U.S. Governments							1,830,000	1,829,830	1,830,000	1,829,760		(70)		(70)			240	240	32,849	
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)																				
57582P3G3	MASSACHUSETTS ST BOND 5% 07/01/24		07/02/2014	Merrill Lynch	07/15/2014	Merrill Lynch	100,000	121,796	121,725	121,726		(70)		(70)			(1)	(1)	181	
625506MX5	MULTNOMAH CNTY ORE 5% DUE 06/01/22		04/04/2014	Merrill Lynch	06/04/2014	Merrill Lynch	75,000	89,591	91,531	89,266		(325)		(325)			2,265	2,265	1,927	1,333
677522AF1	OHIO ST INFRASTRUCTURE 3% 03/01/21		10/01/2014	Merrill Lynch	12/02/2014	Merrill Lynch	75,000	80,457	81,032	80,320		(137)		(137)			712	712	325	
824178UQ8	SHERMAN TEX INDPT 5% DUE 02/15/29		09/22/2014	Merrill Lynch	11/17/2014	Merrill Lynch	100,000	101,927	101,149	101,920		(7)		(7)			(771)	(771)	1,306	528
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)							350,000	393,771	395,437	393,232		(539)		(539)			2,205	2,205	3,739	1,861
8399998 Subtotal - Bonds							2,180,000	2,223,601	2,225,437	2,222,992		(609)		(609)			2,445	2,445	36,588	1,861
9999999 Totals								2,223,601	2,225,437	2,222,992		(609)		(609)			2,445	2,445	36,588	1,861

E16 Schedule D - Part 6 Sn 1 . . . . . NONE

E16 Schedule D - Part 6 Sn 2 . . . . . NONE

E17 Schedule DA - Part 1 Short-Term Investments Owned . . . . . NONE

E18 Schedule DB - Part A Sn 1 Opt/Cap/Floors/Collars/Swaps/Forwards Open . . . . NONE

E19 Schedule DB - Part A Sn 2 Opt/Cap/Floors/Collars/Swaps/Forwards Term. . . . NONE

E20 Schedule DB - Part B Sn 1 Futures Contracts Open . . . . . NONE

E21 Schedule DB - Part B Sn 2 Futures Contracts Terminiated . . . . . NONE

E22 Schedule DB - Part D Sn 1 Counterparty Exposure for Derivative Instruments . NONE

E23 Schedule DB - Part D Sn 2 - Collateral Pledged By Reporting Entity . . . . . NONE

E23 Schedule DB - Part D Sn 2 - Collateral Pledged To Reporting Entity . . . . . NONE

E24 Schedule DL - Part 1 - Securities Lending Collateral Assets . . . . . NONE

E25 Schedule DL - Part 2 - Securities Lending Collateral Assets . . . . . NONE

SCHEDULE E - PART 1 - CASH

1 Depository			2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
open depositories								
Banco Popular	Ave. Ponce de Leon, Hato Rey, PR						23,931,996	X X X
UBS Financial Services	1161 Ashford Ave. San Juan, PR 00907-1228						2,821,970	X X X
Merril Lynch	Suite 210 Metro Office Park, Guaynabo, PR 00968						2,712,798	X X X
Government Development Bank	Po Box 42001 San Juan, PR 00940-2001	10/28/2015		0.850	4,880	992	646,574	X X X
Merril Lynch	Suite 210 Metro Office Park, Guaynabo, PR 00968						500,000	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories				X X X				X X X
0199999 Totals - Open Depositories				X X X	4,880	992	30,613,338	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories				X X X				X X X
0299999 Totals - Suspended Depositories				X X X				X X X
0399999 Total Cash On Deposit				X X X	4,880	992	30,613,338	X X X
0499999 Cash in Company's Office				X X X	X X X	X X X		X X X
0599999 Total Cash				X X X	4,880	992	30,613,338	X X X

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

1. January	124,913,475	4. April	8,692,227	7. July	26,511,981	10. October	153,916,695
2. February	138,680,626	5. May	109,418,965	8. August	49,845,220	11. November	17,366,297
3. March	29,354,686	6. June	4,641,083	9. September	33,667,284	12. December	30,613,338

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1	2	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3	4	5	6
States. Etc.	Type of Deposit	Purpose of Deposit	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)	C	Statutory Deposit Requirement	646,574	646,574		
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate Alien and Other (OT)	XXX	XXX				
59. TOTAL	XXX	XXX	646,574	646,574		
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX				
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	XXX				

13022201446000000 2014 Document Code: 460

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended DECEMBER 31, 2014

(To be filed by March 1)

PART 1 - INTERROGATORIES

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

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

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

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	3 Salary	4 Bonus	5 Stock Awards	6 Option Awards	7 Sign-on Payments	8 Severance Payments	9 All Other Compensation	10 Totals
1. Current Principal Executive Officer	2014								
	2013								
	2012								
2. Current Principal Financial Officer	2014								
	2013								
	2012								
3.	2014								
	2013								
	2012								
4.	2014								
	2013								
	2012								
5.	2014								
	2013								
	2012								
6.	2014								
	2013								
	2012								
7.	2014								
	2013								
	2012								
8.	2014								
	2013								
	2012								
9.	2014								
	2013								
	2012								
10.	2014								
	2013								
	2012								

NONE

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation and Company (if Outside Director)	Paid or Deferred for Services as Director				6 All Other Compensation Paid or Deferred	7 Totals
	2 Direct Compensation	3 Stock Awards	4 Option Awards	5 Other		
9999999						

NONE

PART 4 – NARRATIVE DESCRIPTION OF MATERIAL FACTORS

Provide a narrative description of any material factors necessary to gain an understanding of the information disclosed in the tables.

13022201428500100 2014 Document Code: 285

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended DECEMBER 31, 2014
(To Be Filed by April 1)

Of The MCS Advantage Inc.
Address (City, State, Zip Code) San Juan, PR, 00917
NAIC Group Code 1301 NAIC Company Code 13022 Employer's ID Number 660642758

The Investment Risk Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.
Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 214,634,110

1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01 Banco Popular de Puerto Rico	Cash	23,931,996	11.150
2.02 Rochester NY	Bond	345,839	0.161
2.03 UBS Money Market	Cash	2,821,970	1.315
2.04 Merrill Lynch	Cash	3,212,798	1.497
2.05 South Texas CMNTY	Bond	285,084	0.133
2.06 City of Dallas TX	Bond	292,256	0.136
2.07 Lexington Mass	Bond	279,769	0.130
2.08 San Francisco CA City	Bond	352,817	0.164
2.09 PR HWY & Trans	Bond	815,924	0.380
2.10 NYC Trans Fin	Bond	274,557	0.128

NAIC Designation	1 Amount	2 Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.		
Bonds		
3.01 NAIC 1	76,800,984	35.782
3.02 NAIC 2		
3.03 NAIC 3		
3.04 NAIC 4	190,925	0.089
3.05 NAIC 5	815,924	0.380
3.06 NAIC 6		
Preferred Stocks		
3.07 P/RP-1		
3.08 P/RP-2		
3.09 P/RP-3		
3.10 P/RP-4		
3.11 P/RP-5		
3.12 P/RP-6		

4. Assets held in foreign investments:
   4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
   If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

	1 Amount	2 Percent
4.02 TOTAL admitted assets held in foreign investments		
4.03 Foreign-currency-denominated investments		
4.04 Insurance liabilities denominated in that same foreign currency		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

NAIC Sovereign Designation	1 Amount	2 Percent
5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:		
5.01 Countries designated NAIC 1		
5.02 Countries designated NAIC 2		
5.03 Countries designated NAIC 3 or below		

NAIC Sovereign Designation	1 Amount	2 Percent
6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
6.01		
6.02		
Countries designated NAIC 2:		
6.03		
6.04		
Countries designated NAIC 3 or below:		
6.05		
6.06		

Description	1 Amount	2 Percent
7. Aggregate unhedged foreign currency exposure		

NAIC Sovereign Designation	1 Amount	2 Percent
8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:		
8.01 Countries designated NAIC 1		
8.02 Countries designated NAIC 2		
8.03 Countries designated NAIC 3 or below		

NAIC Sovereign Designation	1 Amount	2 Percent
9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
9.01		
9.02		
Countries designated NAIC 2:		
9.03		
9.04		
Countries designated NAIC 3 or below:		
9.05		
9.06		

1 Issuer	2 NAIC Designation	3 Amount	4 Percent
10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:			
10.01			
10.02			
10.03			
10.04			
10.05			
10.06			
10.07			
10.08			
10.09			
10.10			

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:
    11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

Description	1 Amount	2 Percent
11.02 TOTAL admitted assets held in Canadian Investments		
11.03 Canadian-currency-denominated investments		
11.04 Canadian-denominated insurance liabilities		
11.05 Unhedged Canadian currency exposure		

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.
    12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

1 Contractual Sales Restrictions	2 Amount	3 Percent
12.02 Aggregate statement value of investments with contractual sales restrictions		
Largest 3 investments with contractual sales restrictions:		
12.03		
12.04		
12.05		

13. Amounts and percentages of admitted assets held in the ten largest equity interests:
    13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

1 Name of Issuer	2 Amount	3 Percent
Assets held in equity interests:		
13.02		
13.03		
13.04		
13.05		
13.06		
13.07		
13.08		
13.09		
13.10		
13.11		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:
    14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

1 Investment Category	2 Amount	3 Percent
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities		
Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03		
14.04		
14.05		

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:
    15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

1 Investments in General Partnerships	2 Amount	3 Percent
15.02 Aggregate statement value of investments held in general partnership interests		
Largest 3 investments in general partnership interests:		
15.03		
15.04		
15.05		

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:
    16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

1 Type (Residential, Commercial, Agricultural)	2 Amount	3 Percent
TOTAL admitted assets held in Mortgage Loans		
16.02		
16.03		
16.04		
16.05		
16.06		
16.07		
16.08		
16.09		
16.10		
16.11		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	Loans 2 Amount	Loans 3 Percent
Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:		
16.12 Construction loans		
16.13 Mortgage loans over 90 days past due		
16.14 Mortgage loans in the process of foreclosure		
16.15 Mortgage loans foreclosed		
16.16 Restructured mortgage loans		

Loan-to-Value	Residential 1 Amount	Residential 2 Percent	Commercial 3 Amount	Commercial 4 Percent	Agricultural 5 Amount	Agricultural 6 Percent
17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:						
17.01 Above 95%						
17.02 91% to 95%						
17.03 81% to 90%						
17.04 71% to 80%						
17.05 Below 70%						

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:
18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

1 Description	2 Amount	3 Percent
Largest 5 investments in any one parcel or group of contiguous parcels of real estate:		
18.02		
18.03		
18.04		
18.05		
18.06		

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:
19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

1 Description	2 Amount	3 Percent
19.02 Aggregate statement value of investments held in mezzanine real estate loans		
Largest three investments held in mezzanine real estate loans:		
19.03		
19.04		
19.05		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:					
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)					
20.02 Repurchase agreements					
20.03 Reverse repurchase agreements					
20.04 Dollar repurchase agreements					
20.05 Dollar reverse repurchase agreements					

Description	Owned		Written	
	1 Amount	2 Percent	3 Amount	4 Percent
21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:				
21.01 Hedging				
21.02 Income generation				
21.03 Other				

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:					
22.01 Hedging					
22.02 Income generation					
22.03 Replications					
22.04 Other					

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:					
23.01 Hedging					
23.02 Income generation					
23.03 Replications					
23.04 Other					

13022201421000100 2014 Document Code: 210

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only

For The Year Ended DECEMBER 31, 2014

NAIC Group Code: 1301 **(To Be Filed By April 1)** **NAIC Company Code: 13022**

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of Dec. 31	6 Number of Covered Lives as of Dec. 31	7 Member Months
A. INDIVIDUAL BUSINESS							
1. Comprehensive Major Medical							
1.1. With Contract Reserves							
1.2. Without Contract Reserves							
1.3. Subtotal							
2. Short-Term Medical							
2.1. With Contract Reserves							
2.2. Without Contract Reserves							
2.3. Subtotal							
3. Other Medical (Non-Comprehensive)							
3.1. With Contract Reserves							
3.2. Without Contract Reserves							
3.3. Subtotal							
4. Specified/Named Disease							
4.1. With Contract Reserves							
4.2. Without Contract Reserves							
4.3. Subtotal							
5. Limited Benefit							
5.1. With Contract Reserves							
5.2. Without Contract Reserves							
5.3. Subtotal							
6. Student							
6.1. With Contract Reserves							
6.2. Without Contract Reserves							
6.3. Subtotal							
7. Accident Only or AD&D							
7.1. With Contract Reserves							
7.2. Without Contract Reserves							
7.3. Subtotal							
8. Disability Income - Short-Term							
8.1. With Contract Reserves							
8.2. Without Contract Reserves							
8.3. Subtotal							

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of Dec. 31	6 Number of Covered Lives as of Dec. 31	7 Member Months
A. INDIVIDUAL BUSINESS (Continued)							
9. Disability Income - Long-Term							
9.1. With Contract Reserves							
9.2. Without Contract Reserves							
9.3. Subtotal							
10. Long-Term Care							
10.1. With Contract Reserves							
10.2. Without Contract Reserves							
10.3. Subtotal							
11. Medicare Supplement (Medigap)							
11.1. With Contract Reserves							
11.2. Without Contract Reserves							
11.3. Subtotal							
12. Dental							
12.1. With Contract Reserves							
12.2. Without Contract Reserves							
12.3. Subtotal							
13. State Children's Health Insurance Program							
13.1. With Contract Reserves							
13.2. Without Contract Reserves							
13.3. Subtotal							
14. Medicare							
14.1. With Contract Reserves	1,473,194,401	1,279,346,402		86.8	179,539	179,539	2,048,997
14.2. Without Contract Reserves							
14.3. Subtotal	1,473,194,401	1,279,346,402		86.8	179,539	179,539	2,048,997
15. Medicaid							
15.1. With Contract Reserves							
15.2. Without Contract Reserves							
15.3. Subtotal							
16. Medicare Part D - Stand-Alone							
16.1. With Contract Reserves							
16.2. Without Contract Reserves							
16.3. Subtotal							
17. Other Individual Business							
17.1. With Contract Reserves							
17.2. Without Contract Reserves							
17.3. Subtotal							
18. Total Individual Business							
18.1. With Contract Reserves	1,473,194,401	1,279,346,402		86.8	179,539	179,539	2,048,997
18.2. Without Contract Reserves							
19. Grand Total Individual	**1,473,194,401**	**1,279,346,402**		**86.8**	**179,539**	**179,539**	**2,048,997**

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of Dec. 31	6 Number of Covered Lives as of Dec. 31	7 Member Months
B. GROUP BUSINESS							
Comprehensive Major Medical							
1. Single Employer							
1.1. Small Employer							
1.2. Other Employer							
1.3. Single Employer Subtotal							
2. Multiple Employer Assns and Trusts							
3. Other Associations and Discretionary Trusts							
4. Other Comprehensive Major Medical							
5. Comprehensive/Major Medical Subtotal							
Other Medical (Non-Comprehensive)							
6. Specified/Named Disease							
7. Limited Benefit							
8. Student							
9. Accident Only or AD&D							
10. Disability Income - Short-Term							
11. Disability Income - Long-Term							
12. Long-Term Care							
13. Medicare Supplement (Medigap)							
14. Federal Employees Health Benefits Plans							
15. Tricare							
16. Dental							
17. Medicare							
18. Medicare Part D - Stand-Alone							
19. Other Group Care							
20. GRAND TOTAL Group Business							
C. OTHER BUSINESS							
1. Credit (Individual and Group)							
2. Stop Loss/Excess Loss							
3. Administrative Services Only	XXX	XXX	XXX	XXX			
4. Administrative Services Contracts	XXX	XXX	XXX	XXX			
5. GRAND TOTAL Other Business							
D. TOTAL BUSINESS							
1. TOTAL Non U.S. Policy Forms							
2. GRAND TOTAL Individual, Group and Other Business	1,473,194,401	1,279,346,402		86.8	179,539	179,539	2,048,997

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

PART 1 - INDIVIDUAL POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	1,473,194,401	1,279,346,402		86.842
2. Other Forms Direct Business				
3. TOTAL Direct Business	1,473,194,401	1,279,346,402		86.842
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL	1,473,194,401	1,279,346,402		86.842

PART 2 - GROUP POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business				
2. Other Forms Direct Business				
3. TOTAL Direct Business				
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL				

PART 3 - CREDIT POLICIES (Individual and Group) SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business				
2. Other Forms Direct Business				
3. TOTAL Direct Business				
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL				

PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	1,473,194,401	1,279,346,402		86.842
2. Other Forms Direct Business				
3. TOTAL Direct Business	1,473,194,401	1,279,346,402		86.842
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL	1,473,194,401	1,279,346,402		86.842

13022201436054100 2014 Document Code: 360

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
For The Year Ended DECEMBER 31, 2014
(To be filed by March 1)
FOR THE STATE OF **PUERTO RICO**

NAIC Group Code: 1301 NAIC Company Code: 13022
Address (City, State and Zip Code): San Juan, PR 00917
Person Completing This Exhibit:
Title: Telephone Number:

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2011				Policies Issued in 2012, 2013, 2014			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
0199999 Total Experience on Individual Policies																	
0299999 Total Experience on Group Policies																	

GENERAL INTERROGATORIES

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

13022201442000100 2014 Document Code: 420

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2014

(To Be Filed by March 1)

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

TO ANNUAL STATEMENT OF THE

MCS Advantage Inc.
COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

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

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

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

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

INFORMATION REGARDING MANAGEMENT AND DIRECTORS

1. Furnish the following information for each director, and for each of the three highest paid officers, whose aggregate direct remuneration exceeded $100,000 during the year, naming each such person.

1	2	3	4	Benefits Accrued or Set Aside During Year		Est. Annual Benefits Upon Retirement	
				5	6	7	8
Name and Title	Principal Occupation or Employment	Served as Director From	Aggregate Direct Remuneration	Retirement Plan	Other Emp. Benefits	Retirement Plan	Other Emp. Benefits

Furnish on a separate sheet the following information as to each of the individuals named above (or state below that such information is not present):

A. Information as to any material interest, direct or indirect, on the part of such individual during the year in any material transaction or any material proposed transaction as to which the Company, or any of its subsidiaries, was or is to be a party.

B. Information as to all options to purchase securities of the Company granted to or exercised by each such individual during the year.

2. Answer "yes" or "no" in each column as to whether or not the information in Item 1 above has been, or will be, furnished to stockholders in any proxy statement relating to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the Company will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis.
If any answer is "no" explain in detail on a separate sheet.

No	No	No	No	No	No	No	No

3. Furnish the information specified in Item 1 for all directors and all officers of the Company, as a group, without naming them.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	No	No	No	No	No

4. Did the stockholders have an opportunity to vote for or against the election of directors and also other matters to be presented at any stockholder's meeting?

Answer No If answer is "no" explain on separate sheet.

5. Will the Company solicit proxies from its stockholders during the following year and will such solicitation(s) precede any shareholders' meeting or meetings by at least 10 days?

Answer No If answer is "yes" and proxies are to be solicited, copies of the proxy statement and form of proxy and other soliciting material to be furnished stockholders shall be submitted to the Insurance Commissioner of the Company's domiciliary state at least 10 days prior to the date such material is first sent or given to stockholders.

If answer is "no" and proxies are not to be solicited from stockholders, explain in detail below. Attach separate sheet if necessary.

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

1	2	3	Number of Shares					
			4	5	Disposed of During Current Year		8	9
					6	7		
Name and Title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	Title of Security	Nature of Ownership	Owned at end of Prior Year	Acquired During Current Year	Held Less Than 6 Months	Held 6 Months or More	Owned at End of Current Year	Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the Current Year

Note: Answer "yes" or "no" as to whether the information concerning the number of shares owned at the end of the year (as shown in Column 8) by each Director and the three highest paid Officers whose aggregate direct remuneration exceeded $100,000 during the year, has been or will be furnished to stockholders in a proxy statement or otherwise. No If answer is "no", explain in detail on a separate sheet.

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

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

If answer is "yes" explain:

13022201436500000 2014 Document Code: 365

Medicare Part D Coverage Supplement

(Net of Reinsurance)

NAIC Group Code: 1301 **(To be Filed By March 1)** **NAIC Company Code: 13022**

	Individual Coverage		Group Coverage		
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	5 Total Cash
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		XXX		XXX	
1.12 Without Reinsurance Coverage		XXX		XXX	
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	
1.2 Supplemental Benefits		XXX		XXX	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		XXX		XXX	XXX
5.12 Without Reinsurance Coverage		XXX		XXX	XXX
5.13 Risk-Corridor Payment Adjustments		XXX		XXX	XXX
5.2 Supplemental Benefits		XXX		XXX	XXX
6. TOTAL Premiums		XXX		XXX	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage				XXX	
7.12 Without Reinsurance Coverage				XXX	
7.2 Supplemental Benefits				XXX	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		XXX		XXX	XXX
10.12 Without Reinsurance Coverage		XXX		XXX	XXX
10.2 Supplemental Benefits		XXX		XXX	XXX
11. TOTAL Claims		XXX		XXX	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of reimbursements applied	XXX		XXX		
12.2 Reimbursements Received but Not Applied - change	XXX		XXX		
12.3 Reimbursements Receivable - change	XXX		XXX		XXX
12.4 Healthcare Receivables - change	XXX		XXX		XXX
13. Aggregate Policy Reserves - change					XXX
14. Expenses Paid		XXX		XXX	
15. Expenses Incurred		XXX		XXX	XXX
16. Underwriting Gain/Loss		XXX		XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	

NONE

13022201430100100 2014 Document Code: 301

LONG-TERM CARE EXPERIENCE REPORTING FORM 1
ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY
REPORTING YEAR 2014
(To Be Filed By April 1)

NAIC Group Code: 1301 **NAIC Company Code: 13022**

	1 Earned Premiums	2 Incurred Claims	3 Valuation Expected Incurred Claims	4 Actual to Expected Incurred Claims	5 Open Claim Count	6 New Claim Count	7 Lives Inforce End of Year	8 Expected Lives Inforce End of Year	9 Actual to Expected Lives Inforce
A. Individual									
Comprehensive:									
1. Current									
2. Prior									
3. 2nd Prior									
4. 3rd Prior									
5. 4th Prior									
6. 5th Prior									
7. Form Inception-to-Date									
8. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only:									
9. Current									
10. Prior									
11. 2nd Prior									
12. 3rd Prior									
13. 4th Prior									
14. 5th Prior									
15. Form Inception-to-Date									
16. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only:									
17. Current									
18. Prior									
19. 2nd Prior									
20. 3rd Prior									
21. 4th Prior									
22. 5th Prior									
23. Form Inception-to-Date									
24. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
B. Group									
Comprehensive:									
1. Current									
2. Prior									
3. 2nd Prior									
4. 3rd Prior									
5. 4th Prior									
6. 5th Prior									
7. Form Inception-to-Date									
8. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only:									
9. Current									
10. Prior									
11. 2nd Prior									
12. 3rd Prior									
13. 4th Prior									
14. 5th Prior									
15. Form Inception-to-Date									
16. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only:									
17. Current									
18. Prior									
19. 2nd Prior									
20. 3rd Prior									
21. 4th Prior									
22. 5th Prior									
23. Form Inception-to-Date									
24. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
C. Summary									
1. Form Inception-to-Date									
2. TOTAL Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX

13022201430200100 2014 Document Code: 302

LONG-TERM CARE EXPERIENCE REPORTING FORM 2
EXPERIENCE RESERVE VS. REPORTED RESERVE BY CALENDAR YEAR

REPORTING YEAR 2014

NAIC Group Code 1301 **(To Be Filed By April 1)** **NAIC Company Code 13022**

Reporting Year	1 Policy Form	2 First Year Issue	3 Last Year Issue	4 Earned Premiums	5 Incurred Claims	6 Loss Ratio	7 Annual Net/ Annual Gross Premiums	8 Current Year Net Premiums	9 Inforce Count Beginning of Year	10 New Issues Current Year	11 Inforce Count End of Year	12 Persistency Rate	13 Experience Policy Reserves	14 Reported Policy Reserves	15 Experience/ Reported Ratio
A. INDIVIDUAL															
B. GROUP															
C. SUMMARY															
1. TOTAL Current - Individual						XXX	XXX					XXX			XXX
2. TOTAL Prior - Individual						XXX	XXX					XXX			XXX
3. TOTAL 2nd Prior - Individual						XXX	XXX					XXX			XXX
4. TOTAL Current - Group						XXX	XXX					XXX			XXX
5. TOTAL Prior - Group						XXX	XXX					XXX			XXX
6. TOTAL 2nd Prior - Group						XXX	XXX					XXX			XXX
7. Current Year Total															

13022201430300100 2014 Document Code: 303

LONG-TERM CARE EXPERIENCE REPORTING FORM 3
LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)

REPORTING YEAR 2014

(To Be Filed By April 1)

NAIC Group Code: 1301 NAIC Company Code: 13022

Incurred Year	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014
A. Individual								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholders								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

LONG-TERM CARE EXPERIENCE REPORTING FORM 3 (continued)
LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)
REPORTING YEAR 2014

Incurred Year	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014
B. Group								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholders								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

LONG-TERM CARE EXPERIENCE REPORTING FORM 3 (continued)
LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)
REPORTING YEAR 2014

Incurred Year	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014
C. Summary								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholders								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserves Outstanding at End of Year								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2007								
3. 2008	XXX							
4. 2009	XXX	XXX						
5. 2010	XXX	XXX	XXX					
6. 2011	XXX	XXX	XXX	XXX				
7. 2012	XXX	XXX	XXX	XXX	XXX			
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

13022201430400100 2014 Document Code: 304

LONG-TERM CARE EXPERIENCE REPORTING FORM 4
LIFE AND ANNUITY PRODUCTS WITH LTC ACCELERATED BENEFITS

REPORTING YEAR 2014

(To Be Filed By April 1)

NAIC Group Code: 1301 NAIC Company Code: 13022

Incurred Year	1 Number of Policies In Force	2 Number of Certificates	3 Death Claims	4 LTC Accelerated Claims	5 Total Reserves
A. Individual					
1. Current					
2. Prior					
3. 2nd Prior					
B. Group					
1. Current					
2. Prior					
3. 2nd Prior					
C. Summary					
1. TOTAL Inception-to-Date					

Total Reserves are reserves for these particular life products with LTC accelerated benefits.
Incurred claims are only the policies that claims have been triggered due to acceleration.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

13022201421654100 2014 Document Code: 216

NAIC Group Code 1301 BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2014 NAIC Company Code 13022

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Business (Excluded by Statute)	Other Health Business	Aggregate (2% Rule)	Subtotal (Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
1. Premium:															
1.01 Health premiums earned (From Part 2, Line 1.11)										1,475,064,778			1,475,064,778	XXX	1,475,064,778
1.02 Federal high risk pools														XXX	
1.03 State high risk pools														XXX	
1.04 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)										1,475,064,778			1,475,064,778	XXX	1,475,064,778
1.05 Federal taxes and federal assessments										16,782,854			16,782,854		16,782,854
1.06 State insurance, premium and other taxes (Similar local taxes of $.....0)															
1.06A Community Benefit Expenditures (informational only)															
1.07 Regulatory authority licenses and fees										678,839			678,839		678,839
1.08 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)										1,457,603,085			1,457,603,085	XXX	1,457,603,085
1.09 Net assumed less ceded reinsurance premiums earned														XXX	
1.10 Other adjustments due to MLR calculations - Premiums														XXX	
1.11 Risk Revenue														XXX	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)										1,457,603,085			1,457,603,085	XXX	1,457,603,085
2. Claims:															
2.1 Incurred claims excluding prescription drugs										948,211,728			948,211,728	XXX	948,211,728
2.2 Prescription drugs										353,753,614			353,753,614	XXX	353,753,614
2.3 Pharmaceutical rebates										22,618,940			22,618,940	XXX	22,618,940
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														XXX	
3. Incurred medical incentive pools and bonuses										11,722,509			11,722,509	XXX	11,722,509
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)															
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)										1,291,068,911			1,291,068,911	XXX	1,291,068,911
5.1 Net assumed less ceded reinsurance claims incurred														XXX	
5.2 Other adjustments due to MLR calculations - Claims														XXX	
5.3 Rebates Paid										XXX	XXX	XXX		XXX	
5.4 Estimated rebates unpaid prior year										XXX	XXX	XXX		XXX	
5.5 Estimated rebates unpaid current year										XXX	XXX	XXX		XXX	
5.6 Fee for service and co-pay revenue														XXX	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)										1,291,068,911			1,291,068,911	XXX	1,291,068,911

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

(To Be Filed by April 1 - Not for Rebate Purposes)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1	2	3	4	5	6	7	8		Business	Other		Subtotal		
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	(Excluded by Statute)	Health Business	Aggregate (2% Rule)	(Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes										3,963,394			3,963,394		3,963,394
6.2 Activities to prevent hospital readmissions										827,177			827,177		827,177
6.3 Improve patient safety and reduce medical errors										578,653			578,653		578,653
6.4 Wellness and health promotion activities										714,753			714,753		714,753
6.5 Health Information Technology expenses related to health improvement										710,408			710,408		710,408
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5)										6,794,385			6,794,385		6,794,385
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8										XXX	XXX	XXX	XXX	XXX	XXX
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses										16,232,238			16,232,238		16,232,238
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)										16,232,238			16,232,238		16,232,238
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)										0.011			XXX	XXX	XXX
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits										16,252,362			16,252,362		16,252,362
10.2 Agents and brokers fees and commissions										13,881,814			13,881,814		13,881,814
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)										2,043,110			2,043,110		2,043,110
10.4 Other general and administrative expenses										133,921,652			133,921,652		133,921,652
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)										166,098,938			166,098,938		166,098,938
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)										(22,591,387)			(22,591,387)	XXX	(22,591,387)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(22,591,387)	XXX	(22,591,387)
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only: already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies										179,539			179,539		179,539
O2. Number of Covered Lives										179,539			179,539		179,539
O3. Number of Groups	XXX			XXX											
O4. Member Months										2,048,997			2,048,997		2,048,997

(a) Is run off business reported in Columns 1 through 9? Yes[ ] No[X]
(b) If yes, show the amount of premiums and claims included: Premiums $.....0 Claims $.....0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301 **BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2014** **NAIC Company Code 13022**

	Business Subject to MLR									10	11	12	13
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government			
	1	2	3	4	5	6	7	8		Business	Other		
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	(Excluded by Statute)	Health Business	Aggregate (2% Rule)	Total (a)
1. Health Premiums Earned													
1.01 Direct premiums written										1,475,064,778			1,475,064,778
1.02 Unearned premium prior year													
1.03 Unearned premium current year													
1.04 Change in unearned premium (Lines 1.2 - 1.3)													
1.05 Paid rate credits													
1.06 Reserve for rate credits current year													
1.07 Reserve for rate credits prior year													
1.08 Change in reserve for rate credits (Lines 1.6 - 1.7)													
1.09 Premium balances written off													
1.10 Group conversion charges													
1.11 TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)										1,475,064,778			1,475,064,778
1.12 Assumed premiums earned from non-affiliates													
1.13 Net assumed less ceded premiums earned from affiliates													
1.14 Ceded premiums earned to non-affiliates													
1.15 Other adjustments due to MLR calculation - Premiums													
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)										1,475,064,778			1,475,064,778
2. Direct Claims Incurred:													
2.01 Paid claims during the year										1,238,117,091			1,238,117,091
2.02 Direct claim liability current year													
2.03 Direct claim liability prior year													
2.04 Direct claim reserves current year										123,023,931			123,023,931
2.05 Direct claim reserves prior year										81,794,619			81,794,619
2.06 Direct contract reserves current year													
2.07 Direct contract reserves prior year													
2.08 Paid rate credits													
2.09 Reserve for rate credits current year													
2.10 Reserve for rate credits prior year													
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)										11,722,509			11,722,509
2.11A Paid medical incentive pools and bonuses current year										23,559,493			23,559,493
2.11B Accrued medical incentive pools and bonuses current year										10,681,429			10,681,429
2.11C Accrued medical incentive pools and bonuses prior year										22,518,413			22,518,413
2.12 Net healthcare receivables (Lines 2.12a - 2.12b)													
2.12A Healthcare receivables current year													
2.12B Healthcare receivables prior year													
2.13 Group conversion charge													
2.14 Multi-option coverage blended rate adjustment													
2.15 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)										1,291,068,912			1,291,068,912
2.16 Assumed Incurred Claims from non-affiliates													
2.17 Net Assumed less Ceded Incurred Claims from affiliates													
2.18 Ceded Incurred Claims to non-affiliates													
2.19 Other Adjustments due to MLR calculation - Claims													
2.20 Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)										1,291,068,912			1,291,068,912
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

(a) Column 13, Line 1.1 includes direct written premium of $.....0 for stand-alone dental and $.....0 for stand-alone vision policies.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301 BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2014 NAIC Company Code 13022

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
1. Individual Comprehensive Coverage Expenses:										
1.01 Salaries (including $.....0 for affiliated services)										
1.02 Outsourced services										
1.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
1.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
1.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
1.06 Other Expenses (incl $.....0 for affiliated services)										
1.07 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)										
1.08 Reimbursements by uninsured plans and fiscal intermediaries										
1.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
1.10 TOTAL (Lines 1.7 to 1.9)										
1.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
2. Small Group Comprehensive Coverage Expenses:										
2.01 Salaries (including $.....0 for affiliated services)										
2.02 Outsourced services										
2.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
2.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
2.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
2.06 Other Expenses (incl $.....0 for affiliated services)										
2.07 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)										
2.08 Reimbursements by uninsured plans and fiscal intermediaries										
2.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2.10 TOTAL (Lines 2.7 to 2.9)										
2.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
3. Large Group Comprehensive Coverage Expenses:										
3.01 Salaries (including $.....0 for affiliated services)										
3.02 Outsourced services										
3.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
3.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
3.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
3.06 Other Expenses (incl $.....0 for affiliated services)										
3.07 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)										
3.08 Reimbursements by uninsured plans and fiscal intermediaries										
3.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3.10 TOTAL (Lines 3.7 to 3.9)										
3.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

(To Be Filed By April 1 - Not for Rebate Purposes)

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
4. Individual Mini-Med Plans Expenses										
4.01 Salaries (including $.....0 for affiliated services)										
4.02 Outsourced services										
4.03 EDP equipment and software (including $.....0 for affiliated services)										
4.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
4.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
4.06 Other expenses (including $.....0 for affiliated services)										
4.07 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)										
4.08 Reimbursements by uninsured plans and fiscal intermediaries										
4.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
4.10 TOTAL (Lines 4.7 to 4.9)										
4.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
5. Small Group Mini-Med Plans Expenses										
5.01 Salaries (including $.....0 for affiliated services)										
5.02 Outsourced services										
5.03 EDP Equipment and Software (including $.....0 for affiliated services)										
5.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
5.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
5.06 Other expenses (including $.....0 for affiliated services)										
5.07 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)										
5.08 Reimbursements by uninsured plans and fiscal intermediaries										
5.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
5.10 TOTAL (Lines 5.7 to 5.9)										
5.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
6. Large Group Mini-Med Plans Expenses										
6.01 Salaries (including $.....0 for affiliated services)										
6.02 Outsourced services										
6.03 EDP equipment and software (including $.....0 for affiliated services)										
6.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
6.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
6.06 Other expenses (including $.....0 for affiliated services)										
6.07 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)										
6.08 Reimbursements by uninsured plans and fiscal intermediaries										
6.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6.10 TOTAL (Lines 6.7 to 6.9)										
6.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

(To Be Filed By April 1 - Not for Rebate Purposes)

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (Cols. 6 to 9)
7. Small Group Expatriate Plans Expenses										
7.01 Salaries (including $.....0 for affiliated services)										
7.02 Outsourced services										
7.03 EDP equipment and software (including $.....0 for affiliated services)										
7.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
7.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
7.06 Other expenses (including $.....0 for affiliated services)										
7.07 Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)										
7.08 Reimbursements by uninsured plans and fiscal intermediaries										
7.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10 TOTAL (Lines 7.7 to 7.9)										
7.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
8. Large Group Expatriate Plans Expenses										
8.01 Salaries (including $.....0 for affiliated services)										
8.02 Outsourced services										
8.03 EDP equipment and software (including $.....0 for affiliated services)										
8.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
8.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
8.06 Other expenses (including $.....0 for affiliated services)										
8.07 Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)										
8.08 Reimbursements by uninsured plans and fiscal intermediaries										
8.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10 TOTAL (Lines 8.7 to 8.9)										
8.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
9. Student Health Plans Expenses										
9.01 Salaries (including $.....0 for affiliated services)										
9.02 Outsourced services										
9.03 EDP equipment and software (including $.....0 for affiliated services)										
9.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
9.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
9.06 Other expenses (including $.....0 for affiliated services)										
9.07 Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)										
9.08 Reimbursements by uninsured plans and fiscal intermediaries										
9.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10 TOTAL (Lines 9.7 to 9.9)										
9.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

13022201421659100 2014 Document Code: 216

NAIC Group Code 1301 BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2014 NAIC Company Code 13022

Supp80 Grand Total

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group	Student Health Plans	Business (Excluded by Statute)	Other Health Business	Aggregate (2% Rule)	Subtotal (Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
1. Premium:															
1.01 Health premiums earned (From Part 2, Line 1.11)										1,475,064,778			1,475,064,778	XXX	1,475,064,778
1.02 Federal high risk pools														XXX	
1.03 State high risk pools														XXX	
1.04 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)										1,475,064,778			1,475,064,778	XXX	1,475,064,778
1.05 Federal taxes and federal assessments										16,782,854			16,782,854		16,782,854
1.06 State insurance, premium and other taxes (Similar local taxes of $.....0)															
1.06A Community Benefit Expenditures (informational only)															
1.07 Regulatory authority licenses and fees										678,839			678,839		678,839
1.08 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)										1,457,603,085			1,457,603,085	XXX	1,457,603,085
1.09 Net assumed less ceded reinsurance premiums earned														XXX	
1.10 Other adjustments due to MLR calculations - Premiums														XXX	
1.11 Risk Revenue														XXX	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)										1,457,603,085			1,457,603,085	XXX	1,457,603,085
2. Claims:															
2.1 Incurred claims excluding prescription drugs										948,211,728			948,211,728	XXX	948,211,728
2.2 Prescription drugs										353,753,614			353,753,614	XXX	353,753,614
2.3 Pharmaceutical rebates										22,618,940			22,618,940	XXX	22,618,940
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														XXX	
3. Incurred medical incentive pools and bonuses										11,722,509			11,722,509	XXX	11,722,509
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)															
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)										1,291,068,911			1,291,068,911	XXX	1,291,068,911
5.1 Net assumed less ceded reinsurance claims incurred														XXX	
5.2 Other adjustments due to MLR calculations - Claims														XXX	
5.3 Rebates Paid										XXX	XXX	XXX		XXX	
5.4 Estimated rebates unpaid prior year										XXX	XXX	XXX		XXX	
5.5 Estimated rebates unpaid current year										XXX	XXX	XXX		XXX	
5.6 Fee for service and co-pay revenue														XXX	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)										1,291,068,911			1,291,068,911	XXX	1,291,068,911

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

(To Be Filed by April 1 - Not for Rebate Purposes)

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government					
	1	2	3	4	5	6	7	8		Business	Other		Subtotal		
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	(Excluded by Statute)	Health Business	Aggregate (2% Rule)	(Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes										3,963,394			3,963,394		3,963,394
6.2 Activities to prevent hospital readmissions										827,177			827,177		827,177
6.3 Improve patient safety and reduce medical errors										578,653			578,653		578,653
6.4 Wellness and health promotion activities										714,753			714,753		714,753
6.5 Health Information Technology expenses related to health improvement										710,408			710,408		710,408
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5)										6,794,385			6,794,385		6,794,385
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8										XXX	XXX	XXX	XXX	XXX	XXX
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses										16,232,238			16,232,238		16,232,238
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)										16,232,238			16,232,238		16,232,238
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)										0.011			XXX	XXX	XXX
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits										16,252,362			16,252,362		16,252,362
10.2 Agents and brokers fees and commissions										13,881,814			13,881,814		13,881,814
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)										2,043,110			2,043,110		2,043,110
10.4 Other general and administrative expenses										133,921,652			133,921,652		133,921,652
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)										166,098,938			166,098,938		166,098,938
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)										(22,591,387)			(22,591,387)	XXX	(22,591,387)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(22,591,387)	XXX	(22,591,387)
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only: already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies										179,539			179,539		179,539
O2. Number of Covered Lives										179,539			179,539		179,539
O3. Number of Groups	XXX			XXX											
O4. Member Months										2,048,997			2,048,997		2,048,997

(a) Is run off business reported in Columns 1 through 9? Yes[ ] No[X]
(b) If yes, show the amount of premiums and claims included: Premiums $.....0 Claims $.....0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301 **BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2014** **NAIC Company Code 13022**

Supp82 Grand Total

	Business Subject to MLR									10	11	12	13
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9	Government			
	1	2	3	4	5	6	7	8		Business	Other		
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	(Excluded by Statute)	Health Business	Aggregate (2% Rule)	Total (a)
1. Health Premiums Earned													
1.01 Direct premiums written										1,475,064,778			1,475,064,778
1.02 Unearned premium prior year													
1.03 Unearned premium current year													
1.04 Change in unearned premium (Lines 1.2 - 1.3)													
1.05 Paid rate credits													
1.06 Reserve for rate credits current year													
1.07 Reserve for rate credits prior year													
1.08 Change in reserve for rate credits (Lines 1.6 - 1.7)													
1.09 Premium balances written off													
1.10 Group conversion charges													
1.11 TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)										1,475,064,778			1,475,064,778
1.12 Assumed premiums earned from non-affiliates													
1.13 Net assumed less ceded premiums earned from affiliates													
1.14 Ceded premiums earned to non-affiliates													
1.15 Other adjustments due to MLR calculation - Premiums													
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)										1,475,064,778			1,475,064,778
2. Direct Claims Incurred:													
2.01 Paid claims during the year										1,238,117,091			1,238,117,091
2.02 Direct claim liability current year													
2.03 Direct claim liability prior year													
2.04 Direct claim reserves current year										123,023,931			123,023,931
2.05 Direct claim reserves prior year										81,794,619			81,794,619
2.06 Direct contract reserves current year													
2.07 Direct contract reserves prior year													
2.08 Paid rate credits													
2.09 Reserve for rate credits current year													
2.10 Reserve for rate credits prior year													
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)										11,722,509			11,722,509
2.11A Paid medical incentive pools and bonuses current year										23,559,493			23,559,493
2.11B Accrued medical incentive pools and bonuses current year										10,681,429			10,681,429
2.11C Accrued medical incentive pools and bonuses prior year										22,518,413			22,518,413
2.12 Net healthcare receivables (Lines 2.12a - 2.12b)													
2.12A Healthcare receivables current year													
2.12B Healthcare receivables prior year													
2.13 Group conversion charge													
2.14 Multi-option coverage blended rate adjustment													
2.15 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)										1,291,068,912			1,291,068,912
2.16 Assumed Incurred Claims from non-affiliates													
2.17 Net Assumed less Ceded Incurred Claims from affiliates													
2.18 Ceded Incurred Claims to non-affiliates													
2.19 Other Adjustments due to MLR calculation - Claims													
2.20 Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)										1,291,068,912			1,291,068,912
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

(a) Column 13, Line 1.1 includes direct written premium of $.....0 for stand-alone dental and $.....0 for stand-alone vision policies.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301 BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2014 NAIC Company Code 13022

Supp83 Grand Total

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
1. Individual Comprehensive Coverage Expenses:										
1.01 Salaries (including $.....0 for affiliated services)										
1.02 Outsourced services										
1.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
1.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
1.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
1.06 Other Expenses (incl $.....0 for affiliated services)										
1.07 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)										
1.08 Reimbursements by uninsured plans and fiscal intermediaries										
1.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
1.10 TOTAL (Lines 1.7 to 1.9)										
1.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
2. Small Group Comprehensive Coverage Expenses:										
2.01 Salaries (including $.....0 for affiliated services)										
2.02 Outsourced services										
2.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
2.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
2.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
2.06 Other Expenses (incl $.....0 for affiliated services)										
2.07 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)										
2.08 Reimbursements by uninsured plans and fiscal intermediaries										
2.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2.10 TOTAL (Lines 2.7 to 2.9)										
2.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
3. Large Group Comprehensive Coverage Expenses:										
3.01 Salaries (including $.....0 for affiliated services)										
3.02 Outsourced services										
3.03 EDP Equipment and Software (incl $.....0 for affiliated services)										
3.04 Other Equipment (excluding EDP) (incl $.....0 for affiliated services)										
3.05 Accreditation and Certification (incl $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
3.06 Other Expenses (incl $.....0 for affiliated services)										
3.07 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)										
3.08 Reimbursements by uninsured plans and fiscal intermediaries										
3.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3.10 TOTAL (Lines 3.7 to 3.9)										
3.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

(To Be Filed By April 1 - Not for Rebate Purposes)

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
4. Individual Mini-Med Plans Expenses										
4.01 Salaries (including $.....0 for affiliated services)										
4.02 Outsourced services										
4.03 EDP equipment and software (including $.....0 for affiliated services)										
4.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
4.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
4.06 Other expenses (including $.....0 for affiliated services)										
4.07 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)										
4.08 Reimbursements by uninsured plans and fiscal intermediaries										
4.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
4.10 TOTAL (Lines 4.7 to 4.9)										
4.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
5. Small Group Mini-Med Plans Expenses										
5.01 Salaries (including $.....0 for affiliated services)										
5.02 Outsourced services										
5.03 EDP Equipment and Software (including $.....0 for affiliated services)										
5.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
5.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
5.06 Other expenses (including $.....0 for affiliated services)										
5.07 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)										
5.08 Reimbursements by uninsured plans and fiscal intermediaries										
5.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
5.10 TOTAL (Lines 5.7 to 5.9)										
5.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
6. Large Group Mini-Med Plans Expenses										
6.01 Salaries (including $.....0 for affiliated services)										
6.02 Outsourced services										
6.03 EDP equipment and software (including $.....0 for affiliated services)										
6.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
6.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
6.06 Other expenses (including $.....0 for affiliated services)										
6.07 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)										
6.08 Reimbursements by uninsured plans and fiscal intermediaries										
6.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6.10 TOTAL (Lines 6.7 to 6.9)										
6.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)

(To Be Filed By April 1 - Not for Rebate Purposes)

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses	8 Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (Cols. 6 to 9)
7. Small Group Expatriate Plans Expenses										
7.01 Salaries (including $.....0 for affiliated services)										
7.02 Outsourced services										
7.03 EDP equipment and software (including $.....0 for affiliated services)										
7.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
7.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
7.06 Other expenses (including $.....0 for affiliated services)										
7.07 Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)										
7.08 Reimbursements by uninsured plans and fiscal intermediaries										
7.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10 TOTAL (Lines 7.7 to 7.9)										
7.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
8. Large Group Expatriate Plans Expenses										
8.01 Salaries (including $.....0 for affiliated services)										
8.02 Outsourced services										
8.03 EDP equipment and software (including $.....0 for affiliated services)										
8.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
8.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
8.06 Other expenses (including $.....0 for affiliated services)										
8.07 Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)										
8.08 Reimbursements by uninsured plans and fiscal intermediaries										
8.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10 TOTAL (Lines 8.7 to 8.9)										
8.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										
9. Student Health Plans Expenses										
9.01 Salaries (including $.....0 for affiliated services)										
9.02 Outsourced services										
9.03 EDP equipment and software (including $.....0 for affiliated services)										
9.04 Other equipment (excluding EDP) (including $.....0 for affiliated services)										
9.05 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX					
9.06 Other expenses (including $.....0 for affiliated services)										
9.07 Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)										
9.08 Reimbursements by uninsured plans and fiscal intermediaries										
9.09 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10 TOTAL (Lines 9.7 to 9.9)										
9.11 TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)										

13022201421700100 2014 Document Code: 217

SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301 NAIC Company Code: 13022

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

1 Expense Type from Part 3	2 New	3 Detailed Description of Expense

13022201444000100 2014 Document Code: 440

Statement of Actuarial Opinion

13022201422400100 2014 Document Code: 224

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

13022201422500100 2014 Document Code: 225

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

13022201422600100 2014 Document Code: 226

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

13022201435000100 2014 Document Code: 350

Management's Discussion and Analysis

This discussion provides an assessment by management of the current financial position, results of operations, cash flow and liquidity, and changes in financial position of the Company. Information presented in this discussion supplements the financial statements, exhibits and schedules in the Annual Statement.

MCS Advantage, Inc. (the Company) is a health maintenance organization operating under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. All of the Company's business activities are in the Commonwealth of Puerto Rico, which exposes the Company to geographical risk. The Company is a wholly owned subsidiary of Medical Card System, Inc. (MCS).

The Company is primarily engaged in offering Medicare Advantage (MA) insurance coverage pursuant to two contracts with the Centers for Medicaid & Medicare Services (CMS), a federal agency within the U.S. Department of Health and Human Services. Under the terms of these contracts, CMS pays the Company, a fixed premium for each healthcare member of its coordinated care plan and the Company provides the coverage to that member for the health services provided. Contracts are for Medicare Advantage and Prescription Drugs (MAPD) plans and for Prescription Drug Program (PDP) plans. The contracts with CMS are for a period of one year commencing on January 1 and ending on December 31, and can be renewed for periods of one year, as defined in the contract. Membership served under the canceled contracts will be served under the renewed ones. One of these contracts was cancelled effective December 31, 2014, membership served under this contract was transferred to the other, which was renewed effective January 1, 2015 for another one-year period.

The MA plans offered by the Company provide coverage to residents of Puerto Rico who are eligible for Medicare benefits. These plans provide plan members with full Medicare benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that Medicare does not provide. Also, the Company provides enhanced benefit coverage to Medicaid-eligible members under the Medicare Platino Program sponsored by the Puerto Rico Health Insurance Administration (ASES, for its acronyms in Spanish)

Financial Position

The Company's financial position at December 31 was as follows:

(In thousands)

	2014	2013
Bonds	$ 77,808	$ 82,762
Cash and short-term investments	30,613	16,135
Cash and invested assets	108,421	98,898
Premiums due and unpaid	43,263	55,077
Prepaid income taxes	6,117	6,685
Healthcare receivables	12,804	4,564
Uninsured plan and retrospective premiums receivable	38,941	18,461
Other assets	5,087	5,339
Total admitted assets	214,634	189,023
Claims payable	133,705	104,313
Aggregate policy reserves	1,870	-
Income taxes payable	-	-
Other liablities	31,533	21,615
Total liabilities	167,109	125,928
Capital and Surplus	47,525	63,095
Total liabilities and capital and suplus	$ 214,634	$ 189,023
Cash & Invested assets to total admitted assets	50.51%	52.32%
Claims liab to capital & surplus	35.54%	60.49%
Claims to total admitted assets	62.29%	55.19%
Capital & surplus to total admitted assets	22.14%	33.38%

Management's Discussion and Analysis

The Company maintains an adequate level of liquidity to respond for claims payable. Cash and invested assets amounts to $108.4 million representing 50.51% of total admitted assets. In addition, the uncollected premium balance of $43.2 million is mainly from CMS sources and considered highly liquid. The uninsured plan and retrospective premium receivable amounted to $38.9 million is related Part D settlements. Other admitted assets include healthcare receivables composed of pharmacy rebates and P2P receivable.

Claims payable amounted to $133.7 million in 2014 or a 62.29% of total admitted assets.

Other payables include $13 million in payable to suppliers. Increase in other payables is mainly due to amount payable to CMS of approximately $8 million related to coverage gap funds deposited by pharmaceutical company to be collected by CMS in January 2015.

Capital and surplus amounts to $47.5 million, which represents 22.14% of total admitted assets. The decrease in capital and surplus is mainly due to the 2014 net loss of $21 million.

Results of Operations

The Company's result of operations is summarized as follows:

(In thousands)

	2014	2013
Net Premiums	$ 1,475,065	$ 1,173,785
Medical costs	1,291,069	989,074
Claims adjustment expenses	16,232	14,124
Administratvie expenses	173,572	166,573
Total	1,480,873	1,169,770
Net underwriting gain	(5,809)	4,015
Net investment income	1,631	1,187
other income or expenses	(16,783)	-
Income before taxes	(20,961)	5,202
Income taxes	132	1,476
Net Income	$ (21,093)	$ 3,725
MLR	87.53%	84.26%
Expense rate	11.77%	14.19%

The result of operations at the end of December 31, 2014 is a net loss of $21.1 million. This loss was mainly due to the new federal health provider insurance tax that resulted in an expense of $16.8 million in 2014.

Net premiums in 2014 amounted to $1,475.1 million. Current year premium amount is net of $29.9 withheld by the federal government due to sequestration adjustment.

Claims for medical services amounted to $1,291.1 million in 2014. The claims ratio was 87.53% representing a negative trend from the 84.26 % in 2013.

Administration expenses amounted to $173.5 million in 2014. The ratio of administrative cost to net premium income was 11.77%.

Other expense of $16.8 is the new federal health provider insurance tax.

Net investment income for 2014 amounted to $1.6 million.

Management's Discussion and Analysis

Cash Flow and Liquidity

The Company cash flows are summarized as follows:

	2014	2013
Cash provided from operating activities	8,450	(40,601)
Cash from investing activities	4,707	(19,169)
Cash from financing activities	1,321	2,778
Net change in cash	14,478	(56,993)

13022201422000100 2014 Document Code: 220

Audited Financial Report

13022201422100100 2014 Document Code: 221

Accountant's Letter of Qualification

13022201422200100 2014 Document Code: 222

Communication of Internal Control Related Matters Noted in an Audit

13022201422300100 2014 Document Code: 223

Management's Report of Internal Control over Financial Reporting

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ANNUAL DISKETTE TRANSMITTAL FORM AND CERTIFICATION
(HEALTH)

Name of Insurer **MCS Advantage Inc.**

Date _____ FEIN 660642758

NAIC Group # 1301 NAIC Company # 13022

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, WITH THE EXCEPTION OF RBC FILINGS,
PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY HELP TO IDENTIFY DISKETTE CONTENT

	March	April	June
1. Is this the first time you've submitted this filing? (Y/N)	N/A	N/A	N/A
2. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N)	N/A	N/A	N/A
3. Is this being re-filed due to changes to the data originally filed? (Y/N)	N/A	N/A	N/A
4. Other? (Y/N)	N/A	N/A	N/A
(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person: Javier Perez
Phone: (787)758-2500
Address:

D. Software Vendor: SunGard iWORKS - Statutory
Version: 2014.A.2

E. Have material validation failures been addressed in the explanation file? Yes[ ] No[X]

F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2014 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed) _____

Type Name and Title: Javier Pérez - Reporting Manager

Amended Explanation Page