

**ANNUAL STATEMENT**  
**OF THE**  
**Constellation Health, LLC**  
**Of**  
**San Juan**  
**in the state of PR**

**to the Insurance Department**  
**of the state of PR**

For the Year Ended  
December 31, 2018

**2018**



**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....738,293, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	738,293		738,293	879,840
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	738,293	0	738,293	879,840
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....			0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	31,436,613		31,436,613	26,262,893
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....	12,231,959		12,231,959	8,948,158
25. Aggregate write-ins for other-than-invested assets.....	253,377	106,777	146,600	146,600
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	44,660,242	106,777	44,553,465	36,237,491
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	44,660,242	106,777	44,553,465	36,237,491

**DETAILS OF WRITE-INS**

1101. ....			0	
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Rent Deposit.....	25,000	25,000	0	
2502. Other Prepays/Deposits.....	228,377	81,777	146,600	146,600
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	253,377	106,777	146,600	146,600

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	92,507,350		92,507,350	47,108,196
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	845,698		845,698	845,698
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	2,459,830		2,459,830	3,145,428
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	4,318,837	0	4,318,837	600,000
24. Total liabilities (Lines 1 to 23).....	100,131,715	0	100,131,715	51,699,322
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	21,302,056	21,302,056
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	3,643,850
31. Unassigned funds (surplus).....	XXX	XXX	(76,880,306)	(40,407,737)
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	(55,578,250)	(15,461,831)
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	44,553,465	36,237,491

**DETAILS OF WRITE-INS**

2301. Statutory Deposit.....	600,000		600,000	600,000
2302. Health Insurance Provider Fee.....	3,718,837		3,718,837	
2303. ....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	4,318,837	0	4,318,837	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	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. Health Insurance Provider Fee (Data Year).....	XXX	XXX		3,643,850
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	3,643,850

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	235,646	250,470
2. Net premium income (including \$.....0 non-health premium income).....	XXX	181,418,258	222,799,521
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	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	181,418,258	222,799,521
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		125,530,089	115,874,575
10. Other professional services.....		19,220,459	24,707,900
11. Outside referrals.....			
12. Emergency room and out-of-area.....		3,379,586	5,270,949
13. Prescription drugs.....		58,148,646	61,476,932
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	0	206,278,780	207,330,356
<b>Less:</b>			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	0	206,278,780	207,330,356
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		763,344	809,910
21. General administrative expenses.....		14,752,325	15,720,424
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).....	0	221,794,449	223,860,690
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(40,376,191)	(1,061,169)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		4,174	(233,203)
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	4,174	(233,203)
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.....	0	(3,718,837)	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(44,090,854)	(1,294,372)
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	(44,090,854)	(1,294,372)

**DETAILS OF WRITE-INS**

0601.....	XXX		
0602.....	XXX		
0603.....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.....	XXX		
0702.....	XXX		
0703.....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.....			
1402.....			
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Health Insurance Provider Fee.....		(3,718,837)	
2902.....			
2903.....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	(3,718,837)	0

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	(15,461,831)	(10,416,178)
34. Net income or (loss) from Line 32.....	(44,090,854)	(1,294,372)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (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.....		
39. Change in nonadmitted assets.....	3,974,435	(3,751,281)
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.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(40,116,419)	(5,045,653)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	(55,578,250)	(15,461,831)

**DETAILS OF WRITE-INS**

4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	176,344,540	223,070,178
2. Net investment income.....	4,104	(233,203)
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	176,348,644	222,836,975
5. Benefit and loss related payments.....	160,474,755	192,147,552
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	16,015,436	30,737,370
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	176,490,191	222,884,922
11. Net cash from operations (Line 4 minus Line 10).....	(141,547)	(47,947)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		
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.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	0	0
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
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).....		(21,895)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	0	(21,895)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(141,547)	(69,842)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	879,840	949,682
19.2 End of year (Line 18 plus Line 19.1).....	738,293	879,840

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	181,418,258						181,418,258			XXX
2. Change in unearned premium reserves and reserve for rate credit.....	0									XXX
3. Fee-for-service (net of \$..... 0 medical expenses).....	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	0									XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX					XXX			XXX
7. Total revenues (Lines 1 to 6).....	181,418,258	0					181,418,258	0	XXX	0
8. Hospital/medical benefits.....	125,530,089						125,530,089			XXX
9. Other professional services.....	19,220,459						19,220,459			XXX
10. Outside referrals.....	0									XXX
11. Emergency room and out-of-area.....	3,379,586						3,379,586			XXX
12. Prescription drugs.....	58,148,646						58,148,646			XXX
13. Aggregate write-ins for other hospital and medical.....	0									XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14).....	206,278,780	0					206,278,780	0		XXX
16. Net reinsurance recoveries.....	0									XXX
17. Total hospital and medical (Lines 15 minus 16).....	206,278,780	0					206,278,780	0		XXX
18. Non-health claims (net).....	0	XXX					XXX			XXX
19. Claims adjustment expenses including \$..... 0 cost containment expenses.....	763,344						763,344			XXX
20. General administrative expenses.....	14,752,325						14,752,325			XXX
21. Increase in reserves for accident and health contracts.....	0									XXX
22. Increase in reserve for life contracts.....	0	XXX					XXX			XXX
23. Total underwriting deductions (Lines 17 to 22).....	221,794,449	0					221,794,449			0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	(40,376,191)	0					(40,376,191)	0		0

**DETAILS OF WRITE-INS**

0501. ....	0									XXX
0502. ....	0									XXX
0503. ....	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0								XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0								XXX
0601. ....	0	XXX					XXX			XXX
0602. ....	0	XXX					XXX			XXX
0603. ....	0	XXX					XXX			XXX
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX					XXX			XXX
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	XXX					XXX			XXX
1301. ....	0									XXX
1302. ....	0									XXX
1303. ....	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0	0								XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above).....	0	0								XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				0
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare	181,418,258			181,418,258
7. Title XIX - Medicaid				0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	181,418,258	0	0	181,418,258
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	181,418,258	0	0	181,418,258



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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
<b>1. Reported in process of adjustment:</b>										
1.1 Direct.....	0									
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	0									
<b>2. Incurred but unreported:</b>										
2.1 Direct.....	92,507,350						92,507,350			
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	92,507,350						92,507,350			
<b>3. Amounts withheld from paid claims and capitations:</b>										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0									
<b>4. Totals:</b>										
4.1 Direct.....	92,507,350						92,507,350			
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	92,507,350						92,507,350			

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid		Claim Reserve and Claim Liability		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	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		
1. Comprehensive (hospital and medical)					0	
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare	50,711,662	110,167,964	4,351,608	88,155,742	55,063,270	47,108,196
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	50,711,662	110,167,964	4,351,608	88,155,742	55,063,270	47,108,196
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	50,711,662	110,167,964	4,351,608	88,155,742	55,063,270	47,108,196

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

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
 (000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL**

	Year in Which Losses Were Incurred					Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....										
2. 2014.....	7,037					7,037				
3. 2015.....	XXX	4,937					4,937	(112)		(134)
4. 2016.....	XXX	35,136						11,980		986
5. 2017.....	XXX	XXX						120,205		45,286
6. 2018.....	XXX	XXX	XXX	XXX	XXX			XXX	140,035	1,233
										49,361
										110,168

**SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL**

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....		15,590				
3. 2015.....		XXX	74,510			
4. 2016.....		XXX	XXX	151,931		
5. 2017.....		XXX	XXX	XXX	201,847	
6. 2018.....		XXX	XXX	XXX	XXX	206,278

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
2. 2015.....			117	0.0	117	0.0			117	0.0
3. 2016.....			1,233	0.0	1,233	0.0	4,352		1,233	0.0
4. 2017.....			49,361	0.0	49,361	0.0	88,155	946	53,713	0.0
5. 2018.....			110,168	0.0	110,168	0.0			199,169	0.0

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE**

	Year in Which Losses Were Incurred					Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior										
2. 2014	7,037					7,037				
3. 2015	XXX	4,937					4,937			
4. 2016	XXX	35,136						35,136		
5. 2017	XXX	XXX						11,990		
6. 2018	XXX	XXX						120,205		
									140,035	
										49,361
										110,168

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE**

	Year in Which Losses Were Incurred					Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior										
2. 2014	15,590					15,590				
3. 2015	XXX	74,510					74,510			
4. 2016	XXX	XXX						151,931		
5. 2017	XXX	XXX						XXX		
6. 2018	XXX	XXX						XXX		
									201,847	
										206,278

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)		5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)		6 Percent (Col. 5/1)		7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)		10 Percent (Col. 9/1)
				0.0	0.0	0.0	0.0	0.0	0.0			0.0		
1. 2014	0	0	0	0.0	0.0	0	0	0.0	0.0		0	0	0.0	
2. 2015	117	117	117	0.0	0.0	117	117	0.0	0.0		117	117	0.0	
3. 2016	1,233	1,233	1,233	0.0	0.0	1,233	1,233	0.0	0.0		1,233	1,233	0.0	
4. 2017	49,361	49,361	49,361	0.0	0.0	49,361	49,361	0.0	0.0		49,361	49,361	0.0	
5. 2018	110,168	110,168	110,168	0.0	0.0	110,168	110,168	0.0	0.0		110,168	110,168	0.0	

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only  
NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....			359,700		359,700
2. Salaries, wages and other benefits.....			8,558,673		8,558,673
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			1,476,148		1,476,148
7. Traveling expenses.....					0
8. Marketing and advertising.....			1,452,958		1,452,958
9. Postage, express and telephone.....			127,425		127,425
10. Printing and office supplies.....			84,057		84,057
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....		763,344	1,500,594		2,263,938
15. Boards, bureaus and association fees.....			416		416
16. Insurance, except on real estate.....			15,691		15,691
17. Collection and bank service charges.....			3,413		3,413
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			149,500		149,500
23.4 Payroll taxes.....			818,246		818,246
23.5 Other (excluding federal income and real estate taxes).....			92,905		92,905
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	112,599	0	112,599
26. Total expenses incurred (Lines 1 to 25).....	0	763,344	14,752,325	0	(a).....15,515,669
27. Less expenses unpaid December 31, current year.....			2,459,830		2,459,830
28. Add expenses unpaid December 31, prior year.....			3,991,129		3,991,129
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	763,344	16,283,624	0	17,046,968

**DETAILS OF WRITE-INS**

2501. Other Administrative Expenses.....			112,599		112,599
2502. ....					0
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	112,599	0	112,599

(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).....	.....
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
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).....4,104	.....4,174
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....4,104	.....4,174
11. Investment expenses.....	.....	(g).....
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....0
17. Net investment income (Line 10 minus Line 16).....	.....	.....4,174

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (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.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....	.....	.....0	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....0	.....0	.....0	.....0	.....0

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**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).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....		100,000	100,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....		3,875,985	3,875,985
25. Aggregate write-ins for other-than-invested assets.....	106,777	105,227	(1,550)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	106,777	4,081,212	3,974,435
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	106,777	4,081,212	3,974,435

**DETAILS OF WRITE-INS**

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Rent Deposit.....	25,000	25,000	.0
2502. Other Prepaids/Deposits.....	81,777	80,227	(1,550)
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	106,777	105,227	(1,550)

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations.....	19,855	20,491	20,127	19,350	17,373	235,646
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	19,855	20,491	20,127	19,350	17,373	235,646

**DETAILS OF WRITE-INS**

0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

**Ex. 2 - Accident and Health Premiums Due and Unpaid  
NONE**

**Ex. 3 - Health Care Receivables  
NONE**

**Ex. 3A - Analysis of Health Care Receivables Collected and Accrued  
NONE**

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

Claims Unpaid (Reported)	Aging Analysis of Unpaid Claims						Total
	1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	
0199999 Individual listed claims unpaid		10,157,649	10,693,694	11,351,062	10,598,751	49,706,194	92,507,350
0499999 Subtotals		10,157,649	10,693,694	11,351,062	10,598,751	49,706,194	92,507,350
0799999 Total claims unpaid		10,157,649	10,693,694	11,351,062	10,598,751	49,706,194	92,507,350

**Ex. 5 - Amounts Due from Parent, Subsidiaries and Affiliates**  
**NONE**

**Ex. 6 - Amounts Due to Parent, Subsidiaries and Affiliates**  
**NONE**

**EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	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
<b>Capitation Payments:</b>						
1. Medical groups.....	16,412,219	10.2			16,412,219	
2. Intermediaries.....	0	0.0				
3. All other providers.....	0	0.0				
4. Total capitation payments.....	16,412,219	10.2	0		16,412,219	0
<b>Other Payments:</b>						
5. Fee-for-service.....	0	0.0	XXX	XXX		
6. Contractual fee payments.....	144,467,407	89.8	XXX	XXX	144,467,407	
7. Bonus/withhold arrangements - fee-for-service.....	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments.....	0	0.0	XXX	XXX		
9. Non-contingent salaries.....	0	0.0	XXX	XXX		
10. Aggregate cost arrangements.....	0	0.0	XXX	XXX		
11. All other payments.....	0	0.0	XXX	XXX		
12. Total other payments.....	144,467,407	89.8	XXX	XXX	144,467,407	0
13. Total (Line 4 plus Line 12).....	160,879,626	100.0	XXX	XXX	160,879,626	0

**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**

**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						0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies		<b>NONE</b>				0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

Constellation Health, LLC (the Company) is a limited liability company created under the laws of the Commonwealth of Puerto Rico on November 8, 2011.

The Company was organized to develop and operate as a Medicare Advantage Organization (MAO) and offers coverage to residents of Puerto Rico who are eligible for Medicare benefits. The MAO provides members with full Medicare Part A and B benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that traditional fee-for-service Medicare does not provide. The MAO also offers Medicare Part D drug coverage (MAPD). The MAO operates as a health services organization (HSO) whereby members are covered for doctor's visits, outpatient care, screenings, shots, lab tests, hospital stays, skilled nursing care and home health care. Additional benefits include, amongst others, routine dental and vision care.

The Company operates its Medicare Advantage Organization pursuant to a contract with the United States Centers for Medicare and Medicaid Services (CMS), a federal agency within the U.S. Department of Health and Human Services. Under the terms of this contract, CMS pays the Company a fixed amount that is subject to future adjustments for each member and the Company provides the coverage to that member for the health services provided. The contract is for a period of one year commencing January 1 and ending on December 31, and can be renewed for periods of one year, as defined in the contract. The contract was renewed effective January 1, 2018 for a period of one year. The Company also provides supplemental health coverage to Medicare and Medicaid dual eligible members enrolled in a specified MAPD.

### Note 1 – Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying statutory financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico, which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles. The Company adopted the National Association of Insurance Commissioners' Statutory Accounting Practices (NAIC SAP), as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Insurance Code of the Commonwealth of Puerto Rico or the Circular Letters issued by the Commissioner of Insurance.

	Domicile		2018	2017
<b>NET INCOME</b>				
(1) Constellation Health, LLC state basis	PR		\$(44,090,854)	\$(1,294,372)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP	PR		\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP	PR		\$	\$
(4) NAIC SAP	PR		\$(44,090,854)	\$(1,294,372)
<b>SURPLUS</b>				
(5) Constellation Health, LLC state basis	PR		\$(55,578,250)	\$(15,461,831)
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP	PR		\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP	PR		\$	\$
(8) NAIC SAP	PR		\$(55,578,250)	\$(15,461,831)

#### B. Use of Estimates

The preparation of the statutory-basis financial statements requires management to make estimates and assumptions that affect the reported amounts in the statutory-based financial statements and the accompanying notes, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods as more information becomes available. The impact of any changes in estimates is included in the determination of changes in net assets in the period in which the estimate is adjusted. The most significant items that involve a greater degree of accounting estimates and actuarial determinations subject to change in the future are the claims liabilities and risk score adjustments. The Company believes the amounts provided are adequate.

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**NOTES TO FINANCIAL STATEMENTS**

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**C. Accounting Policy****Cash equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Non-admitted assets**

Certain assets designated as “non-admitted assets” have been excluded from the statutory-basis statement of admitted assets, liabilities and members’ deficiency through a charge to deficit.

Non-admitted assets as of December 31, 2018 included prepaid insurance and prepaid expenses, among others.

**Premium revenue**

Premium revenue is recognized as revenue over the period in which service or benefits are obligated to be provided. Every year, CMS adjusts the premium base paid to MAPD plans for risk factor considerations. These adjustments are related to the severity of the clinical condition of each member and are calculated by CMS using, for the most part, claims data from the prior year. Retroactive rate adjustments are made periodically based on the aggregate health status and risk scores of the Company’s membership. Actual results could differ from these estimates. As additional information becomes available, the estimates are revised and any resulting adjustments are included in the current period’s results. Substantially all revenues recognized by the Company are received from CMS and from the Commonwealth of Puerto Rico Health Insurance Administration (ASES by its Spanish acronym).

Amounts received from CMS and ASES are subject to positive and negative adjustments based on subsequent review of members’ eligibility or retroactive adjustments of reimbursement rates. Retroactive membership adjustments result from enrollment changes not yet processed or reported by CMS.

**Health care service cost recognition**

The Company contracts with various health care providers for the provision of medical care services to its beneficiaries. The Company compensates providers of services by a prospectively determined per-diem rate, a payment per case or per service under the same methodology used by Medicare Part A and B, among other methods used. Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services beneficiaries have received but for which claims have not yet been submitted, and for liabilities for physician, hospital, and other medical costs differences.

The cost of health care services provided or contracted for is accrued in the period in which it is provided to a beneficiary based in part on estimates, including an accrual for medical services for which no claim has yet been received (incurred but not yet reported or IBNR). The IBNR is determined based upon an actuarial analysis of the Company’s historical claim payment patterns, management estimates, and other statistics. Adjustments to claims unpaid, estimates and aggregate health reserves are reflected in operating results in the period in which the change in estimate is identified. Although considerable variability is inherent in such estimates, management believes these reserves are adequate to cover the Company’s liability for unpaid claims and aggregate health reserves as of December 31, 2018.

**Income taxes**

The Company uses the liability method for reporting income taxes, under which current and deferred tax liabilities and assets are recorded in accordance with enacted tax laws and rates. Under this method, the amounts of deferred tax liabilities and assets at the end of each period are determined using the tax rate expected to be in effect when taxes are actually paid or recovered. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not.

Deferred income taxes are provided for the estimated income tax effect of temporary differences between financial and tax bases in assets and liabilities. Deferred tax assets are also provided for certain operating losses carry forward. A valuation allowance to reduce deferred tax assets is established when deemed appropriate.

Also, the Company follows the requirements of the *Accounting for Uncertainty in Income Taxes Topic of the FASB Accounting Standards Codifications*, which is an accounting standard that prescribes a

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**NOTES TO FINANCIAL STATEMENTS**

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more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on the recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax position and income tax disclosures.

The Company's policy for interest and penalties related to income tax exposures is to recognize interest and penalties as a component of the provision for income taxes in the statement of income. As of December 31, 2018 and 2017, the Company believes that there are no uncertain tax positions and has no accrued income tax related interest and/or penalties in the accompanying financial statements.

**State guarantee fund deposit**

The Company is required, by Article 19.410 of the Insurance Code of the Commonwealth of Puerto Rico, to maintain a minimum deposit in escrow with the Commissioner of Insurance, in the amount of \$600,000 at December 31, 2018. The Company's capital reserve cannot be lower than said amount at any reporting date.

**Related parties' transactions**

HealthTrio, LLC (HT), a capital unit holder provides to the Company its Claim Management System, among other services, as established in the agreement between the parties. HT and the Company have a service agreement for five (5) years in which the Company will pay \$39,034 for the first thirty months of the agreement and \$64,034 for the remaining thirty months. In consideration for the reduced amount of the first thirty months of the agreement, the Company will issue to HT the equivalent of 3% capital member units with the option to participate in future capital calls to insure the non-dilution of its 3% ownership interest in Company.

**D. Going Concern**

The Company was legally organized on November 8, 2011, but commenced operations on January 1, 2014, when its Medicare Advantage contract with the Centers of Medicare and Medicaid Services (CMS) began. After its first three years of operations, the Company reported a capital deficiency of \$10,416,178 at December 31, 2016. In April 2016, the OIC petitioned the courts to begin a liquidation process for Constellation Health. The San Juan District Court did not authorize the liquidation process and ordered the OIC to initiate instead a rehabilitation process of the Company. The court has followed very closely this rehabilitation process to assure that Constellation Health continues its operations. In 2018, the Company was granted authorization to expand its service area to the rest of Puerto Rico.

**Note 2 – Accounting Changes and Correction of Errors**

Not Applicable.

**Note 3 – Business Combinations and Goodwill**

Not Applicable.

**Note 4 – Discontinued Operations**

Not Applicable.

**NOTES TO FINANCIAL STATEMENTS****Note 5 – Investments****L. Restricted Assets****(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 Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock						%	%
i. FHLB capital stock						%	%
j. On deposit with states						%	%
k. On deposit with other regulatory bodies	600,000	600,000	-	-	600,000	1.34 %	1.34 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged						%	%

**NOTES TO FINANCIAL STATEMENTS**

as collateral not captured in other categories							
n. Other restricted assets						%	%
o. Total Restricted Assets	\$600,000	\$600,000	\$ -	\$ -	\$600,000	1.34 %	1.34 %

At December 31, 2018 and 2017, the Company has a deposit of \$600,000 with the Commissioner of Insurance to comply with the deposit requirements of the Insurance Code of the Commonwealth of Puerto Rico.

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

Not Applicable.

**Note 7 – Investment Income**

No significant changes.

**Note 8 – Derivative Instruments**

Not Applicable.

**Note 9 – Income Taxes**

No significant changes.

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

Not Applicable.

**Note 11 – Debt**

Not Applicable.

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Not Applicable.

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**

Not Applicable.

**Note 14 – Liabilities, Contingencies and Assessments**

Not Applicable.

**Note 15 – Leases****A. Lessee Operating Lease**

During the year ended December 31, 2018, the Company occupied its office administrative facilities under an operating lease agreement.

On April 1, 2016, in agreement with the prime lessor, the Company renegotiated the lease directly with the Prime Landlord. The term of the lease is for a period of sixty-six (66) months commencing on April 1, 2016. The basic monthly rent of the agreement is \$20,625 for the first thirty (30) months, \$22,688 for the next twelve (12) months, and \$22,000 for the last twenty-four (24) months. The lease agreement includes a monthly rent credit amounting to \$2,744 that commences in April 1, 2016 and ends September 30, 2017. Such credit can be deducted if the Company is not in default of the lease contract.

## NOTES TO FINANCIAL STATEMENTS

Total minimum lease payments subsequent to December 31, 2018 are as follow:

a. At January 1, 2019 the minimum lease commitments are as follow:

Year Ending December 31	Operating Lease
1. 2019	\$270,187
2. 2020	\$264,000
3. 2021	\$198,000
4. Total	\$732,187

### Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable.

### Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable.

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

Not Applicable.

### Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable.

### Note 20 – Fair Value Measurements

Not Applicable.

### Note 21 – Other Items

Not Applicable.

### Note 22 – Events Subsequent

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 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. In 2018, the Consolidated Appropriations Act suspended the assessment of the Health Insurance Provider Fee for the 2019 calendar year. As of December 31, 2017, the Company estimated its Health Insurance Provider Fee in \$3,857,616 and this amount was reflected in special surplus.

Information regarding the ACA assessment follows:

A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes [ X ]	No [ ]
		2018	2017
B.	ACA fee assessment payable for the upcoming year	\$	\$ 3,718,837
C.	ACA fee assessment paid	\$	\$
D.	Premium written subject to ACA 9010 assessment	\$	\$222,799,521
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ (55,578,250)	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ (55,578,250)	
G.	Authorized control level (Five-Year Historical Line 15)	\$ 8,379,267	
H.	Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)?	Yes [ X ]	No [ ]

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**NOTES TO FINANCIAL STATEMENTS**

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**Note 23 – Reinsurance**

Not Applicable.

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not Applicable.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

No significant changes.

**Note 26 – Intercompany Pooling Arrangements**

Not Applicable.

**Note 27 – Structured Settlements**

Not Applicable.

**Note 28 – Health Care Receivables****A. Pharmaceutical Rebate Receivables**

Pharmaceutical rebates arrangements are administered by the Company's Pharmacy Benefit Manager (PBM). The PBM contracts directly with the pharmaceutical companies the terms and conditions of the applicable drug rebates. The PBM bills the rebates to the pharmaceutical companies on a quarterly basis and once it collects from them the rebates, it remits to the Company its share. The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Pharmacy Benefit Manager. The Company balance of pharmacy rebates receivable as of December 31, 2018 is \$1,081,023.

**Note 29 – Participating Policies**

Not Applicable.

**Note 30 – Premium Deficiency Reserves**

Not Applicable.

**Note 31 – Anticipated Salvage and Subrogation**

Not Applicable.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [ X ]  
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [ X ]
- 1.3 State regulating? \_\_\_\_\_
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_
- 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. \_\_\_\_\_
- 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). \_\_\_\_\_
- 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 [ X ] No [ ] N/A [ ]
- 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 ]  
If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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 \_\_\_\_\_ %
- 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<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with 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 the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
FPV & GALINDEZ CPAs, PSC, No. 19 Ponce Street, Urb. Pérez Morris, San Juan, Puerto Rico 00917
- 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 the response to 10.1 is yes, provide information related to this exemption: \_\_\_\_\_
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]
- 10.4 If the 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 [ ]

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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?  
Juan Kelly, Orinda, CA, Actuary

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

12.11 Name of real estate holding company \_\_\_\_\_

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value \$ 0

12.2 If yes, provide explanation

**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 [ X ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ X ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ X ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator 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 the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$ 0

20.22 To stockholders not officers 0

20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]

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

21.21 Rented from others \$ 0

21.22 Borrowed from others \$ 0

21.23 Leased from others \$ 0

21.24 Other \$ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$ 0

22.22 Amount paid as expenses \$ 0

22.23 Other amounts paid \$ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**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

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

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

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

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A

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

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes  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 sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 0

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
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

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [X]

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

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

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed

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
		\$
<b>29.2999 TOTAL</b>		\$

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds \$ 0	\$ 0	\$ 0
30.2	Preferred Stocks \$ 0	\$ 0	\$ 0
30.3	Totals \$ 0	\$ 0	\$ 0

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

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 [ ] No [X]

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 [ ] No [ ]

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

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

32.2 If no, list exceptions:

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

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

Has the reporting entity self-designated 5GI securities? Yes [ ] No [ ]

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

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

Has the reporting entity self-designated PLGI securities? Yes [ ] No [ ]

**OTHER**

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$

36.1 Amount of payments for legal expenses, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

37.2 List the name of the 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**

**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 \$ 181,418,258	Premium Numerator \$ 222,799,521
2.2	Premium Denominator \$ 181,418,258	Premium Denominator \$ 222,799,521
2.3	Premium Ratio (2.1/2.2) 100.0%	Premium Ratio (2.1/2.2) 100.0%
2.4	Reserve Numerator \$ 92,507,350	Reserve Numerator \$ 47,108,196
2.5	Reserve Denominator \$ 92,507,350	Reserve Denominator \$ 47,108,196
2.6	Reserve Ratio (2.4/2.5) 100.0%	Reserve Ratio (2.4/2.5) 100.0%

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]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [ ] No [X]
5.2	If no, explain: -	
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 and 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:  
-

## GENERAL INTERROGATORIES

### PART 2 – HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  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 9,722

---

8.2 Number of providers at end of reporting year 9,612

---

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes  No

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees 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  No

10.2 If yes:

10.21 Maximum amount payable bonuses 0

---

10.22 Amount actually paid for year bonuses 0

---

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

11.13 An Individual Practice Association (IPA), or, Yes  No

11.14 A Mixed Model (combination of above)? Yes  No

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes  No

11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
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  No

11.6 If the amount is calculated, show the calculation  
-

12. List service areas in which 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

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

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, authorized reinsurers? Yes  No  N/A

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

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

---

15.3 Number of Covered Lives 0

---

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

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

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes  No

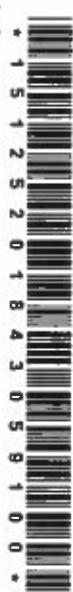
**FIVE-YEAR HISTORICAL DATA**

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	44,553,465	36,237,491	25,413,374	4,680,286	259,383
2. Total liabilities (Page 3, Line 24).....	100,131,715	51,699,325	35,829,552	14,107,058	8,902,266
3. Statutory minimum capital and surplus requirement.....	600,000	600,000	600,000	600,000	600,000
4. Total capital and surplus (Page 3, Line 33).....	(55,578,250)	(15,461,831)	(10,416,178)	(9,426,772)	(8,642,883)
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	181,418,258	222,799,521	169,754,902	74,082,741	18,404,284
6. Total medical and hospital expenses (Line 18).....	206,278,780	207,330,356	151,930,840	74,510,422	15,590,404
7. Claims adjustment expenses (Line 20).....	763,344	809,910	737,631	141,505	39,912
8. Total administrative expenses (Line 21).....	14,752,325	15,720,424	17,471,148	14,233,992	14,018,799
9. Net underwriting gain (loss) (Line 24).....	(40,376,191)	(1,061,169)	(384,717)	(14,803,178)	(11,244,831)
10. Net investment gain (loss) (Line 27).....	4,174	(233,203)	(127,975)	(306,006)	(15,083)
11. Total other income (Lines 28 plus 29).....	(3,718,837)				
12. Net income or (loss) (Line 32).....	(44,090,854)	(1,294,372)	(1,164,658)	(15,109,184)	(11,259,914)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	(141,547)	(47,947)	(1,333,236)	(10,174,206)	(6,951,621)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	(55,578,250)	(15,461,831)	(10,416,178)	(9,426,772)	(8,642,883)
15. Authorized control level risk-based capital.....	8,379,267	7,863,362	6,091,059	3,307,750	1,589,414
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	17,373	19,855	19,571	9,217	3,335
17. Total member months (Column 6, Line 7).....	235,646	250,470	207,194	86,915	21,650
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0</b>					
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 (Line 18 plus Line 19).....	113.7	86.3	89.5	100.6	86.5
20. Cost containment expenses.....					
21. Other claims adjustment expenses.....	0.4	0.3		0.2	0.2
22. Total underwriting deductions (Line 23).....	122.3	93.2	100.0	120.0	164.4
23. Total underwriting gain (loss) (Line 24).....	(22.3)	6.8		(20.0)	(64.4)
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13, Col. 5).....	55,063,270	45,545,358	11,950,878	4,968,891	
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	47,108,196	31,434,251	11,576,327	3,273,272	
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch. D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch. D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
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 [ ]

If no, please explain:



**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION.....Constellation Health, LLC      2. San Juan, PR

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

(Location)

NAIC Group Code.....0

NAIC Company Code.....15125

	1 Total	Comprehensive (Hospital & Medical)			4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group								
<b>Total Members at end of:</b>											
1. Prior year.....	19,855								19,855		
2. First quarter.....	20,491								20,491		
3. Second quarter.....	20,127								20,127		
4. Third quarter.....	19,350								19,350		
5. Current year.....	17,373								17,373		
6. Current year member months.....	235,646								235,646		
<b>Total Member Ambulatory Encounters for Year:</b>											
7. Physician.....	264,933								264,933		
8. Non-physician.....	153,201								153,201		
9. Totals.....	418,134	0	0	0	0	0	0	0	418,134	0	0
10. Hospital patient days incurred.....	43,057								43,057		
11. Number of inpatient admissions.....	6,892								6,892		
12. Health premiums written (b).....	0								0		
13. Life premiums direct.....	0								0		
14. Property/casualty premiums written.....	0								0		
15. Health premiums earned.....	0								0		
16. Property/casualty premiums earned.....	0								0		
17. Amount paid for provision of health care services.....	160,879,626								160,879,626		
18. Amount incurred for provision of health care services.....	206,278,780								206,278,780		

(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

**Sch. S - Pt. 1 - Sn. 2**  
**NONE**

**Sch. S - Pt. 2**  
**NONE**

**Sch. S - Pt. 3 - Sn. 2**  
**NONE**

**Sch. S - Pt. 4**  
**NONE**

**Sch. S - Pt. 5**  
**NONE**

**Sch. S - Pt. 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)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12).....	738,293		738,293
2. Accident and health premiums due and unpaid (Line 15).....	31,436,613		31,436,613
3. Amounts recoverable from reinsurers (Line 16.1).....			0
4. Net credit for ceded reinsurance.....	XXX		0
5. All other admitted assets (balance).....	12,378,559		12,378,559
6. Totals assets (Line 28).....	44,553,465	0	44,553,465
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1).....	92,507,350		92,507,350
8. Accrued medical incentive pool and bonus payments (Line 2).....			0
9. Premiums received in advance (Line 8).....			0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount).....			0
11. Reinsurance in unauthorized companies (Line 20 minus inset amount).....			0
12. Reinsurance with certified reinsurers (Line 20 inset amount).....			0
13. Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount).....			0
14. All other liabilities (balance).....	7,624,365		7,624,365
15. Total liabilities (Line 24).....	100,131,715	0	100,131,715
16. Total capital and surplus (Line 33).....	(55,578,250)	XXX	(55,578,250)
17. Total liabilities, capital and surplus (Line 34).....	44,553,465	0	44,553,465
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
18. Claims unpaid.....	0		0
19. Accrued medical incentive pool.....	0		0
20. Premiums received in advance.....	0		0
21. Reinsurance recoverable on paid losses.....	0		0
22. Other ceded reinsurance recoverables.....	0		0
23. Total ceded reinsurance recoverables.....	0		0
24. Premiums receivable.....	0		0
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers.....	0		0
26. Unauthorized reinsurance.....	0		0
27. Reinsurance with certified reinsurers.....	0		0
28. Funds held under reinsurance treaties with certified reinsurers.....	0		0
29. Other ceded reinsurance payables/offsets.....	0		0
30. Total ceded reinsurance payables/offsets.....	0		0
31. Total net credit for ceded reinsurance.....	0		0

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

1	2	3	4	Direct Business Only					9
				5	6	7	8		
State, Etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama.....AL	N							0	
2. Alaska.....AK	N							0	
3. Arizona.....AZ	N							0	
4. Arkansas.....AR	N							0	
5. California.....CA	N							0	
6. Colorado.....CO	N							0	
7. Connecticut.....CT	N							0	
8. Delaware.....DE	N							0	
9. District of Columbia.....DC	N							0	
10. Florida.....FL	N							0	
11. Georgia.....GA	N							0	
12. Hawaii.....HI	N							0	
13. Idaho.....ID	N							0	
14. Illinois.....IL	N							0	
15. Indiana.....IN	N							0	
16. Iowa.....IA	N							0	
17. Kansas.....KS	N							0	
18. Kentucky.....KY	N							0	
19. Louisiana.....LA	N							0	
20. Maine.....ME	N							0	
21. Maryland.....MD	N							0	
22. Massachusetts.....MA	N							0	
23. Michigan.....MI	N							0	
24. Minnesota.....MN	N							0	
25. Mississippi.....MS	N							0	
26. Missouri.....MO	N							0	
27. Montana.....MT	N							0	
28. Nebraska.....NE	N							0	
29. Nevada.....NV	N							0	
30. New Hampshire.....NH	N							0	
31. New Jersey.....NJ	N							0	
32. New Mexico.....NM	N							0	
33. New York.....NY	N							0	
34. North Carolina.....NC	N							0	
35. North Dakota.....ND	N							0	
36. Ohio.....OH	N							0	
37. Oklahoma.....OK	N							0	
38. Oregon.....OR	N							0	
39. Pennsylvania.....PA	N							0	
40. Rhode Island.....RI	N							0	
41. South Carolina.....SC	N							0	
42. South Dakota.....SD	N							0	
43. Tennessee.....TN	N							0	
44. Texas.....TX	N							0	
45. Utah.....UT	N							0	
46. Vermont.....VT	N							0	
47. Virginia.....VA	N							0	
48. Washington.....WA	N							0	
49. West Virginia.....WV	N							0	
50. Wisconsin.....WI	N							0	
51. Wyoming.....WY	N							0	
52. American Samoa.....AS	N							0	
53. Guam.....GU	N							0	
54. Puerto Rico.....PR	L		181,418,258					181,418,258	
55. U.S. Virgin Islands.....VI	N							0	
56. Northern Mariana Islands.....MP	N							0	
57. Canada.....CAN	N							0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		0	181,418,258	0	0	0	0	181,418,258	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX								0	
61. Total (Direct Business).....XXX		0	181,418,258	0	0	0	0	181,418,258	0

**DETAILS OF WRITE-INS**

58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled FRG..... 1  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0

R - Registered - Non-domiciled FRGs..... 0  
 Q - Qualified - Qualified or accredited reinsurer..... 0  
 N - None of the above - Not allowed to write business in the state..... 56

**Sch. T - Pt. 2 - Interstate Compact  
NONE**

**Sch. Y-Pt. 1  
NONE**

**Sch. Y - Pt. 1A  
NONE**

**Sch. Y - Pt. 2  
NONE**

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Responses
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 the Management's Discussion and Analysis be filed by April 1?	NO
6. Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES

### 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 the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES
---	-----

The following supplemental reports are required to be filed as part of your statement filing if your company is engaged in the type of business covered by the supplement. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below.

If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### 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 Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
14. 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
15. 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
16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
17. 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 filed electronically with the NAIC by March 1?	NO
18. 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
19. 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

20. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
21. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	YES
22. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
23. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
24. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
25. Will the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (if required) be filed with 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?	YES
--	-----

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
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**Overflow Page  
NONE**

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NONE**

**Sch. A - Pt. 1  
NONE**

**Sch. A - Pt. 2  
NONE**

**Sch. A - Pt. 3  
NONE**

**Sch. B - Pt. 1  
NONE**

**Sch. B - Pt. 2  
NONE**

**Sch. B - Pt. 3  
NONE**

**Sch. BA - Pt. 1  
NONE**

**Sch. BA - Pt. 2  
NONE**

**Sch. BA - Pt. 3  
NONE**

**Sch. D - Pt. 1  
NONE**

**Sch. D - Pt. 2 - Sn. 1  
NONE**

**Sch. D - Pt. 2 - Sn. 2  
NONE**

**Sch. D - Pt. 3  
NONE**

**Sch. D - Pt. 4  
NONE**

**Sch. D - Pt. 5  
NONE**

**Sch. D - Pt. 6 - Sn. 1  
NONE**

**Sch. D - Pt. 6 - Sn. 2  
NONE**

**Sch. DA - Pt. 1  
NONE**

**Sch. DB - Pt. A - Sn. 1  
NONE**

**Sch. DB - Pt. A - Sn. 2  
NONE**

**Sch. DB - Pt. B - Sn. 1**  
**NONE**

**Sch. DB - Pt. B - Sn. 2**  
**NONE**

**Sch. DB - Pt. D - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 2**  
**NONE**

**Sch. DL - Pt. 1**  
**NONE**

**Sch. DL - Pt. 2**  
**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 *
<b>Open Depositories</b>						
Scotiabank.....		0.85	4,103	585	626,716	XXX
Banco Popular de PR.....					106,231	XXX
Merrill Lynch.....					5,346	XXX
0199999 Total - Open Depositories.....	XXX	XXX	4,103	585	738,293	XXX
0399999 Total Cash on Deposit.....	XXX	XXX	4,103	585	738,293	XXX
0599999 Total Cash.....	XXX	XXX	4,103	585	738,293	XXX

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

1. January.....	1,104,353	4. April.....	726,383	7. July.....	807,213	10. October.....	698,545
2. February.....	1,380,277	5. May.....	895,477	8. August.....	14,869,591	11. November.....	11,523,023
3. March.....	15,953,567	6. June.....	15,384,969	9. September.....	745,125	12. December.....	738,293

**Sch. E - Pt. 2  
NONE**

**Sch. E - Pt. 3  
NONE**