

**ANNUAL STATEMENT**

**OF THE**

**MCS Advantage Inc.**

**of**

**San Juan**

**in the state of**

**Puerto Rico**

**TO THE**

**Insurance Department**

**OF THE STATE OF**

**Puerto Rico**

**For the Year Ending**  
**DECEMBER 31, 2019**

**2019**



# ANNUAL STATEMENT

## For the Year Ending DECEMBER 31, 2019

### OF THE CONDITION AND AFFAIRS OF THE

# MCS Advantage Inc.

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

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

Country of Domicile United States of America

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

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

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

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

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

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

Internet Website Address N/A

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

### OFFICERS

Name	Title
James O'Drobinak	CEO
Roberto Pando	President
Jose Aponte	CFO
Rosangela Sanfilippo	Secretary
David Schaffer	Assistant Treasurer

### OTHERS

#### DIRECTORS OR TRUSTEES

Matthew Cantor Gerald Landgraf Garrett Hall James O'Drobinak Paul S Levy	Eugene Davis Cyril Meduña Keith A Maib Brooks Powlen
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State of Puerto Rico  
 County of \_\_\_\_\_ ss

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

\_\_\_\_\_  
(Signature)  
**Roberto Pando**  
(Printed Name)  
 1.  
**President**  
(Title)

\_\_\_\_\_  
(Signature)  
**David Schaffer**  
(Printed Name)  
 2.  
**Assistant Treasurer**  
(Title)

\_\_\_\_\_  
(Signature)  
(Printed Name)  
 3.  
**0**  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020

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

Yes[ ] No[X]  
 1  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D) .....	169,816,314		169,816,314	211,121,920
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	2,441,096		2,441,096	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....62,311,202, Schedule E Part 1), cash equivalents (\$.....24,655,686, Schedule E Part 2) and short-term investments (\$.....9,144,098, Schedule DA) .....	96,110,986		96,110,986	99,028,694
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	111,138		111,138	
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	268,479,533		268,479,533	310,150,614
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	1,024,484		1,024,484	1,307,501
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	83,217,283		83,217,283	61,503,117
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....	44,519,021		44,519,021	3,351,057
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....	1,255,284		1,255,284	3,587,609
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	10,617,361		10,617,361	3,619,937
24. Health care (\$.....7,474,890) and other amounts receivable .....	8,986,531	1,511,642	7,474,890	12,641,497
25. Aggregate write-ins for other than invested assets .....	976,201	976,201		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	419,075,697	2,487,842	416,587,855	396,161,332
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	419,075,697	2,487,842	416,587,855	396,161,332
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepays and other assets .....	976,201	976,201		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	976,201	976,201		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	83,027,870		83,027,870	107,650,348
2. Accrued medical incentive pool and bonus amounts .....	49,729,208		49,729,208	23,913,976
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	5,001,663		5,001,663	5,002,000
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	60,034		60,034	58,781
9. General expenses due or accrued .....	39,703,015		39,703,015	19,912,745
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	15,051,362		15,051,362	5,218,447
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	2,687,879		2,687,879	2,191,855
13. Remittances and items not allocated .....	19,213,406		19,213,406	15,977,115
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	5,348,432		5,348,432	2,475,101
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				8,006,577
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	600,000		600,000	600,000
24. TOTAL Liabilities (Lines 1 to 23) .....	220,422,868		220,422,868	191,006,946
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	1	1
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	639,999	639,999
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds .....	X X X	X X X	37,300,000	
31. Unassigned funds (surplus) .....	X X X	X X X	158,224,986	204,514,386
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	196,164,986	205,154,386
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	416,587,855	396,161,332
<b>DETAILS OF WRITE-INS</b>				
2301. Statutory Deposits .....	600,000		600,000	600,000
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	600,000		600,000	600,000
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. Federal Provider Fees (Data Year) .....	X X X	X X X	37,300,000	
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X	37,300,000	

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months .....	X X X	2,076,830	2,465,892
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	1,836,226,250	1,926,221,185
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X		
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	1,836,226,250	1,926,221,185
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		1,137,711,527	1,250,269,423
10. Other professional services .....			
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....		284,672,848	317,432,616
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....		94,089,178	36,798,579
16. Subtotal (Lines 9 to 15) .....		1,516,473,553	1,604,500,618
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		1,516,473,553	1,604,500,618
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses .....		12,084,867	12,884,494
21. General administrative expenses .....		195,776,643	201,624,287
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		1,724,335,063	1,819,009,399
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	111,891,187	107,211,787
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		6,274,730	6,240,753
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		14,070	543,643
27. Net investment gains (losses) (Lines 25 plus 26) .....		6,288,800	6,784,396
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 .....			(32,967,074)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X	118,179,987	81,029,108
31. Federal and foreign income taxes incurred .....	X X X	42,066,259	27,683,049
32. Net income (loss) (Lines 30 minus 31) .....	X X X	76,113,728	53,346,059
<b>DETAILS OF WRITE-INS</b>			
0601. ....	X X X		
0602. ....	X X X		
0603. ....	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X		
0701. ....	X X X		
0702. ....	X X X		
0703. ....	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901. Federal Health Insurance Providers Fees .....			(32,967,074)
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			(32,967,074)

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

		1	2
		Current Year	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33.	Capital and surplus prior reporting year .....	205,154,386	156,109,962
34.	Net income or (loss) from Line 32 .....	76,113,728	53,346,059
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	35,182	
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	(2,332,324)	(792,190)
39.	Change in nonadmitted assets .....	6,194,014	(3,509,445)
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 .....	(89,000,000)	
47.	Aggregate write-ins for gains or (losses) in surplus .....		
48.	Net change in capital and surplus (Lines 34 to 47) .....	(8,989,400)	49,044,424
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	196,164,986	205,154,386
<b>DETAILS OF WRITE-INS</b>			
4701.	.....		
4702.	Statutory deposit .....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	1,814,513,000	1,898,759,376
2.	Net investment income .....	7,756,398	7,938,923
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	1,822,269,398	1,906,698,298
5.	Benefit and loss related payments .....	1,508,522,751	1,614,655,831
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	237,245,780	262,756,597
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	32,233,344	51,919,917
10.	TOTAL (Lines 5 through 9) .....	1,778,001,874	1,929,332,345
11.	Net cash from operations (Line 4 minus Line 10) .....	44,267,524	(22,634,047)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	138,116,169	9,911,871
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	0	
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	138,116,169	9,911,871
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	97,995,144	26,646,479
13.2	Stocks .....	2,405,913	
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....	111,138	
13.6	Miscellaneous applications .....		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	100,512,195	26,646,479
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	37,603,975	(16,734,608)
<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 .....	89,000,000	
16.6	Other cash provided (applied) .....	4,210,794	3,092,140
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(84,789,206)	3,092,140
<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) .....	(2,917,708)	(36,276,514)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	99,028,694	135,305,209
19.2	End of year (Line 18 plus Line 19.1) .....	96,110,986	99,028,694

**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 & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	1,836,226,250						1,836,226,250			
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....										X X X
4. Risk revenue .....										X X X
5. Aggregate write-ins for other health care related revenues .....										X X X
6. Aggregate write-ins for other non-health care related revenues .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6) .....	1,836,226,250						1,836,226,250			
8. Hospital/medical benefits .....	1,137,711,527						1,137,711,527			X X X
9. Other professional services .....										X X X
10. Outside referrals .....										X X X
11. Emergency room and out-of-area .....										X X X
12. Prescription drugs .....	284,672,848						284,672,848			X X X
13. Aggregate write-ins for other hospital and medical .....										X X X
14. Incentive pool, withhold adjustments and bonus amounts .....	94,089,178						94,089,178			X X X
15. Subtotal (Lines 8 to 14) .....	1,516,473,553						1,516,473,553			X X X
16. Net reinsurance recoveries .....										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	1,516,473,553						1,516,473,553			X X X
18. Non-health claims (net) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....0 cost containment expenses .....	12,084,867						12,084,867			
20. General administrative expenses .....	195,776,643						195,776,643			
21. Increase in reserves for accident and health contracts .....										X X X
22. Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	1,724,335,063						1,724,335,063			
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	111,891,187						111,891,187			
<b>DETAILS OF WRITE-INS</b>										
0501. ....										X X X
0502. ....										X X X
0503. ....										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page .....										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X
0601. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. ....										X X X
1302. ....										X X X
1303. ....										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page .....										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										X X X

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	1,836,226,250	.....	.....	1,836,226,250
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8) .....	1,836,226,250	.....	.....	1,836,226,250
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11) .....	1,836,226,250	.....	.....	1,836,226,250

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	1,447,006,854						1,447,006,854			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	1,447,006,854						1,447,006,854			
2. Paid medical incentive pools and bonuses .....	68,273,947						68,273,947			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	83,027,870						83,027,870			
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	83,027,870						83,027,870			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....	49,729,208						49,729,208			
6. Net healthcare receivables (a) .....										
7. Amounts recoverable from reinsurers December 31, current year .....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	107,650,348						107,650,348			
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	107,650,348						107,650,348			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....	23,913,976						23,913,976			
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred benefits:										
12.1 Direct .....	1,422,384,376						1,422,384,376			
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....										
12.4 Net .....	1,422,384,376						1,422,384,376			
13. Incurred medical incentive pools and bonuses .....	94,089,178						94,089,178			

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	70,251,036						70,251,036			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	70,251,036						70,251,036			
2. Incurred but Unreported:										
2.1 Direct .....	12,776,834						12,776,834			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	12,776,834						12,776,834			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	83,027,870						83,027,870			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	83,027,870						83,027,870			

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical) .....						
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....	85,857,948	1,368,609,845	14,409,603	68,618,267	100,267,550	107,650,348
7.	Title XIX - Medicaid .....						
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	85,857,948	1,368,609,845	14,409,603	68,618,267	100,267,550	107,650,348
10.	Healthcare receivables (a) .....		7,460,938				
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....	25,388,722	42,885,225		49,729,208	25,388,722	23,913,976
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	111,246,669	1,404,034,131	14,409,603	118,347,474	125,656,272	131,564,325

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

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

**Grand Total**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....	127,255	127,697	123,472	122,393	120,142
2. 2015 .....	1,176,914	1,329,311	1,329,963	1,328,941	1,328,882
3. 2016 .....	X X X	1,410,477	1,513,224	1,512,424	1,512,870
4. 2017 .....	X X X	X X X	1,334,032	1,446,065	1,446,775
5. 2018 .....	X X X	X X X	X X X	1,492,436	1,604,837
6. 2019 .....	X X X	X X X	X X X	X X X	1,404,034

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....	129,815	128,049	123,337	125,040	120,142
2. 2015 .....	1,345,743	1,338,432	1,329,630	1,330,010	1,330,621
3. 2016 .....	X X X	1,531,370	1,521,324	1,515,475	1,515,148
4. 2017 .....	X X X	X X X	1,455,031	1,447,521	1,451,765
5. 2018 .....	X X X	X X X	X X X	1,615,777	1,610,239
6. 2019 .....	X X X	X X X	X X X	X X X	1,522,381

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2015 .....	1,535,389	1,328,882	15,265	1.149	1,344,146	87.544	1,739		1,345,885	87.658
2. 2016 .....	1,763,161	1,512,870	12,865	0.850	1,525,736	86.534	2,278		1,528,014	86.663
3. 2017 .....	1,690,877	1,446,775	7,284	0.503	1,454,059	85.994	4,990		1,459,049	86.289
4. 2018 .....	1,926,221	1,604,837	12,811	0.798	1,617,649	83.980	5,402		1,623,051	84.261
5. 2019 .....	1,836,229	1,404,034	10,521	0.749	1,414,556	77.036	118,347		1,532,903	83.481

12 Grand Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

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

**Title XVIII - Medicare**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....	127,255	127,697	123,472	122,393	120,142
2. 2015 .....	1,176,914	1,329,311	1,329,963	1,328,941	1,328,882
3. 2016 .....	X X X	1,410,477	1,513,224	1,512,424	1,512,870
4. 2017 .....	X X X	X X X	1,334,032	1,446,065	1,446,775
5. 2018 .....	X X X	X X X	X X X	1,492,436	1,604,837
6. 2019 .....	X X X	X X X	X X X	X X X	1,404,034

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....	129,815	128,049	123,337	125,040	120,142
2. 2015 .....	1,345,743	1,338,432	1,329,630	1,330,010	1,330,621
3. 2016 .....	X X X	1,531,370	1,521,324	1,515,475	1,515,148
4. 2017 .....	X X X	X X X	1,455,031	1,447,521	1,451,765
5. 2018 .....	X X X	X X X	X X X	1,615,777	1,610,239
6. 2019 .....	X X X	X X X	X X X	X X X	1,522,381

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2015 .....	1,535,389	1,328,882	15,265	1.149	1,344,146	87.544	1,739		1,345,885	87.658
2. 2016 .....	1,763,161	1,512,870	12,865	0.850	1,525,736	86.534	2,278		1,528,014	86.663
3. 2017 .....	1,690,877	1,446,775	7,284	0.503	1,454,059	85.994	4,990		1,459,049	86.289
4. 2018 .....	1,926,221	1,604,837	12,811	0.798	1,617,649	83.980	5,402		1,623,051	84.261
5. 2019 .....	1,836,229	1,404,034	10,521	0.749	1,414,556	77.036	118,347		1,532,903	83.481

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

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

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

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

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

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

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	5,001,663						5,001,663		
5. Aggregate write-ins for other policy reserves .....									
6. TOTALS (Gross) .....	5,001,663						5,001,663		
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	5,001,663						5,001,663		
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 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) .....			1,197,318		1,197,318
2. Salaries, wages and other benefits .....			17,360,532		17,360,532
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			14,261,748		14,261,748
4. Legal fees and expenses .....			976,729		976,729
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....			5,275,089		5,275,089
7. Traveling expenses .....			454,248		454,248
8. Marketing and advertising .....			14,285,617		14,285,617
9. Postage, express and telephone .....			429,811		429,811
10. Printing and office supplies .....			9,204		9,204
11. Occupancy, depreciation and amortization .....					
12. Equipment .....					
13. Cost or depreciation of EDP equipment and software .....					
14. Outsourced services including EDP, claims, and other services .....		12,084,867			12,084,867
15. Boards, bureaus and association fees .....			342,413		342,413
16. Insurance, except on real estate .....					
17. Collection and bank service charges .....			318,914		318,914
18. Group service and administration fees .....			138,852,418		138,852,418
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....					
23.3 Regulatory authority licenses and fees .....			650,543		650,543
23.4 Payroll taxes .....			1,547,516		1,547,516
23.5 Other (excluding federal income and real estate taxes) .....			372,285		372,285
24. Investment expenses not included elsewhere .....				365,560	365,560
25. Aggregate write-ins for expenses .....			(557,742)		(557,742)
26. TOTAL Expenses Incurred (Lines 1 to 25) .....		12,084,867	195,776,642	365,560	(a) 208,227,070
27. Less expenses unpaid December 31, current year .....			39,703,015		39,703,015
28. Add expenses unpaid December 31, prior year .....			19,912,745		19,912,745
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....		12,084,867	175,986,372	365,560	188,436,800
<b>DETAILS OF WRITE-INS</b>					
2501. Miscellaneous Expense .....			(557,742)		(557,742)
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			(557,742)		(557,742)

(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) 2,952,424	2,845,130
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,007,543	833,644
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	16,836	16,836
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 2,343,923	2,408,510
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		536,170
10. TOTAL gross investment income	6,320,726	6,640,290
11. Investment expenses		(g) 365,560
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		365,560
17. Net Investment income (Line 10 minus Line 16)		6,274,730
<b>DETAILS OF WRITE-INS</b>		
0901. Tax Credit Benefit		536,170
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		536,170
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

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

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(5,985)		(5,985)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	20,055		20,055		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				35,182	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	14,070		14,070	35,182	
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....		69,345	69,345
24. Health care and other amounts receivable .....	1,511,642	3,103,084	1,591,443
25. Aggregate write-ins for other than invested assets .....	976,201	5,509,427	4,533,226
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,487,842	8,681,856	6,194,014
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	2,487,842	8,681,856	6,194,014
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepays and Other assets .....	976,201	509,427	(466,774)
2502. Deposits .....		5,000,000	5,000,000
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	976,201	5,509,427	4,533,226

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

Source of Enrollment		Total Members at End of					6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1.	Health Maintenance Organizations .....	206,565	177,067	172,797	169,882	168,409	2,076,830
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	<b>TOTAL</b> .....	<b>206,565</b>	<b>177,067</b>	<b>172,797</b>	<b>169,882</b>	<b>168,409</b>	<b>2,076,830</b>
<b>DETAILS OF WRITE-INS</b>							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	<b>TOTALS</b> (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

## EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 TOTAL Individuals .....	21,004	17,517	16,191			54,713
0299997 Subtotal - Group Subscribers: .....						
0299998 Premiums due and unpaid not individually listed .....	1,570,476	4,000	2,870			1,577,346
0299999 TOTAL Group .....	1,570,476	4,000	2,870			1,577,346
0399999 Premiums due and unpaid from Medicare entities .....	81,548,073	31,711	5,440			81,585,224
0499999 Premiums due and unpaid from Medicaid entities .....						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15) ..	83,139,553	53,228	24,502			83,217,283

### EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>Pharmaceutical Rebate Receivables</b>						
.....	7,206,492	45,990	53,898	146,095	146,095	7,306,380
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed .....						
0199999 Subtotal - Pharmaceutical Rebate Receivables .....	7,206,492	45,990	53,898	146,095	146,095	7,306,380
0299998 Claim Overpayment Receivables - Not Individually Listed .....						
0299999 Subtotal - Claim Overpayment Receivables .....						
<b>Loans and Advances to Providers</b>						
.....	500,000	670,184		355,409	1,360,970	164,623
0399998 Loans and Advances to Providers - Not Individually Listed .....						
0399999 Subtotal - Loans and Advances to Providers .....	500,000	670,184		355,409	1,360,970	164,623
0499998 Capitation Arrangement Receivables - Not Individually Listed .....						
0499999 Subtotal - Capitation Arrangement Receivables .....						
0599998 Risk Sharing Receivables - Not Individually Listed .....						
0599999 Subtotal - Risk Sharing Receivables .....						
<b>Other Receivables</b>						
Plan to Plan .....	1,388	2,326	173	4,577	4,577	3,887
0699998 Other Receivables - Not Individually Listed .....						
0699999 Subtotal - Other Receivables .....	1,388	2,326	173	4,577	4,577	3,887
0799999 Gross health care receivables .....	7,707,880	718,500	54,071	506,080	1,511,642	7,474,890

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

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables .....	5,533,074	80,053,453		7,452,474	5,533,074	14,261,821
2. Claim overpayment receivables .....						
3. Loans and advances to providers .....	1,452,661			1,525,593	1,452,661	1,452,661
4. Capitation arrangement receivables .....						
5. Risk sharing receivables .....						
6. Other health care receivables .....	30,100			8,464	30,100	30,100
7. TOTALS (Lines 1 through 6) .....	7,015,835	80,053,453		8,986,531	7,015,835	15,744,582

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

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

### Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	33,287,793	12,482,956	8,961,709	5,065,811	10,452,766	70,251,036
0499999 Subtotals .....	33,287,793	12,482,956	8,961,709	5,065,811	10,452,766	70,251,036
0599999 Unreported claims and other claim reserves .....						12,776,834
0699999 TOTAL Amounts Withheld .....						
0799999 TOTAL Claims Unpaid .....						83,027,870
0899999 Accrued Medical Incentive Pool and Bonus Amounts .....						49,729,208

## EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
<b>Individually listed receivables</b>							
MCS Life Insurance Company .....	10,025,400	591,750				10,617,150	
MCS General Insurance Agency .....	211					211	
0199999 Total - Individually listed receivables .....	10,025,611	591,750				10,617,361	
0299999 Receivables not individually listed .....							
0399999 TOTAL Gross Amounts Receivable .....	10,025,611	591,750				10,617,361	

## EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
<b>Individually Listed Payables</b>				
MCS Healthcare Holding .....	Operating Expenses .....	5,348,432	5,348,432	
0199999 Total - Individually Listed Payables .....	X X X .....	5,348,432	5,348,432	
0299999 Payables not Individually Listed .....	X X X .....			
0399999 TOTAL Gross Payables .....	X X X .....	5,348,432	5,348,432	

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

	1	2	3	4	5	6
Payment Method	Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>						
1. Medical groups .....	317,855,318	21.966				317,855,318
2. Intermediaries .....						
3. All other providers .....						
4. TOTAL Capitation Payments .....	317,855,318	21.966				317,855,318
<b>Other Payments:</b>						
5. Fee-for-service .....			X X X	X X X		
6. Contractual fee payments .....	1,129,151,536	78.034	X X X	X X X		1,129,151,536
7. Bonus/withhold arrangements - fee-for-service .....			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments .....			X X X	X X X		
9. Non-contingent salaries .....			X X X	X X X		
10. Aggregate cost arrangements .....			X X X	X X X		
11. All other payments .....			X X X	X X X		
12. TOTAL Other Payments .....	1,129,151,536	78.034	X X X	X X X		1,129,151,536
13. TOTAL (Line 4 plus Line 12) .....	1,447,006,854	100.000	X X X	X X X		1,447,006,854

### EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

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

## EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

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

## Notes to Financial Statements

MCS Advantage Inc. (the "Company") is a wholly owned subsidiary of MCS Healthcare Holding, LLC (MCSHH) which is wholly owned by Medical Card System, Inc. (MCS).

The Company it is primarily engaged in offering Medicare Advantage (MA) insurance coverage pursuant to one contract with Centers for Medicaid & Medicare Services (CMS) a federal agency within the U.S. Department of Health and Human Services.

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

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

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

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

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Commissioner Insurance of Puerto Rico is shown below:

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
<b>NET INCOME</b>					
(1) MCS Advantage state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 76,113,728	\$ 53,346,059
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 76,113,728	\$ 53,346,059
<b>SURPLUS</b>					
(5) MCS Advantage state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 196,164,986	\$ 205,154,386
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(7) State Permitted Practices that increase/(decrease) NAIC SAP:	"00"				-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 196,164,986	\$ 205,154,386

#### B. Use of Estimates

Management used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with the NAIC Accounting Practices and Procedures Manual. The most significant items subject to estimates and assumptions are the actuarial determination for medical claims liability, useful life of intangibles, the

## Notes to Financial Statements

Company's estimated risk adjustments payment receivable from CMS, accruals for medical incentive pools, and certain amounts recorded related to the Part D program. Actual results could differ from those estimates.

### C. Accounting Policies

#### Premium Earned

Substantially, all the revenue is received from CMS and ASES. Revenue is recorded ratably over the period of coverage based on anticipated CMS and ASES reimbursement rates and the number of eligible enrollees. Actual amounts received from CMS and ASES are subjected to adjustment based on subsequent review of members eligibility characteristics, reported terminations, or retroactive adjustments, including premiums, number of members, eligibility characteristics, terminations, and other information. Retroactive membership adjustments result from enrollment charges not yet processed or not yet reported by CMS.

Every year, CMS adjusts the premium base paid to 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. Final risk factor adjustments for the year are paid on a lump-sum basis to account for the proper risk factor retroactively to the beginning of the year. Changes in revenue from CMS resulting from the periodic changes in risk adjustment scores for the Company's membership are recognized when the amounts become determinable and the collectability is reasonably assured. Such estimates are regularly reviewed and updated, and any resulting adjustments are included in the current period's results.

The Company recognized premium revenue for the Part D payments received from CMS for which it assumes risk. The Company does not record revenue related to Part D payments from CMS that represent payments for claims for which it assumes no risk.

Expenses incurred in connection to the acquisition of business, such as sales and broker commissions, are charged to operations as incurred.

#### Non-admitted Assets

Certain assets designated as "non-admitted assets" have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus.

Non-admitted assets as of December 31, 2019 and December 31, 2018 consist of the following:

<u>Non-Admitted Assets</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Prepaid and Other Assets	\$ 976,201	\$ 5,509,427
Healthcare receivables and other amount receivable	1,511,642	3,103,084
Due from affiliates	-	69,345
	<u>\$ 2,487,842</u>	<u>\$ 8,681,856</u>

#### Cash, Cash Equivalents, and Short-Term Investments

Cash equivalent are highly liquid investments with original maturities of three month or less. Short-term investments are defined as short-term highly liquid investments that are readily convertible into a known amount of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Short-term investments having a maturity of less than one year are stated at cost, which approximates fair value. At December 31, 2019 and December 31, 2018, cash and cash equivalents consisted of cash deposited in financial institutions, certificates of deposits, treasury bills and money market funds amounting to \$96,110,986 and \$99,028,694 respectively.

#### Unpaid Medical Claims and Healthcare Benefits

Unpaid medical claims are accrued as services are rendered, including claims in process and an estimate for claims incurred but not yet reported, which is determined based upon an actuarial analysis of the Company's historical claims payment patterns, management estimates, and other statistics. Expenses related to these providers, which are based in part on estimates, are recorded in the period in which the related services are rendered.

The unpaid medical claims are necessarily based on estimates, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates are for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the statutory statements of income of the current period. The actual results could differ materially from the amount recorded in the statutory financial statements of the Company.

## Notes to Financial Statements

Healthcare benefits consist of claim payments, capitations payments, risk-sharing payments, and pharmacy costs, net of rebates, as well as estimates of the future payments of claims provided for services rendered prior to the end of the reporting period.

In addition, the company uses the following accounting policies:

1. Basis of valuation of short-term investments - Short-term investments include debt securities with maturities of one year or less at the time of purchase and are stated at amortized cost, which approximates fair value.
2. Basis of valuation of bonds - Debt securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (classified 1 through 5 by the Securities and Valuation Office (SVO) of the NAIC) are stated at amortized cost net of unamortized premiums and/or discounts. Debt securities classified 6 by the SVO are stated at the lower of amortized cost or fair market value.
3. Basis of valuation of common stocks - Investments in common stocks are presented at estimated fair value. Unrealized gains or losses on investments in common stock are accounted as direct increases or decreases in surplus.
4. Basis of valuation of preferred stock - Investments in nonredeemable preferred stock are presented at estimated fair value. Unrealized gains or losses on investments in nonredeemable preferred stock are accounted as direct increases or decreases in surplus. A decline in the estimated fair value of any investment in debt securities, nonredeemable preferred and common stock below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established.
5. The company has no mortgage loans or real state.
6. The Company applies the provisions of SAP No. 43, Loan-Backed and Structured Securities (SSAP No. 43), which requires insurers to separate other-than-temporary impairments between interest and noninterest-related declines in the value of all loan-backed and structured securities. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method. Interest and dividend income are recognized when earned. Realized gains or losses on the sale of investments are included in the statutory statements of operations and are determined on a specific-identification basis.
7. The company does not have investments in subsidiaries or affiliated entities.
8. The company does not have investments in joint venture, partnership and limited liability entities.
9. The company does not invest in derivatives.
10. The company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Independent care providers such as hospitals, physicians, clinics, and others provide health services under contractual arrangements. Services rendered to insured members are billed and paid on a fee-for-service basis up to established limits based on eligible members. Claim payables represent accrued medical claims and related expenses (hospitalization and other outside medical services) for amounts billed and not paid and an estimate of cost incurred for unbilled services provided to the balance sheet date based on experience and accumulated statistical data on claims processed, incomplete and unreported. The liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current operations.
12. The company has not modified its capitalization policy from the prior period.
13. The company estimate anticipated pharmacy rebates receivable using the analysis of historical recovery.

D. Going Concern – None

## Notes to Financial Statements

### 2. Accounting Changes and Corrections of Errors

None

### 3. Business Combinations and Goodwill

- A. Statutory purchase method – None
- B. Statutory merger – None
- C. Assumption reinsurance – None
- D. Impairment loss – None

### 4. Discontinued Operations

- A. Discontinued Operations of or Classified as Held for Sale – None
- B. Change in Plan of Sales of Discontinued Operations – None
- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal – None
- D. Equity Interest Retained in the Discontinued Operation After Disposal – None

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
- B. Debt Restructuring – None
- C. Reverse Mortgage – None
- D. Loan-Backed Securities

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

2. Other than –temporary impairment – None.

3. Each security, by CUSIP, with an Other-than-temporary impairment – None.

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

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$	69,217
2. 12 Months or longer	\$	35,572

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

1. Less than 12 months	\$	36,756,377
2. 12 Months or longer	\$	25,861,960

The unrealized loss on investments in fixed-income securities were caused mainly by rising inflationary expectations and changes in interest rates during 2019. This had negative implications for fixed-income security prices. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than amortized cost of the investment. Because the company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired. For the mortgage-backed securities, Management evaluated SSAP No. 43R and concluded that the company does

## Notes to Financial Statements

not intend to sell such security, and it is more likely than not that it will not be required to sell such security prior to the recovery of its amortized cost basis.

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of all owned investment securities at December 31, 2019 and 2018 were as follows:

	<b>2019</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Estimated Fair Value</b>
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 155,702,962	\$ 293,801	\$ (98,303)	\$ 155,898,459
Corporate debt securities	12,683,401	97,274	-	12,780,675
Mortgage-backed securities	1,429,951	22,971	(6,486)	1,446,436
Mutual Funds	2,517,051	35,182	-	2,552,233
<b>Total</b>	<b>\$ 172,333,364</b>	<b>\$ 449,228</b>	<b>\$ (104,789)</b>	<b>\$ 172,677,804</b>

	<b>2018</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Estimated Fair Value</b>
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 197,265,931	\$ 40,288	\$ (2,525,978)	\$ 194,780,241
Obligations of the Commonwealth of PR and its instrumentalities	184,935			184,935
Corporate debt securities	12,092,204	4,107	(177,321)	11,918,990
Mortgage-backed securities	1,578,850	5,574	(15,784)	1,568,640
<b>Total</b>	<b>\$ 211,121,920</b>	<b>\$ 49,969</b>	<b>\$ (2,719,083)</b>	<b>\$ 208,452,806</b>

The amortized cost and estimated fair value of investment securities at December 31, 2019, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<b>Amortized Cost</b>	<b>Estimated Fair value</b>
Due less than one year	\$ 39,241,334	\$ 39,252,351
Due after one year through five years	129,145,028	129,426,784
Mortgage-backed securities	1,429,951	1,446,437
<b>Total</b>	<b>\$ 169,816,314</b>	<b>\$ 170,125,571</b>

The following tables show the Company's investments' gross unrealized losses and estimated fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2019 and 2018 were as follows:

	<b>2019</b>								
	<b>Less than 12 months</b>			<b>12 months or more</b>			<b>Total</b>		
	<b>Estimated fair value</b>	<b>Gross Unrealized losses</b>	<b>Number of Securities</b>	<b>Estimated fair value</b>	<b>Gross Unrealized losses</b>	<b>Number of Securities</b>	<b>Estimated fair value</b>	<b>Gross Unrealized losses</b>	<b>Number of Securities</b>
U.S. Treasury securities and obligations of U.S. government instrumentalities	36,705,366	(68,777)	15	25,533,968	(29,525)	42	62,239,334	(98,303)	57
Mortgage-backed securities	51,011	(439)	2	327,992	(6,046)	12	379,003	(6,486)	14
<b>Total</b>	<b>36,756,377</b>	<b>(69,217)</b>		<b>25,861,960</b>	<b>(35,572)</b>		<b>62,618,337</b>	<b>(104,789)</b>	

## Notes to Financial Statements

2018

	Less than 12 months			12 months or more			Total		
	Estimated fair value	Gross Unrealized losses	Number of Securities	Estimated fair value	Gross Unrealized losses	Number of Securities	Estimated fair value	Gross Unrealized losses	Number of Securities
U.S. Treasury securities and obligations of U.S. government instrumentalities	31,845,734	(31,859)	11	171,480,650	(2,494,119)	205	203,326,384	(2,525,978)	216
Corporate debt securities	399,356			9,933,090	(177,321)	10.00	10,332,446	(177,321)	10
Mortgage-backed securities	835,515	(3,811)	4	475,844	(11,973)	15	1,311,359	(15,784)	19
Total	<u>33,080,605</u>	<u>(35,670)</u>		<u>181,889,584</u>	<u>(2,683,413)</u>		<u>214,970,189</u>	<u>(2,719,083)</u>	

- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None
- I. Reverse Repurchase Agreements Transactions Accounted for as Sale - None
- J. Real Estate – None
- K. Low-income housing tax credits (LHITC) – None
- L. Restricted Assets

## 1. Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase / (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -		0%	0%
b. Collateral held under security lending agreements			-				
c. Subject to repurchase agreements			-				
d. Subject to reverse repurchase agreements			-				
e. Subject to dollar repurchase agreements			-				
f. Subject to dollar reverse repurchase agreements			-				
g. Placed under option contracts			-				
h. Letter stock or securities restricted as to sale			-				
i. On deposit with states	600,000	600,000	-	-	600,000	0.144%	0.144%
j. On deposit with other regulatory bodies			-				
k. Pledged as collateral not captured in other categories			-				
l. Other restricted assets			-				
m. Total Restricted Assets	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ 600,000	0.144%	0.144%

At December 31, 2019, the Company has on deposit of \$600,000 at the Office of the Commissioner of Insurance of Puerto Rico.

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

## 3. Detail of Other Restricted Assets – None

- M. Working Capital Finance Investment – None.
- N. Offsetting and Netting of Assets and Liabilities – None.
- O. Structure Note – None.

## Notes to Financial Statements

- P. 5\* Securities – None
- Q. Short Sales – None
- R. Prepayment Penalty and Acceleration Fees - None

### 6. Joint ventures, Partnerships and Limited Liability Companies

- A. The company has no investment in joint ventures, partnerships or limited liability companies.
- B. Write downs for impairments of joint ventures, partnerships or limited liability companies - None.

### 7. Investment Income

- A. Interest income is recognized when earned. Realized gains and losses from the sale of securities are determined using the specific identification method for determining the cost of the security sold.
- B. The company did not have any non-admitted due and accrued investment income as of December 31, 2019.

Component of Investment income for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Bonds and other debt securities	\$ 3,678,774	\$ 3,838,786
Cash and short-term investment	2,408,510	1,896,130
Other	553,006	830,284
	\$ 6,640,290	\$ 6,565,200
Less: Investment and interest expenses incurred	365,560	324,447
Total Net Investment Income	\$ 6,274,730	\$ 6,240,753

### 8. Derivative Instruments

- A. Derivatives under SSAP No. 86 – Derivatives – None
- B. Derivatives under SSAP No. 108 – Derivative Hedging Variable - None

### 9. Income Taxes

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

- A. The component of the net deferred tax assets (liabilities) at December 31, 2019 and December 31, 2018 are as follow:

## Notes to Financial Statements

	12/31/2019			12/31/2018			Change		
	-1 Ordinary	-2 Capital	-3 (Col 1+2) Total	-4 Ordinary	-5 Capital	-6 (Col 4+5) Total	-7 (Col 1-4) Ordinary	-8 (Col 2-5) Capital	-9 (Col 7+8) Total
Gross Deferred Tax									
(a) Assets	\$ 1,255,284	\$ -	\$ 1,255,284	\$ 3,587,609	\$ -	\$ 3,587,609	\$ (2,332,324)	\$ -	\$ (2,332,324)
Statutory Valuation									
(b) Allowance Adjustment	-	-	-	-	-	-	-	-	-
Adjusted Gross									
Deferred Tax Assets									
(c) (1a-1b)	1,255,284	-	1,255,284	3,587,609	-	3,587,609	(2,332,324)	-	(2,332,324)
Deferred Tax Assets									
(d) Nonadmitted	\$ -	-	-	\$ -	-	-	-	-	-
Subtotal net Admitted									
Deferred Tax Asset (1c-									
(e) 1d)	1,255,284	-	1,255,284	3,587,609	-	3,587,609	(2,332,324)	-	(2,332,324)
(f) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
Net Admitted Deferred									
Tax Asset / (Net									
Deferred Tax Liability)									
(g) (1e-1f)	\$ 1,255,284	\$ -	\$ 1,255,284	\$ 3,587,609	\$ -	\$ 3,587,609	\$ (2,332,324)	\$ -	\$ (2,332,324)

	12/31/2019			12/31/2018			Change		
	-1 Ordinary	-2 Capital	-3 (Col 1+2) Total	-4 Ordinary	-5 Capital	-6 (Col 4+5) Total	-7 (Col 1-4) Ordinary	-8 (Col 2-5) Capital	-9 (Col 7+8) Total
Admission Calculation Components									
SSAP No. 101									
(a) Federal Income Taxes Paid In Prior									
Years Recoverable Through Loss									
Carrybacks.	-	-	-	-	-	-	-	-	-
(b) Adjusted Gross Deferred Tax									
Assets Expected To Be Realized									
(Excluding The Amount Of Deferred	-	-	-	-	-	-	-	-	-
1. Adjusted Gross Deferred Tax									
Assets Expected to be Realized									
Following the Balance Sheet Date.	-	-	-	-	-	-	-	-	-
2. Adjusted Gross Deferred Tax									
Assets Allowed per Limitation	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax	\$ 1,255,284		1,255,284	\$ 3,587,609			(2,332,324)		(2,332,324)
Assets (Excluding The Amount Of									
(d) Deferred Tax Assets Admitted as									
the result of application of SSAP No.									
101.									
Total (2(a) + 2(b) + 2(c))	\$ 1,255,284	\$ -	\$ 1,255,284	\$ 3,587,609	\$ -	\$ -	\$ (2,332,324)	\$ -	\$ (2,332,324)

	2019	2018
a. Ratio Percentage Used to determine recovery and threshold limitation amount.	365.00%	363.00%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	196,165	205,154

## Notes to Financial Statements

B. The company has not recognized deferred tax liabilities as of December 31, 2019.

C. Deferred income taxes reflect the tax effects of: (a) temporary differences between carrying amounts of admitted assets and liabilities for financial reporting and income tax purposes. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2019 and December 31, 2018 are presented below:

	12/31/2019	12/31/2018	Change
<b>1. Current Income Tax</b>			
Federal	\$ -	\$ -	\$ -
Foreign			-
Subtotal	\$ -	\$ -	\$ -
Other	42,066,259	27,683,049	14,383,209
Federal and foreign income taxes incurred	\$42,066,259	\$ 27,683,049	\$ 14,383,209
<b>2.. Deferred Tax Assets:</b>			
<u>Ordinary</u>			
Receivables – nonadmitted	-	-	-
Net operating loss carry-forward	-	-	-
Tax credit carry-forward - AMT	-	-	-
Other (including items <5% of total ordinary tax assets)	1,255,284	3,587,609	(2,332,324)
Subtotal	\$ 1,255,284	\$ 3,587,609	\$ (2,332,324)
Nonadmitted	-	-	-
Admitted ordinary deferred tax assets	\$ 1,255,284	\$ 3,587,609	\$ (2,332,324)
<u>Capital:</u>			
Admitted deferred tax assets	\$ 1,255,284	\$ 3,587,609	\$ (2,332,324)
<b>3. Deferred Tax Liabilities:</b>			
<u>Ordinary</u>			
Subtotal	\$ -	\$ -	\$ -
<u>Capital:</u>			
Subtotal	\$ -	\$ -	\$ -
Deferred tax liabilities	\$ -	\$ -	\$ -
<b>4. Net deferred tax assets/liabilities</b>	<b>\$ 1,255,284</b>	<b>\$ 3,587,609</b>	<b>\$ (2,332,324)</b>

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

E. Operating loss and tax credit carry forwards - None

F. Consolidated federal income tax return – None

G. Federal or foreign income tax loss contingencies – None

H. Repatriation transaction tax – None

I. Alternative Minimum Tax (AMT) Credit - None

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

A. (applied for A, B, C & F) MCSHH, provide administrative claims processing, consulting, and other administrative services to the company. These services are provided through a service agreement approved by the Commissioner of Insurance. Administrative service fees under the service agreement are based on per member per month rates for all services provided. Total administrative service fees amounted to \$139 million for the period ended December 31, 2019.

## Notes to Financial Statements

- D. At December 31, 2019, the company has a balance receivable from MCS Life of \$10.6 million and. Also, the company has a balance payable to MCS Healthcare of \$5.3 million.
- E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.
- G. All outstanding shares of the company are owned by the Company.
- J. The company owns no shares of the stock of its parent or any of its affiliate.
- K. Investment in foreign insurance subsidiaries – Not applicable
- L. Investment in downstream noninsurance holding companies - None
- M. All SCA Investments - Not applicable
- N. Investment in Insurance SCAs – None
- O. SCA and SSAP No 48 - None

### 11. Debt

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

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

- A. (A thru D) - The company has no defined benefit plan.
- E. Defined Contribution Plans – The Company provides pension benefits to employees under a defined contribution plan. Under this plan, the company matches 25% of employee's contributions up to 6% of total employee compensation. The Company's contribution for the plan during as of December 31, 2019 was \$224,531.
- F. The company does not participate in a multiemployer plan.
- G. The company does not participate in a consolidated/holding company plan.
- H. Postemployment Benefits and Compensated Absences - None
- I. Impact or Medicare Modernization Act on postretirement benefit - Not applicable

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

- 1. The company has 100 shares, authorized and 1 share issued and outstanding. All shares are common stocks, \$1 par value.
- 2. The company has no preferred stock authorized.
- 3. 4 & 5. The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. During the 3<sup>rd</sup> quarter of 2019, dividends were declared and paid to the parent Company for the amount of \$89 million.

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

Accumulated earnings	\$ 235,952,829
Special Surplus - Health Insurance Provider Fees	(37,300,000)
Non-admitted assets	<u>(2,487,842)</u>
Unassigned surplus	<u>\$ 196,164,986</u>

The Commonwealth of Puerto Rico enacted Law No. 32 (the Law) to Chapter 45, Risk-Based Capital (Chapter 45), to the Insurance Code of Puerto Rico. The RBC Model serves as a benchmark for the

## Notes to Financial Statements

regulation of insurance companies by state insurance regulators. RBC provides for targeted surplus levels based on formulas that specify various weighting factors that are applied to the financial balances or various levels of activity based on the perceived degree of risk and are set forth in the RBC requirements. Such formulas focus on four general types of risk, which includes the risk with respect to the Company's assets (asset or default risk), the risk of adverse insurance experience with respect to the Company's liabilities and obligations (insurance or underwriting risk), the interest rate risk with respect to the Company's business (asset/liability matching), and all other business risks (management, regulatory action, and contingencies). The amount determined under such formulas is called the authorized control level RBC (ACLC).

The RBC guidelines define specific capital levels based on a company's ACLC that are determined by the ratio of the company's total adjusted capital (TAC) to its ACLC. TAC is equal to statutory capital, plus or minus certain other specified adjustments. The specific capital levels, in declining order, and applicable ratios are generally as follows: "Company Action Level" where TAC is less than or equal to 200% ACLC (or 250% ACLC with negative trends); "Regulatory Action Level" where TAC is less than or equal to 150% ACLC; "Authorized Control Level" where TAC is less than or equal to 100% ACLC; and "Mandatory Control Level" where TAC is less than or equal to 70% ACLC. Companies at the Company Action Level must submit a comprehensive financial plan to the Commissioner of Insurance. Companies at the Regulatory Action Level are subject to a mandatory examination or analysis by the Commissioner of Insurance and possible required corrective actions. At the Authorized Control Level, a company may be subject to, among other things, the Commissioner of Insurance placing it under regulatory control. At the Mandatory Control Level, the Commissioner of Insurance is required, to place a company under regulatory control.

The Law requires, among other things, that all health service organizations, authorized to conduct business in Puerto Rico to comply with the RBC requirements as adopted by the NAIC, to annually file an RBC report with the NAIC and the Commissioner of Insurance on or before March 31, and to maintain a minimum RBC level of 200% of the ACLC. At December 31, 2019 and 2018, the Company was in compliance with the requirement established with an actual RBC level of 365% and 363% respectively.

The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies.

The Affordable Care Act (ACA) imposes an assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. Pursuant to Section 9010 of the ACA, a reporting entity's portion of the assessment is paid no later than September 30 of the applicable calendar year (the fee year) beginning in 2014. The amount of the assessment for the reporting entity is based on the ratio of the amount of an entity's subject net health premiums written for any U.S. health risk during the preceding calendar year (data year) to the aggregate amount of subject net health premiums written by all subject U.S. health insurance providers during the preceding calendar year.

6. Unassigned funds – None
7. There have been no advances to surplus.
8. Amount of stock held by the company for special purposes - \$0
9. Change in the balance of special surplus funds from prior year - None
10. The portion of unassigned funds surplus represented or (reduced) by cumulative unrealized gains and (losses) is \$28,146.
11. The company has not issued any surplus note or debentures or similar obligations.
12. Impact of quasi-reorganizations - Not applicable
13. Date of quasi-reorganizations - Not applicable

### 14. Contingencies

- A. Contingent commitments – None
- B. Assessment - None
- C. Gain contingencies – None
- D. Extra contractual obligations – None
- E. Joint and Several Liabilities – None
- F. Other Contingencies – None

### 15. Leases

## Notes to Financial Statements

- A. Lessee Leasing Arrangements – None
- B. Lesser Leasing Arrangements – None

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

- A. Financial instruments with off-balance-sheet risk – Not applicable
- B. Financial instruments with concentrations of credit risk
  - 1) Off-balance sheet credit exposure – Not applicable
  - 2) Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of premiums receivable, accrued interest receivable, and other receivables. The Company's business activity is for insured located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

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

- A. Transfers of Receivables Reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales – None

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

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Similar Structured Cost Based Reimbursement Contract

The Company provides Medicare prescription drug coverage to eligible members with Medicare.

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

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

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

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

## Notes to Financial Statements

Part D sponsors must provide the discounts for applicable drugs in the Medicare Part D coverage gap (difference between the initial coverage limit and the catastrophic coverage threshold) at point of sale under the CGDP. Part D sponsors receive monthly prospective payments from CMS under the CGDP. These prospective payments provide cash flows to Part D sponsors for advancing the gap discounts at the point of sale. The Company accounts for these prospective payments or subsidies as a liability. For the period ended December 31, 2019, CGDP payments made monthly by CMS to MCS Advantage were lower than the actual gap discounts incurred and paid by MCS Advantage on behalf of CMS, resulting in a receivable from CMS approximately \$13.9 million reported as part of amount receivable relating to uninsured plans.

On a quarterly basis, CMS invoices manufacturers for discounts provided by Part D sponsors that are recorded as an account receivable from manufacturers as part of other receivables in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The manufacturers remit payments for invoiced amounts directly to Part D sponsors. The prospective payments made to Part D sponsors are reduced by the discount amounts invoiced to manufacturers. For the period ended December 31, 2019, the discount amounts invoiced to manufacturers exceeded the reductions applied by CMS to the prospective payments received, causing the Company to have an outstanding payable to CMS approximately \$15.0 million reported as part of remittances and items not allocated. The Company does not recognize premium revenue or claims expense for these CMS prospective payments or invoiced amounts to manufacturers.

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

At December 31, 2019, the Company has a Part D risk-sharing payable of \$5.0 million reported as aggregate health policy reserves in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. At December 31, 2019, the Company recorded a receivable of approximately \$30.6 million for Part D reinsurance subsidies reported as part of amount receivable relating to uninsured plans.

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

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

None

### 20. Fair Value Measurements

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

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

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

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

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

## Notes to Financial Statements

measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

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

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

The following table presents the fair value hierarchy level for the company's assets and liabilities that are measured at fair market value at December 31, 2019 and 2018.

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

**2019**

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total	NAV
Assets at fair value					
Bonds					
Us Treasury Securities and Us Obligation of the US Gov Instr and States		\$ 165,042,560		\$ 165,042,560	-
Mortgage-backed Sec		1,446,437		\$ 1,446,437	-
Corporate debt securities		12,780,675		\$ 12,780,675	-
Mutual Funds	-	2,441,096		\$ 2,441,096	-
Other invested asset	-	111,138		\$ 111,138	-
Deposits	11,916,305			\$ 11,916,305	-
Total Bonds	\$ 11,916,305	\$ 181,821,904	\$ -	\$ 193,738,210	\$ -
Total assets at fair value	\$ 11,916,305	\$ 181,821,904	\$ -	\$ 193,738,210	\$ -

### Fair Value Measurements at reporting Date

**2018**

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total	NAV
Assets at fair value					
Bonds					
Us Treasury Securities and Us Obligation of the US Gov Instr and States		\$ 218,375,575		\$ 218,375,575	-
Mortgage-backed Sec		1,568,640		\$ 1,568,640	-
Obligation of the Commonwealth of PR and its Instrumentalities		184,935		\$ 184,935	-
Corporate debt securities		11,918,990		\$ 11,918,990	-
Deposits	6,136,824			\$ 6,136,824	-
Total Bonds	\$ 6,136,824	\$ 232,048,140	\$ -	\$ 238,184,964	\$ -
Total assets at fair value	\$ 6,136,824	\$ 232,048,140	\$ -	\$ 238,184,964	\$ -

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

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

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

## Notes to Financial Statements

B. Other Fair Value disclosures – Non applicable.

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

Type of financial Instruments	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	NAV
Bonds	\$ 179,275,265	\$ 178,960,412		\$ 179,275,265			
Mutual Funds	\$ 2,517,051	\$ 2,517,051		\$ 2,517,051			
Other Invested Asset	\$ 111,138	\$ 111,138	\$ -	\$ 111,138			
Cash, cash equivalent	\$ 86,961,292	\$ 86,961,292	\$ 11,916,305	\$ -			

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

### 21. Other Items

A. Extraordinary Items - Not applicable.

B. Troubled Debt Restructuring - Not applicable.

C. A certificate of deposit of \$600,000 is deposited with the Commissioner of Insurance to comply with deposit requirements of the Insurance Code.

D. Business Interruption Insurance Recoveries – Not applicable.

E. State Transferable and Non-transferable tax credit – None. The company has not recognized impairment loss.

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

G. Retained Assets – Not applicable.

H. Insurance-Linked Securities (ILS) Contracts – None.

I. Amount Realized on Life Insurance – None.

### 22. Events Subsequent

On January 1, 2020, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2020 to be \$37.3 million. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2019, would not have triggered an RBC action level.

Information regarding the ACA assessment was as follow:

## Notes to Financial Statements

	<u>Current Year</u>	<u>Prior Year</u>
A. <u>Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?</u>	YES	
B. ACA fee assessment payable for the upcoming year	\$ 37,300,000	\$ -
C. ACA fee assessment paid	\$ -	\$ 32,967,074
D. Premium written subject to ACA 9010 assessment	\$ 1,836,226,250	\$ 1,926,221,185
E. Total Adjusted Capital before surplus adjustment <u>(Five-Year Historical Line 14)</u>	\$ 196,164,986	
F. Total Adjusted Capital after surplus adjustment <u>(Five-Year Historical Line 14 minus 22B above)</u>	\$ 158,864,986	
G. Authorized Control Level after surplus adjustment <u>(Five-Year Historical Line 15)</u>	\$ 53,697,574	
H. Would reporting the ACA assessment as of December 31, 2019, have triggered an RBC action level (YES/NO)?	NO	

**23. Reinsurance**

## A. Ceded Reinsurance Report

## Section 1 - General Interrogatories

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

Yes ( ) No ( X )

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

Yes ( ) No ( X )

## Section 2 - Ceded Reinsurance Report Part A

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

Yes ( ) No ( X )

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

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

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

Yes ( ) No ( X )

## Section 3 - Ceded Reinsurance Report Part B

## Notes to Financial Statements

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No ( X )

- B. As of December 31, 2019, the Company had no uncollectible reinsurance balances written off through income and expenses.
- C. The company has not commuted any ceded reinsurance during the year.
- D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method Used to Estimated Accrued Retrospective Premium Adjustments – Not applicable
- B. Retrospective Premium Recorded through Written Premium or Adjustments to Earned Premium – Not applicable.
- C. Amount and Percentage of Net Premium Written Subject to Retrospective Rating Features – Not applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act – Not applicable
- E. Risk Sharing Provisions of ACA – Not applicable.

### 25. Change in Incurred Losses and Loss Adjustment Expenses

The activity in the unpaid medical claims for December 31, 2019 and 2018 is as follows:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Unpaid medical claims, at beginning of year	\$ 107,650,348	\$ 107,117,636
<u>Incurred claims:</u>		
Current period insured events	1,429,767,173	1,577,247,850
Prior period insured events	(7,382,798)	(9,545,811)
Total incurred	<u>1,422,384,375</u>	<u>1,567,702,039</u>
<u>Payment for claims:</u>		
Current period insured events	1,361,148,907	1,477,820,623
Prior period insured events	85,857,948	89,348,704
Total paid	<u>1,447,006,854</u>	<u>1,567,169,327</u>
Unpaid medical claims, at end of period	<u>\$ 83,027,869</u>	<u>\$ 107,650,348</u>

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

## Notes to Financial Statements

Because unpaid claims include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of change in estimate of insured events in prior years, the incurred claims for prior period insured events during the period ended December 31, 2019 were lower due to a favorable development of claims that is attributed to lower-than-expected cost per service and utilization trends.

Management believes the amount of unpaid medical claims is reasonable and adequate to cover the Company's liability for unpaid medical claims and for claims incurred, but not yet reported as of December 31, 2019.

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivable

- A. The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Pharmacy Benefit Manager. The company balance of pharmacy rebate receivable as of December 31, 2019 is \$7.5 million. Also, the company has another receivable amounted of \$8,464 related plan to plan Rx Receivables and \$540,409 million of recoveries from providers.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 days of billing	Actual rebates received within 91 to 180 days of billing	Actual rebates received more than 180 days after billing
12/31/2019	7,158,402	21,716,133	21,716,133		
9/30/2019	-	22,067,284	22,067,284		
6/30/2019	9,215,107	22,233,710	21,859,811	373,899	
3/31/2019	8,443,377	21,194,728	20,134,992	1,059,736	
12/31/2018	14,261,821	15,335,841	14,669,205	-	666,635
9/30/2018	-	20,064,790	19,018,260	625,811	420,720
6/30/2018	-	19,157,988	11,018,771	7,891,992	247,225
3/31/2018	-	17,572,455	10,106,847	7,238,843	226,765
12/31/2017	-	11,037,091	10,161,975		875,116
9/30/2017	9,357,468	11,775,221	10,841,579		933,642
6/30/2017	10,199,624	13,883,985	12,783,142		1,100,843
3/31/2017	9,530,650	12,684,067	11,678,364		1,005,703

- B. Risk Sharing Receivable – None

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves

None

### 31. Anticipated Salvage and Subrogation

None

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? Puerto Rico
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[ ] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2009.....
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2009.....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....10/31/2014.....
- 3.4 By what department or departments? .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 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?  
If yes, complete and file the merger history data file with the NAIC. Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. .....

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, ..... 0.000%
- 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 Nationality	2 Type of Entity
.....	.....

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG, San Juan Office
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption: .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption: .....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is no or n/a please explain: .....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Matthew P. Chamblee, Milliman Tampa, FL
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]

## GENERAL INTERROGATORIES (Continued)

- 12.11 Name of real estate holding company  
 12.12 Number of parcels involved  
 12.13 Total book/adjusted carrying value  
 12.2 If yes, provide explanation
- 0  
0  
\$ 0
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?  
 13.3 Have there been any changes made to any of the trust indentures during the year?  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[ ] No[ ] N/A[X]  
 Yes[ ] No[ ] N/A[X]  
 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?  
 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?  
 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?  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- Yes[X] No[ ]  
 Yes[ ] No[X]  
 Yes[ ] No[X]
- 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?  
 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.
- Yes[ ] No[X]

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

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?  
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?  
 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[ ]  
 Yes[X] No[ ]  
 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  
 20.12 To stockholders not officers  
 20.13 Trustees, supreme or grand (Fraternal only)  
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers  
 20.22 To stockholders not officers  
 20.23 Trustees, supreme or grand (Fraternal only)
- \$ 0  
\$ 0  
\$ 0  
\$ 0  
\$ 0  
\$ 0  
\$ 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?  
 21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others  
 21.22 Borrowed from others  
 21.23 Leased from others  
 21.24 Other
- Yes[ ] No[X]  
 \$ 0  
\$ 0  
\$ 0  
\$ 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?  
 22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment  
 22.22 Amount paid as expenses  
 22.23 Other amounts paid
- Yes[ ] No[X]  
 \$ 0  
\$ 0  
\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?  
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes[X] No[ ]  
 \$ 10,617,361

### 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)  
 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?  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs.  
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?  
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?  
 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?  
 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.
- Yes[X] No[ ]  
 Yes[ ] No[ ] N/A[X]  
 \$ 0  
\$ 0  
 Yes[ ] No[ ] N/A[X]  
 Yes[ ] No[ ] N/A[X]  
 Yes[ ] No[ ] N/A[X]  
 \$ 0

## GENERAL INTERROGATORIES (Continued)

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0  
 24.103 Total payable for securities lending reported on the liability page. \$ ..... 0

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

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

25.21 Subject to repurchase agreements	\$	0
25.22 Subject to reverse repurchase agreements	\$	0
25.23 Subject to dollar repurchase agreements	\$	0
25.24 Subject to reverse dollar repurchase agreements	\$	0
25.25 Placed under option agreements	\$	0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
25.27 FHLB Capital Stock	\$	0
25.28 On deposit with states	\$	600,000
25.29 On deposit with other regulatory bodies	\$	0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]  
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]  
 If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes[ ] No[X]

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special Accounting Provision of SSAP No. 108	Yes[ ] No[X]
26.42 Permitted Accounting Practice	Yes[ ] No[X]
26.43 Other Accounting Guidance	Yes[ ] No[X]

26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests to the following: Yes[ ] No[X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]  
 27.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

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

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

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

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

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

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

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

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

28.05 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

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 invested 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 invested assets? Yes[ ] No[X]

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

## GENERAL INTERROGATORIES (Continued)

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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1  Statement (Admitted) Value	2  Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	169,816,311	170,125,582	309,271
30.2 Preferred stocks			
30.3 Totals	169,816,311	170,125,582	309,271

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

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

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

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

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

32.2 If no, list exceptions:

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

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

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

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

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

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

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes[ ] No[X]

### OTHER

36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0

36.2 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.

## GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

- 37.1 Amount of payments for legal expenses, if any? \$ ..... 976,729
- 37.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
ONEILL & BORGES .....	361,448
SASM & LLP .....	471,591

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

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	1,821,232,996	1,926,221,185
2.2 Premium Denominator .....	1,836,226,250	1,926,221,185
2.3 Premium Ratio (2.1 / 2.2) .....	0.992	1.000
2.4 Reserve Numerator .....	134,919,307	136,566,325
2.5 Reserve Denominator .....	137,758,740	136,566,325
2.6 Reserve Ratio (2.4 / 2.5) .....	0.979	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes  No
- 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  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  N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes  No
- 5.2 If no, explain:  
not considered necessary
- 5.3 Maximum retained risk (see instructions):
  - 5.31 Comprehensive Medical \$ ..... 0
  - 5.32 Medical Only \$ ..... 0
  - 5.33 Medicare Supplement \$ ..... 0
  - 5.34 Dental & Vision \$ ..... 0
  - 5.35 Other Limited Benefit Plan \$ ..... 0
  - 5.36 Other \$ ..... 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
  - 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  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 ..... 11,334
  - 8.2 Number of providers at end of reporting year ..... 11,222
- 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 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 \$ ..... 68,273,947
  - 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 the reporting entity is licensed to operate:

1 Name of Service Area
Puerto Rico .....

- 13.1 Do you act as a custodian for health savings accounts? Yes  No
- 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, as authorized reinsurers? Yes  No  N/A
- 14.2 If the answer to 14.1 is yes, please provide the following:

## GENERAL INTERROGATORIES (Continued)

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

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written	\$ .....	0
15.2 Total incurred claims	\$ .....	0
15.2 Number of covered lives	.....	0

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

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

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

## FIVE-YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	416,587,855	396,161,332	379,701,434	257,393,674	287,254,250
2. TOTAL Liabilities (Page 3, Line 24) .....	220,422,868	191,006,946	223,591,472	174,913,580	231,550,837
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) .....	196,164,986	205,154,386	156,109,962	82,480,094	55,703,413
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	1,836,226,250	1,926,221,185	1,690,876,843	1,763,161,459	1,535,388,592
6. TOTAL Medical and Hospital Expenses (Line 18) .....	1,516,473,553	1,604,500,618	1,431,472,496	1,522,291,559	1,345,735,581
7. Claims adjustment expenses (Line 20) .....	12,084,867	12,884,494	6,457,072	13,980,534	15,475,593
8. TOTAL Administrative Expenses (Line 21) .....	195,776,643	201,624,287	165,163,162	170,026,384	140,927,888
9. Net underwriting gain (loss) (Line 24) .....	111,891,187	107,211,787	87,784,114	56,862,982	33,249,530
10. Net investment gain (loss) (Line 27) .....	6,288,800	6,784,396	1,141,632	957,719	1,473,918
11. TOTAL Other Income (Lines 28 plus 29) .....		(32,967,074)		(26,737,252)	(27,632,027)
12. Net income or (loss) (Line 32) .....	76,113,728	53,346,059	53,139,931	26,838,130	6,478,340
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	44,267,524	(22,634,047)	147,843,735	17,237,366	32,830,685
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	196,164,986	205,154,386	156,109,962	82,480,094	55,703,413
15. Authorized control level risk-based capital .....	53,697,574	56,454,332	48,333,156	51,622,259	45,678,892
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	168,409	206,565	192,482	215,495	179,808
17. TOTAL Members Months (Column 6, Line 7) .....	2,076,830	2,465,892	2,355,081	2,467,445	2,098,688
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	82.6	83.3	84.7	86.3	87.6
20. Cost containment expenses .....					
21. Other claims adjustment expenses .....	0.7	0.7	0.4	0.8	1.0
22. TOTAL Underwriting Deductions (Line 23) .....	93.9	94.4	94.8	96.8	97.8
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	6.1	5.6	5.2	3.2	2.2
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	125,656,272	117,354,160	106,807,060	162,310,168	129,854,479
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	131,564,325	128,630,961	130,365,544	171,389,169	129,821,616
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain:



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

REPORT FOR: 1. CORPORATION:      2. LOCATION:

NAIC Group Code 1301

BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR

NAIC Company Code 13022

	1 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 .....	206,565							206,565		
2. First Quarter .....	177,067							177,067		
3. Second Quarter .....	172,797							172,797		
4. Third Quarter .....	169,882							169,882		
5. Current Year .....	168,409							168,409		
6. Current Year Member Months .....	2,076,830							2,076,830		
<b>TOTAL Member Ambulatory Encounters for Year:</b>										
7. Physician .....	2,552,277							2,552,277		
8. Non-Physician .....	16,707							16,707		
9. TOTAL .....	2,568,984							2,568,984		
10. Hospital Patient Days Incurred .....	258,163							258,163		
11. Number of Inpatient Admissions .....	46,394							46,394		
12. Health Premiums Written (b) .....	1,836,226,250							1,836,226,250		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	1,836,226,250							1,836,226,250		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	1,447,006,854							1,447,006,854		
18. Amount Incurred for Provision of Health Care Services .....	1,516,473,553							1,516,473,553		

(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



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

REPORT FOR: 1. CORPORATION:      2. LOCATION:

NAIC Group Code 1301

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 13022

	1 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 .....	206,565							206,565		
2. First Quarter .....	177,067							177,067		
3. Second Quarter .....	172,797							172,797		
4. Third Quarter .....	169,882							169,882		
5. Current Year .....	168,409							168,409		
6. Current Year Member Months .....	2,076,830							2,076,830		
<b>TOTAL Member Ambulatory Encounters for Year:</b>										
7. Physician .....	2,552,277							2,552,277		
8. Non-Physician .....	16,707							16,707		
9. TOTAL .....	2,568,984							2,568,984		
10. Hospital Patient Days Incurred .....	258,163							258,163		
11. Number of Inpatient Admissions .....	46,394							46,394		
12. Health Premiums Written (b) .....	1,836,226,250							1,836,226,250		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	1,836,226,250							1,836,226,250		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	1,447,006,854							1,447,006,854		
18. Amount Incurred for Provision of Health Care Services .....	1,516,473,553							1,516,473,553		

(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

30 Grand Total

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

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

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

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

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

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

## SCHEDULE S - PART 7

### Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12) .....	268,479,533		268,479,533
2. Accident and health premiums due and unpaid (Line 15) .....	83,217,283		83,217,283
3. Amounts recoverable from reinsurers (Line 16.1) .....			
4. Net credit for ceded reinsurance .....	X X X		
5. All other admitted assets (Balance) .....	64,891,040		64,891,040
6. TOTAL Assets (Line 28) .....	416,587,855		416,587,855
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....	83,027,870		83,027,870
8. Accrued medical incentive pool and bonus payments (Line 2) .....	49,729,208		49,729,208
9. Premiums received in advance (Line 8) .....	60,034		60,034
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount) .....			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount) .....			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount) .....			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount) .....			
14. All other liabilities (Balance) .....	87,605,757		87,605,757
15. TOTAL Liabilities (Line 24) .....	220,422,868		220,422,868
16. TOTAL Capital and Surplus (Line 33) .....	196,164,986	X X X	196,164,986
17. TOTAL Liabilities, Capital and Surplus (Line 34) .....	416,587,855		416,587,855
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
18. Claims unpaid .....			
19. Accrued medical incentive pool .....			
20. Premiums received in advance .....			
21. Reinsurance recoverable on paid losses .....			
22. Other ceded reinsurance recoverables .....			
23. TOTAL Ceded Reinsurance Recoverables .....			
24. Premiums receivable .....			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers .....			
26. Unauthorized reinsurance .....			
27. Reinsurance with Certified Reinsurers .....			
28. Funds held under reinsurance treaties with Certified Reinsurers .....			
29. Other ceded reinsurance payables/offsets .....			
30. TOTAL Ceded Reinsurance Payables/Offsets .....			
31. TOTAL Net Credit for Ceded Reinsurance .....			

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	L		1,836,226,250					1,836,226,250	
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X		1,836,226,250					1,836,226,250	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	X X X		1,836,226,250					1,836,226,250	
<b>DETAILS OF WRITE-INS</b>									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
- N - None of the above - Not allowed to write business in the state

1

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

56

(b) Explanation of basis of allocation by state, premiums by state, etc.: MCS Advantage, Inc. only has operations in State of Puerto Rico

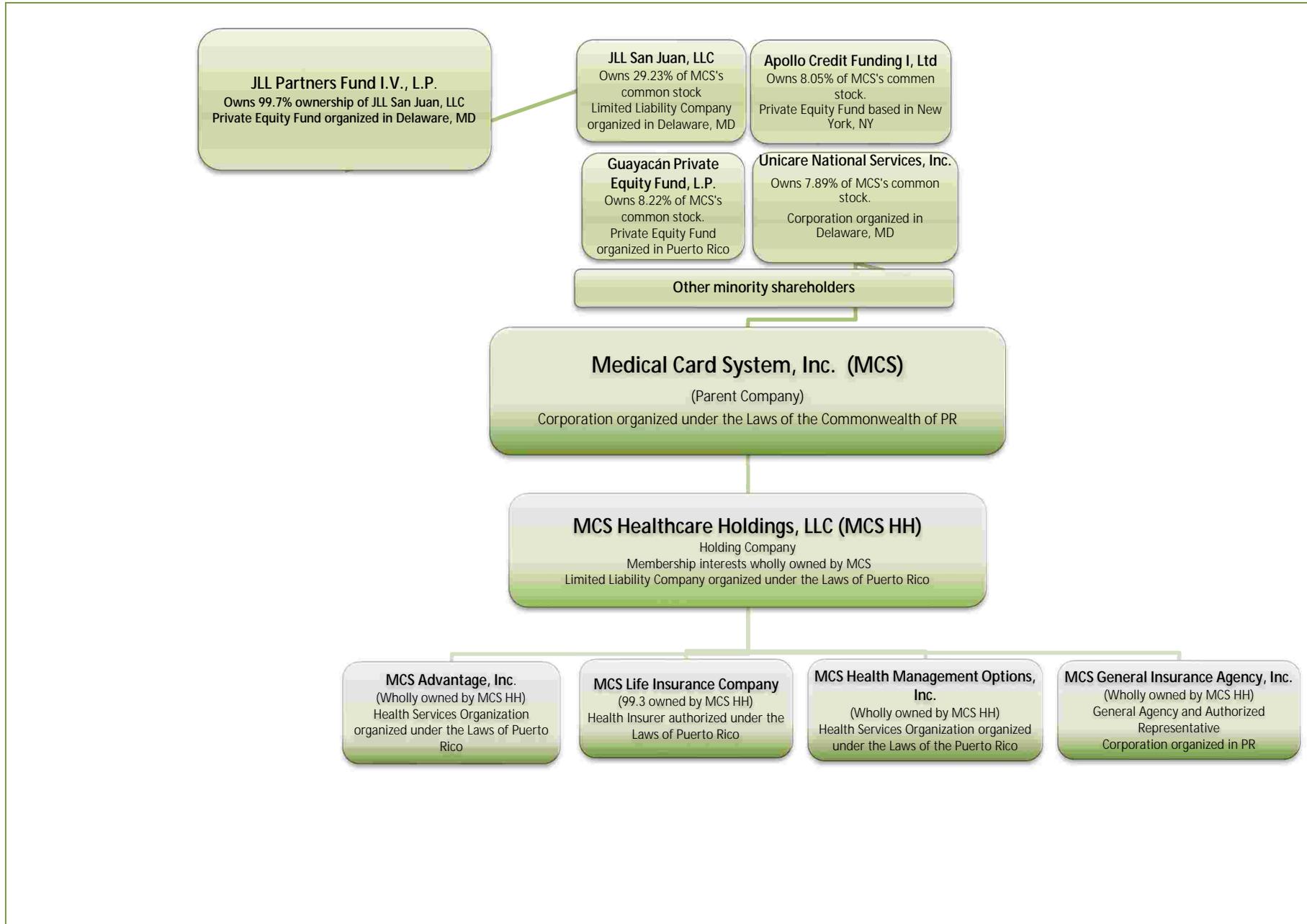
## SCHEDULE T - PART 2

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

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

NONE

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



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
1301	Medical Card System Inc .....	13022	66-0642758	.....	.....	.....	MCS ADVANTAGE INC .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.... N ....	.....
1301	Medical Card System Inc .....	60030	66-0520918	.....	.....	.....	MCS LIFE INS CO .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 99.3	JLL Partners Fund IV, LLC ..	.... N ....	.....
1301	Medical Card System Inc .....	95779	66-0411947	.....	.....	.....	MCS HLTH MGMT OPTIONS INC .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.... N ....	.....
0000	Medical Card System Inc .....	00000	66-0845895	.....	.....	.....	MCS GENERAL INSURANCE AGENCY .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.... N ....	.....
0000	Medical Card System Inc .....	00000	66-0850198	.....	.....	.....	MCS HEALTHCARE HOLDING LLC .....	.. PR ..	.. UDP .	Medical Card System Inc .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.... N ....	.....

Asterisk	Explanation
0000001	.....

## SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 13022 ..	.. 66-0642758 ..	MCS ADVANTAGE INC .....	.. (89,000,000) ..	.....	.....	.....	.. 138,852,418 ..	.....	.....	.....	.. 49,852,418 ..	.....
.. 00000 ..	.. 66-0850198 ..	MCS HEALTHCARE HOLDING LLC .....	.. 89,000,000 ..	.....	.....	.....	.. (138,852,418) ..	.....	.....	.....	.. (49,852,418) ..	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

**Response**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**MARCH FILING**

- |   |        |
|---|--------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                   | Waived |
| 2. Will an actuarial opinion be filed by March 1?   | Yes    |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?                           | Yes    |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes    |

**APRIL FILING**

- |  |     |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1?              | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | 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 it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**MARCH FILING**

- |  |    |
|--|----|
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?   | No |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?  | No |
| 13. Will 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?   | No  |
| 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 Allocation Report be filed with the state of domicile and the NAIC by April 1?  | Yes |
| 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 the state of domicile and the NAIC by April 1? | No  |

**AUGUST FILING**

- |  |    |
|--|----|
| 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | No |
|--|----|

Explanation:

Bar Code:

Supplemental Compensation Exhibit



Medicare Supplement Insurance Experience Exhibit



Health Life Supplement - March



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



Approval for Relief related to five-year rotation for lead Audit Partner



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

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



13022201922500005 2019 Document Code: 225

Approval for Relief related to Require. for Audit Committees



13022201922600005 2019 Document Code: 226

LTC Supplemental Interrogatories



13022201930600005 2019 Document Code: 306

Health Life Supplement - April



13022201921100005 2019 Document Code: 211

LHA Guaranty Association Reconciliation



13022201929000005 2019 Document Code: 290

LHA Guaranty Association Adjustment Exhibit



13022201930000005 2019 Document Code: 300

Management's Report of Internal Control over Financial Reporting



13022201922300005 2019 Document Code: 223



**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D Part 1):						
1.01 U.S. governments .....	124,436,851	46.349	124,436,851		124,436,851	46.349
1.02 All other governments .....						
1.03 U.S. states, territories and possessions, etc. guaranteed .....						
1.04 U.S. political subdivisions of states, territories and possessions, guaranteed .....	32,696,062	12.178	32,696,062		32,696,062	12.178
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed .....						
1.06 Industrial and miscellaneous .....	12,683,401	4.724	12,683,401		12,683,401	4.724
1.07 Hybrid securities .....						
1.08 Parent, subsidiaries and affiliates .....						
1.09 SVO identified funds .....						
1.10 Bank loans .....						
1.11 Total long-term bonds .....	169,816,314	63.251	169,816,314		169,816,314	63.251
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated) .....						
2.02 Parent, subsidiaries and affiliates .....						
2.03 Total preferred stocks .....						
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated) .....						
3.02 Industrial and miscellaneous Other (Unaffiliated) .....						
3.03 Parent, subsidiaries and affiliates Publicly traded .....						
3.04 Parent, subsidiaries and affiliates Other .....						
3.05 Mutual Funds .....	2,441,096	0.909	2,441,096		2,441,096	0.909
3.06 Unit investment trusts .....						
3.07 Closed-end funds .....						
3.08 Total common stocks .....	2,441,096	0.909	2,441,096		2,441,096	0.909
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages .....						
4.02 Residential mortgages .....						
4.03 Commercial mortgages .....						
4.04 Mezzanine real estate loans .....						
4.05 Total mortgages loans .....						
5. Real estate (Schedule A):						
5.01 Properties occupied by company .....						
5.02 Properties held for production of income .....						
5.03 Properties held for sale .....						
5.04 Total real estate .....						
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1) .....	62,311,202	23.209	62,311,202		62,311,202	23.209
6.02 Cash equivalents (Schedule E, Part 2) .....	24,655,686	9.183	24,655,686		24,655,686	9.183
6.03 Short-term investments (Schedule DA) .....	9,144,098	3.406	9,144,098		9,144,098	3.406
6.04 Total Cash, cash equivalents and short-term investments .....	96,110,986	35.798	96,110,986		96,110,986	35.798
7. Contract loans .....						
8. Derivatives (Schedule DB) .....						
9. Other invested assets (Schedule BA) .....	111,138	0.041	111,138		111,138	0.041
10. Receivables for securities .....						
11. Securities Lending (Schedule DL, Part 1) .....				X X X	X X X	X X X
12. Other invested assets (Page 2, Line 11) .....						
13. Total invested assets .....	268,479,533	100.000	268,479,533		268,479,533	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Current year change in encumbrances:		
3.1 TOTALS, Part 1, Column 13 .....		
3.2 TOTALS, Part 3, Column 11 .....		
4. TOTAL gain (loss) on disposals, Part 3, Column 18 .....		
5. Deduct amounts received on disposals, Part 3, Column 15 .....		
6. TOTAL foreign exchange change in book/adjusted	<b>NONE</b>	
6.1 TOTALS, Part 1, Column 15 .....		
6.2 TOTALS, Part 3, Column 13 .....		
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 TOTALS, Part 1, Column 12 .....		
7.2 TOTALS, Part 3, Column 10 .....		
8. Deduct current year's depreciation:		
8.1 TOTALS, Part 1, Column 11 .....		
8.2 TOTALS, Part 3, Column 9 .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Lines 9 minus 10) .....		

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7) .....		
2.2 Additional investment made after acquisition (Part 2, Column 8) .....		
3. Capitalized deferred interest and other:		
3.1 TOTALS, Part 1, Column 12 .....		
3.2 TOTALS, Part 3, Column 11 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 TOTALS, Part 1, Column 9 .....		
5.2 TOTALS, Part 3, Column 8 .....		
6. TOTAL gain (loss) on disposals, Part 3, Column 18 .....		
7. Deduct amounts received on disposals, Part 3, Column 15 .....		
8. Deduct amortization of premium and mortgage interest	<b>NONE</b>	
9. TOTAL foreign exchange change in book value/recorded interest		
9.1 TOTALS, Part 1, Column 13 .....		
9.2 TOTALS, Part 3, Column 13 .....		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 TOTALS, Part 1, Column 11 .....		
10.2 TOTALS, Part 3, Column 10 .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. TOTAL valuation allowance .....		
13. Subtotal (Lines 11 plus 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14) .....		

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year .....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8) .....	111,138	
2.2	Additional investment made after acquisition (Part 2, Column 9) .....		111,138
3.	Capitalized deferred interest and other:		
3.1	TOTALS, Part 1, Column 16 .....		
3.2	TOTALS, Part 3, Column 12 .....		
4.	Accrual of discount .....		
5.	Unrealized valuation increase (decrease):		
5.1	TOTALS, Part 1, Column 13 .....		
5.2	TOTALS, Part 3, Column 9 .....		
6.	TOTAL gain (loss) on disposals, Part 3, Column 19 .....		
7.	Deduct amounts received on disposals, Part 3, Column 16 .....		
8.	Deduct amortization of premium and depreciation .....		
9.	TOTAL foreign exchange change in book/adjusted carrying value:		
9.1	TOTALS, Part 1, Column 17 .....		
9.2	TOTALS, Part 3, Column 14 .....		
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	TOTALS, Part 1, Column 15 .....		
10.2	TOTALS, Part 3, Column 11 .....		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		111,138
12.	Deduct total nonadmitted amounts .....		
13.	Statement value at end of current period (Line 11 minus Line 12) .....		111,138

## SCHEDULE D - VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year .....		211,121,920
2.	Cost of bonds and stocks acquired, Part 3, Column 7 .....		100,401,057
3.	Accrual of Discount .....		151,318
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12 .....		
4.2	Part 2, Section 1, Column 15 .....		
4.3	Part 2, Section 2, Column 13 .....	35,182	
4.4	Part 4, Column 11 .....		35,182
5.	TOTAL gain (loss) on disposals, Part 4, Column 19 .....		14,070
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....		138,116,169
7.	Deduct amortization of premium .....		1,349,972
8.	TOTAL foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15 .....		
8.2	Part 2, Section 1, Column 19 .....		
8.3	Part 2, Section 2, Column 16 .....		
8.4	Part 4, Column 15 .....		
9.	Deduct current year's other-than-temporary impairment recognized:		
9.1	Part 1, Column 14 .....		
9.2	Part 2, Section 1, Column 17 .....		
9.3	Part 2, Section 2, Column 14 .....		
9.4	Part 4, Column 13 .....		
10.	Total investment income recognized as a result of prepayment penalties and/or acceleration fees, Notes 5Q, Line 5Q(2) .....		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....		172,257,406
12.	Deduct total nonadmitted amounts .....		
13.	Statement value at end of current period (Line 11 minus Line 12) .....		172,257,406

## SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	124,436,850	124,493,906	124,778,076	124,383,046
	2. Canada .....				
	3. Other Countries .....				
	4. TOTALS .....	124,436,850	124,493,906	124,778,076	124,383,046
U.S. States, Territories and Possessions (Direct and guaranteed)	5. TOTALS .....				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. TOTALS .....	32,696,062	32,850,997	35,635,485	31,215,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. TOTALS .....				
Industrial and Miscellaneous, SVO Identified Funds, Unaffiliated Bank Loans and Hybrid Securities (unaffiliated)	8. United States .....	12,683,399	12,780,675	12,786,420	12,500,000
	9. Canada .....				
	10. Other Countries .....				
	11. TOTALS .....	12,683,399	12,780,675	12,786,420	12,500,000
Parent, Subsidiaries and Affiliates	12. TOTALS .....				
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries .....				
	17. TOTALS .....				
Parent, Subsidiaries and Affiliates	18. TOTALS .....				
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	2,441,095	2,441,096	2,405,913	
	21. Canada .....				
	22. Other Countries .....				
	23. TOTALS .....	2,441,095	2,441,096	2,405,913	
Parent, Subsidiaries and Affiliates	24. TOTALS .....				
<b>TOTAL BONDS AND STOCKS</b>					
		25. TOTAL Common Stocks .....	2,441,095	2,441,096	2,405,913
		26. TOTAL Stocks .....	2,441,095	2,441,096	2,405,913
		27. TOTAL Bonds and Stocks .....	172,257,406	172,566,674	175,605,894

## SCHEDULE D - PART 1A - SECTION 1

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

	1	2	3	4	5	6	7	8	9	10	11	12
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	No Maturity Date	Total Current Year	Column 7 as a % of Line 11.7	Total From Column 7 Prior Year	% From Column 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	60,885,715	95,920,969	540,128	805,946	83,877	X X X	158,236,636	77.71	183,474,705	75.97	158,236,636	
1.2 NAIC 2						X X X						
1.3 NAIC 3						X X X						
1.4 NAIC 4						X X X						
1.5 NAIC 5						X X X						
1.6 NAIC 6						X X X						
1.7 TOTALS	60,885,715	95,920,969	540,128	805,946	83,877	X X X	158,236,636	77.71	183,474,705	75.97	158,236,636	
2. All Other Governments												
2.1 NAIC 1						X X X						
2.2 NAIC 2						X X X						
2.3 NAIC 3						X X X						
2.4 NAIC 4						X X X						
2.5 NAIC 5						X X X						
2.6 NAIC 6						X X X						
2.7 TOTALS						X X X						
3. U.S. States, Territories and Possessions, etc., Guaranteed												
3.1 NAIC 1						X X X						
3.2 NAIC 2						X X X						
3.3 NAIC 3						X X X						
3.4 NAIC 4						X X X						
3.5 NAIC 5						X X X						
3.6 NAIC 6						X X X						
3.7 TOTALS						X X X						
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed												
4.1 NAIC 1	10,138,341	22,557,721				X X X	32,696,062	16.06	44,149,522	18.28	32,696,062	
4.2 NAIC 2						X X X			1,218,203	0.50		
4.3 NAIC 3						X X X						
4.4 NAIC 4						X X X						
4.5 NAIC 5						X X X						
4.6 NAIC 6						X X X			184,935	0.08		
4.7 TOTALS	10,138,341	22,557,721				X X X	32,696,062	16.06	45,552,660	18.86	32,696,062	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed												
5.1 NAIC 1						X X X						
5.2 NAIC 2						X X X						
5.3 NAIC 3						X X X						
5.4 NAIC 4						X X X						
5.5 NAIC 5						X X X						
5.6 NAIC 6						X X X						
5.7 TOTALS						X X X						

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

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

	1	2	3	4	5	6	7	8	9	10	11	12
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	No Maturity Date	Total Current Year	Column 7 as a % of Line 11.7	Total From Column 7 Prior Year	% From Column 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)												
6.1 NAIC 1	2,017,063	10,666,338				XXX	12,683,401	6.23	11,053,184	4.58	12,683,401	
6.2 NAIC 2						XXX			1,438,650	0.60		
6.3 NAIC 3						XXX						
6.4 NAIC 4						XXX						
6.5 NAIC 5						XXX						
6.6 NAIC 6						XXX						
6.7 TOTALS	2,017,063	10,666,338				XXX	12,683,401	6.23	12,491,834	5.17	12,683,401	
7. Hybrid Securities												
7.1 NAIC 1						XXX						
7.2 NAIC 2						XXX						
7.3 NAIC 3						XXX						
7.4 NAIC 4						XXX						
7.5 NAIC 5						XXX						
7.6 NAIC 6						XXX						
7.7 TOTALS						XXX						
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1						XXX						
8.2 NAIC 2						XXX						
8.3 NAIC 3						XXX						
8.4 NAIC 4						XXX						
8.5 NAIC 5						XXX						
8.6 NAIC 6						XXX						
8.7 TOTALS						XXX						
9. SVO Identified Funds												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX							
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX							
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX							
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX							
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX							
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX							
9.7 TOTALS	XXX	XXX	XXX	XXX	XXX							
10. Unaffiliated Bank Loans												
10.1 NAIC 1						XXX						
10.2 NAIC 2						XXX						
10.3 NAIC 3						XXX						
10.4 NAIC 4						XXX						
10.5 NAIC 5						XXX						
10.6 NAIC 6						XXX						
10.7 TOTALS						XXX						

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

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

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.7	9 Total From Column 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
11. Total Bonds Current Year												
11.1 NAIC 1	(d) 73,041,120	129,145,028	540,128	805,946	83,877		203,616,099	100.00	X X X	X X X	203,616,099	
11.2 NAIC 2	(d)								X X X	X X X		
11.3 NAIC 3	(d)								X X X	X X X		
11.4 NAIC 4	(d)								X X X	X X X		
11.5 NAIC 5	(d)						(c)		X X X	X X X		
11.6 NAIC 6	(d)						(c)		X X X	X X X		
11.7 TOTALS	73,041,120	129,145,028	540,128	805,946	83,877		(b) 203,616,099	100.00	X X X	X X X	203,616,099	
11.8 Line 11.7 as a % of Column 7	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	
12. Total Bonds Prior Year												
12.1 NAIC 1	64,064,086	173,034,475	482,472	994,712	101,667		X X X	X X X	238,677,412	98.82	238,677,412	
12.2 NAIC 2	1,617,833	1,039,020					X X X	X X X	2,656,853	1.10	2,656,853	
12.3 NAIC 3							X X X	X X X				
12.4 NAIC 4							X X X	X X X				
12.5 NAIC 5							X X X	X X X	(c)			
12.6 NAIC 6					184,935		X X X	X X X	(c) 184,935	0.08	184,935	
12.7 TOTALS	65,681,919	174,073,495	482,472	994,712	286,602		X X X	X X X	(b) 241,519,200	100.00	241,519,200	
12.8 Line 12.7 as a % of Col. 9	27.20	72.07	0.20	0.41	0.12		X X X	X X X	100.00	X X X	100.00	
13. Total Publicly Traded Bonds												
13.1 NAIC 1	73,041,119	129,145,028	540,128	805,946	83,877		203,616,099	100.00	238,677,412	98.82	203,616,099	X X X
13.2 NAIC 2									2,656,853	1.10		X X X
13.3 NAIC 3												X X X
13.4 NAIC 4												X X X
13.5 NAIC 5												X X X
13.6 NAIC 6									184,935	0.08		X X X
13.7 TOTALS	73,041,119	129,145,028	540,128	805,946	83,877		203,616,099	100.00	241,519,200	100.00	203,616,099	X X X
13.8 Line 13.7 as a % of Col. 7	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	X X X
13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	X X X
14. Total Privately Placed Bonds												
14.1 NAIC 1											X X X	
14.2 NAIC 2											X X X	
14.3 NAIC 3											X X X	
14.4 NAIC 4											X X X	
14.5 NAIC 5											X X X	
14.6 NAIC 6											X X X	
14.7 TOTALS											X X X	
14.8 Line 14.7 as a % of Col. 7								X X X	X X X	X X X	X X X	
14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11								X X X	X X X	X X X	X X X	

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(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$.....0 current year of bonds with Z designations, \$.....0 prior year of bonds with Z designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$.....0 current year of bonds with 5GI designations, \$.....0 prior year of bonds with 5\* or 5GI designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5GI" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....33,799,784; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE D - PART 1A - SECTION 2

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.08	9 Total From Column 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
Distribution by Type												
1. U.S. Governments												
1.01 Issuer Obligations	60,885,715	95,920,969				X X X	156,806,684	77.01	181,895,855	75.31	156,806,684	
1.02 Residential Mortgage-Backed Securities			540,128	805,946	83,877	X X X	1,429,951	0.70	1,578,850	0.65	1,429,952	
1.03 Commercial Mortgage-Backed Securities						X X X						
1.04 Other Loan-Backed and Structured Securities						X X X						
1.05 TOTALS	60,885,715	95,920,969	540,128	805,946	83,877	X X X	158,236,635	77.71	183,474,705	75.97	158,236,636	
2. All Other Governments												
2.01 Issuer Obligations						X X X						
2.02 Residential Mortgage-Backed Securities						X X X						
2.03 Commercial Mortgage-Backed Securities						X X X						
2.04 Other Loan-Backed and Structured Securities						X X X						
2.05 TOTALS						X X X						
3. U.S. States, Territories and Possessions, Guaranteed												
3.01 Issuer Obligations						X X X						
3.02 Residential Mortgage-Backed Securities						X X X						
3.03 Commercial Mortgage-Backed Securities						X X X						
3.04 Other Loan-Backed and Structured Securities						X X X						
3.05 TOTALS						X X X						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.01 Issuer Obligations	10,138,341	22,557,721				X X X	32,696,062	16.06	45,552,660	18.86	32,696,062	
4.02 Residential Mortgage-Backed Securities						X X X						
4.03 Commercial Mortgage-Backed Securities						X X X						
4.04 Other Loan-Backed and Structured Securities						X X X						
4.05 TOTALS	10,138,341	22,557,721				X X X	32,696,062	16.06	45,552,660	18.86	32,696,062	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.01 Issuer Obligations						X X X						
5.02 Residential Mortgage-Backed Securities						X X X						
5.03 Commercial Mortgage-Backed Securities						X X X						
5.04 Other Loan-Backed and Structured Securities						X X X						
5.05 TOTALS						X X X						
6. Industrial and Miscellaneous												
6.01 Issuer Obligations	2,017,063	10,666,338				X X X	12,683,401	6.23	12,491,835	5.17	12,683,401	
6.02 Residential Mortgage-Backed Securities						X X X						
6.03 Commercial Mortgage-Backed Securities						X X X						
6.04 Other Loan-Backed and Structured Securities						X X X						
6.05 TOTALS	2,017,063	10,666,338				X X X	12,683,401	6.23	12,491,835	5.17	12,683,401	
7. Hybrid Securities												
7.01 Issuer Obligations						X X X						
7.02 Residential Mortgage-Backed Securities						X X X						
7.03 Commercial Mortgage-Backed Securities						X X X						
7.04 Other Loan-Backed and Structured Securities						X X X						
7.05 TOTALS						X X X						
8. Parent, Subsidiaries and Affiliates												
8.01 Issuer Obligations						X X X						
8.02 Residential Mortgage-Backed Securities						X X X						
8.03 Commercial Mortgage-Backed Securities						X X X						
8.04 Other Loan-Backed and Structured Securities						X X X						
8.05 Affiliated Bank Loans - Issued						X X X						
8.06 Affiliated Bank Loans - Acquired						X X X						
8.07 TOTALS						X X X						

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

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 11.08	9 Total From Column 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
Distribution by Type												
9. SVO Identified Funds												
9.01 Exchange Traded Funds - as Identified by the SVO	X X X	X X X	X X X	X X X	X X X							
9.02 Bond Mutual Funds - as Identified by the SVO	X X X	X X X	X X X	X X X	X X X							
9.03 TOTALS	X X X	X X X	X X X	X X X	X X X							
10. Unaffiliated Bank Loans												
10.01 Unaffiliated Bank Loans - Issued						X X X						
10.02 Unaffiliated Bank Loans - Acquired						X X X						
10.03 TOTALS						X X X						
11. Total Bonds Current Year												
11.01 Issuer Obligations	73,041,119	129,145,028				X X X	202,186,147	99.30	X X X	X X X	202,186,147	
11.02 Residential Mortgage-Backed Securities			540,128	805,946	83,877	X X X	1,429,951	0.70	X X X	X X X	1,429,952	
11.03 Commercial Mortgage-Backed Securities						X X X			X X X	X X X		
11.04 Other Loan-Backed and Structured Securities						X X X			X X X	X X X		
11.05 SVO Identified Funds	X X X	X X X	X X X	X X X	X X X				X X X	X X X		
11.06 Affiliated Bank Loans						X X X			X X X	X X X		
11.07 Unaffiliated Bank Loans						X X X			X X X	X X X		
11.08 TOTALS	73,041,119	129,145,028	540,128	805,946	83,877		203,616,098	100.00	X X X	X X X	203,616,099	
11.09 Line 11.08 as a % of Col. 7	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	
12. Total Bonds Prior Year												
12.01 Issuer Obligations	65,681,920	174,073,495				X X X	X X X	X X X	239,940,350	99.35	239,940,350	
12.02 Residential Mortgage-Backed Securities		482,472	994,712	101,666		X X X	X X X	X X X	1,578,850	0.65	1,578,850	
12.03 Commercial Mortgage-Backed Securities						X X X	X X X	X X X				
12.04 Other Loan-Backed and Structured Securities						X X X	X X X	X X X				
12.05 SVO Identified Funds	X X X	X X X	X X X	X X X	X X X				X X X	X X X		
12.06 Affiliated Bank Loans						X X X	X X X	X X X				
12.07 Unaffiliated Bank Loans						X X X	X X X	X X X				
12.08 TOTALS	65,681,920	174,555,967	994,712	101,666	184,935		X X X	X X X	241,519,200	100.00	241,519,200	
12.09 Line 12.08 as a % of Col. 9	27.20	72.27	0.41	0.04	0.08		X X X	X X X	100.00	X X X	100.00	
13. Total Publicly Traded Bonds												
13.01 Issuer Obligations	73,041,119	129,145,028				X X X	202,186,147	99.30	239,940,350	99.35	202,186,147	X X X
13.02 Residential Mortgage-Backed Securities			540,128	805,947	83,877	X X X	1,429,952	0.70	1,578,850	0.65	1,429,952	X X X
13.03 Commercial Mortgage-Backed Securities						X X X						X X X
13.04 Other Loan-Backed and Structured Securities						X X X						X X X
13.05 SVO Identified Funds	X X X	X X X	X X X	X X X	X X X							X X X
13.06 Affiliated Bank Loans						X X X						X X X
13.07 Unaffiliated Bank Loans						X X X						X X X
13.08 TOTALS	73,041,119	129,145,028	540,128	805,947	83,877		203,616,098	100.00	241,519,200	100.00	203,616,098	X X X
13.09 Line 13.08 as a % of Col. 7	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	X X X
13.10 Line 13.08 as a % of Line 11.08, Col. 7, Section 11	35.87	63.43	0.27	0.40	0.04		100.00	X X X	X X X	X X X	100.00	X X X
14. Total Privately Placed Bonds												
14.01 Issuer Obligations						X X X					X X X	
14.02 Residential Mortgage-Backed Securities						X X X					X X X	
14.03 Commercial Mortgage-Backed Securities						X X X					X X X	
14.04 Other Loan-Backed and Structured Securities						X X X					X X X	
14.05 SVO Identified Funds	X X X	X X X	X X X	X X X	X X X						X X X	
14.06 Affiliated Bank Loans						X X X					X X X	
14.07 Unaffiliated Bank Loans						X X X					X X X	
14.08 TOTALS											X X X	
14.09 Line 14.08 as a % of Col. 7								X X X	X X X	X X X	X X X	
14.10 Line 14.08 as a % of Line 11.08, Col. 7, Section 11								X X X	X X X	X X X	X X X	

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## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	23,601,173	23,601,173			
2. Cost of short-term investments acquired .....	37,661,526	37,661,526			
3. Accrual of discount .....	451,425	451,425			
4. Unrealized valuation increase (decrease) .....					
5. TOTAL gain (loss) on disposals .....					
6. Deduct consideration received on disposals .....	52,570,025	52,570,025			
7. Deduct amortization of premium .....					
8. TOTAL foreign exchange change in book/adjusted carrying value .....					
9. Deduct current year's other-than-temporary impairment recognized .....					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	9,144,098	9,144,098			
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11) .....	9,144,098	9,144,098			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

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

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

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

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

SI14 Schedule DB Verification ..... NONE

## SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS (Cash Equivalents)

	1	2	3	4
	Total	Bonds	Money Market Mutual Funds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....	6,796,108	6,796,108		
2. Cost of cash equivalents acquired .....	108,753,061	108,753,061		
3. Accrual of discount .....	181,517	181,517		
4. Unrealized valuation increase (decrease) .....				
5. TOTAL gain (loss) on disposals .....				
6. Deduct consideration received on disposals .....	91,075,000	91,075,000		
7. Deduct amortization of premium .....				
8. TOTAL foreign exchange change in book/adjusted carrying value .....				
9. Deduct current year's other-than-temporary impairment recognized .....				
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	24,655,686	24,655,686		
11. Deduct total nonadmitted amounts .....				
12. Statement value at end of current period (Lines 10 minus 11) .....	24,655,686	24,655,686		

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

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

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

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

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

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

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

## SCHEDULE BA - PART 1

### Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	4 Location		6 Name of Vendor or General Partner	7 NAIC Designation and Administrative Symbol	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/ Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership		
			4 City	5 State								13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization)/ Accretion	15 Current Year's Other-Than- Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B./A. C. V.					
<b>Joint Venture - Other - Unaffiliated</b>																					
GUAYVLP13	GUAYACAN FUND OF FUNDS V LP		SAN JUAN	PR	Guayacan Fund of Funds V LP		12/02/2019		111,138	111,138	111,138										
2599999 Subtotal - Joint Venture - Other - Unaffiliated									111,138	111,138	111,138									XXX	
4899999 Total - Unaffiliated									111,138	111,138	111,138										XXX
5099999 Totals									111,138	111,138	111,138										XXX

## SCHEDULE BA - PART 2

### Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After Acquisition	10 Amount of Encumbrances	11 Percentage of Ownership
		3 City	4 State							
<b>Joint Venture - Other - Unaffiliated</b>										
GUAYVLP13	GUAYACAN FUND OF FUNDS V LP	San Juan	PR	Guayacan Fund of Funds V LP	12/02/2019		111,138			
2599999 Subtotal - Joint Venture - Other - Unaffiliated							111,138			X X X
4899999 Total - Unaffiliated							111,138			X X X
5099999 Totals							111,138			X X X

### SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income		
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other-Than- Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)	14 Total Foreign Exchange Change in B./A.C.V.								
<b>NONE</b>																					
5099999 Totals .....																					

# SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
<b>U.S. Governments - Issuer Obligations</b>																					
3135G0T29	FANNIE MAE NTS 1.500% DUE 02/28/20				1	987,935	99.9810	999,810	1,000,000	998,976		6,338			1.500	2.146	FA	5,125	15,000	03/29/2018	02/28/2020
3133EGLB9	FFCB bond 1.19% due 07-13-20				1	396,201	99.7560	399,024	400,000	399,339		1,224			1.190	1.502	JJ	2,221	4,760	05/26/2017	07/13/2020
3133EGJV8	FFCB BOND 1.20% DUE 01/06/2020				1	997,206	99.9920	999,920	1,000,000	999,982		1,227			1.200	1.324	JJ	5,833	12,000	09/18/2017	01/06/2020
3133EGSA4	FFCB BOND 1.32% DUE 08/24/2020				1	745,693	99.7480	748,110	750,000	749,064		1,422			1.320	1.514	FA	3,493	9,900	08/22/2017	08/24/2020
3133EGTM7	FFCB bond 1.375% due 09-8-20				1	298,379	99.8920	299,676	300,000	299,655		498			1.375	1.545	MS	4,125	4,125	05/26/2017	09/08/2020
3133EFLZ8	FFCB BOND 1.46% DUE 10/28/2020				1	350,569	99.9630	349,871	350,000	350,150		(182)			1.460	1.407	AO	894	5,110	09/12/2017	10/28/2020
3133EHYL1	FFCB BOND 1.59% DUE 09/14/2020				1	1,992,005	99.9710	1,999,420	2,000,000	1,997,995		2,788			1.590	1.733	MS	9,452	31,800	10/26/2017	09/14/2020
3130A9NN7	FFCB bond 1.65% due 04-19-2022				1	247,066	99.8320	249,580	250,000	248,585		595			1.650	1.902	AO	825	4,125	05/26/2017	04/19/2022
3133EFBF3	FFCB BOND 1.65% DUE 08/27/2020				1	755,785	100.0760	750,570	750,000	751,298		(1,964)			1.650	1.383	FA	4,263	12,375	09/12/2017	08/27/2020
3133FXDZ7	FFCB BOND 1.650% DUE 02/15/2021				1	1,000,000	99.8920	998,920	1,000,000	1,000,000					1.650	1.649	FA	6,233	16,500	02/26/2013	02/15/2021
3133EAN46	FFCB BOND 1.70% DUE 04/27/2020				1	308,403	100.0510	299,152	299,000	299,422		(1,306)			1.700	1.257	AO	904	5,083	11/09/2012	04/27/2020
3133EHZV8	FFCB BOND 1.70% DUE 09/25/2020				1	2,980,350	100.0010	3,000,030	3,000,000	2,994,917		6,918				0.231	MS		25,500	11/22/2017	09/25/2020
3133EC2B9	FFCB BOND 1.70% DUE 11/09/2021				1	2,016,825	100.2400	2,004,800	2,000,000	2,003,678		(1,945)			1.700	1.599	MN	4,911	34,000	12/12/2012	11/09/2021
3133ELDH4	FFCB BOND 1.710% DUE 12/16/2022				1	400,000	100.0010	400,004	400,000	400,000					1.710	1.710	JD	285		12/16/2019	12/16/2022
3133EHXU2	FFCB BOND 1.80% DUE 09/07/2021				1	2,976,755	100.0010	3,000,030	3,000,000	2,989,416		6,102			1.800	2.014	MS	17,100	54,000	11/22/2017	09/07/2021
3133EGFP5	FFCB BOND 1.83% DUE 06/15/2022				1	249,130	99.6680	249,170	250,000	249,560		173			1.830	1.904	JD	203	4,575	06/23/2017	06/15/2022
3133EAGM4	FFCB BOND 1.85% DUE 03/09/2020				1	250,793	100.0770	240,185	240,000	240,289		(1,525)			1.850	1.207	MS	1,381	4,440	11/09/2012	03/09/2020
3133EKM94	FFCB BOND 1.900% DUE 09/11/2023				1	748,500	100.0120	750,090	750,000	748,640		140			1.900	1.951	MS	4,354		09/10/2019	09/11/2023
3133EK2S4	FFCB BOND 1.92% DUE 04/21/2022				1	4,493,250	99.9480	4,497,660	4,500,000	4,493,713		463			1.920	1.982	AO	16,800		10/21/2019	04/21/2022
3133EHXM0	FFCB BOND 1.93% DUE 12/06/2021				1	748,605	99.8510	748,883	750,000	749,322		339			1.930	1.978	JD	1,005	14,475	11/01/2017	12/06/2021
3133EKL79	FFCB BOND 1.95% DUE 03/04/2021				1	2,997,750	100.0010	3,000,030	3,000,000	2,998,179		429			1.950	2.002	MS	18,038		09/10/2019	03/04/2021
3133EHQM8	FFCB BOND 1.95% DUE 10/05/2021				1	2,983,500	100.0020	3,000,060	3,000,000	2,992,273		4,242			1.950	2.099	AO	13,975	58,500	11/22/2017	10/05/2021
3133EHP31	FFCB BOND 1.95% DUE 11/02/2021				1	2,998,175	100.6890	3,020,670	3,000,000	2,999,095		463			1.950	1.966	MN	9,588	58,500	11/22/2017	11/02/2021
3133ELAP9	FFCB BOND 1.95% DUE 11/27/2023				1	750,000	99.8780	749,085	750,000	750,000					1.950	1.950	MN	1,381		11/19/2019	11/27/2023
3133EKX50	FFCB BOND 1.950% DUE 07/15/2022				1	2,997,750	99.7400	2,992,200	3,000,000	2,997,900		150			1.950	1.978	JJ	13,488		10/08/2019	07/15/2022
3133EKX76	FFCB BOND 1.980% DUE 04/17/2023				1	2,498,125	99.5080	2,487,700	2,500,000	2,498,202		77			1.980	2.002	AO	10,175		10/17/2019	04/17/2023
3133EKV86	FFCB BOND 2% DUE 10/02/2024				1	300,000	100.0070	300,021	300,000	300,000					2.000	2.000	AO	1,483		10/02/2019	10/02/2024
3133EK2T2	FFCB BOND 2.00% DUE 04/17/2023				1	2,098,320	100.0010	2,100,021	2,100,000	2,098,383		63			2.000	2.024	AO	7,933		10/23/2019	04/17/2023
3133EKL95	FFCB BOND 2.010% DUE 06/06/2022				1	2,998,500	99.8320	2,994,960	3,000,000	2,998,613		113			2.010	2.029	JD	4,188	15,075	09/10/2019	06/06/2022
3133EK3Z7	FFCB BOND 2.020% DUE 07/24/23				1	5,000,000	99.7940	4,989,700	5,000,000	5,000,000					2.020	2.020	JJ	19,639		10/21/2019	07/24/2023
3133EKN44	FFCB BOND 2.030% DUE 09/11/2023				1	2,994,000	99.4950	2,984,850	3,000,000	2,994,563		563			2.030	2.081	MS	18,608		09/10/2019	09/11/2023
3133EASX7	FFCB BOND 2.040% DUE 06/07/2022				1	230,646	101.0410	227,342	225,000	226,529		(610)			2.040	1.753	JD	306	4,590	11/21/2012	06/07/2022
3133EKZ66	FFCB BOND 2.040% DUE 07/15/2024				1	2,500,000	99.4820	2,487,050	2,500,000	2,500,000					2.040	2.040	JJ	10,767		10/15/2019	07/15/2024
3133EKVP8	FFCB BOND 2.110% DUE 07/22/2022				1	3,999,850	100.0920	4,003,680	4,000,000	3,999,866		16			2.110	2.111	JJ	37,277		07/26/2019	07/22/2022
3133EDQB1	FFCB BOND 2.35% DUE 07/09/2021				1	797,256	101.1910	784,230	775,000	783,544		(5,501)			2.350	1.614	JJ	8,702	18,213	06/23/2017	07/09/2021
3133EKRJ7	FFCB BOND 2.40% DUE 06/19/2023				1	1,500,000	100.1350	1,502,025	1,500,000	1,500,000					2.400	2.400	JD	1,200	18,000	06/20/2019	06/19/2023
3133EDCT7	FFCB BOND 2.50% DUE 06/30/2020				1	515,630	100.4760	502,380	500,000	502,422		(4,817)			2.500	1.518	JD	35	12,500	03/21/2017	06/30/2020
3133EKGQ3	FFCB BOND 2.670% DUE 04/17/2023				1	1,200,000	100.1940	1,202,328	1,200,000	1,200,000					2.670	2.669	AO	6,586	16,020	04/08/2019	04/17/2023
31331JX65	FFCB BOND 2.80% DUE 10/28/2020				1	1,110,295	101.0640	1,010,640	1,000,000	1,011,977		(14,355)			2.800	1.334	AO	4,900	28,000	11/14/2012	10/28/2020
3133FXDM6	FFCB NTS 1.375% DUE 10/15/2020				1	750,000	99.9220	749,415	750,000	750,000					1.375	1.374	AO	2,177	10,313	10/11/2012	10/15/2020
313373ZY1	FHLB BOND 03.625% DUE 06/11/21				1	1,138,291	102.8610	1,028,610	1,000,000	1,024,468		(16,558)			3.625	1.899	JD	2,014	36,250	09/18/2012	06/11/2021
3130A9Z95	FHLB BOND 1% DUE 11/23/2021				1	992,818	99.6230	996,230	1,000,000	996,885		1,616			1.000	1.167	MN	1,056	13,750	06/16/2017	11/23/2021
3130A8QS5	FHLB BOND 1.125% DUE 07/14/2021				1	2,473,669	99.2530	2,506,138	2,525,000	2,505,709		12,296			1.125	1.631	JJ	13,177	28,406	08/11/2017	07/14/2021
3133812C8	FHLB BOND 1.50% DUE 05/08/2020				1	996,005	99.8740	999,047	1,000,000	999,427		1,588			1.500	1.662	MN	2,208	15,000	10/26/2017	05/08/2020
3130A9WN7	FHLB BOND 1.60% DUE 10/28/2021				1	545,941	99.4330	546,882	550,000	548,245		936			1.600	1.778	AO	1,540	8,800	06/29/2017	10/28/2021
3130A8FC2	FHLB BOND 1.620% DUE 06/14/2021				1	499,755	99.7640	498,820	500,000	499,901		66			1.620	1.634	JD	383	8,100	09/12/2017	06/14/2021
313381AV7	FHLB BOND 1.625% DUE 12/10/2021				1	500,045	100.1600	500,800	500,000	500,009		(5)			1.625	1.624	JD	474	8,125	12/12/2012	12/10/2021
3130ACN83	FHLB BOND 1.70% DUE 05/15/2020				1																

# SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During	Acquired	Stated Contractual Maturity Date	
313378CR0	FHLB BOND 2.250% DUE 03/11/2022				1	1,013,565	101.3020	1,013,020	1,000,000	1,006,135		(2,716)			2.250	1.962	MS	6,875	22,500	03/21/2017	03/11/2022	
3130AGCU7	FHLB BOND 2.55% DUE 05/06/2022				1	599,520	100.2290	601,374	600,000	599,712		192			2.550	2.570	MN	2,338	7,650	05/03/2019	05/06/2022	
313376C94	FHLB BOND 2.625% DYE 12/10/2021				1	2,778,579	101.8580	2,775,631	2,725,000	2,751,757		(13,372)			2.625	2.106	JD	4,173	71,531	12/22/2017	12/10/2021	
313375LS4	FHLB BOND 2.750% DUE 09/10/2021				1	1,073,615	101.8520	1,018,520	1,000,000	1,015,571		(8,992)			2.750	1.810	MS	8,479	27,500	03/08/2013	09/10/2021	
3133712Y1	FHLB BOND 3.00% DUE 03/27/20				1	551,495	100.3230	501,615	500,000	501,720		(7,165)			3.000	1.545	MS	3,917	15,000	09/18/2012	03/27/2020	
3130ACE26	FHLB BOND NTS 1.375% DUE 09/28/20				1	985,538	99.8170	998,170	1,000,000	996,045		5,234			1.375	1.913	MS	3,552	13,750	12/20/2017	09/28/2020	
3137EAE5	FHLMC NTS 1.500% DUE 01/17/2020				1	989,546	99.9900	999,900	1,000,000	999,734		166			1.500	2.094	JJ	6,833	15,000	03/29/2018	01/17/2020	
912828VA5	US TREASURY NOTE 1.125% 4/30/20				1	1,483,716	99.8280	1,497,220	1,500,000	1,497,837		643			1.125	1.562	AO	2,859	16,875	10/26/2017	04/30/2020	
912828R77	US TREASURY NOTE 1.375 DUE 5/31/21				1	5,348,729	99.6950	5,348,637	5,365,000	5,350,412		925			1.375	1.570	MN	6,352	36,884	10/30/2019	05/31/2021	
0199999 Subtotal - U.S. Governments - Issuer Obligations						123,329,319	X X X	123,047,462	122,994,000	123,006,900		(25,175)			X X X	X X X	X X X	460,891	1,069,233	X X X	X X X	
<b>U.S. Governments - Residential Mortgage-Backed Securities</b>																						
36295FCD4	GNMA PL 668868X				1	741,450	105.5360	753,307	713,791	735,313		(733)			5.000	4.485	MON	1,378	35,690	05/19/2009	09/15/2038	
36234CV77	GNMA POOL 425582 UNIT 100				1	28,982	101.6860	27,987	27,523	28,276		(102)			6.500	5.405	MON	50	1,789	06/14/2011	07/15/2026	
36234CV93	GNMA POOL 425582 UNIT 98				1	26,288	100.7270	25,182	25,000	25,648		(92)			6.500	5.422	MON	44	1,625	06/14/2011	04/15/2026	
36234CV85	GNMA POOL 425582 UNIT 99				1	26,300	101.5610	25,390	25,000	25,660		(92)			6.500	5.417	MON	45	1,625	06/14/2011	05/15/2026	
36234CX26	GNMA POOL 425583 UNIT 100				1	42,406	101.2750	40,805	40,291	41,383		(148)			6.500	5.414	MON	73	2,619	06/14/2011	07/15/2026	
36235QRK1	GNMA POOL 487543 UNIT 86				1	26,250	99.9500	24,988	25,000	25,692		(81)			6.500	5.493	MON	48	1,625	06/14/2011	05/15/2027	
36235QRH8	GNMA POOL 487543 UNIT 88				1	26,250	101.5480	25,387	25,000	25,709		(78)			6.500	5.505	MON	49	1,625	06/14/2011	09/15/2027	
36235QRG0	GNMA POOL 487543 UNIT 89				1	26,250	101.6730	25,418	25,000	25,721		(79)			6.500	5.499	MON	50	1,625	06/14/2011	10/15/2027	
36235QRF2	GNMA POOL 487543 UNIT 90				1	26,263	102.3710	25,593	25,000	25,729		(77)			6.500	5.505	MON	50	1,625	06/14/2011	12/15/2027	
36235QRE5	GNMA POOL 487543 UNIT 91				1	26,263	103.9960	25,999	25,000	25,738		(76)			6.500	5.511	MON	51	1,625	06/14/2011	02/15/2028	
36235QRC9	GNMA POOL 487543 UNIT 93				1	26,275	105.4150	26,354	25,000	25,757		(75)			6.500	5.511	MON	51	1,625	06/14/2011	05/15/2028	
36235QRB1	GNMA POOL 487543 UNIT 94				1	26,288	105.7150	26,429	25,000	25,781		(74)			6.500	5.521	MON	52	1,625	06/14/2011	07/15/2028	
36235QRA3	GNMA POOL 487543 UNIT 95				1	26,288	106.0150	26,504	25,000	25,781		(74)			6.500	5.513	MON	52	1,625	06/14/2011	09/15/2028	
36235QQ89	GNMA POOL 487543 UNIT 97				1	26,300	106.5380	26,635	25,000	25,801		(73)			6.500	5.512	MON	53	1,625	06/14/2011	12/15/2028	
36235QQ71	GNMA POOL 487543 UNIT 98				1	26,300	106.6380	26,660	25,000	25,808		(71)			6.500	5.517	MON	53	1,625	06/14/2011	02/15/2029	
36235QQ63	GNMA POOL 487543 UNIT 99				1	26,313	106.7380	26,685	25,000	25,820		(72)			6.500	5.511	MON	54	1,625	06/14/2011	03/15/2029	
36235TPV3	GNMA POOL 498826 UNIT 100				1	33,179	101.5850	32,008	31,509	32,585		(86)			6.500	5.520	MON	69	2,048	06/14/2011	10/15/2029	
36235TPW1	GNMA POOL 498826 UNIT 99				1	26,313	101.0230	25,256	25,000	25,809		(73)			6.500	5.503	MON	53	1,625	06/14/2011	12/15/2028	
36235XXD5	GNMA POOL 515329 UNIT 100				1	45,572	103.7550	44,903	43,278	44,786		(114)			6.500	5.531	MON	97	2,813	06/14/2011	03/15/2030	
36235XXJ2	GNMA POOL 515329 UNIT 95				1	26,263	99.9500	24,988	25,000	25,799		(67)			6.500	5.552	MON	54	1,625	06/14/2011	06/15/2029	
36235XXH6	GNMA POOL 515329 UNIT 96				1	26,275	100.3510	25,088	25,000	25,814		(67)			6.500	5.549	MON	55	1,625	06/14/2011	08/15/2029	
36235XXG8	GNMA POOL 515329 UNIT 97				1	26,275	101.5290	25,382	25,000	25,817		(67)			6.500	5.551	MON	55	1,625	06/14/2011	09/15/2029	
36235XXE3	GNMA POOL 515329 UNIT 99				1	26,300	102.1300	25,533	25,000	25,847		(66)			6.500	5.543	MON	56	1,625	06/14/2011	01/15/2030	
38378TQ37	GNMA CMO 2013 2.75% DUE 06/20/43				1	84,101	101.5800	83,960	82,654	83,877		(37)			2.750	2.665	MON	69	2,273	08/19/2013	06/20/2043	
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						1,448,757	X X X	1,446,437	1,389,046	1,429,951		(2,574)			X X X	X X X	X X X	2,661	76,482	X X X	X X X	
0599999 Subtotal - U.S. Governments						124,778,076	X X X	124,493,899	124,383,046	124,436,851		(27,749)				X X X	X X X	X X X	463,552	1,145,715	X X X	X X X
<b>U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations</b>																						
010609CS2	ALABAMA ST PUB 5% DUE 06/01/2021				1	471,348	105.5170	422,068	400,000	420,927		(14,552)			5.000	1.262	JD	1,667	20,000	06/24/2016	06/01/2021	
015302H62	ALEXANDRIA VA 1.731% DUE 07/01/20				1	231,532	101.1190	202,238	200,000	202,141		(4,295)			1.731	(0.405)	JJ	1,731	8,100	03/26/2013	07/01/2020	
050589NA4	AUBURN UNIV 5% DUE 06/01/2020				1	288,295	101.6190	254,048	250,000	254,272		(10,193)			5.000	0.881	JD	1,042	12,500	08/17/2016	06/01/2020	
052430LK9	AUSTIN TEX INDPT 5% 08/01/2021				1	594,920	106.1150	530,575	500,000	531,065		(19,363)			5.000	1.033	FA	10,417	25,000	08/31/2016	08/01/2021	
054213WWW9	AVON OHIO 2% DUE 12/01/2020				1	259,353	100.8310	252,078	250,000	251,839		(1,984)			2.000	1.191	JD	417	5,000	02/25/2016	12/01/2020	
054320ALO	AVONDALE ARIZ 5% 07/01/2020				1	288,430	101.9130	254,783	250,000	255,088		(10,108)			5.000	0.911	JJ	6,250	12,500	09/01/2016	07/01/2020	
059231F70	BALTIMORE MD REV 5% DUE 07/01/2023				1	1,148,320	113.1660	1,131,660	1,000,000	1,098,047		(26,733)			5.000	2.081	JJ	25,000	50,000	02/08/2018	07/01/2023	
13063CEC0	CALIFORNIA ST BOND 5% DUE 09/01/22				1	1,177,340	110.5840	1,105,840	1,000,000	1,096,917		(35,502)			5.000	1.290	MS	16,667	50,000	09/19/2017	09/01/2022	
235219FT4	CITY OF DALLAS TX 1.466% 02/15/20				1	307,670	100.4470	251,118	250,000	250,968		(7,981)			1.466	(1.680)	FA	1,385	12,500	03/26/2013	02/15/2020	
18347AHZ7	CLAY CNTY MO PUB 2% DUE 03/01/2021				1	311,346	101.0350	303,105	300,000	302,874		(2,434)			2.000	1.170	MS	2,000	6,000	06/20/2016	03/01/2021	
207758VG5	CONNECTICUT ST 5% 09/01/2020				1	573,040	102.5200	512,600	500,000	512,571		(18,681)			5.000	1.200	MS	8,333	25,000	09/20/2016	09/01/2020	
246428ZK5	DELAWARE TRANS 5% 07/01/2020				1	289,110	101.9380	254,845	250,000	255,190		(10,316)			5.000	0.831	JJ	6,250	12,500	09/06/2016	07/01/2020	
25476FSK5	DISTRICT COLUMB 5.000% JUN 01, 2021				1	562,380	105.4740	527,370	500,000	515,894		(15,615)			5.000	1.779	JJ	12,500	25,000	12/20/2016	01/01/2021	

# SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation and Administrative Symbol	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
534272B57	LINCOLN NEB BOND 5% DUE 09/01/2021				1	575,740	106.4350	532,175	500,000	532,191		(19,041)			5.000	1.090	MS	8,333	25,000	09/12/2017	09/01/2021
546589ZW5	LOUISVILLE-JEFF 5% 05/15/2020				1	287,295	101.4220	253,555	250,000	253,797		(10,145)			5.000	0.901	MN	1,597	12,500	08/30/2016	05/15/2020
56045RWB1	MAIN MUN BD 5% 09/01/2020				1	565,440	102.4800	512,400	500,000	511,651		(17,280)			5.000	1.472	MS	8,333	25,000	11/03/2016	09/01/2020
56045RWQ8	MAIN MUN BD BK 5% DUE 11/01/2021				1	568,330	107.0550	535,275	500,000	526,949		(14,300)			5.000	1.990	MN	4,167	25,000	01/19/2017	11/01/2021
574218DG5	MARYLAND ST HLTH 5% DUE 05/15/2020				1	162,019	101.4550	142,037	140,000	141,822		(4,864)			5.000	1.468	MN	894	7,000	10/01/2015	05/15/2020
592030D23	METRO NSH-DVD 5% DUE 05/15/2021				1	584,035	105.3020	526,510	500,000	525,701		(18,468)			5.000	1.211	MN	3,194	25,000	10/19/2016	05/15/2021
603790KU9	MINNEAPOLIS MIN BOND 5% DUE 2/1/22				1	1,139,080	108.0070	1,080,070	1,000,000	1,070,850		(33,223)			5.000	1.531	FA	20,833	50,000	12/06/2017	02/01/2022
603827XJ0	MINNEAPOLIS-ST 5% DUE 01/01/2021				1	583,300	103.8470	519,235	500,000	519,949		(19,755)			5.000	0.981	JJ	12,500	25,000	10/04/2016	01/01/2021
604146AU4	MINNESOTA ST GEN 5% 03/01/2020				1	567,235	100.6310	503,155	500,000	503,286		(19,639)			5.000	1.035	MS	8,333	25,000	09/15/2016	03/01/2020
606341GG4	MISSOURI ST 5% DUE 10/01/2021				1	294,490	106.7900	266,975	250,000	266,037		(9,007)			5.000	1.280	AO	3,125	12,500	10/18/2016	10/01/2021
606341KK0	MISSOURI ST BOND 5% DUE 04/01/2022				1	583,935	108.6640	543,320	500,000	541,921		(18,274)			5.000	1.211	AO	6,250	25,000	09/07/2017	04/01/2022
60636UCS6	MISSOURI ST ENVIRO 5% DUE 01/01/20				1	252,751	100.0000	220,000	220,000	220,000		(8,227)			5.000	1.226	JJ	5,500	11,000	12/11/2015	01/01/2020
6133407H5	MONTGOMERY CNTY 5% DUE 10/01/2022				1	1,167,090	110.5940	1,105,940	1,000,000	1,095,203		(33,697)			5.000	1.455	AO	12,500	50,000	11/07/2017	10/01/2022
63968AU86	NEBRASKA PUB 5% DUE 01/01/2022				1	572,510	107.6730	538,365	500,000	531,586		(15,380)			5.000	1.771	JJ	12,500	25,000	04/19/2017	01/01/2022
64465PYZ5	NEW HAMPSHIRE BOND 5% DUE 08/15/202				1	1,175,170	110.1360	1,101,360	1,000,000	1,095,051		(35,411)			5.000	1.301	FA	18,889	50,000	09/20/2017	08/15/2022
646140CF8	NEW JERSEY ST 2.536% DUE 01/01/21				1	1,000,000	100.4930	1,004,930	1,000,000	1,000,000					2.536	2.535	JJ	12,680	25,360	12/14/2017	01/01/2021
64966MAP4	NEW YORK NY 5% 08/01/2021				1	595,655	106.0990	530,495	500,000	531,088		(19,378)			5.000	1.030	FA	10,417	25,000	08/17/2016	08/01/2021
650035D70	NEW YORK ST URBAN 5% DUE 03/15/20				1	248,256	100.7930	216,705	215,000	216,570		(7,593)			5.000	1.420	MS	3,165	10,750	09/24/2015	03/15/2020
65829QBP8	NORTH CAROLINA ST 5% 06/01/2021				1	1,143,180	105.4590	1,054,590	1,000,000	1,054,460		(37,936)			5.000	1.114	JD	4,167	50,000	08/23/2017	06/01/2021
65887PFJ3	NORTH DAKOTA 5% 10/01/2020				1	577,960	102.8970	514,485	500,000	514,774		(19,533)			5.000	1.033	AO	6,250	25,000	09/23/2016	10/01/2020
67884XBH9	Oklahoma bonds 5.0% due 8-15-2022				1	874,598	109.5370	821,528	750,000	813,178		(23,369)			5.000	1.701	FA	14,167	37,500	05/02/2017	08/15/2022
678514BX7	OKLAHOMA CAP BOND 5% DUE 07/01/22				1	585,250	109.4620	547,310	500,000	545,093		(17,626)			5.000	1.321	JJ	12,500	25,000	09/14/2017	07/01/2022
67919PMN0	OKLAHOMA ST WTR 5% DUE 04/01/2020				1	347,784	100.9570	302,871	300,000	302,821		(11,222)			5.000	1.214	AO	3,750	15,000	12/02/2015	04/01/2020
67919PMR1	OKLAHOMA ST WTR 5% DUE 04/01/2023				1	396,522	112.2290	392,802	350,000	382,854		(9,692)			5.000	2.001	AO	4,375	17,500	08/02/2018	04/01/2023
686507GR9	ORLANDO FLA UTILS 5% DUE 10/01/20				1	464,688	102.8970	411,588	400,000	411,855		(15,675)			5.000	1.021	AO	5,000	20,000	08/03/2016	10/01/2020
71883PKC0	PHOENIX AZ 5% 07/01/2020				1	1,135,910	101.9280	1,019,280	1,000,000	1,019,085		(37,840)			5.000	1.161	JJ	25,000	50,000	11/16/2016	07/01/2020
762197SF9	RHODE ISL 5% DUE 09/15/2021				1	293,193	106.3390	265,848	250,000	265,327		(8,827)			5.000	1.351	MS	3,681	12,500	10/18/2016	09/15/2021
771694LE4	ROCHESTER NY 1.763% 02/01/2020				1	362,379	100.3120	300,936	300,000	300,731		(8,815)			1.763	(1.147)	FA	2,204	15,000	03/26/2013	02/01/2020
777152NK1	ROSE TREE MEDIA 2% DUE 02/01/2020				1	250,329	100.0680	245,167	245,000	245,109		(1,312)			2.000	1.458	FA	2,042	4,900	12/07/2015	02/01/2020
795576GA9	SALT LAKE CITY 5% DUE 07/01/2022				1	586,065	109.4100	547,050	500,000	540,832		(15,868)			5.000	1.652	JJ	12,500	25,000	02/09/2017	07/01/2022
79574CBL6	SALT RIV AGRIC AZ 5.000%JAN 1,2021				1	1,133,860	103.8870	1,038,870	1,000,000	1,033,589		(33,058)			5.000	1.601	JJ	25,000	50,000	12/01/2016	01/01/2021
829594LK4	SIOUX FALLS SD 5% DUE 11/15/2021				1	570,155	107.1460	535,730	500,000	533,028		(17,293)			5.000	1.412	MN	3,194	25,000	11/02/2017	11/15/2021
866203ZX3	SUMMIT NJ SCH 2% DUE 03/01/2021				1	208,400	101.1160	202,232	200,000	202,076		(1,760)			2.000	1.101	MS	1,333	4,000	05/09/2016	03/01/2021
882723MU0	TEXAS ST TRANS 5% DUE 10/01/2020				1	134,221	102.9350	118,375	115,000	118,100		(4,087)			5.000	1.372	AO	1,438	5,750	12/22/2015	10/01/2020
914805ES1	UNIV PITTSBURGH 2.32% DUE 9/15/21				1	702,268	100.8540	705,978	700,000	701,022		(588)			2.320	2.231	MS	4,782	16,240	11/22/2017	09/15/2021
914399RA0	University bonds 4.0% due 3-1-2021				1	714,922	103.3120	671,528	650,000	670,316		(17,181)			4.000	1.291	MS	8,667	26,000	05/17/2017	03/01/2021
914455PJ3	UNIVERSITY MICH 5% DUE 04/01/2020				1	348,087	100.9670	302,901	300,000	302,838		(11,290)			5.000	1.192	AO	3,750	15,000	12/02/2015	04/01/2020
9151373V3	UNIVERSITY TEX 5% DUE 08/15/2022				1	1,156,380	110.1080	1,101,080	1,000,000	1,087,637		(32,490)			5.000	1.575	FA	18,889	50,000	11/13/2017	08/15/2022
93978HFK6	WASHINGTON ST HEALTH 5% 10/01/22				1	472,524	110.1080	440,432	400,000	439,495		(14,011)			5.000	1.331	AO	5,000	20,000	08/15/2017	10/01/2022
93974AMH4	WASHINGTON ST MOTOR 0% 06/01/20				1	293,967	99.4640	313,312	315,000	312,915		4,947			1.600	1.600	JD			11/27/2015	06/01/2020
967338YZ1	WICHITA KANS 5% DUE 10/01/2020				1	581,985	102.8740	514,370	500,000	515,088		(19,960)			5.000	0.951	AO	6,250	25,000	08/11/2016	10/01/2020
97705MJT3	WISCONSIN ST GO 5% DUE 05/01/2020				1	500,000	101.2640	50,632	50,000	50,000					5.000	4.990	MN	417	2,500	12/11/2017	05/01/2020
97705MJU0	WISCONSIN ST GO 5% DUE 05/01/2020				1	85,000	101.2910	86,097	85,000	85,000					5.000	4.990	MN	708	4,250	12/11/2017	05/01/2020
1899999	Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					35,635,485	X X X	32,850,997	31,215,000	32,696,062		(985,771)			X X X	X X X	X X X	487,698	1,460,900	X X X	X X X
2499999	Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					35,635,485	X X X	32,850,997	31,215,000	32,696,062		(985,771)			X X X	X X X	X X X	487,698	1,460,900	X X X	X X X
002824BE9	ABBOTT LABORATORIES 3.4% 11/30/23				1	525,220	105.1390	525,695	500,000	525,013		(207)			3.400	2.065	MN	567		12/19/2019	11/30/2023
06051GEU9	BANK OF AMERICA 3.30% DUE 01/11/23				1	1,034,600	103.3680	1,033,880	1,000,000	1,033,720		(880)			3.300	2.144	JJ	2,658		12/02/2019	01/11/2023
06367T4W7	BANK OF MONTREAL 3.10% 04/13/2021				1	997,870	101.6330	1,016,330	1,000,000	998,942		772			3.100	3.182	AO	6,717	31,000	07/09/2018	04/13/2021
06406RAA5	BANK OF NY MELLON 2.60% 02/07/22				1	1,006,600	101.5210	1,015,210	1,000,000	1,003,355		(1,545)			2.600	2.435	FA	10,400	13,000	11/22/2017	02/07/2022
05531FAV5	BB&T CORPORATION 2.05% DUE 5/10/21				1	990,430	100.2110	1,002,110	1,000,000	996,144		2,753			2.050	2.339	MN	2,904	20,500	11/22/2017	05/10/2021
404280AN9	HSBC HOLDINGS PLC 4% DUE 03/31/202				1	1,039,050	104.2180	1,042,180	1,000,000	1,031,744		(7,306)			4.000	2.536	MS	10,111	20,000	06/20/2019	03/31/2022
63946BAE0	NBC UNIVERSAL MEDIA 4.375% 4/01/21				1	1,066,730	103.1360	1,031,360	1,000,000	1,025,397		(19,286)			4.375	2.300	AO	10,938	43,750	11/22/2017	04/01/2021
66989HAM0	NOVARTIS CAPITAL 2.40% DUE 5/17/22				1	1,002,490	101.4290	1,014,290	1,0												

## SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation and Admin- istrative Symbol	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F O R E I G N	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other- Than- Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
7699999 Subtotals - Issuer Obligations					171,751,224	X X X	168,679,134	166,709,000	168,386,363		(1,065,013)			X X X	X X X	X X X	1,021,830	2,808,133	X X X	X X X	
7799999 Subtotals - Residential Mortgage-Backed Securities					1,448,757	X X X	1,446,437	1,389,046	1,429,951		(2,574)			X X X	X X X	X X X	2,661	76,482	X X X	X X X	
8399999 Grand Total - Bonds					173,199,981	X X X	170,125,571	168,098,046	169,816,314		(1,067,587)			X X X	X X X	X X X	1,024,491	2,884,615	X X X	X X X	

## SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value					20 NAIC Designation and Administrative Symbol	21 Date Acquired		
		3 Code	4 For- eign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other-Than- Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)	19 Total Foreign Exchange Change in B./A.C.V.				
NONE																						
8999999 Total Preferred Stocks .....								... XXX ...												... XXX ...	. XXX .	

## SCHEDULE D - PART 2 - SECTION 2

### Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 Date Acquired	18 NAIC Desig- nation
		3 Code	4 For- eign			7 Rate per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
<b>Mutual Funds</b>																	
09256H336	BLACKROCK MULTI ASSET INC PORTFOLI			222,322.000	2,441,096	10.980	2,441,096	2,405,913		16,836		35,182		35,182		12/02/2019	1
9499999	Subtotal - Mutual Funds				2,441,096	X X X	2,441,096	2,405,913		16,836		35,182		35,182		X X X	X X X
9799999	Total Common Stocks				2,441,096	X X X	2,441,096	2,405,913		16,836		35,182		35,182		X X X	X X X
9899999	Total Preferred and Common Stocks				2,441,096	X X X	2,441,096	2,405,913		16,836		35,182		35,182		X X X	X X X

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>								
3133ELDH4	FFCB BOND 1.710% DUE 12/16/2022		12/16/2019	Merrill Lynch	X X X	400,000	400,000	
3133EKM94	FFCB BOND 1.900% DUE 09/11/2023		09/10/2019	Merrill Lynch	X X X	748,500	750,000	40
3133EK2S4	FFCB BOND 1.92% DUE 04/21/2022		10/21/2019	Merrill Lynch	X X X	4,493,250	4,500,000	
3133EKL79	FFCB BOND 1.95% DUE 03/04/2021		09/10/2019	Merrill Lynch	X X X	2,997,750	3,000,000	1,300
3133ELAP9	FFCB BOND 1.95% DUE 11/27/2023		11/19/2019	Merrill Lynch	X X X	750,000	750,000	
3133EKX50	FFCB BOND 1.950% DUE 07/15/2022		10/08/2019	Merrill Lynch	X X X	2,997,750	3,000,000	
3133EKX76	FFCB BOND 1.980% DUE 04/17/2023		10/17/2019	Merrill Lynch	X X X	2,498,125	2,500,000	
3133EKV86	FFCB BOND 2% DUE 10/02/2024		10/02/2019	Merrill Lynch	X X X	300,000	300,000	33
3133EK2T2	FFCB BOND 2.00% DUE 04/17/2023		10/23/2019	Merrill Lynch	X X X	2,098,320	2,100,000	700
3133EKL95	FFCB BOND 2.010% DUE 06/06/2022		09/10/2019	Merrill Lynch	X X X	2,998,500	3,000,000	1,005
3133EK3Z7	FFCB BOND 2.020% DUE 07/24/23		10/21/2019	Merrill Lynch	X X X	5,000,000	5,000,000	
3133EKN44	FFCB BOND 2.030% DUE 09/11/2023		09/10/2019	Merrill Lynch	X X X	2,994,000	3,000,000	169
3133EKZ66	FFCB BOND 2.040% DUE 07/15/2024		10/15/2019	Merrill Lynch	X X X	2,500,000	2,500,000	
3133EKVP8	FFCB BOND 2.110% DUE 07/22/2022		07/26/2019	Merrill Lynch	X X X	3,999,850	4,000,000	234
3133EKRJ7	FFCB BOND 2.40% DUE 06/19/2023		06/20/2019	Merrill Lynch	X X X	1,500,000	1,500,000	100
3133EKGQ3	FFCB BOND 2.670% DUE 04/17/2023		04/08/2019	Merrill Lynch	X X X	1,200,000	1,200,000	
3130AHK85	FHLB BOND 1.82% DUE 11/25/2022		11/25/2019	Merrill Lynch	X X X	5,000,000	5,000,000	
3130AHRV7	FHLB BOND 1.82% DUE 12/23/2022		12/23/2019	Merrill Lynch	X X X	3,000,000	3,000,000	455
3130AHMM2	FHLB BOND 1.85% DUE 06/11/2024		12/11/2019	Merrill Lynch	X X X	3,250,000	3,250,000	
3130AHFX6	FHLB BOND 1.90% DUE 10/28/2022		11/01/2019	Merrill Lynch	X X X	3,000,000	3,000,000	475
3130AH2B8	FHLB BOND 1.970% DUE 09/11/2024		10/07/2019	Merrill Lynch	X X X	3,000,000	3,000,000	4,597
3130AHM34	FHLB BOND 2.00% DUE 12/05/2024		12/05/2019	Merrill Lynch	X X X	5,000,000	5,000,000	
3130AGNX9	FHLB BOND 2.20% DUE 07/10/2023		07/10/2019	Merrill Lynch	X X X	2,498,750	2,500,000	
3130AGCU7	FHLB BOND 2.55% DUE 05/06/2022		05/03/2019	Merrill Lynch	X X X	599,520	600,000	43
912828R77	US TREASURY NOTE 1.375 DUE 5/31/21		10/30/2019	UBS Financial Services	X X X	5,348,729	5,365,000	30,636
0599999 Subtotal - Bonds - U.S. Governments						68,173,044	68,215,000	39,787
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>								
002824BE9	ABBOTT LABORATORIES 3.4% 11/30/23		12/19/2019	Merrill Lynch	X X X	525,220	500,000	897
06051GEU9	BANK OF AMERICA 3.30% DUE 01/11/23		12/02/2019	Merrill Lynch	X X X	1,034,600	1,000,000	12,925
404280AN9	HSBC HOLDINGS PLC 4% DUE 03/31/202		06/20/2019	Merrill Lynch	X X X	1,039,050	1,000,000	8,889
94974BFC9	WELLS FARGO BOND 3.5% 03/08/2022		12/02/2019	Merrill Lynch	X X X	1,031,080	1,000,000	8,167
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						3,629,950	3,500,000	30,878
8399997 Subtotal - Bonds - Part 3						71,802,994	71,715,000	70,665
8399998 Summary item from Part 5 for Bonds						26,192,150	26,200,000	8,669
8399999 Subtotal - Bonds						97,995,144	97,915,000	79,334
<b>Common Stocks - Mutual Funds</b>								
09256H336	BLACKROCK MULTI ASSET INC PORTFOLI		12/02/2019	Merrill Lynch	222,322.000	2,405,913	X X X	
9499999 Subtotal - Common Stocks - Mutual Funds						2,405,913	X X X	
9799997 Subtotal - Common Stocks - Part 3						2,405,913	X X X	
9799998 Summary Item from Part 5 for Common Stocks							X X X	
9799999 Subtotal - Common Stocks						2,405,913	X X X	
9899999 Subtotal - Preferred and Common Stocks						2,405,913	X X X	
9999999 Totals						100,401,057	X X X	79,334

# SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization/Accretion)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
<b>Bonds - U.S. Governments</b>																				
3133EGD69	FFCB 01.320% Due May 07, 2020		08/02/2019	Merrill Lynch	X X X	991,910	1,000,000	992,300	996,887		1,340		1,340		998,227		(6,317)	(6,317)	9,717	05/07/2020
3133EGPP4	FFCB 1.360% DUE 08/03/2020		08/02/2019	Merrill Lynch	X X X	495,510	500,000	502,325	500,936		(342)		(342)		500,594		(5,084)	(5,084)	6,781	08/03/2020
3133EGDW2	FFCB 1.520% DUE 06/08/2020		08/02/2019	Merrill Lynch	X X X	595,674	600,000	604,758	601,801		(733)		(733)		601,068		(5,394)	(5,394)	5,928	06/08/2020
3133EGBZ7	FFCB 1.660% DUE: MAY 25, 2021		08/12/2019	Merrill Lynch	X X X	992,260	1,000,000	996,280	997,950		512		512		998,462		(6,202)	(6,202)	11,528	05/25/2021
3133EGAP0	FFCB 1.730% DUE: NOV 16, 2021		08/02/2019	Merrill Lynch	X X X	992,100	1,000,000	994,690	996,832		629		629		997,460		(5,360)	(5,360)	12,302	11/16/2021
3133FXDS3	FFCB BOND 1.05% DUE 12/15/2019		12/15/2019	MATURITY	X X X	500,000	500,000	500,000	500,000						500,000				5,250	12/15/2019
3133EGG66	FFCB BOND 1.130% DUE 11/15/2019		11/15/2019	MATURITY	X X X	2,000,000	2,000,000	1,977,367	1,989,858		10,142		10,142		2,000,000				22,600	11/15/2019
3133EGAV7	FFCB BOND 1.17% DUE 05/17/2019		05/17/2019	MATURITY	X X X	400,000	400,000	399,315	399,860		140		140		400,000				2,340	05/17/2019
3133EFKU0	FFCB BOND 1.19% DUE 04/22/2019		04/22/2019	MATURITY	X X X	500,000	500,000	499,503	499,913		87		87		500,000				2,975	04/22/2019
3133ECA20	FFCB bond 1.20% due 12-17-19		12/17/2019	MATURITY	X X X	1,000,000	1,000,000	997,267	998,961		1,039		1,039		1,000,000				12,000	12/17/2019
3133EFWD5	FFCB Bond 1.23% due 1-25-2019		01/25/2019	MATURITY	X X X	890,000	890,000	889,439	889,976		24		24		890,000				5,474	01/25/2019
3133EGLF0	FFCB BOND 1.29% DUE 07/13/20		08/02/2019	Merrill Lynch	X X X	742,658	750,000	750,900	750,351		(134)		(134)		750,217		(7,559)	(7,559)	10,186	07/13/2020
3133EGSA4	FFCB BOND 1.32% DUE 08/24/2020		08/02/2019	Merrill Lynch	X X X	990,120	1,000,000	1,004,500	1,001,930		(682)		(682)		1,001,248		(11,128)	(11,128)	12,393	08/24/2020
3133EGMN2	FFCB BOND 1.320% 07/20/20		08/12/2019	Merrill Lynch	X X X	743,100	750,000	751,530	750,602		(237)		(237)		750,364		(7,264)	(7,264)	10,230	07/20/2020
3133EA2N7	FFCB BOND 1.375% DUE 09/26/2019		09/26/2019	MATURITY	X X X	1,000,000	1,000,000	1,004,875	1,000,532		(532)		(532)		1,000,000				13,750	09/26/2019
3133EGWZ4	FFCB BOND 1.42% DUE 10/04/2021		08/02/2019	Merrill Lynch	X X X	789,264	800,000	802,000	801,117		(234)		(234)		800,883		(11,619)	(11,619)	9,404	10/04/2021
3133EGMP7	FFCB BOND 1.440% DUE 01/19/21		08/02/2019	Merrill Lynch	X X X	742,680	750,000	752,250	751,040		(295)		(295)		750,746		(8,066)	(8,066)	11,190	01/19/2021
3133EAQY7	FFCB BOND 1.550% DUE 05/16/2019		05/16/2019	MATURITY	X X X	480,000	480,000	488,204	480,470		(470)		(470)		480,000				3,720	05/16/2019
3133EGEV3	FFCB BOND 1.620% DUE 06/14/2021		08/02/2019	Merrill Lynch	X X X	742,770	750,000	757,125	753,623		(857)		(857)		752,766		(9,996)	(9,996)	7,695	06/14/2021
3133EHEN9	FFCB bond 1.67% due 4-3-2020		08/02/2019	Merrill Lynch	X X X	1,991,230	2,000,000	2,007,270	2,003,339		(1,556)		(1,556)		2,001,783		(10,553)	(10,553)	27,880	04/03/2020
3133EGDH5	FFCB BOND 1.690% DUE 06/02/2021		08/02/2019	Merrill Lynch	X X X	991,535	1,000,000	1,009,500	1,004,814		(1,154)		(1,154)		1,003,660		(12,125)	(12,125)	11,267	06/02/2021
3133EHZV8	FFCB BOND 1.70% DUE 09/25/2020		08/02/2019	Merrill Lynch	X X X	745,935	750,000	750,923	750,551		(186)		(186)		750,365		(4,430)	(4,430)	36,373	09/25/2020
3133EHR70	FFCB BOND 1.74% DUE 02/14/2020		08/02/2019	Merrill Lynch	X X X	468,082	470,000	467,941	468,864		592		592		469,456		(1,374)	(1,374)	7,905	02/14/2020
3133EHW74	FFCB BOND 1.78% DUE 11/27/2019		11/21/2019	MATURITY	X X X	99,000	99,000	98,676	98,838		162		162		99,000				1,733	11/27/2019
3133EHT78	FFCB BOND 1.83% DUE 05/20/2020		12/04/2019	CALLED @ 100.0000000	X X X	155,000	155,000	154,664	154,795		136		136		154,931		68	68	2,947	05/20/2020
3133EHNB5	FFCB BOND 1.87% DUE 06/14/2021		08/12/2019	Merrill Lynch	X X X	746,385	750,000	744,735	746,145		941		941		747,086		(701)	(701)	8,883	06/14/2021
3133EHUS0	FFCB BOND 1.875% DUE 08/16/2021		08/02/2019	Merrill Lynch	X X X	552,297	555,000	555,000	555,000						555,000		(2,703)	(2,703)	10,002	08/16/2021
3133EHGH0	FFCB BOND 1.91% DUE 01/20/2021		08/02/2019	Merrill Lynch	X X X	746,858	750,000	748,133	748,702		366		366		749,067		(2,210)	(2,210)	14,803	01/20/2021
3133EG4F9	FFCB BOND 1.930% DUE 01/19/2021		08/02/2019	Merrill Lynch	X X X	596,766	600,000	603,000	601,819		(513)		(513)		601,305		(4,539)	(4,539)	11,998	01/19/2021
3133EG6N0	FFCB BOND 1.94% DUE 02/09/2021		11/22/2019	CALLED @ 100.0000000	X X X	2,000,000	2,000,000	2,003,500	2,001,868		(796)		(796)		2,001,072		(1,072)	(1,072)	49,901	02/09/2021
3133EHLR9	FFCB BOND 2.00% DUE 07/19/2021		11/22/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,006,650	1,004,369		(1,512)		(1,512)		1,002,857		(2,857)	(2,857)	26,833	07/19/2021
3133EHD83	FFCB BOND 2.00% DUE 10/05/2021		11/22/2019	CALLED @ 100.0000000	X X X	345,000	345,000	345,776	345,546		(174)		(174)		345,373		(373)	(373)	7,801	10/05/2021
3133EHGS6	FFCB bond 2.03% due 04-25-22		11/26/2019	CALLED @ 100.0000000	X X X	2,000,000	2,000,000	2,007,505	2,005,101		(1,353)		(1,353)		2,003,748		(3,748)	(3,748)	44,096	04/25/2022
3133EHJY0	FFCB bond 2.07% due 05-23-22		11/27/2019	CALLED @ 100.0000000	X X X	2,000,000	2,000,000	2,007,005	2,004,818		(1,243)		(1,243)		2,003,575		(3,575)	(3,575)	41,860	05/23/2022
3133EHS20	FFCB BOND 2.09% DUE 11/15/2021		11/08/2019	CALLED @ 100.0000000	X X X	500,000	500,000	498,345	498,729		372		372		499,101		899	899	10,247	11/15/2021
3133EHSB0	FFCB BOND 2.10% DUE 07/25/2022		11/25/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,004,200	1,003,064		(760)		(760)		1,002,304		(2,304)	(2,304)	28,000	07/25/2022
3133EHZ44	FFCB BOND 2.10% DUE 09/26/2022		11/22/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				24,267	09/26/2022
3133EHKQ5	FFCB BOND 2.14% DUE 11/25/2022		10/17/2019	CALLED @ 100.0000000	X X X	3,700,000	3,700,000	3,681,836	3,685,486		2,844		2,844		3,688,330		11,670	11,670	70,822	11/25/2022
3133EHCN1	FFCB Bond 2.14% due 3-16-2021		08/02/2019	Merrill Lynch	X X X	988,218	990,000	997,673	994,458		(1,165)		(1,165)		993,293		(5,075)	(5,075)	18,597	03/16/2021
3133EFQ26	FFCB Bond 2.15% due 09-21-2022		11/21/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	999,900	999,907		20		20		999,927		73	73	25,083	09/21/2022
3133EHE58	FFCB BOND 2.16% DUE 10/11/2022		10/17/2019	CALLED @ 100.0000000	X X X	2,400,000	2,400,000	2,398,211	2,398,532		316		316		2,398,848		1,152	1,152	52,704	10/11/2022
3133EHS38	FFCB BOND 2.23% DUE 11/15/2022		09/04/2019	VARIOUS	X X X	5,000,000	5,000,000	4,987,945	4,990,393		9,577		9,577		4,999,970		30	30	89,510	11/15/2022
3133EH4J9	FFCB BOND 2.39% DUE 12/27/2022		08/26/2019	CALLED @ 100.0000000	X X X	750,000	750,000	750,000	750,000						750,000				11,900	12/27/2022
3133EJAY5	FFCB BOND 2.62% DUE 01/30/2023		06/18/2019	MATURITY	X X X	2,000,000	2,000,000	1,993,860	1,995,392		4,608		4,608		2,000,000				46,287	01/30/2023
3133EJAZ2	FFCB BOND 2.66% DUE 01/30/2023		07/03/2019	MATURITY	X X X	2,500,000	2,500,000	2,500,000	2,500,000						2,500,000				61,513	01/30/2023
3133EJYX1	FFCB BOND 2.82% DUE 03/04/2021		04/02/2019	Merrill Lynch	X X X	1,000,000	1,000,000	999,500	999,529		53		53		999,582		418	418	16,293	03/04/2021
3133EJZD4	FFCB BOND 2.96 DUE 09/13/2021		02/08/2019	Merrill Lynch	X X X	1,000,000	1,000,000	998,400	998,510		60		60		998,570		1,430	1,430	11,922	09/13/2021
3130AAEK0	FHLB 2.020% DUE: DEC 27, 2021		08/12/2019	Merrill Lynch	X X X	1,993,650	2,000,000	2,004,000	2,002,414		(489)		(489)		2,001,925		(8,275)	(8,275)	24,296	12/

# SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization/ Accretion)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date
3130ABHE9	FHLB BOND 1.41% DUE 09/12/2019		08/02/2019	Merrill Lynch	X X X	249,313	250,000	248,210	249,227		648		648		249,875		(562)	(562)	2,252	09/12/2019
3133813H6	FHLB BOND 1.43% DUE 10/29/19		10/29/2019	MATURITY	X X X	300,000	300,000	301,205	300,147		(147)		(147)		300,000				4,290	10/29/2019
3130A9MH1	FHLB BOND 1.47% DUE 09/30/2021		08/02/2019	Merrill Lynch	X X X	98,556	100,000	100,250	100,137		(29)		(29)		100,108		(1,552)	(1,552)	1,233	09/30/2021
3133782M2	FHLB BOND 1.50% DUE 03/08/2019		03/08/2019	MATURITY	X X X	2,500,000	2,500,000	2,526,728	2,500,428		(428)		(428)		2,500,000				18,750	03/08/2019
3133812C8	FHLB BOND 1.50% DUE 05/08/2020		08/02/2019	Merrill Lynch	X X X	745,463	750,000	753,188	750,598		(260)		(260)		750,338		(4,875)	(4,875)	8,250	05/08/2020
3130ACM92	FHLB BOND 1.50% DUE 10/21/2019		10/21/2019	MATURITY	X X X	1,700,000	1,700,000	1,695,569	1,698,089		1,911		1,911		1,700,000				25,500	10/21/2019
3130A8KL6	FHLB BOND 1.54% DUE 07/07/2021		08/02/2019	Merrill Lynch	X X X	98,763	100,000	100,700	100,376		(87)		(87)		100,289		(1,526)	(1,526)	1,647	07/07/2021
313380WC7	FHLB BOND 1.60% DUE 10/22/2020		08/02/2019	Merrill Lynch	X X X	273,114	275,000	275,963	275,227		(74)		(74)		275,154		(2,040)	(2,040)	3,422	10/22/2020
3130A8FC2	FHLB BOND 1.620% DUE 06/14/2021		08/02/2019	Merrill Lynch	X X X	396,528	400,000	403,800	401,932		(457)		(457)		401,475		(4,947)	(4,947)	4,104	06/14/2021
3130ABVU7	FHLB BOND 1.625% DUE 07/27/2020		08/02/2019	Merrill Lynch	X X X	697,039	700,000	702,450	701,318		(487)		(487)		700,831		(3,792)	(3,792)	11,533	07/27/2020
313379EE5	FHLB BOND 1.625% DUE 06/14/19		06/14/2019	MATURITY	X X X	380,000	380,000	388,707	380,597		(597)		(597)		380,000				3,088	06/14/2019
3130ABNQ5	FHLB BOND 1.625% DUE 06/26/2020		08/02/2019	Merrill Lynch	X X X	596,742	600,000	600,804	600,452		(180)		(180)		600,272		(3,530)	(3,530)	5,850	06/26/2020
3130ACRR7	FHLB BOND 1.72% DUE 11/27/2019		08/02/2019	Merrill Lynch	X X X	498,785	500,000	498,665	499,333		427		427		499,760		(975)	(975)	5,853	11/27/2019
3130ACTL8	FHLB BOND 1.95% DUE 11/25/2020		08/02/2019	Merrill Lynch	X X X	777,364	780,000	778,128	778,722		384		384		779,106		(1,743)	(1,743)	10,436	11/25/2020
3130ACKK9	FHLB BOND 2.00% DUE 04/25/2022		10/25/2019	CALLED @ 100.0000000	X X X	1,915,000	1,915,000	1,915,005	1,914,972		24		24		1,914,996		4	4	38,300	04/25/2022
3130ACV66	FHLB BOND 2.00% DUE 11/25/2020		11/25/2019	CALLED @ 100.0000000	X X X	1,250,000	1,250,000	1,249,375	1,249,583		201		201		1,249,784		216	216	25,000	11/25/2020
3130ACKL7	FHLB BOND 2.15% DUE 10/19/2022		12/02/2019	CALLED @ 100.0000000	X X X	775,000	775,000	772,680	773,166		430		430		773,596		1,404	1,404	18,653	10/19/2022
3130ACKD5	FHLB BOND 2.25% DUE 10/24/2022		10/24/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,003,000	1,002,310		(466)		(466)		1,001,844		(1,844)	(1,844)	22,500	10/24/2022
3130ACH64	FHLB BOND 2.25% DUE 10/26/2022		10/28/2019	CALLED @ 100.0000000	X X X	3,000,000	3,000,000	2,992,500	2,994,051		1,275		1,275		2,995,325		4,675	4,675	67,500	10/26/2022
3130ACH72	FHLB BOND 2.26% DUE 10/04/2022		10/04/2019	CALLED @ 100.0000000	X X X	3,000,000	3,000,000	2,996,400	2,997,108		603		603		2,997,710		2,289	2,289	67,800	10/04/2022
3133EHPD5	FHLB BOND 2.27% DUE 03/23/2022		08/19/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,006,005	1,003,935		(748)		(748)		1,003,187		(3,187)	(3,187)	20,556	03/23/2022
3130A0JR2	FHLB BOND 2.375% DUE 12/13/2019		12/13/2019	MATURITY	X X X	1,000,000	1,000,000	1,004,853	1,002,710		(2,710)		(2,710)		1,000,000				23,750	12/13/2019
3130AEVW6	FHLB BOND 3% DUE 09/28/2023		03/28/2019	Merrill Lynch	X X X	750,000	750,000	749,625	749,619		16		16		749,635		365	365	11,250	09/28/2023
3130AFB71	FHLB BOND 3.05% DUE 11/02/2020		05/02/2019	Merrill Lynch	X X X	1,000,000	1,000,000	1,002,400	1,002,231		(389)		(389)		1,001,842		(1,842)	(1,842)	15,419	11/02/2020
3130AFCN5	FHLB BOND 3.20% DUE 11/15/2021		11/15/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,003,400	1,003,255		(945)		(945)		1,002,309		(2,309)	(2,309)	32,000	11/15/2021
3134GB3W0	FHLM BOND 2.15% DUE 11/24/2021		11/25/2019	CALLED @ 100.0000000	X X X	3,000,000	3,000,000	2,997,000	2,997,763		699		699		2,998,462		1,538	1,538	64,500	11/24/2021
3134GBX80	FHLM BOND 2.30% DUE 11/14/2022		08/14/2019	CALLED @ 100.0000000	X X X	3,000,000	3,000,000	2,997,420	2,997,910		305		305		2,998,215		1,785	1,785	51,750	11/14/2022
3136G17C7	FNMA NTS 1.25% DUE 06/27/2019		06/27/2019	MATURITY	X X X	500,000	500,000	494,716	497,908		2,093		2,093		500,000				3,125	06/27/2019
36295FCD4	GNMA PL 668868X		09/15/2019	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,969	25,779		(779)		(779)		25,000				938	09/15/2038
36234CWA9	GNMA POOL 425582 UNIT 97		04/20/2019	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,275	25,724		(724)		(724)		25,000				542	02/15/2026
36234CX42	GNMA POOL 425583 UNIT 98		07/15/2019	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,275	25,705		(705)		(705)		25,000					10/15/2025
36235QRM7	GNMA POOL 487543 UNIT		02/15/2019	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,825	25,495		(495)		(495)		25,000				271	02/15/2027
36235TPX9	GNMA POOL 498826 UNIT 98		05/20/2019	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,300	25,870		(870)		(870)		25,000				677	11/15/2028
912828ST8	US TREASURY NOTE 1.25% DUE 4/30/19		04/30/2019	MATURITY	X X X	1,500,000	1,500,000	1,496,912	1,499,357		643		643		1,500,000				9,375	04/30/2019
38378TQ37	GNMA CMO 2013 2.75% DUE 06/20/43		12/20/2019	MATURITY	X X X	17,486	17,486	17,792	17,752		(267)		(267)		17,486				280	06/20/2043
0599999 Subtotal - Bonds - U.S. Governments						97,054,361	97,203,692	97,230,278	97,185,499		25,472		25,472		97,210,968		(156,608)	(156,608)	1,656,517	X X X
<b>Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)</b>																				
041042VP4	ARKANSAS ST 5% 10/01/2019		10/01/2019	MATURITY	X X X	250,000	250,000	280,360	257,550		(7,550)		(7,550)		250,000				12,500	10/01/2019
09158ZD1	BISMARCK ND & IMPT 5% DUE 05/01/19		05/01/2019	MATURITY	X X X	300,000	300,000	338,907	303,857		(3,857)		(3,857)		300,000				7,500	05/01/2019
167593TW2	CHICAGO ILL OHAR 5.000% JAN 1,2019		01/01/2019	MATURITY	X X X	1,000,000	1,000,000	1,079,030	1,000,000						1,000,000				25,000	01/01/2019
249182JS6	DENVER CITY&CNT 5.000% NOV 15,2019		11/15/2019	MATURITY	X X X	500,000	500,000	551,320	515,364		(15,364)		(15,364)		500,000				25,000	11/15/2019
29270CZ65	ENERGY NORTHWEST BOND 5% 7/01/2023		08/08/2019	Merrill Lynch	X X X	690,360	600,000	680,676	671,086		(9,131)		(9,131)		661,955		28,405	28,405	33,083	07/01/2023
36829QAA3	GDB RECOV COMWLTH PR 7.5% 8/20/40		01/23/2019	Merrill Lynch	X X X	199,755	276,000	184,920	184,935		33		33		184,969		14,786	14,786	3,163	08/20/2040
419787GG5	HAWAII ST 5% DUE 06/01/2019		06/01/2019	MATURITY	X X X	500,000	500,000	559,650	509,031		(9,031)		(9,031)		500,000				12,500	06/01/2019
446457WD1	HUNTINGTON NY PUB 2% DUE 12/01/19		12/01/2019	MATURITY	X X X	250,000	250,000	258,640	252,023		(2,023)		(2,023)		250,000				5,000	12/01/2019
452152BH3	ILLINOIS ST 3.321% DUE 02/01/19		02/01/2019	MATURITY	X X X	205,000	205,000	227,076	205,326		(326)		(326)		205,000				5,497	02/01/2019
4952894B3	KING CNTY WASH 5% DUE 07/01/2023		08/08/2019	Merrill Lynch	X X X	863,010	750,000	848,423	842,535		(11,910)		(11,910)		830,626		32,384	32,384	41,354	07/01/2023
534272F53	LINCOLN NEB ELEC SYS 5% 09/01/19		09/01/2019	MATURITY	X X X	500,000	500,000	563,715	514,270		(14,270)		(14,270)		500,000				25,000	09/01/2019
5463985U8	LOUISIANA PUB 5% 12/15/2019		12/19/2019	MATURITY	X X X	500,000	500,000	553,950	516,945		(16,945)		(16,945)		500,000				25,000	12/19/2019
568571CG6	MARION-CLACKAMAS 4% DUE 06/15/2019		06/15/2019	MATURITY	X X X	500,000	500,000	546,160	507,482		(7,482)		(7,482)		500,000				10,000	06/15/2019

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization/ Accretion)	13 Current Year's Other-Than- Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
68608U2G0	OREGON ST HIGHER 5% 08/01/2019		08/01/2019	MATURITY	X X X	250,000	250,000	278,733	255,906		(5,906)		(5,906)		250,000					12,500	08/01/2019
70914PLX8	PENNSYLVANIA ST 1.217% DUE 2/15/19		02/15/2019	MATURITY	X X X	215,000	215,000	261,064	215,899		(899)		(899)		215,000					5,375	02/15/2019
721799E34	PIMA CNTY ARIZ 4% DUE 07/01/2019		07/01/2019	MATURITY	X X X	500,000	500,000	544,100	507,814		(7,814)		(7,814)		500,000					20,000	07/01/2019
764603BC9	RICHMOND CNTY 4% DUE 01/01/2019		01/01/2019	MATURITY	X X X	500,000	500,000	531,635	500,000						500,000					10,000	01/01/2019
837151LV9	SOUTH CAROLINA ST 5% 01/01/2019		01/01/2019	MATURITY	X X X	250,000	250,000	272,400	250,000						250,000					6,250	01/01/2019
882854XF4	TEXAS WTR 5% DUE 04/15/2019		04/15/2019	MATURITY	X X X	250,000	250,000	275,010	252,918		(2,918)		(2,918)		250,000					6,250	04/15/2019
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)					11,853,958	11,501,000	12,597,945	11,870,826		(159,804)		(159,804)		11,711,024		142,936		142,936	421,930	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
06051GFW4	BANK OF AMERICA CORP 2.625 4/19/21		08/07/2019	Merrill Lynch	X X X	1,007,850	1,000,000	982,030	983,623		4,145		4,145		987,768		20,082		20,082	21,000	04/19/2021
46625HKA7	JP MORGAN CHASE 2.25% DUE 01/23/20		12/23/2019	CALLED @ 100.0000000	X X X	1,000,000	1,000,000	1,000,900	1,000,438		(411)		(411)		1,000,027		(27)		(27)	31,875	01/23/2020
89236TBP9	TOYOTA MOTOR CREDIT 2.125% 7/18/19		07/18/2019	MATURITY	X X X	1,000,000	1,000,000	1,001,900	1,000,627		(627)		(627)		1,000,000					21,250	07/18/2019
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,007,850	3,000,000	2,984,830	2,984,688		3,107		3,107		2,987,795		20,055		20,055	74,125	X X X
8399997	Subtotal - Bonds - Part 4					111,916,169	111,704,692	112,813,053	112,041,013		(131,225)		(131,225)		111,909,787		6,383		6,383	2,152,572	X X X
8399998	Summary Item from Part 5 for Bonds					26,200,000	26,200,000	26,192,150			163		163		26,192,313		7,687		7,687	199,824	X X X
8399999	Subtotal - Bonds					138,116,169	137,904,692	139,005,203	112,041,013		(131,062)		(131,062)		138,102,100		14,070		14,070	2,352,396	X X X
9999999	Totals					138,116,169	X X X	139,005,203	112,041,013		(131,062)		(131,062)		138,102,100		14,070		14,070	2,352,396	X X X

## SCHEDULE D - PART 5

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

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N Date Acquired	4 Name of Vendor	5 Disposal Date	6 Name of Purchaser	7 Par Value (Bonds) or Number of Shares (Stock)	8 Actual Cost	9 Consider- ation	10 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
										12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 12+ 13-14)	16 Total Foreign Exchange Change in B./A.C.V.					
<b>Bonds - U.S. Governments</b>																			
3133EK62	FFCB BOND 2.10% DUE 02/21/2023	08/21/2019	Merrill Lynch	12/19/2019	100.0000000	3,000,000	2,998,500	3,000,000	2,998,598		98		98			1,402	1,402	20,650	
3133EKSS6	FFCB BOND 2.25% DUE 12/27/2022	06/27/2019	Merrill Lynch	11/08/2019	100.0000000	5,000,000	5,000,000	5,000,000	5,000,000									40,938	
3133EKUR5	FFCB BOND 2.28% DUE 04/11/2022	07/11/2019	Merrill Lynch	10/17/2019	100.0000000	4,000,000	4,000,000	4,000,000	4,000,000									24,320	
3133EKTR7	FFCB BOND 2.370% DUE 07/03/2023	07/10/2019	Merrill Lynch	10/09/2019	100.0000000	4,400,000	4,393,400	4,400,000	4,393,715		315		315			6,285	6,285	27,808	2,028
3133EKPA8	FFCB BOND 2.57% DUE 12/05/2022	06/06/2019	Merrill Lynch	09/05/2019	MATURITY	1,000,000	1,000,000	1,000,000	1,000,000									6,425	71
3133EKPF7	FFCB BOND 2.58% DUE 03/06/2023	06/24/2019	Merrill Lynch	09/06/2019	MATURITY	5,000,000	5,002,500	5,000,000	5,000,000		(2,500)		(2,500)					32,250	6,450
3133EJ5E5	FFCB BOND 2.68% DUE 01/25/2021	01/15/2019	Merrill Lynch	07/15/2019	MATURITY	3,000,000	2,997,750	3,000,000	3,000,000		2,250		2,250					40,200	
3133EJ7J2	FFCB BOND 2.69% DUE 08/13/2021	02/13/2019	Merrill Lynch	06/14/2019	MATURITY	800,000	800,000	800,000	800,000									7,233	120
0599999 Subtotal - Bonds - U.S. Governments						26,200,000	26,192,150	26,200,000	26,192,313		163		163			7,687	7,687	199,824	8,669
8399998 Subtotal - Bonds						26,200,000	26,192,150	26,200,000	26,192,313		163		163			7,687	7,687	199,824	8,669
9999999 Totals							26,192,150	26,200,000	26,192,313		163		163			7,687	7,687	199,824	8,669

## SCHEDULE D - PART 6 - SECTION 1

### Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code	5 ID Number	6 NAIC Valuation Method	7 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	8 Total Amount of Such Intangible Assets	9 Book/Adjusted Carrying Value	10 Nonadmitted Amount	Stock of Such Company Owned by Insurer on Statement Date		
										11 Number of Shares	12 % of Outstanding	
1999999 Total - Preferred and Common Stocks .....											X X X	X X X

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.  
 2. Total amount of intangible assets nonadmitted \$.....0.

## SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
0399999 Total - Preferred and Common Stocks .....				X X X	X X X

# SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest						20 Paid For Accrued Interest
	2 Code	3 For- eign					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other-Than- Temporary Impairment Recognized	11 Total Foreign Exchange Change in B./A.C.V.			14 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 When Paid	19 Amount Received During Year	
<b>Bonds - U.S. Governments - Issuer Obligations</b>																			
US TREASURY BILL DUE 02/03/2020	@		10/10/2019	UBS Financial Services	02/13/2020	2,129,219		7,255			2,133,000	2,121,964				1.522	N/A		
US TREASURY BILL DUE 03/12/2020	@		09/13/2019	UBS Financial Services	03/12/2020	4,035,996		21,116			4,050,000	4,014,880				1.759	N/A		
US TREASURY BILL DUE 05/21/2020	@		06/25/2019	UBS Financial Services	05/21/2020	2,978,883		27,600			3,000,000	2,951,283				1.823	N/A		
0199999 Subtotal - Bonds - U.S. Governments - Issuer Obligations						9,144,098		55,971			9,183,000	9,088,127				X X X	X X X	X X X	
0599999 Subtotal - Bonds - U.S. Governments						9,144,098		55,971			9,183,000	9,088,127				X X X	X X X	X X X	
6599999 Subtotal - Bonds - Unaffiliated Bank Loans																X X X	X X X	X X X	
7699999 Subtotal - Bonds - Issuer Obligations						9,144,098		55,971			9,183,000	9,088,127				X X X	X X X	X X X	
8399999 Total Bonds						9,144,098		55,971			9,183,000	9,088,127				X X X	X X X	X X X	
8699999 Total - Parent, Subsidiaries and Affiliates											X X X					X X X	X X X	X X X	
9199999 Total Short-Term Investments						9,144,098		55,971			X X X	9,088,127				X X X	X X X	X X X	

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

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

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

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

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

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

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

E24 Schedule DB - Part E - Derivatives Hedging Variable Annuity Guarantees . . . . NONE

E25 Schedule DL - Part 1 - Securities Lending Collateral Assets . . . . . NONE

E26 Schedule DL - Part 2 - Securities Lending Collateral Assets . . . . . NONE

## SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
<b>open depositories</b>						
Banco Popular .....			1,572,810		36,548,945	X X X
UBS Financial Services .....			1,914		10,390,187	X X X
Merril Lynch .....			21,281		1,526,118	X X X
Merril Lynch .....					250,000	X X X
Envision .....					13,595,952	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....						
		X X X				X X X
0199999 Totals - Open Depositories .....		X X X	1,596,005		62,311,202	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....						
		X X X				X X X
0299999 Totals - Suspended Depositories .....		X X X				X X X
0399999 Total Cash On Deposit .....		X X X	1,596,005		62,311,202	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X		X X X
0599999 Total Cash .....		X X X	1,596,005		62,311,202	X X X

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

1. January .....	89,805,931	4. April .....	40,175,488	7. July .....	77,130,113	10. October .....	101,592,512
2. February .....	64,084,927	5. May .....	233,098,618	8. August .....	250,913,288	11. November .....	214,346,716
3. March .....	46,100,220	6. June .....	89,947,418	9. September .....	115,833,809	12. December .....	62,311,202

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Bonds - U.S. Governments - Issuer Obligations</b>								
	US TREASURY BILL DUE 01/30/2020 .....		12/19/2019 .....	0.000 .....	01/30/2020 .....	4,669,144 .....		2,419 .....
	US TREASURY BILL DUE 02/03/2020 .....		12/05/2019 .....	0.000 .....	02/13/2020 .....	154,720 .....		173 .....
	US TREASURY BILL DUE 01/07/2020 .....		12/10/2019 .....	0.000 .....	01/07/2020 .....	4,998,728 .....		4,448 .....
	US TREASURY BILL DUE 02/04/2020 .....		12/12/2019 .....	0.000 .....	02/04/2020 .....	14,833,094 .....		12,435 .....
0199999	Subtotal - Bonds - U.S. Governments - Issuer Obligations .....					24,655,686 .....		19,475 .....
0599999	Subtotal - Bonds - U.S. Governments .....					24,655,686 .....		19,475 .....
7699999	Subtotal - Bonds - Issuer Obligations .....					24,655,686 .....		19,475 .....
8399999	Subtotal - Bonds .....					24,655,686 .....		19,475 .....
8899999	Total Cash Equivalents .....					24,655,686 .....		19,475 .....

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For		All Other Special Deposits	
				the Benefit of All Policyholders		5 Book/Adjusted Carrying Value	6 Fair Value
				3 Book/Adjusted Carrying Value	4 Fair Value		
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)	C	Statutory Deposit Requirement	600,000	600,000		
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CAN)						
58.	Aggregate Alien and Other (OT)	X X X	X X X				
59.	TOTAL	X X X	X X X	600,000	600,000		
<b>DETAILS OF WRITE-INS</b>							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				



# SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended DECEMBER 31, 2019  
(To be filed by March 1)

## PART 1 - INTERROGATORIES

1. Is the reporting insurer is a member of a group of insurers or other holding company system? Yes[ ] No[X]  
 If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group: Yes[ ] No[X]  
 or 2) allocation to each insurer: Yes[ ] No[X]
  
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes[ ] No[X]
  
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes[ ] No[X]

## PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	3	4	5	6	7	8	9	10
Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Sign-on Payments	Severance Payments	All Other Compensation	Totals
1. Current Principal Executive Officer .....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
2. Current Principal Financial Officer .....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
3. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
4. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
5. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
6. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
7. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
8. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
9. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....
10. ....	2019 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2018 .....	.....	.....	.....	.....	.....	.....	.....	.....
.....	2017 .....	.....	.....	.....	.....	.....	.....	.....	.....

NONE

## PART 3 - DIRECTOR COMPENSATION

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

NONE

## PART 4 NARRATIVE DESCRIPTION OF MATERIAL FACTORS

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



# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended DECEMBER 31, 2019  
(To Be Filed by April 1)

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

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ ..... 416,587,855

1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01 Banco Popular de Puerto Rico .....	Cash .....	35,941,445	8.628
2.02 Blackrock Multi Asset .....	Mutual Fund .....	2,405,913	0.578
2.03 Baltimore MD Rev .....	Bond .....	1,098,047	0.264
2.04 California ST .....	Bond .....	1,096,917	0.263
2.05 Montgomery Cnty .....	Bond .....	1,095,203	0.263
2.06 New Hampshire .....	Bond .....	1,095,051	0.263
2.07 University Tex .....	Bond .....	1,087,637	0.261
2.08 Minneapolis Min .....	Bond .....	1,070,850	0.257
2.09 North Carolina .....	Bond .....	1,054,460	0.253
2.10 Main Mun .....	Bond .....	1,038,600	0.249

NAIC Designation	1 Amount	2 Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.		
<b>Bonds</b>		
3.01 NAIC 1 .....	203,616,099	48.877
3.02 NAIC 2 .....		
3.03 NAIC 3 .....		
3.04 NAIC 4 .....		
3.05 NAIC 5 .....		
3.06 NAIC 6 .....		
<b>Preferred Stocks</b>		
3.07 P/RP-1 .....		
3.08 P/RP-2 .....		
3.09 P/RP-3 .....		
3.10 P/RP-4 .....		
3.11 P/RP-5 .....		
3.12 P/RP-6 .....		

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

Ten Largest Fund Managers			
1 Fund Manager	2 Total Invested	3 Diversified	4 Non-Diversified
14.06 .....			
14.07 .....			
14.08 .....			
14.09 .....			
14.10 .....			
14.11 .....			
14.12 .....			
14.13 .....			
14.14 .....			
14.15 .....			

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[ ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

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

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

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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



# ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only

For The Year Ended DECEMBER 31, 2019

NAIC Group Code: 1301

(To Be Filed By April 1)

NAIC Company Code: 13022

Supps

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

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

Supp10

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS (Continued)</b>							
<b>9. Disability Income - Long-Term</b>							
9.1. With Contract Reserves .....							
9.2. Without Contract Reserves .....							
9.3. Subtotal .....							
<b>10. Long-Term Care</b>							
10.1. With Contract Reserves .....							
10.2. Without Contract Reserves .....							
10.3. Subtotal .....							
<b>11. Medicare Supplement (Medigap)</b>							
11.1. With Contract Reserves .....							
11.2. Without Contract Reserves .....							
11.3. Subtotal .....							
<b>12. Dental</b>							
12.1. With Contract Reserves .....							
12.2. Without Contract Reserves .....							
12.3. Subtotal .....							
<b>13. State Children's Health Insurance Program</b>							
13.1. With Contract Reserves .....							
13.2. Without Contract Reserves .....							
13.3. Subtotal .....							
<b>14. Medicare</b>							
14.1. With Contract Reserves .....	1,831,224,587	1,422,384,375		77.7	168,409	168,409	2,076,830
14.2. Without Contract Reserves .....							
14.3. Subtotal .....	1,831,224,587	1,422,384,375		77.7	168,409	168,409	2,076,830
<b>15. Medicaid</b>							
15.1. With Contract Reserves .....							
15.2. Without Contract Reserves .....							
15.3. Subtotal .....							
<b>16. Medicare Part D - Stand-Alone</b>							
16.1. With Contract Reserves .....							
16.2. Without Contract Reserves .....							
16.3. Subtotal .....							
<b>17. Other Individual Business</b>							
17.1. With Contract Reserves .....							
17.2. Without Contract Reserves .....							
17.3. Subtotal .....							
<b>18. Total Individual Business</b>							
18.1. With Contract Reserves .....	1,831,224,587	1,422,384,375		77.7	168,409	168,409	2,076,830
18.2. Without Contract Reserves .....							
<b>19. Grand Total Individual</b>	<b>1,831,224,587</b>	<b>1,422,384,375</b>		<b>77.7</b>	<b>168,409</b>	<b>168,409</b>	<b>2,076,830</b>

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>B. GROUP BUSINESS</b>							
<b>Comprehensive Major Medical</b>							
<b>1. Single Employer</b>							
1.1. Small Employer .....							
1.2. Other Employer .....							
1.3. Single Employer Subtotal .....							
2. Multiple Employer Assns and Trusts .....							
3. Other Associations and Discretionary Trusts .....							
4. Other Comprehensive Major Medical .....							
5. Comprehensive/Major Medical Subtotal .....							
<b>Other Medical (Non-Comprehensive)</b>							
6. Specified/Named Disease .....							
7. Limited Benefit .....							
8. Student .....							
9. Accident Only or AD&D .....							
10. Disability Income - Short-Term .....							
11. Disability Income - Long-Term .....							
12. Long-Term Care .....							
13. Medicare Supplement (Medigap) .....							
14. Federal Employees Health Benefits Plans .....							
15. Tricare .....							
16. Dental .....							
17. Medicare .....							
18. Medicare Part D - Stand-Alone .....							
19. Other Group Care .....							
20. GRAND TOTAL Group Business .....							
<b>C. OTHER BUSINESS</b>							
1. Credit (Individual and Group) .....							
2. Stop Loss/Excess Loss .....							
3. Administrative Services Only .....	X X X	X X X	X X X	X X X			
4. Administrative Services Contracts .....	X X X	X X X	X X X	X X X			
5. GRAND TOTAL Other Business .....							
<b>D. TOTAL BUSINESS</b>							
1. TOTAL Non U.S. Policy Forms .....							
2. GRAND TOTAL Individual, Group and Other Business .....	1,831,224,587	1,422,384,375		77.7	168,409	168,409	2,076,830

Supp11

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

**PART 1 - INDIVIDUAL POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business .....	1,831,224,587	1,422,384,375		77.674
2. Other Forms Direct Business .....				
3. TOTAL Direct Business .....	1,831,224,587	1,422,384,375		77.674
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. TOTAL .....	1,831,224,587	1,422,384,375		77.674

**PART 2 - GROUP POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. TOTAL Direct Business .....	<b>NONE</b>			
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. TOTAL .....				

**PART 3 - CREDIT POLICIES (Individual and Group) SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. TOTAL Direct Business .....	<b>NONE</b>			
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. TOTAL .....				

**PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business .....	1,831,224,587	1,422,384,375		77.674
2. Other Forms Direct Business .....				
3. TOTAL Direct Business .....	1,831,224,587	1,422,384,375		77.674
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. TOTAL .....	1,831,224,587	1,422,384,375		77.674



**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT  
For The Year Ended DECEMBER 31, 2019**

**(To be filed by March 1)  
FOR THE STATE OF PUERTO RICO**

NAIC Group Code: 1301

NAIC Company Code: 13022

Address (City, State and Zip Code): San Juan, PR 00917

Person Completing This Exhibit:

Title:

Telephone Number:

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2016				Policies Issued in 2017, 2018, 2019			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
<b>NONE</b>																	
0299999 Total Experience on Group Policies .....																	

GENERAL INTERROGATORIES

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

Suppl 13 Puerto Rico



**NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**  
**SCHEDULE SIS**

**STOCKHOLDER INFORMATION SUPPLEMENT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

**(To Be Filed by March 1)**

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

TO ANNUAL STATEMENT OF THE

**MCS Advantage Inc.**

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COMPANY

**Supp15 SIS Financial Reporting ..... NONE**

**Supp16 SIS Inform. - Management and Directors ..... NONE**

## STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

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

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

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

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

If answer is "yes" explain:



## Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 1301

(To be Filed By March 1)

NAIC Company Code: 13022

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		X X X		X X X	
1.12 Without Reinsurance Coverage		X X X		X X X	
1.13 Risk-Corridor Payment Adjustments		X X X		X X X	
1.2 Supplemental Benefits		X X X		X X X	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		X X X		X X X	X X X
2.12 Without Reinsurance Coverage		X X X		X X X	X X X
2.2 Supplemental Benefits		X X X		X X X	X X X
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		X X X		X X X	X X X
3.12 Without Reinsurance Coverage		X X X		X X X	X X X
3.2 Supplemental Benefits		X X X		X X X	X X X
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable		X X X		X X X	X X X
4.2 Payable		X X X		X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		X X X		X X X	X X X
5.12 Without Reinsurance Coverage		X X X		X X X	X X X
5.13 Risk-Corridor Payment Adjustments		X X X		X X X	X X X
5.2 Supplemental Benefits		X X X		X X X	X X X
6. TOTAL Premiums		X X X		X X X	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage		<b>NONE</b>		X X X	
7.12 Without Reinsurance Coverage		<b>NONE</b>		X X X	
7.2 Supplemental Benefits		<b>NONE</b>		X X X	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		X X X		X X X	X X X
8.12 Without Reinsurance Coverage		X X X		X X X	X X X
8.2 Supplemental Benefits		X X X		X X X	X X X
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		X X X		X X X	X X X
9.12 Without Reinsurance Coverage		X X X		X X X	X X X
9.2 Supplemental Benefits		X X X		X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		X X X		X X X	X X X
10.12 Without Reinsurance Coverage		X X X		X X X	X X X
10.2 Supplemental Benefits		X X X		X X X	X X X
11. TOTAL Claims		X X X		X X X	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of reimbursements applied	X X X		X X X		
12.2 Reimbursements Received but Not Applied - change	X X X		X X X		
12.3 Reimbursements Receivable - change	X X X		X X X		X X X
12.4 Healthcare Receivables - change	X X X		X X X		X X X
13. Aggregate Policy Reserves - change					X X X
14. Expenses Paid		X X X		X X X	
15. Expenses Incurred		X X X		X X X	X X X
16. Underwriting Gain/Loss		X X X		X X X	X X X
17. Cash Flow Result	X X X	X X X	X X X	X X X	



**LONG-TERM CARE EXPERIENCE REPORTING FORM 1  
ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY**

REPORTING YEAR 2019

(To Be Filed By April 1)

NAIC Group Code: 1301

NAIC Company Code: 13022

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

**NONE**

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**LONG-TERM CARE EXPERIENCE REPORTING FORM 2**  
**EXPERIENCE RESERVE VS. REPORTED RESERVE BY CALENDAR YEAR**  
 REPORTING YEAR 2019  
 (To Be Filed By April 1)

NAIC Group Code 1301

NAIC Company Code 13022

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

Supp21 Long Term Care Form 3 - Part A ..... NONE

Supp22 Long Term Care Form 3 - Part B ..... NONE

Supp23 Long Term Care Form 3 - Part C ..... NONE

Supp24 Long Term Care Form 4 ..... NONE

Supp25 Long Term Care Form 5 ..... NONE

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at [http://www.naic.org/documents/committees\\_e\\_app\\_blanks\\_related\\_shce\\_cautionary\\_statement.pdf](http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf))

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



NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2019

NAIC Company Code 13022

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	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)												1,836,226,250	1,836,226,250	X X X	1,836,226,250
1.2 Federal high risk pools														X X X	
1.3 State high risk pools														X X X	
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)												1,836,226,250	1,836,226,250	X X X	1,836,226,250
1.5 Federal taxes and federal assessments															
1.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)												42,057,515	42,057,515		42,057,515
1.6A Community Benefit Expenditures (informational only)												650,543	650,543		650,543
1.7 Regulatory authority licenses and fees												1,793,518,191	1,793,518,191	X X X	1,793,518,191
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)												1,793,518,191	1,793,518,191	X X X	1,793,518,191
1.9 Net assumed less ceded reinsurance premiums earned														X X X	
1.10 Other adjustments due to MLR calculations - Premiums														X X X	
1.11 Risk Revenue														X X X	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)												1,793,518,191	1,793,518,191	X X X	1,793,518,191
2. Claims:															
2.1 Incurred claims excluding prescription drugs												1,137,711,527	1,137,711,527	X X X	1,137,711,527
2.2 Prescription drugs												374,640,101	374,640,101	X X X	374,640,101
2.3 Pharmaceutical rebates												89,967,252	89,967,252	X X X	89,967,252
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														X X X	
3. Incurred medical incentive pools and bonuses												94,089,178	94,089,178	X X X	94,089,178
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)												334,859	334,859		334,859
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)												1,516,473,553	1,516,473,553	X X X	1,516,473,553
5.1 Net assumed less ceded reinsurance claims incurred														X X X	
5.2 Other adjustments due to MLR calculations - Claims														X X X	
5.3 Rebates Paid										X X X	X X X			X X X	
5.4 Estimated rebates unpaid prior year										X X X	X X X			X X X	
5.5 Estimated rebates unpaid current year										X X X	X X X			X X X	
5.6 Fee for service and co-pay revenue														X X X	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)												1,516,473,553	1,516,473,553	X X X	1,516,473,553
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes												4,582,954	4,582,954		4,582,954
6.2 Activities to prevent hospital readmissions												614,880	614,880		614,880
6.3 Improve patient safety and reduce medical errors												694,095	694,095		694,095
6.4 Wellness and health promotion activities												967,622	967,622		967,622
6.5 Health Information Technology expenses related to health improvement												866,701	866,701		866,701
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2 + 6.3 + 6.4 + 6.5)												7,726,252	7,726,252		7,726,252
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8										X X X	X X X	0.850	X X X	X X X	X X X
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6										12,084,867			12,084,867		12,084,867
8.2 All other claims adjustment expenses															
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)										12,084,867			12,084,867		12,084,867
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)													X X X	X X X	X X X

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)**

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

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits												17,360,532	17,360,532		17,360,532
10.2 Agents and brokers fees and commissions												14,261,748	14,261,748		14,261,748
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)												1,919,801	1,919,801		1,919,801
10.4 Other general and administrative expenses												153,522,907	153,522,907		153,522,907
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)												187,064,988	187,064,988		187,064,988
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)										(12,084,867)		82,253,398	70,168,531	X X X	70,168,531
12. Income from fees of uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
13. Net investment and other gain/(loss)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
14. Federal income taxes (excluding taxes on Line 1.5 above)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	70,168,531	X X X	70,168,531
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 10.4)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 10.4)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies												168,409	168,409		168,409
O2. Number of Covered Lives												168,409	168,409		168,409
O3. Number of Groups	X X X			X X X											
O4. Member Months												2,076,830	2,076,830		2,076,830

(a) Is run off business reported in Columns 1 through 9 or 12? Yes [ ] No [X]  
 (b) If yes, show the amount of premiums and claims included: Premiums \$.....0 Claims \$.....0

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AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES and PAYABLES				
	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
<b>ACA Receivables and Payables</b>				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)	81,269,809		58,668,295	
2. Transitional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)	30,631,244	X X X	(8,006,577)	X X X
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium				
3.2 Reserve for rate credits or policy experience refunds	5,001,663		5,002,000	
<b>ACA Receipts and Payments</b>				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustments receipts/(payments)	54,080,745		30,447,714	
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims	(7,154,926)	X X X	(18,828,855)	X X X
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received				
6.2 Rate credits or policy experience refunds paid	6,441,825		7,480,164	

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

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

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

**BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2019**

NAIC Group Code 1301

NAIC Company Code 13022

		Business Subject to MLR								9	10	11	12	13
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans						
		1	2	3	4	5	6	7	8					
		Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (Excluded by Statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Total (a)
1.	Health Premiums Earned													
1.1	Direct premiums written												1,836,226,250	1,836,226,250
1.2	Unearned premium prior year													
1.3	Unearned premium current year													
1.4	Change in unearned premium (Lines 1.2 - 1.3)													
1.5	Paid rate credits												6,441,825	6,441,825
1.6	Reserve for rate credits current year												5,001,663	5,001,663
1.7	Reserve for rate credits prior year												5,002,000	5,002,000
1.8	Change in reserve for rate credits (Lines 1.6 - 1.7)												(337)	(337)
1.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)												1,836,226,250	1,836,226,250
1.12	Assumed premiums earned from non-affiliates													
1.13	Net assumed less ceded premiums earned from affiliates													
1.14	Ceded premiums earned to non-affiliates													
1.15	Other adjustments due to MLR calculation - Premiums													
1.16	Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)												1,829,784,762	1,829,784,762
2.	Direct Claims Incurred:													
2.1	Paid claims during the year												1,447,006,854	1,447,006,854
2.2	Direct claim liability current year													
2.3	Direct claim liability prior year													
2.4	Direct claim reserves current year												83,027,870	83,027,870
2.5	Direct claim reserves prior year												107,650,348	107,650,348
2.6	Direct contract reserves current year													
2.7	Direct contract reserves prior year													
2.8	Paid rate credits													
2.9	Reserve for rate credits current year													
2.10	Reserve for rate credits prior year													
2.11	Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)												94,089,178	94,089,178
2.11A	Paid medical incentive pools and bonuses current year												68,273,947	68,273,947
2.11B	Accrued medical incentive pools and bonuses current year												49,729,208	49,729,208
2.11C	Accrued medical incentive pools and bonuses prior year												23,913,976	23,913,976
2.12	Net healthcare receivables (Lines 2.12a - 2.12b)													
2.12A	Healthcare receivables current year													
2.12B	Healthcare receivables prior year													
2.13	Group conversion charge													
2.14	Multi-option coverage blended rate adjustment													
2.15	TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)												1,516,473,553	1,516,473,553
2.16	Assumed Incurred Claims from non-affiliates													
2.17	Net Assumed less Ceded Incurred Claims from affiliates													
2.18	Ceded Incurred Claims to non-affiliates													
2.19	Other Adjustments due to MLR calculation - Claims													
2.20	Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)												1,516,473,553	1,516,473,553
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

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

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**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)**  
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
4.	Individual Mini-Med Plans Expenses									
4.1	Salaries (including \$.....0 for affiliated services)									
4.2	Outsourced services									
4.3	EDP equipment and software (including \$.....0 for affiliated services)									
4.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.6	Other expenses (including \$.....0 for affiliated services)									
4.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.8	Reimbursements by uninsured plans and fiscal intermediaries									
4.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.1	Salaries (including \$.....0 for affiliated services)									
5.2	Outsourced services									
5.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.6	Other expenses (including \$.....0 for affiliated services)									
5.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.8	Reimbursements by uninsured plans and fiscal intermediaries									
5.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.1	Salaries (including \$.....0 for affiliated services)									
6.2	Outsourced services									
6.3	EDP equipment and software (including \$.....0 for affiliated services)									
6.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.6	Other expenses (including \$.....0 for affiliated services)									
6.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.8	Reimbursements by uninsured plans and fiscal intermediaries									
6.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

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**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)**  
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
7.1	Salaries (including \$.....0 for affiliated services)									
7.2	Outsourced services									
7.3	EDP equipment and software (including \$.....0 for affiliated services)									
7.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.6	Other expenses (including \$.....0 for affiliated services)									
7.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.8	Reimbursements by uninsured plans and fiscal intermediaries									
7.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.1	Salaries (including \$.....0 for affiliated services)									
8.2	Outsourced services									
8.3	EDP equipment and software (including \$.....0 for affiliated services)									
8.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.6	Other expenses (including \$.....0 for affiliated services)									
8.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.8	Reimbursements by uninsured plans and fiscal intermediaries									
8.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.1	Salaries (including \$.....0 for affiliated services)									
9.2	Outsourced services									
9.3	EDP equipment and software (including \$.....0 for affiliated services)									
9.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.6	Other expenses (including \$.....0 for affiliated services)									
9.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.8	Reimbursements by uninsured plans and fiscal intermediaries									
9.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp41 Puerto Rico

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at [http://www.naic.org/documents/committees\\_e\\_app\\_blanks\\_related\\_shce\\_cautionary\\_statement.pdf](http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf))

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



NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2019

NAIC Company Code 13022

Supp36 Grand Total

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)												1,836,226,250	1,836,226,250	X X X	1,836,226,250
1.2 Federal high risk pools														X X X	
1.3 State high risk pools														X X X	
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)												1,836,226,250	1,836,226,250	X X X	1,836,226,250
1.5 Federal taxes and federal assessments															
1.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)												42,057,515	42,057,515		42,057,515
1.6A Community Benefit Expenditures (informational only)												650,543	650,543		650,543
1.7 Regulatory authority licenses and fees															
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)												1,793,518,191	1,793,518,191	X X X	1,793,518,191
1.9 Net assumed less ceded reinsurance premiums earned														X X X	
1.10 Other adjustments due to MLR calculations - Premiums														X X X	
1.11 Risk Revenue														X X X	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)												1,793,518,191	1,793,518,191	X X X	1,793,518,191
2. Claims:															
2.1 Incurred claims excluding prescription drugs												1,137,711,527	1,137,711,527	X X X	1,137,711,527
2.2 Prescription drugs												374,640,101	374,640,101	X X X	374,640,101
2.3 Pharmaceutical rebates												89,967,252	89,967,252	X X X	89,967,252
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														X X X	
3. Incurred medical incentive pools and bonuses												94,089,178	94,089,178	X X X	94,089,178
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)												334,859	334,859		334,859
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)												1,516,473,553	1,516,473,553	X X X	1,516,473,553
5.1 Net assumed less ceded reinsurance claims incurred														X X X	
5.2 Other adjustments due to MLR calculations - Claims														X X X	
5.3 Rebates Paid														X X X	
5.4 Estimated rebates unpaid prior year										X X X	X X X			X X X	
5.5 Estimated rebates unpaid current year										X X X	X X X			X X X	
5.6 Fee for service and co-pay revenue														X X X	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)												1,516,473,553	1,516,473,553	X X X	1,516,473,553
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes												4,582,954	4,582,954		4,582,954
6.2 Activities to prevent hospital readmissions												614,880	614,880		614,880
6.3 Improve patient safety and reduce medical errors												694,095	694,095		694,095
6.4 Wellness and health promotion activities												967,622	967,622		967,622
6.5 Health Information Technology expenses related to health improvement												866,701	866,701		866,701
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2 + 6.3 + 6.4 + 6.5)												7,726,252	7,726,252		7,726,252
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8										X X X	X X X	0.850	X X X	X X X	X X X
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6										12,084,867			12,084,867		12,084,867
8.2 All other claims adjustment expenses															
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)										12,084,867			12,084,867		12,084,867
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)													X X X	X X X	X X X

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)**

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

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits												17,360,532	17,360,532		17,360,532
10.2 Agents and brokers fees and commissions												14,261,748	14,261,748		14,261,748
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)												1,919,801	1,919,801		1,919,801
10.4 Other general and administrative expenses												153,522,907	153,522,907		153,522,907
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)												187,064,988	187,064,988		187,064,988
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)										(12,084,867)		82,253,398	70,168,531	X X X	70,168,531
12. Income from fees of uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
13. Net investment and other gain/(loss)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
14. Federal income taxes (excluding taxes on Line 1.5 above)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 10.4)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 10.4)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies												168,409	168,409		168,409
O2. Number of Covered Lives												168,409	168,409		168,409
O3. Number of Groups	X X X			X X X											
O4. Member Months												2,076,830	2,076,830		2,076,830

(a) Is run off business reported in Columns 1 through 9 or 12? Yes [ ] No [X]  
 (b) If yes, show the amount of premiums and claims included: Premiums \$.....0 Claims \$.....0

Supp37 Grand Total

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES and PAYABLES				
	Current Year		Prior Year	
	Comprehensive Health Coverage		Comprehensive Health Coverage	
	1 Individual Plans	2 Small Group Employer Plans	3 Individual Plans	4 Small Group Employer Plans
<b>ACA Receivables and Payables</b>				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)	81,269,809		58,668,295	
2. Transitional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)	30,631,244	X X X	(8,006,577)	X X X
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium				
3.2 Reserve for rate credits or policy experience refunds	5,001,663		5,002,000	
<b>ACA Receipts and Payments</b>				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustments receipts/(payments)	54,080,745		30,447,714	
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims	(7,154,926)	X X X	(18,828,855)	X X X
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received				
6.2 Rate credits or policy experience refunds paid	6,441,825		7,480,164	

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

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

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

**BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2019**

**NAIC Group Code 1301**

**NAIC Company Code 13022**

Supp38 Grand Total

		Business Subject to MLR								9	10	11	12	13
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans						
		1	2	3	4	5	6	7	8					
		Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (Excluded by Statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Total (a)
1.	Health Premiums Earned													
1.1	Direct premiums written												1,836,226,250	1,836,226,250
1.2	Unearned premium prior year													
1.3	Unearned premium current year													
1.4	Change in unearned premium (Lines 1.2 - 1.3)													
1.5	Paid rate credits												6,441,825	6,441,825
1.6	Reserve for rate credits current year												5,001,663	5,001,663
1.7	Reserve for rate credits prior year												5,002,000	5,002,000
1.8	Change in reserve for rate credits (Lines 1.6 - 1.7)												(337)	(337)
1.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)												1,836,226,250	1,836,226,250
1.12	Assumed premiums earned from non-affiliates													
1.13	Net assumed less ceded premiums earned from affiliates													
1.14	Ceded premiums earned to non-affiliates													
1.15	Other adjustments due to MLR calculation - Premiums													
1.16	Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)												1,829,784,762	1,829,784,762
2.	Direct Claims Incurred:													
2.1	Paid claims during the year												1,447,006,854	1,447,006,854
2.2	Direct claim liability current year													
2.3	Direct claim liability prior year													
2.4	Direct claim reserves current year												83,027,870	83,027,870
2.5	Direct claim reserves prior year												107,650,348	107,650,348
2.6	Direct contract reserves current year													
2.7	Direct contract reserves prior year													
2.8	Paid rate credits													
2.9	Reserve for rate credits current year													
2.10	Reserve for rate credits prior year													
2.11	Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)												94,089,178	94,089,178
2.11A	Paid medical incentive pools and bonuses current year												68,273,947	68,273,947
2.11B	Accrued medical incentive pools and bonuses current year												49,729,208	49,729,208
2.11C	Accrued medical incentive pools and bonuses prior year												23,913,976	23,913,976
2.12	Net healthcare receivables (Lines 2.12a - 2.12b)													
2.12A	Healthcare receivables current year													
2.12B	Healthcare receivables prior year													
2.13	Group conversion charge													
2.14	Multi-option coverage blended rate adjustment													
2.15	TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)												1,516,473,553	1,516,473,553
2.16	Assumed Incurred Claims from non-affiliates													
2.17	Net Assumed less Ceded Incurred Claims from affiliates													
2.18	Ceded Incurred Claims to non-affiliates													
2.19	Other Adjustments due to MLR calculation - Claims													
2.20	Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)												1,516,473,553	1,516,473,553
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

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



**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)**  
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
4.	Individual Mini-Med Plans Expenses									
4.1	Salaries (including \$.....0 for affiliated services)									
4.2	Outsourced services									
4.3	EDP equipment and software (including \$.....0 for affiliated services)									
4.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.6	Other expenses (including \$.....0 for affiliated services)									
4.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.8	Reimbursements by uninsured plans and fiscal intermediaries									
4.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.1	Salaries (including \$.....0 for affiliated services)									
5.2	Outsourced services									
5.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.6	Other expenses (including \$.....0 for affiliated services)									
5.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.8	Reimbursements by uninsured plans and fiscal intermediaries									
5.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.1	Salaries (including \$.....0 for affiliated services)									
6.2	Outsourced services									
6.3	EDP equipment and software (including \$.....0 for affiliated services)									
6.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.6	Other expenses (including \$.....0 for affiliated services)									
6.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.8	Reimbursements by uninsured plans and fiscal intermediaries									
6.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp40 Grand Total

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)**  
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
7.1	Salaries (including \$.....0 for affiliated services)									
7.2	Outsourced services									
7.3	EDP equipment and software (including \$.....0 for affiliated services)									
7.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.6	Other expenses (including \$.....0 for affiliated services)									
7.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.8	Reimbursements by uninsured plans and fiscal intermediaries									
7.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.1	Salaries (including \$.....0 for affiliated services)									
8.2	Outsourced services									
8.3	EDP equipment and software (including \$.....0 for affiliated services)									
8.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.6	Other expenses (including \$.....0 for affiliated services)									
8.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.8	Reimbursements by uninsured plans and fiscal intermediaries									
8.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.1	Salaries (including \$.....0 for affiliated services)									
9.2	Outsourced services									
9.3	EDP equipment and software (including \$.....0 for affiliated services)									
9.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.6	Other expenses (including \$.....0 for affiliated services)									
9.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.8	Reimbursements by uninsured plans and fiscal intermediaries									
9.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp41 Grand Total



## SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301

NAIC Company Code: 13022

Description of allocation methodology:

### Detailed Description of Quality Improvement Expenses:

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



# Statement of Actuarial Opinion



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



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



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



13022201935000105

2019

Document Code: 350

## Management's Discussion and Analysis

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

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

The Company is primarily engaged in offering Medicare Advantage (MA) insurance coverage pursuant to one contract with the Centers for Medicaid & Medicare Services (CMS), a federal agency within the U.S. Department of Health and Human Services. Under the terms, CMS pays the Company, a fixed premium for each healthcare member of its coordinated care plan and the Company provides the coverage to that member for the health services provided. The contract with CMS is for a period of one year commencing on January 1 and ending on December 31, and can be renewed for periods of one year, as defined in the contract.

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

### Financial Position

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

(In thousands)

	<u>2019</u>	<u>2018</u>
Bonds	\$ 169,816	\$ 211,122
Common Stocks	\$ 2,552	\$ -
Cash and short-term investments	96,111	99,029
Cash and invested assets	<u>268,480</u>	<u>310,151</u>
Premiums due and unpaid	83,217	61,503
Healthcare receivables	7,475	12,642
Uninsured plan and retrospective premiums receivable	44,519	3,351
Defered tax assets	1,255	3,588
Other assets	11,642	4,927
Total admitted assets	<u>416,588</u>	<u>396,161</u>
Claims payable	132,757	131,564
General expensed due and accrued	39,703	19,913
Aggregate health claim reserve	5,002	5,002
Liability for amounts held under uninsured plans	-	8,007
Income taxes payable	15,051	5,218
Other liabilities	27,910	21,303
Total liabilities	<u>220,423</u>	<u>191,007</u>
Capital and Surplus	<u>196,165</u>	<u>205,154</u>
Total liabilities and capital and surplus	\$ 416,588	\$ 396,161
Cash & Invested assets to total admitted assets	64.45%	78.29%
Claims liab to capital & surplus	67.68%	64.13%
Claims to total admitted assets	31.88%	33.22%
Capital & surplus to total admitted assets	47.09%	51.79%

## Management's Discussion and Analysis

The Company maintains an adequate level of liquidity to respond for claims payable. Cash and invested assets amount to \$268.5 million representing 65% of total admitted assets. In addition, most of its receivables are from CMS sources and considered highly liquid. Healthcare receivables are mainly pharmacy rebates. Deferred tax assets are those resulting from temporary differences of certain expenses and includes a tax asset related to non-admitted assets. Other admitted assets include balance receivable from affiliates and investment income receivable.

Claims payable amounted to \$132.8 million in 2019 or a 32% of total admitted assets.

At December 31, 2019, the Company has a Part D risk-sharing payable of \$5.0 million reported as aggregate health policy reserves.

At December 31, 2018, the Company recorded a payable of approximately \$8.0 million for Part D reinsurance subsidies reported as liability amount held under uninsured plans. None was recorded in 2019, since in 2019 instead of a payable, a receivable is recorded for this concept and it is included within amount receivable related to uninsured plans as part of the admitted assets.

Capital and surplus amounts to \$196.2 million, which represents 47% of total admitted assets.

### Results of Operations

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

(In thousands)

	<u>2019</u>	<u>2018</u>
Net Premiums	\$ 1,836,226	\$ 1,926,221
Medical costs	1,516,474	1,604,501
Claims adjustment expenses	12,085	12,884
Administrative expenses	195,777	201,624
Total	<u>1,724,335</u>	<u>1,819,009</u>
Net underwriting gain (loss)	111,891	107,212
Net investment income	6,289	6,784
other income or expenses	-	(32,967)
Income before taxes	<u>118,180</u>	<u>81,029</u>
Income taxes	42,066	27,683
Net Income	\$ 76,114	\$ 53,346
MLR	82.59%	83.30%
Expense rate	10.66%	10.47%

In MA, year-over-year net income is \$22.8 million higher than the prior year.

Net premiums in 2019 amounted to \$1,836.2 million, a decrease of \$90.0 million from 2018. Decrease in premiums is mainly due to a decrease of 389,062 member months from 2,465,892 in 2018 to 2,076,830 in 2019 offset by increases in pmpm rates from CMS.

Claims for medical services amounted to \$1,516.5 million in 2019, a decrease of \$88.0 million from 2018. Decrease is mainly due to the above-mentioned decrease in member months. The claims ratio was 82.6% in line with the 83.3% in 2018.

Administration expenses amounted to \$195.8 million in 2019 a decrease of \$5.8 million from 2018. The ratio of administrative cost to net premium income was 10.7%.

Other expense of \$33.0 million in 2018 represents the federal health provider insurance tax. This tax was waived by the Federal government for 2019.

Net investment income for 2019 amounted to \$6.3 million.

# Management's Discussion and Analysis

## Cash Flow and Liquidity

The Company cash flows are summarized as follows:

	<u>2019</u>	<u>2018</u>
Cash provided from (used in) operating activities	\$ 44,268	\$ (22,634)
Cash from (used in) investing activities	37,604	(16,735)
Cash from financing activities and other activities	(84,789)	3,092
Net change in cash	<u>\$ (2,918)</u>	<u>\$ (36,277)</u>



# Audited Financial Report



# Accountant's Letter of Qualification



## Communication of Internal Control Related Matters Noted in an Audit



# Management's Report of Internal Control over Financial Reporting

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# Amended Explanation Page

**NONE**

## MERGER HISTORY

Description	1 Amount
1. Cash, cash equivalents and short-term investments (2017: Page 2, Column 1, Line 5) .....	.....
2. Uncollected premiums and agents' balances in the course of collection (2017: Page 2, Column 1, Line 15.1) .....	.....
3. Deferred premiums, agents' balances and installments booked but deferred and not yet due (2017: Page 2, Column 1, Line 15.2) .....	.....
4. Accrued retrospective premiums and contracts subject to redetermination (2017: Page 2, Column 1, Line 15.3) .....	.....
5. Total Assets (2017: Page 2, Column 3, Line 28) .....	.....
6. Claims unpaid (2017: Page 3, Column 3, Line 1) .....	.....
7. Accrued medical incentive pool and bonus amounts (2017: Page 3, Column 3, Line 2) .....	.....
8. Aggregate health policy reserves, including the liability for medical loss ratio rebate per the Public Health Service Act (2017: Page 3, Column 3, Line 4) .....	.....
9. Aggregate health claim reserves (2017: Page 3, Column 3, Line 7) .....	.....
10. Net premium income (2017: Page 4, Column 2, Line 2) .....	.....
11. Capital and surplus end of reporting year (2017: Page 5, Column 1, Line 49) .....	.....

## Prior Period Data for Non-required Crosschecks

Prior Period Statement Location	1 Amount
1. 2018 Annual, Page 2, Assets, Line 05, Column 1 .....	99,028,694
2. 2018 Annual, Page 2, Assets, Line 28, Column 3 .....	396,161,332
3. 2018 Annual, Page 3, Liabilities, Line 01, Column 3 .....	107,650,348
4. 2018 Annual, Page 3, Liabilities, Line 02, Column 3 .....	23,913,976
5. 2018 Annual, Page 3, Liabilities, Line 04, Column 3 .....	5,002,000
6. 2018 Annual, Page 3, Liabilities, Line 07, Column 3 .....	
7. 2018 Annual, Page 4, Statement of Revenue and Expenses, Line 02, Column 2 .....	1,926,221,185
8. 2018 Annual, Page 5, Statement of Revenue and Expenses (cont.), Line 49, Column 1 .....	205,154,386
9. 2018 Annual, Page SI02, Schedule A Verification, Line 09, Column 2 .....	
10. 2018 Annual, Page SI02, Schedule B Verification, Line 11, Column 2 .....	
11. 2018 Annual, Page SI03, Schedule BA Verification, Line 11, Column 2 .....	
12. 2018 Annual, Page SI03, Schedule D Verification, Line 11, Column 2 .....	211,121,920
13. 2018 Annual, Page SI11, Schedule DB Part A Verification, Line 09, Column 2 .....	
14. 2018 Annual, Page SI11, Schedule DB Part B Verification, Line 06, Column 4 .....	
15. 2018 Annual, Page SI13, Schedule DB Part C, Section 2, Line 07, Column 9 .....	
16. 2018 Annual, Page SI13, Schedule DB Part C, Section 2, Line 07, Column 10 .....	
17. 2018 Annual, Page E17, Schedule DA Part 1, Line 9199999, Column 7 .....	23,601,173
18. 2018 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999999, Column 15 .....	
19. 2018 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999999, Column 17 .....	
20. 2018 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999999, Column 18 .....	
21. 2018 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999999, Column 19 .....	
22. 2018 Annual, Page E27, Schedule E Part 2, Line 8899999, Column 7 .....	6,796,108
23. 2018 Annual, Page Supp39, Supplemental Health Care Exhibit - Part 1 (Grand Total), Line 05.5, Col. 15 .....	
24. 2018 RBC, Page XR012, Underwriting Risk - Experience Fluctuation, Line 06, Column 7 .....	1,926,221,185
25. 2018 RBC, Page XR012, Underwriting Risk - Experience Fluctuation, Line 21, Column 7 .....	108,925,955