



STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....			0	0
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....1,500,000 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....0 ) .....	1,500,000		1,500,000	0
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,500,000	0	1,500,000	0
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....			0	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	142,674	142,674	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,642,674	142,674	1,500,000	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	1,642,674	142,674	1,500,000	0
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	0	0	0	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded).....			0	0
2. Accrued medical incentive pool and bonus amounts .....			0	0
3. Unpaid claims adjustment expenses .....			0	0
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....			0	0
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserve .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....			0	0
9. General expenses due or accrued .....	36,959		36,959	0
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....			0	0
15. Amounts due to parent, subsidiaries and affiliates .....	297,348		297,348	0
16. Derivatives.....			0	0
17. Payable for securities .....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	334,307	0	334,307	0
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	0
26. Common capital stock .....	XXX	XXX	0	0
27. Preferred capital stock .....	XXX	XXX	0	0
28. Gross paid in and contributed surplus .....	XXX	XXX	1,500,000	0
29. Surplus notes .....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	(334,307)	0
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	1,165,693	0
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	1,500,000	0
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	0	0	0	0
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX		.0	.0
2. Net premium income (including \$ non-health premium income).....	XXX		.0	.0
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		.0	.0
4. Fee-for-service (net of \$ medical expenses) .....	XXX		.0	.0
5. Risk revenue .....	XXX		.0	.0
6. Aggregate write-ins for other health care related revenues .....	XXX	.0	.0	.0
7. Aggregate write-ins for other non-health revenues .....	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7) .....	XXX	.0	.0	.0
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....			.0	.0
10. Other professional services .....			.0	.0
11. Outside referrals .....			.0	.0
12. Emergency room and out-of-area .....			.0	.0
13. Prescription drugs .....			.0	.0
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			.0	.0
16. Subtotal (Lines 9 to 15) .....	.0	.0	.0	.0
<b>Less:</b>				
17. Net reinsurance recoveries .....			.0	.0
18. Total hospital and medical (Lines 16 minus 17) .....	.0	.0	.0	.0
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ cost containment expenses.....			.0	.0
21. General administrative expenses.....		191,633	.0	.0
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22) .....	.0	191,633	.0	.0
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(191,633)	.0	.0
25. Net investment income earned .....			.0	.0
26. Net realized capital gains (losses) less capital gains tax of \$.....			.0	.0
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	.0	.0	.0
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )] .....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(191,633)	.0	.0
31. Federal and foreign income taxes incurred .....	XXX		.0	.0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(191,633)	.0	.0
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX			
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	.0	.0	.0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	.0	.0	.0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	.0	.0	.0	.0
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	.0	.0	.0	.0

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	0	0	0
34. Net income or (loss) from Line 32 .....	(191,633)	0	0
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....		0	0
39. Change in nonadmitted assets .....	(142,674)	0	0
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....	1,500,000	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	1,165,693	0	0
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,165,693	0	0
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	0	0	0
2. Net investment income .....	0	0	0
3. Miscellaneous income .....	0	0	0
4. Total (Lines 1 to 3) .....	0	0	0
5. Benefit and loss related payments .....	0	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	150,598	0	0
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9) .....	150,598	0	0
11. Net cash from operations (Line 4 minus Line 10) .....	(150,598)	0	0
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	0	0	0
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	0	0	0
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0	0
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	0	0	0
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	1,500,000	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	150,598	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	1,650,598	0	0
<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) .....	1,500,000	0	0
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	0	0	0
19.2 End of period (Line 18 plus Line 19.1) .....	1,500,000	0	0

Prem., Enrollment

**NONE**

Claims Unpaid

**NONE**

Underwriting and Investment Exhibit

**NONE**

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

AmeriHealth District of Columbia, Inc. (the Company) was incorporated on November 30, 2012 in the District of Columbia for the purpose of providing prepaid care to Medicaid enrollees in the District of Columbia. On May 1, 2013, the Company acquired certain tangible and intangible assets from DC Chartered Health Plan and assumed responsibility for medical coverage of the acquired Medicaid population on that date. The Company operates under a license issued by the Government of the District of Columbia Department of Insurance, Securities and Banking (DISB). The Company is currently finalizing a new contract with the DC Healthcare Alliance (DCHA) including expanded enrollment, which is effective July 1, 2013. The Company's contract with the DCHA relating to the Medicaid managed care program expires on June 30, 2014, and includes four one-year options to renew through June 30, 2018.

#### A. Accounting Practices

The Company prepares its statutory financial statements in accordance with the accounting practices prescribed or permitted by the DISB. The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the District of Columbia Insurance Code. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia.

Currently, "prescribed" statutory accounting practices are interspersed throughout the state insurance laws and regulations, NAIC SAP, and a variety of other NAIC publications. "Permitted" statutory accounting practices encompass all accounting practices that are not prescribed but are permitted by the domicile state department of insurance; such practices may differ from state to state, may differ from company to company within a state, and may change in the future.

The Company's net loss and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the District of Columbia are the same at March 31, 2013.

A reconciliation of the Company's net loss and capital and surplus between the NAIC SAP and practices prescribed by the District of Columbia is shown below.

	State of Domicile	<u>20 13</u>	<u>20 12</u>
<u>NET INCOME</u>			
(1) Amerihealth District of Columbia, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	District of Columbia	\$ (191,633)	\$ _____
(2) State Prescribed Practices that increase/ (decrease) NAICSAP: e.g., Depreciation of fixed assets	_____	_____	_____
(3) State Permitted Practices that increase/ (decrease) NAICSAP: e.g., Depreciation, home office property	_____	_____	_____
(4) NAICSAP(1-2-3=4)	District of Columbia	\$ (191,633)	\$ <u>0</u>
<u>SURPLUS</u>			
(5) Amerihealth District of Columbia, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	District of Columbia	\$ 1,165,693	\$ _____
(6) State Prescribed Practices that increase/ (decrease) NAICSAP: e.g., Goodwill, net ; e.g., Fixed Assets, net	_____	_____	_____
(7) State Permitted Practices that increase/ (decrease) NAICSAP: e.g., Home Office Property	_____	_____	_____
(8) NAICSAP(5-6-7=8)	District of Columbia	\$ 1,165,693	\$ <u>0</u>

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

The preparation of statutory financial statements in conformity with accounting practices prescribed or permitted by the DISB requires management to make estimates and assumptions that affect the amounts reported in the statutory financial statements and accompanying notes. Actual results could differ from those estimates.

#### C. Accounting Policy

The Company uses the following accounting policies:

##### *Cash and Cash Equivalents*

Cash and cash equivalents consist of all highly liquid investments with an original maturity of three months or less.

##### *Restricted Cash*

The Company holds restricted cash in the amount of \$300,000 pursuant to District of Columbia Code 31-3412, which requires an entity to deposit with the Commissioner or, at the discretion of the Commissioner, with any organization or trustee acceptable to the Commissioner through which a custodial or controlled account is utilized, cash, securities, or any combination of these or other measures that are acceptable to the Commissioner.

##### *Fixed Assets*

Furniture and leasehold improvements are designated as nonadmitted assets and are charged directly to capital and surplus. Electronic Data Processing (EDP) equipment exceeding three percent of statutory capital and surplus for the

## NOTES TO FINANCIAL STATEMENTS

most recently filed statement with the DISB (adjusted to exclude EDP equipment and deferred taxes) are designated as nonadmitted assets and are charged directly to surplus. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, which ranges from three to seven years. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease or estimated useful life of the asset. Maintenance and repairs are charged to operations when incurred.

**2. Accounting Changes and Corrections of Errors**

None

**3. Business Combinations and Goodwill**

None

**4. Discontinued Operations**

None

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

None

**B. Debt Restructuring**

None

**C. Reverse Mortgages**

None

**D. Loan-Backed Securities**

None

**E. Repurchase Agreements**

None

**F. Real Estate**

None

**6. Joint Ventures, Partnerships and Limited Liability Companies**

None

**7. Investment Income**

None

**8. Derivative Instruments**

None

**9. Income Taxes**

The Company is a District of Columbia Insurance Company that is subject to state and federal income tax. Deferred income tax assets and liabilities represent the expected future federal tax consequences of temporary differences generated by statutory accounting. Deferred income tax assets and liabilities are computed by means of identifying temporary differences, which are measured using a balance sheet approach whereby statutory and tax-basis balance sheets are compared. Changes in deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are recognized as a separate component of changes in capital and surplus.

In November 2011, the NAIC issued Statement of Statutory Accounting Principles (SSAP) No. 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10*. This statement establishes statutory accounting principles for current and deferred federal and foreign income taxes and current state income taxes. This statement supersedes SSAP No. 10, *Income Taxes* and SSAP No. 10R, *Income Taxes, A Temporary Replacement of SSAP No. 10*, which expired on December 31, 2011. 101 has: 1) restricted the ability to use the 3 years/15 percent of surplus admission rule to those reporting entities that meet the modified Risk Based Capital ratio threshold, 2) changed the recognition threshold for recording tax contingency reserves from a probable liability standard to a more-likely-than-not liability standard, 3) required the disclosure of tax planning strategies that relate to reinsurance, and 4) required consideration of reversal patterns of DTAs and DTLs in determining the extent to which DTLs could offset DTAs on the statutory balance sheet. SSAP No. 101 became authoritative guidance for accounting and reporting of income taxes for statutory financial statements beginning January 1, 2012.

**10. Information Concerning Parent, Subsidiaries and Affiliates**

The Company is a wholly-owned subsidiary of AmeriHealth Mercy Health Plan (AMHP). AMHP is a Pennsylvania partnership formed to develop and operate managed care business for Medicaid enrollees. Amounts due to AMHP were \$297,348 as of March 31, 2013 and are related to start-up costs incurred during the first quarter of 2013.

The Company received a capital contribution in the amount of \$1,500,000 from AMHP during the first quarter of 2013.

**11. Debt**

None

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

## NOTES TO FINANCIAL STATEMENTS

None

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

Under applicable District of Columbia laws and regulations, the Company is required to have an initial net worth of \$1,500,000 and thereafter maintain a minimum net worth equal to the greater of: (a) \$1,000,000; (b) two percent of annual premium as reported on the most recent annual statement filed on the first one hundred fifty million dollars of premium revenue and one percent of annual premium revenue on the premium revenue in excess of one hundred fifty million dollars; (c) an amount equal to the sum of 3 months uncovered health care expenditures as reported on the most recently filed financial statement; or (d) an amount equal to the sum of: (i) eight percent of annual health care expenditures except those paid on a capitated basis or managed hospital payment basis as reported on the most recently filed financial statement; and (ii) four percent of annual hospital expenditures paid on a managed hospital payment basis as reported on the most recently filed financial statement.

The Company is also required by the District of Columbia to maintain a minimum regulatory deposit of \$300,000. The Company is in compliance with these requirement as of March 31, 2013.

### 14. Contingencies

In the ordinary course of business, the Company is involved in and is subject to claims, contractual disputes with providers, and other uncertainties. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's financial condition or results of operations.

The Company is covered under the managed care errors and omissions policy maintained by AMHP for certain claims with an aggregate limit of \$40,000,000 as stated in the agreements. Professional liability coverage is on a claims-made basis and must be renewed or replaced with equivalent insurance if such claims incurred during its term but asserted after its expiration are to be insured.

### 15. Leases

Effective April 1, 2013, the Company executed an operating lease agreement for office space expiring on March 31, 2018. Under such lease agreement, the Company has the option to renew for one additional four year period. The Company is also responsible for real estate taxes, utilities, and all other expenses associated with the operation of its leased office facility.

Future minimum rental commitments under such noncancelable lease agreement as of April 1, 2013 are as follows:

2013						1,031,184
2014						1,405,848
2015						1,448,023
2016						1,491,464
2017 - Thereafter						1,536,208
						\$ 6,912,727

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

None

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

None

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

None

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

None

### 20. Fair Value Measurements

SSAP No. 100, *Fair Value Measurements*, which defines fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. An asset's fair value is defined as the price at which the asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

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 significant unobservable inputs (Level 3). An asset's or liability's classification is based on the lowest level input that are both observable (Level 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

*Level 1* – Unadjusted quoted market prices for identical assets or liabilities in active markets. Market price data is generally obtained from a major exchange or dealer markets.

*Level 2* – Input other than quoted market prices included in Level 1 that are observable for the asset through corroboration with market data at the measurable date. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in nonactive

## NOTES TO FINANCIAL STATEMENTS

markets, interest rates, and yield curves. An instrument is classified as Level 2 if the Company determines that unobservable inputs are insignificant.

*Level 3* – Unobservable inputs that are supported by little or no market activity that reflect management’s best estimate of what market participants would use in hypothetically pricing the asset at the measurement date.

The Company has no financial assets or financial liabilities that are required to be measured at fair value on a recurring basis.

The fair value of other financial assets, principally cash, restricted cash, and due to affiliates approximate their carrying value at March 31, 2013 because of the short maturity of such items.

### 21. Other Items

#### A. Extraordinary Items

None

#### B. Troubled Debt Restructuring: Debtors

None

#### C. Other Disclosures

None

#### D. Uncollectible Balances

None

#### E. Business Interruption Insurance Recoveries

None

#### F. State Transferable Tax Credits

None

#### G. Aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code.

None

#### H. Hybrid Securities

None

#### I. Subprime Mortgage Related Risk Exposure

None

### 22. Events Subsequent

None

### 23. Reinsurance

None

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

None

### 25. Change in Incurred Claims and Claim Adjustment Expenses

None

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivables

#### A. Pharmaceutical Rebate Receivables

None

#### B. Risk Sharing Receivables

None

### 29. Participating Policies

None

### 30. Premium Deficiency Reserve

None

### 31. Anticipated Salvage and Subrogation

None

## NOTES TO FINANCIAL STATEMENTS

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes  No
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes  No
- 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
- 2.2 If yes, date of change: .....

- 3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes  No

3.2 If the response to 3.1 is yes, provide a brief description of those changes.  
.....

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes  No

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes  No  NA   
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

6.4 By what department or departments?  
.....

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes  No  NA

- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes  No  NA

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes  No

7.2 If yes, give full information:  
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes  No

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

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

**GENERAL INTERROGATORIES**

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

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

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

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

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

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 .....

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

**FINANCIAL**

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

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

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....

13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

## GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 16.3 Total payable for securities lending reported on the liability page \$ .....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [ ] No [X]

- 17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [ ]

- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [ ] No [ ]

- 18.2 If no, list exceptions:
- .....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

1. Operating Percentages:
- |                                                                  |       |
|------------------------------------------------------------------|-------|
| 1.1 A&H loss percent.....                                        | 0.0 % |
| 1.2 A&H cost containment percent .....                           | 0.0 % |
| 1.3 A&H expense percent excluding cost containment expenses..... | %     |
- 2.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ \_\_\_\_\_
- 2.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ \_\_\_\_\_

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>NONE</b>						

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

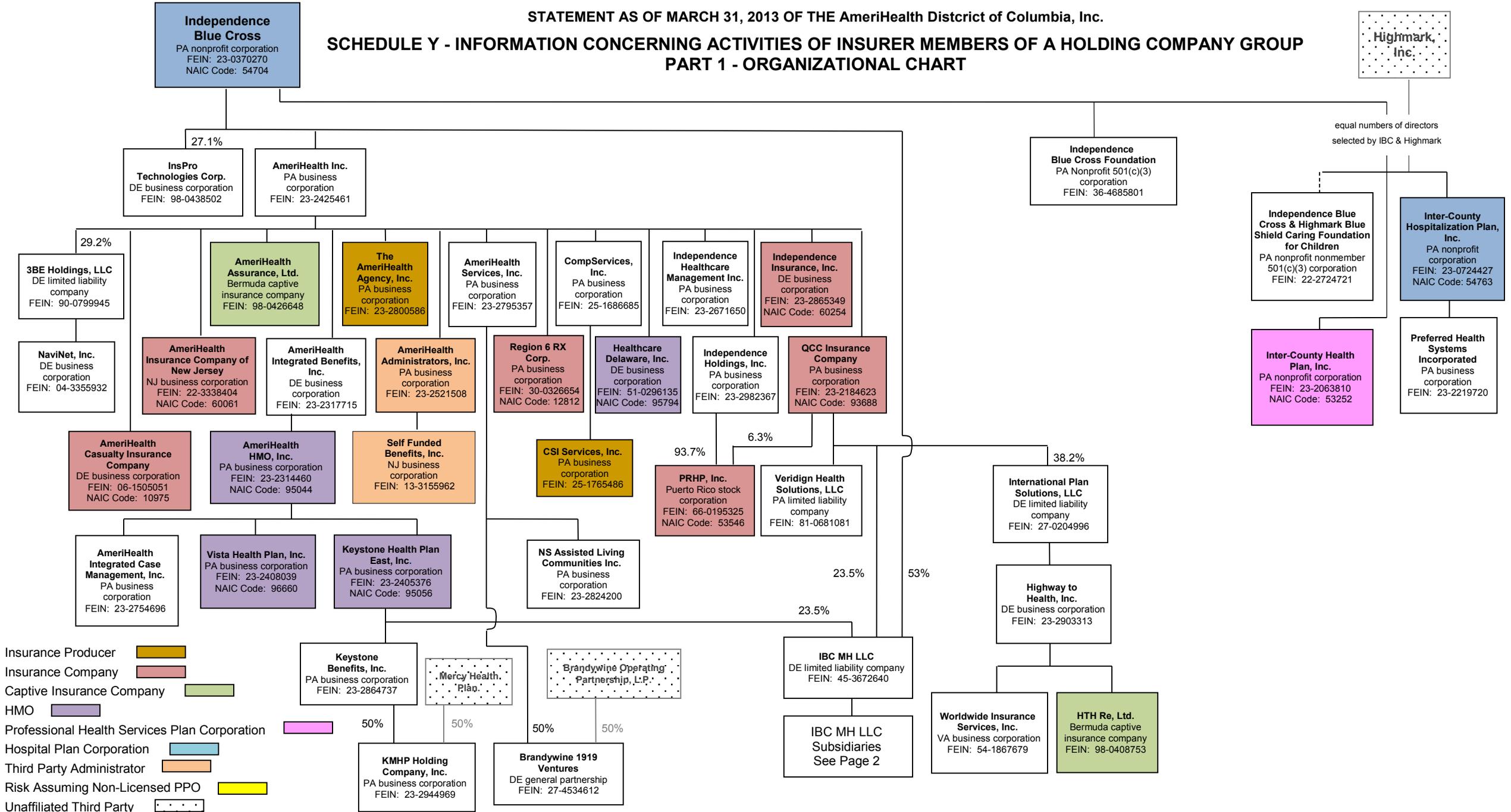
Current Year to Date - Allocated by States and Territories

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

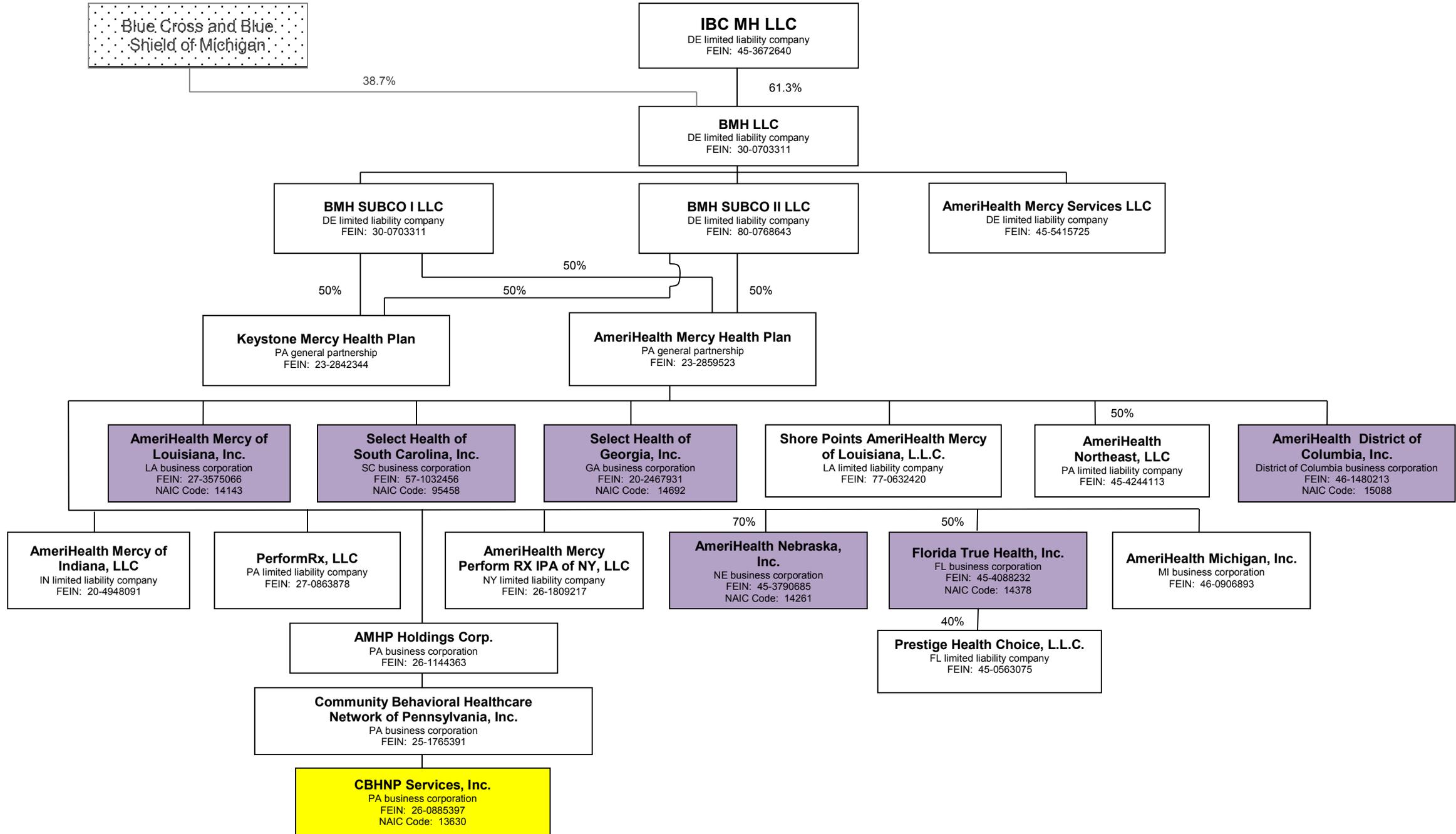
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

(a) Insert the number of L responses except for Canada and other Alien.

**STATEMENT AS OF MARCH 31, 2013 OF THE AmeriHealth District of Columbia, Inc.**  
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



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



STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	54704	23-0370270				Independence Blue Cross	PA	UIP					
00936	Independence Blue Cross	00000	45-3672640				IBC MH LLC (53%) (See BMH LLC on Page 16.1)	DE	UIP	Independence Blue Cross	Ownership	53.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	22-2724721				IBC/HBS Caring Foundation For Children (50%)	PA	OTH	Independence Blue Cross	Board	0.0	Independence Blue Cross	1
00936	Independence Blue Cross	00000	98-0438502				InsPro Technologies Corp (f/k/a Health Benefits Direct Corp.) (27.1%)	DE	NIA	Independence Blue Cross	Ownership	27.1	Independence Blue Cross	
00936	Independence Blue Cross	00000	36-4685801				Independence Blue Cross Foundation	PA	OTH	Independence Blue Cross	Board	0.0	Independence Blue Cross	1
00936	Independence Blue Cross	53252	23-2063810				Inter-County Health Plan, Inc. (50%)	PA	IA	Independence Blue Cross	Ownership	50.0	Independence Blue Cross	
00936	Independence Blue Cross	54763	23-0724427				Inter-County Hospitalization Plan, Inc. (50%)	PA	IA	Independence Blue Cross	Ownership	50.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2219720				Preferred Health Systems, Incorporated	PA	NIA	Inter-county Hospitalization Plan, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2425461				AmeriHealth, Inc.	PA	UIP	Independence Blue Cross	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2521508				AmeriHealth Administrators, Inc	PA	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	13-3155962				Self Funded Benefits, Inc	NJ	NIA	AmeriHealth Administrators, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	98-0426648				AmeriHealth Assurance, Ltd	BMU	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	10975	06-1505051				AmeriHealth Casualty Insurance Company	DE	IA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	60061	22-3338404				AmeriHealth Insurance Company of New Jersey	NJ	IA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	95794	51-0296135				Healthcare Delaware, Inc	DE	IA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2671650				Independence Healthcare Management, Inc	PA	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	60254	23-2865349				Independence Insurance, Inc	DE	IA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	90-0799945				3BE Holdings, LLC	DE	NIA	AmeriHealth, Inc	Ownership	29.2	Independence Blue Cross	
00936	Independence Blue Cross	00000	04-3355932				NaviNet	DE	NIA	3BE Holdings, LLC	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	12812	30-0326654				Region 6 Rx Corp	PA	IA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2800586				The AmeriHealth Agency, Inc	PA	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	25-1686685				CompServices, Inc	PA	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	25-1765486				CSI Services, Inc	PA	NIA	CompServices, Inc	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2982367				Independence Holdings, Inc	PA	NIA	AmeriHealth, Inc	Ownership	100.0	Independence Blue Cross	

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	53546	66-0195325				PRHP, Inc.	PR	IA	Independence Holdings, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2795357				AmeriHealth Services, Inc.	PA	NIA	AmeriHealth, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	27-4534612				Brandywine 1919 Ventures (50%) NS Assisted Living Communities, Inc.	DE	NIA	AmeriHealth Services, Inc.	Ownership	50.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2824200				QCC Insurance Company IBC MH LLC (23.5%) (See BMH LLC on Page 16.1)	PA	IA	AmeriHealth, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	45-3672640				Veridign Health Solutions, LLC International Plan Solutions, LLC (38.2%)	DE	NIA	QCC Insurance Company	Ownership	23.5	Independence Blue Cross	
00936	Independence Blue Cross	00000	81-0681081				Highway to Health, Inc. Worldwide Insurance Services, Inc.	PA	NIA	QCC Insurance Company	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	27-0204996				HTH Re, Ltd. AmeriHealth Integrated Benefits, Inc.	DE	NIA	Highway to Health, Inc.	Ownership	38.2	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2903313				AmeriHealth HMO, Inc. AmeriHealth Integrated Case Management, Inc.	DE	NIA	Highway to Health, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	54-1867679				Vista Health Plan, Inc.	VA	NIA	AmeriHealth, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	98-0408753				Keystone Health Plan East, Inc. IBC MH LLC (23.5%) (See BMH LLC on Page 16.1)	BMU	NIA	AmeriHealth Integrated Benefits, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2317715				Keystone Health Plan East, Inc.	DE	NIA	AmeriHealth HMO, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	95044	23-2314460				Keystone Benefits, Inc.	PA	IA	AmeriHealth HMO, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2754696				KMHP Holding Company, Inc.	PA	NIA	AmeriHealth HMO, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2408039				BMH LLC (61.3%)	PA	IA	AmeriHealth HMO, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	95056	23-2405376				IBC MH LLC (23.5%) (See BMH LLC on Page 16.1)	PA	IA	Keystone Health Plan East, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	45-3672640				Keystone Health Plan East, Inc.	DE	UIP	Keystone Health Plan East, Inc.	Ownership	23.5	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2864737				Keystone Benefits, Inc.	PA	NIA	Keystone Health Plan East, Inc.	Ownership	100.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	23-2944969					PA	NIA	Keystone Benefits, Inc.	Ownership	50.0	Independence Blue Cross	
00936	Independence Blue Cross	00000	30-0703311					PA	NIA	Keystone Benefits, Inc.	Ownership	50.0	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	30-0703311				BMH LLC (61.3%)	DE	UIP	IBC MH LLC	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	

16.1

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	00000	45-5415725				AmeriHealth Mercy Services LLC	DE	NIA	BMH LLC	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	30-0703311				BMH SUBCO I LLC	DE	UIP	BMH LLC	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	23-2842344				Keystone Mercy Health Plan	PA	NIA	BMH Subco I	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	23-2859523				AmeriHealth Mercy Health Plan	PA	UDP	BMH Subco I	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14143	27-3575066				AmeriHealth Mercy of Louisiana, Inc	LA	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	95458	57-1032456				Select Health of South Carolina, Inc	SC	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14692	20-2467931				Select Health of Georgia, Inc	GA	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	77-0632420				Shore Points AmeriHealth Mercy of Louisiana, LLC	LA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	

16.2

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	00000	45-4244113				AmeriHealth Northeast, LLC	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	30.6	Independence Blue Cross / BlueCross BlueShield of Michigan/BlueCross / BlueShield of Northeastern Pennsylvania	
00936	Independence Blue Cross	15088	46-1480213				AmeriHealth District of Columbia, Inc	DC		AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	20-4948091				AmeriHealth Mercy of Indiana, LLC	IN	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	27-0863878				PerformRx, LLC	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	26-1809217				AmeriHealth Mercy Perform RX IPA of NY, LLC	NY	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14261	45-3790685				AmeriHealth Nebraska, Inc	NE	IA	AmeriHealth Mercy Health Plan	Ownership	42.9	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Nebraska	

16.3

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	14378	45-4088232				Florida True Health, Inc.	FL	IA	AmeriHealth Mercy Health Plan	Ownership	30.6	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Florida	
00936	Independence Blue Cross	00000	45-0563075				Prestige Health Choice, L.L.C.	FL	NIA	AmeriHealth Mercy Health Plan	Ownership	12.3	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Florida / Prestige Health Choice	
00936	Independence Blue Cross	00000	46-0906893				AmeriHealth Michigan, Inc.	MI	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	26-1144363				AMHP Holdings Corp.	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	25-1765391				Community Behavioral Healthcare Network of Pennsylvania, Inc.	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	13630	26-0885397				CBHNP Services, Inc.	PA	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	80-0768643				BMH SUBCO II LLC	DE	UIP	BMH LLC	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	

16.4

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	00000	23-2842344				Keystone Mercy Health Plan	PA	NIA	BMH Subco I	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	23-2859523				AmeriHealth Mercy Health Plan	PA	UDP	BMH Subco I	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14143	27-3575066				AmeriHealth Mercy of Louisiana, Inc	LA	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	95458	57-1032456				Select Health of South Carolina, Inc	SC	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14692	20-2467931				Select Health of Georgia, Inc	GA	IA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	77-0632420				Shore Points AmeriHealth Mercy of Louisiana, LLC	LA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	45-4244113				AmeriHealth Northeast, LLC	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	30.6	Independence Blue Cross / BlueCross BlueShield of Michigan/BlueCross of Northeastern Pennsylvania	
00936	Independence Blue Cross	15088	46-1480213				AmeriHealth District of Columbia, Inc	DC		AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	

16.5

STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**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
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name 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)	*
00936	Independence Blue Cross	00000	20-4948091				AmeriHealth Mercy of Indiana, LLC	IN	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	27-0863878				PerformRx, LLC	PA	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	00000	26-1809217				AmeriHealth Mercy Perform RX IPA of NY, LLC	NY	NIA	AmeriHealth Mercy Health Plan	Ownership	61.3	Independence Blue Cross / BlueCross BlueShield of Michigan	
00936	Independence Blue Cross	14261	45-3790685				AmeriHealth Nebraska, Inc	NE		AmeriHealth Mercy Health Plan	Ownership	42.9	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Nebraska	
00936	Independence Blue Cross	14378	45-4088232				Florida True Health, Inc	FL	IA	AmeriHealth Mercy Health Plan	Ownership	30.6	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Florida	
00936	Independence Blue Cross	00000	45-0563075				Prestige Health Choice, L.L.C.	FL	NIA	AmeriHealth Mercy Health Plan	Ownership	12.3	Independence Blue Cross / BlueCross BlueShield of Michigan / BlueCross BlueShield of Florida / Prestige Health Choice	

16.6



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Verification

**NONE**

Schedule B - Verification

**NONE**

Schedule BA - Verification

**NONE**

Schedule D - Verification

**NONE**

Schedule D - Part 1B

**NONE**

Schedule DA - Part 1

**NONE**

Schedule DA - Verification

**NONE**

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E - Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



STATEMENT AS OF MARCH 31, 2013 OF THE Amerihealth District of Columbia, Inc.

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 Total Cash Equivalents					0	0	0