



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2013
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070
(Current) (Prior)

Organized under the Laws of District of Columbia State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC, US 20065
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle
(Street and Number) 410-581-3000
Owings Mills, MD, US 21117 (Area Code) (Telephone Number)
(City or Town, State, Country and Zip Code)

Mail Address 10455 Mill Run Circle Owings Mills, MD, US 21117
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle
(Street and Number) 410-998-7011
Owings Mills, MD, US 21117 (Area Code) (Telephone Number)
(City or Town, State, Country and Zip Code)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011
(Name) (Area Code) (Telephone Number)
bill.stack@carefirst.com 410-998-6850
(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy
Corp. Secretary, Exec. VP & Gen. Counsel Meryl Davis Burgin #

OTHER

<u>Gregory Mark Chaney</u> EVP, CFO	<u>Fred Adrian Walton Plumb</u> EVP, SBU - FEP	<u>William Scott Gould #</u> EVP, Medical Affairs
<u>John Joseph Kaelin #</u> EVP, Strategic Business Development	<u>Michael Thomas Avotins</u> SVP, ASU - Large Groups	<u>Michael Bruce Edwards</u> SVP, Networks Mgmt
<u>Gwendolyn Denise Skillern</u> SVP, General Auditor	<u>Michael John Felber</u> SVP, Sales	<u>Rita Ann Costello</u> SVP, Strategic Marketing
<u>Maria Harris Tildon</u> SVP, Public Policy	<u>Jon Paul Shematek, M.D.</u> SVP, Chief Medical Officer	<u>Kenny Waitem Kan</u> SVP, Chief Actuary
<u>Wanda Kay Oneferu-Bey</u> SVP, ASU-Consumer Direct	<u>Jennifer Ann Cryor Baldwin #</u> SVP, Patient Centered Medical Home (PCMH)	<u>Steven Jon Margolis</u> SVP, ASU-Small & Medium Groups
<u>Harry Dietz Fox</u> SVP, Technical & Ops Support	<u>Michelle Judith Wright</u> SVP, Human Resources	

DIRECTORS OR TRUSTEES

<u>Elizabeth Oliver-Farrow</u>	<u>James Wallace</u>	<u>Larry Donovan Bailey</u>
<u>Carlos Mario Rodriguez</u>	<u>Artis Gail Hampshire-Cowan #</u>	<u>Faye Ford Fields</u>
<u>Natalie Olivia Ludaway</u>	<u>Robert Lee Sloan</u>	<u>Janice Delores Anderson</u>
<u>Bernard Keith Jarvis</u>	<u>Wendell Lee Johns</u>	<u>Jack Allan Meyer</u>
<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>	

State of Maryland SS:
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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.

Chester Emerson Burrell
Chester Emerson Burrell
President and Chief Executive Officer

Meryl Davis Burgin
Meryl Davis Burgin
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy
Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this 14th day of NOVEMBER 2013
Cynthia F. Kipp

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



STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, 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	551,003,246	0	551,003,246	549,574,934
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	124,155,143	0	124,155,143	179,646,805
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(107,296,957)), cash equivalents (\$0) and short-term investments (\$85,181,561)	(22,115,396)	0	(22,115,396)	(37,059,787)
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	430,454,632	166,667	430,287,965	401,455,368
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,083,497,625	166,667	1,083,330,958	1,093,617,320
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,604,188	0	3,604,188	4,003,396
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	228,125,737	3,303,516	224,822,221	212,721,247
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	14,368,253	0	14,368,253	8,006,603
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	775,525	0	775,525	683,425
17. Amounts receivable relating to uninsured plans	62,643,773	1,266,918	61,376,855	35,677,059
18.1 Current federal and foreign income tax recoverable and interest thereon	17,122,787	0	17,122,787	15,079,432
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	130,105,041	115,987,461	14,117,580	9,702,335
21. Furniture and equipment, including health care delivery assets (\$0)	5,445,589	5,445,589	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	13,949,690	0	13,949,690	7,935,737
24. Health care (\$98,224,104) and other amounts receivable	824,396,327	14,048,563	810,347,764	862,666,716
25. Aggregate write-ins for other than invested assets	132,262,416	131,092,657	1,169,759	1,194,850
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,516,296,951	271,311,371	2,244,985,580	2,251,288,120
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,516,296,951	271,311,371	2,244,985,580	2,251,288,120
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Other Assets	1,169,759	0	1,169,759	1,194,850
2502. Prepaid Expenses - Non-Admitted	46,063,194	46,063,194	0	0
2503. Pension- Prepaid	85,029,463	85,029,463	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	132,262,416	131,092,657	1,169,759	1,194,850

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$14,990,172 reinsurance ceded)	248,816,468	10,676,111	259,492,579	267,054,569
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	10,511,338	451,016	10,962,354	10,812,354
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	721,928,660	0	721,928,660	729,127,798
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	42,400,653	0	42,400,653	53,225,819
9. General expenses due or accrued	64,453,751	0	64,453,751	60,890,545
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	18,085,600	0	18,085,600	12,760,049
11. Ceded reinsurance premiums payable	24,415,733	0	24,415,733	23,063,571
12. Amounts withheld or retained for the account of others	34,228,004	0	34,228,004	37,859,472
13. Remittances and items not allocated	6,512,943	0	6,512,943	1,641,518
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	58,033,113	0	58,033,113	46,661,221
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	12,751,052	0	12,751,052	10,585,684
23. Aggregate write-ins for other liabilities (including \$4,703,857 current)	55,027,710	0	55,027,710	56,534,566
24. Total liabilities (Lines 1 to 23)	1,297,165,025	11,127,127	1,308,292,152	1,310,217,166
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	0	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	936,693,427	941,070,954
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	936,693,427	941,070,954
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,244,985,579	2,251,288,120
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	8,470,616	0	8,470,616	8,756,467
2302. Reinsurance Payable	737,785	0	737,785	372,352
2303. Other long term liabilities	45,819,309	0	45,819,309	47,405,747
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)	55,027,710	0	55,027,710	56,534,566
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
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	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
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	6,779,008	7,391,979	9,754,627
2. Net premium income (including \$0 non-health premium income)	XXX	2,332,354,127	2,388,222,285	3,204,928,073
3. Change in unearned premium reserves and reserve for rate credits	XXX	5,227,495	(16,582,907)	(55,616,525)
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	9,776,057	8,697,202	13,573,633
7. Aggregate write-ins for other non-health revenues	XXX	2,359,482	2,270,677	3,039,142
8. Total revenues (Lines 2 to 7)	XXX	2,349,717,161	2,382,607,257	3,165,924,323
Hospital and Medical:				
9. Hospital/medical benefits	64,459,787	1,513,634,439	1,628,841,484	2,132,505,875
10. Other professional services	2,951,630	134,606,573	76,829,011	105,418,353
11. Outside referrals	21,421,030	21,421,030	19,203,618	33,578,877
12. Emergency room and out-of-area	1,006,535	35,655,456	20,898,583	51,534,094
13. Prescription drugs	0	478,300,611	551,928,449	694,981,524
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	89,838,982	2,183,618,109	2,297,701,145	3,018,018,723
Less:				
17. Net reinsurance recoveries	0	96,440,528	134,935,249	174,018,840
18. Total hospital and medical (Lines 16 minus 17)	89,838,982	2,087,177,581	2,162,765,896	2,843,999,883
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$47,878,339 cost containment expenses	0	112,220,810	87,993,213	128,148,542
21. General administrative expenses	0	183,174,991	177,884,260	241,650,034
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	89,838,982	2,382,573,382	2,428,643,369	3,213,798,459
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(32,856,221)	(46,036,112)	(47,874,136)
25. Net investment income earned	0	9,321,541	11,756,698	18,120,914
26. Net realized capital gains (losses) less capital gains tax of \$4,915,489	0	19,661,958	19,222,316	19,978,096
27. Net investment gains (losses) (Lines 25 plus 26)	0	28,983,499	30,979,014	38,099,010
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	248,988	(1,833,523)	(1,577,913)
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	(3,623,734)	(16,890,621)	(11,353,039)
31. Federal and foreign income taxes incurred	XXX	(7,432,315)	(4,234,396)	(3,836,559)
32. Net income (loss) (Lines 30 minus 31)	XXX	3,808,581	(12,656,225)	(7,516,480)
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive	XXX	9,707,000	8,611,000	13,450,000
0602. Trigon network fee - Med D	XXX	69,057	86,202	123,633
0603.	XXX	0	0	0
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	9,776,057	8,697,202	13,573,633
0701. FEP Bridge	XXX	2,359,482	2,270,677	3,039,142
0702.	XXX	0	0	0
0703.	XXX	0	0	0
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	2,359,482	2,270,677	3,039,142
1401.	0	0	0	0
1402.	0	0	0	0
1403.	0	0	0	0
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. Miscellaneous	0	292,179	(1,737,210)	(1,477,778)
2902. Regulatory fines and fees	0	(43,191)	(96,313)	(100,135)
2903.	0	0	0	0
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	248,988	(1,833,523)	(1,577,913)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	941,070,955	963,581,314	963,581,314
34. Net income or (loss) from Line 32	3,808,581	(12,656,225)	(7,516,480)
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ (2,564,793)	24,069,409	26,670,521	27,662,649
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(7,942,348)	(6,754,897)	(13,778,285)
39. Change in nonadmitted assets	(22,662,828)	8,162,630	(4,334,829)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles.....	(1,696,000)	(39,698,083)	(39,698,083)
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	0	0	0
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	45,658	0	15,154,668
48. Net change in capital & surplus (Lines 34 to 47)	(4,377,528)	(24,276,054)	(22,510,360)
49. Capital and surplus end of reporting period (Line 33 plus 48)	936,693,427	939,305,260	941,070,954
DETAILS OF WRITE-INS			
4701. Change in additional liability\Intangible Assets for pension	0	0	15,154,668
4702. Adjustment to prior years reinsurance premium assumed	45,658	0	0
4703.	0	0	0
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)	45,658	0	15,154,668

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	2,308,717,733	2,383,635,913	3,164,848,969
2. Net investment income	15,050,854	17,273,438	25,601,390
3. Miscellaneous income	12,135,539	10,967,879	16,612,775
4. Total (Lines 1 to 3)	2,335,904,126	2,411,877,230	3,207,063,134
5. Benefit and loss related payments	2,052,361,654	2,189,086,771	2,915,111,472
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	282,155,922	257,633,536	369,208,066
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 4,915,489 tax on capital gains (losses)	(473,467)	(172,795)	(279,043)
10. Total (Lines 5 through 9)	2,334,044,109	2,446,547,512	3,284,040,495
11. Net cash from operations (Line 4 minus Line 10)	1,860,017	(34,670,282)	(76,977,361)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	549,621,962	1,050,746,318	1,111,556,368
12.2 Stocks	121,886,308	99,963,708	100,504,595
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	9,226	143	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	671,517,496	1,150,710,169	1,212,060,963
13. Cost of investments acquired (long-term only):			
13.1 Bonds	553,455,894	1,032,471,301	1,088,535,784
13.2 Stocks	52,078,891	70,993,709	82,679,405
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)	605,534,785	1,103,465,010	1,171,215,189
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)	65,982,711	47,245,159	40,845,774
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	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)	(52,898,338)	(106,833,349)	(66,431,817)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(52,898,338)	(106,833,349)	(66,431,817)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	14,944,390	(94,258,472)	(102,563,404)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(37,059,786)	65,503,618	65,503,618
19.2 End of period (Line 18 plus Line 19.1)	(22,115,396)	(28,754,854)	(37,059,786)

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

--	--	--	--

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	803,048	54,116	287,752	6,342	11,325	22,454	372,065	.0	.0	48,994
2. First Quarter	758,795	53,562	257,749	6,485	12,127	24,973	374,535	.0	.0	29,364
3. Second Quarter	750,786	53,187	250,956	6,584	12,374	25,282	373,366	.0	.0	29,037
4. Third Quarter	741,098	53,063	243,249	6,771	12,531	24,400	372,073	.0	.0	29,011
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	6,779,008	481,502	2,276,720	59,266	111,212	223,543	3,363,191	0	0	263,574
Total Member Ambulatory Encounters for Period:										
7. Physician	6,467,850	237,630	1,328,794	88,065	.0	.0	4,813,361	.0	.0	.0
8. Non-Physician	2,256,891	101,878	598,626	18,258	0	0	1,538,129	0	0	0
9. Total	8,724,741	339,508	1,927,420	106,323	0	0	6,351,490	0	0	0
10. Hospital Patient Days Incurred	149,450	5,760	32,548	4,015	0	0	107,127	0	0	0
11. Number of Inpatient Admissions	37,855	1,494	9,253	900	0	0	26,208	0	0	0
12. Health Premiums Written (a)	2,453,023,715	121,063,556	929,588,553	12,934,219	4,195,845	48,109,326	1,330,066,853	.0	.0	7,065,363
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned	2,458,233,931	122,178,556	927,904,631	13,129,219	4,195,845	48,109,326	1,335,650,991	.0	.0	7,065,363
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	2,193,982,599	103,048,539	784,048,433	10,858,403	3,485,007	36,622,556	1,253,156,129	.0	.0	2,763,532
18. Amount Incurred for Provision of Health Care Services	2,183,618,109	101,722,892	769,737,729	10,455,396	3,485,007	35,772,356	1,258,694,198	0	0	3,750,531

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	86,733,347	716,499,045	2,371,987	81,818,076	89,105,334	97,249,977
2. Medicare Supplement	2,999,507	15,210,714	52,146	3,290,576	3,051,653	4,089,623
3. Dental Only	3,085,714	21,671,365	49,120	2,996,879	3,134,834	3,304,564
4. Vision Only	0	2,684,639	0	0	0	0
5. Federal Employees Health Benefits Plan	154,056,981	1,099,099,148	3,742,288	157,023,960	157,799,269	155,228,179
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	1,490,379	7,826,018	3,997,289	4,150,260	5,487,668	7,182,227
9. Health subtotal (Lines 1 to 8)	248,365,928	1,862,990,929	10,212,830	249,279,751	258,578,758	267,054,570
10. Healthcare receivables (a)	0	16,617,288	0	0	0	0
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	248,365,928	1,846,373,641	10,212,830	249,279,751	258,578,758	267,054,570

(a) Excludes \$90,104,082 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (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, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the nine months ended September 30, 2013 and 2012, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

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

No change.

C. Accounting Policy

No change.

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

In March 2012, the NAIC adopted SSAP No. 92 *Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14* (SSAP 92) and SSAP No. 102 *Accounting for Pensions, A Replacement of SSAP No. 89* (SSAP 102). These SSAPs adopt, with modification, Financial Accounting Standards Codification 715 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. The primary focus of SSAP 92 and SSAP 102 is to recognize the funded status of a defined benefit postretirement plan in the balance sheets. The SSAPs require elements of plan costs to either be recognized as expense components during the current period, or as adjustments to surplus with future amortization into expense. The SSAPs also eliminate the exclusion of non-vested employees in accounting for a defined benefit postretirement plan. SSAP 92 and SSAP 102 were effective January 1, 2013, with early adoption permitted and the ability to elect a ten-year phase-in period. The Company adopted SSAP 92 and SSAP 102 effective January 1, 2013, and recorded a decrease to surplus of \$1,696,000, net of taxes (refer to Note 12 for further discussion).

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

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

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the market value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended September 30, 2013, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At September 30, 2013 the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired,

NOTES TO FINANCIAL STATEMENTS

aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2013 (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
September 30, 2013					
Government sponsored enterprise mortgage-backed securities	\$ 83,501	\$ 2,581	\$ 19,172	\$ 309	\$ 2,890
Other mortgage-backed and asset- backed securities	31,117	1,221	2,972	22	1,243
Total	<u>\$ 114,618</u>	<u>\$ 3,802</u>	<u>\$ 22,144</u>	<u>\$ 331</u>	<u>\$ 4,133</u>

(5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 35%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

The 833(b) deduction results in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company's income tax provision is reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company's reserves reach certain levels, if the medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer use the 833(b) deduction, the Company will incur federal income taxes at the statutory rate of 35%, net of available Alternative Minimum Tax (AMT) credits.

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company's tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled monthly.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

NOTES TO FINANCIAL STATEMENTS

The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company's financial statements by tax character (*in thousands*):

	September 30, 2013			December 31, 2012		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 126,257	\$ 28,144	\$ 154,401	\$ 128,325	\$ 24,150	\$ 152,475
Statutory valuation allowance	(109,483)	-	(109,483)	(110,103)	-	(110,103)
Adjusted gross deferred tax assets	16,774	28,144	44,918	18,222	24,150	42,372
Deferred tax asset nonadmitted	-	-	-	-	-	-
Net deferred tax asset	16,774	28,144	44,918	18,222	24,150	42,372
Gross deferred tax liabilities	(1,300)	(61,704)	(63,004)	(11)	(55,121)	(55,132)
Net admitted deferred tax asset (liability)	\$ 15,474	\$ (33,560)	\$ (18,086)	\$ 18,211	\$ (30,971)	\$ (12,760)

The amount of admitted adjusted gross deferred tax assets are as follows (*in thousands*):

	September 30, 2013			December 31, 2012		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal income taxes recoverable through loss carryback - 11.a	\$ 4,604	\$ -	\$ 4,604	\$ 4,604	\$ -	\$ 4,604
Adjusted Gross DTA expected to be realized (excluding the amount of DTA from 11.a above) after application of the threshold limitation (the lesser of 11.b.i and 11.b.ii below) - 11.b	7,656	2,154	9,810	7,656	2,154	9,810
Adjusted gross DTA expected to be realized following the balance sheet Date - 11.b.i	7,656	2,154	9,810	7,656	2,154	9,810
Adjusted gross DTA allowed per limitation threshold - 11.b.ii	-	-	138,386	-	-	139,705
Adjusted gross DTA (excluding the amount of DTA from 11.a and 11.b above) offset by gross DTL - 11.c	3,214	(35,714)	(32,500)	5,951	(33,125)	(27,174)
DTA admitted as the result of application of SSAP No. 101	\$ 15,474	\$ (33,560)	\$ (18,086)	\$ 18,211	\$ (30,971)	\$ (12,760)

	2013	2012
Rate percentage used to determine recovery and threshold limitation amount	15%	15%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 11.b Above	922,576	931,369

The Company has deferred tax assets related to capital investments. If necessary, the Company may implement tax planning strategies including the sale of investments at a gain to utilize these capital deferred tax assets. The impact of tax planning strategies is as follows:

	September 30, 2013			December 31, 2012			Change
	Ordinary Percent	Capital Percent	TOTAL Percent	Ordinary Percent	Capital Percent	TOTAL Percent	
Percentage of adjusted gross deferred tax assets	0%	63%	63%	0%	57%	57%	6%
Percentage of net admitted adjusted gross deferred tax assets	0%	0%	0%	0%	0%	0%	0%

NOTES TO FINANCIAL STATEMENTS

The (benefit)/provision for income taxes on earnings for the quarters ended September 30, 2013 and 2012 and year ended December 31, 2012 are as follows (*in thousands*):

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>December 31, 2012</u>	<u>Change</u>
Federal benefit	\$ (7,432)	\$ (4,234)	\$ (3,837)	\$ (3,198)
Federal income tax on net capital gains	4,915	4,806	4,995	109
(Benefit) provision for income taxes	<u>\$ (2,517)</u>	<u>\$ 572</u>	<u>\$ 1,158</u>	<u>\$ (3,089)</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*):

	<u>September 30, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>	<u>Character</u>
Deferred tax assets:				
Investments	\$ 3,769	\$ 3,769	\$ -	Capital
AMT Credits	24,375	20,381	3,994	Capital
Benefit obligations	7,168	6,738	430	Ordinary
Unpaid claims	938	1,032	(94)	Ordinary
Accrued expenses	3,753	4,188	(435)	Ordinary
Nonadmitted assets and other	4,915	6,264	(1,349)	Ordinary
Total deferred tax assets	<u>44,918</u>	<u>42,372</u>	<u>2,546</u>	
Nonadmitted deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	
Admitted deferred tax assets	<u>44,918</u>	<u>42,372</u>	<u>2,546</u>	
Deferred tax liabilities:				
Investments	(3,714)	(6,279)	2,565	Capital
Investment in affiliate	(57,990)	(48,842)	(9,148)	Capital
Other	(1,300)	(11)	(1,289)	Ordinary
Total deferred tax liabilities	<u>(63,004)</u>	<u>(55,132)</u>	<u>(7,872)</u>	
Net Admitted deferred tax liabilities	<u>\$ (18,086)</u>	<u>\$ (12,760)</u>	<u>\$ (5,326)</u>	

Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets—statutory basis are as follows (*in thousands*):

	<u>September 30, 2013</u>	<u>December 31, 2012</u>	<u>Change</u>
Gross deferred tax assets	\$ 44,918	\$ 42,372	\$ 2,546
Deferred tax liabilities	<u>(63,004)</u>	<u>(55,132)</u>	<u>(7,872)</u>
Net deferred tax liability	<u>\$ (18,086)</u>	<u>\$ (12,760)</u>	<u>(5,326)</u>
Tax effect of unrealized (gains) losses			(2,564)
Change in net deferred income tax			<u>\$ (7,890)</u>

The provision for income taxes differs from the statutory rate principally as a result of permanent items, changes to statutory valuation allowance and provision for tax loss contingencies in accordance with SSAP 101.

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2009 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point-of-service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

NOTES TO FINANCIAL STATEMENTS

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), National Capital Insurance Agency, LLC, Capital Area Services Company, LLC, CFA, LLC and CareFirst BlueChoice, Inc. and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

Effective January 1, 2013, the Company adopted SSAP 102 and SSAP 92. For SSAP 102, the Company recorded the full transition liability of \$781,000 as a decrease to surplus. For SSAP 92, the Company elected the phase-in option for the full transition liability of \$9,670,000 and accordingly, recorded \$967,000 as a decrease to surplus. The SSAP 92 transition liability amortization to be recorded as a decrease to surplus over the phase-in period is as follows (*in thousands*):

Year	Transition Liability - Beginning Balance	Amortization Amount	Transition Liability - Ending Balance
2013	\$ 9,670	\$ 967	\$ 8,703
2014	8,703	967	7,736
2015	7,736	967	6,769
2016	6,769	967	5,802
2017	5,802	967	4,835
2018	4,835	967	3,868
2019	3,868	967	2,901
2020	2,901	967	1,934
2021	1,934	967	967
2022	967	967	—

The components of net periodic benefit cost for the nine months ended September 30, 2013 and 2012 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Service cost	\$ 5,746	\$ 6,264	\$ 756	\$ 956
Interest cost	9,653	9,803	1,023	622
Expected return on plan assets	(19,023)	(18,056)	—	—
Amortization of transition (asset) liability	(1,988)	(1,988)	725	212
Amortization of prior service cost	156	143	—	—
Net recognized actuarial loss	6,645	7,140	—	—
Net periodic benefit cost for the nine months ended September 30	\$ 1,189	\$ 3,306	\$ 2,504	\$ 1,790

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

- (1) No change.
- (2) – (9) Not applicable.
- (10) Change in net unrealized capital gains (losses) for the nine months ended September 30, 2013:

NOTES TO FINANCIAL STATEMENTS

Change in the unrealized gains (losses) from:

Affiliated common stocks:

CareFirst Holdings	\$	(1,441,239)
CareFirst BlueChoice		26,627,776
FirstCare		273,016
CFA		1,252,363
CASCI		2,019,610
NCIA		101,070
Unaffiliated common stocks		(7,322,583)
Bonds		(5,397)
Total unrealized gains (losses)		21,504,616
Capital gains deferred taxes		2,564,793

Change in net unrealized capital gains (losses)

less capital gains taxes (page 5 line 36) \$ **24,069,409**

(11) – (13) Not applicable.

14. Contingencies

A. Contingent Commitments

None.

B. Assessments

In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties covered under health insurance policies. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, “Penn Treaty”) in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. If Penn Treaty is liquidated, the Company and other insurers may be required to pay a portion of Penn Treaty’s policyholder claims through guaranty association assessments in future periods. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of the insolvency, if any, the amount and timing of associated guaranty association assessments or the amount or availability of potential offsets, such as premium tax offsets. It is possible that in future reporting periods the Company may record a liability and a premium tax offset receivable relating to Penn Treaty which could have a material adverse effect on the Company’s financial statements.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

E. All Other Contingencies

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. Medicare law identifies the primary payer and secondary payer of claims when individuals are insured by either the Company or an employer and Medicare. Principally as a result of information systems programming errors, the Company incorrectly paid certain claims in years prior to 2009 as the secondary payer rather than as the primary payer for individuals that were insured by the Company. The issues were communicated to Centers for Medicare and Medicaid Services (CMS) in May 2009. The Company has implemented corrective measures to (1) correctly identify Medicare beneficiaries that should be paid primary and (2) modify information systems to correctly adjudicate claims on behalf of Medicare beneficiaries.

Based on its interpretation of Medicare law, the Company believes it is liable for improperly processed claims for the period from January 1, 2006 to December 31, 2008. In 2009, CFI provided CMS with the data of the incorrectly paid claims and offered to settle its obligations to CMS for \$19,000,000. Accordingly, CFI recorded a liability of \$19,000,000 at December 31, 2009 for this proposed settlement, of which \$9,885,000 was recorded by the Company, which is included in other liabilities. The settlement remains subject to government approval. While there can be no assurances that the settlement will be accepted, or that CMS will accept the Company’s legal interpretation that Medicare law limits its liability in this matter to the Company’s proposed settlement amount, the Company’s management, after consultation with legal counsel, does not believe the final resolution of this matter

NOTES TO FINANCIAL STATEMENTS

will result in additional material liabilities to the Company. The Company has received demand letters from CMS regarding certain of these individual claims. At December 31, 2012, based on the claims processed in response to these demand letters and its ongoing evaluation of the Company's liability for this matter, the Company released a portion of the reserves that had been established in 2009. As of September 30, 2013, the Company's remaining liability was \$7,467,000.

During 2012, the Company discovered an unrelated processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. This error was promptly corrected once identified by the Company. As a result, CFI recorded an additional liability of \$4,800,000, of which \$1,143,000 was recorded by the Company representing the Company's best estimate of its portion of liability to CMS. Management believes, after consultation with legal counsel, that the final resolution of this matter will not result in additional material liabilities to the Company. There was no additional amount recorded to this liability since December 31, 2012.

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

No change.

B. Lessor Leases

Not applicable.

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

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

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**

Not applicable.

B. ASC Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the nine months ended September 30, 2013 and 2012 (*in thousands*):

	September 30	
	2013	2012
Gross reimbursement for medical costs incurred	\$ 813,820	\$ 839,365
Gross administrative fees accrued	48,232	57,428
Gross expenses incurred	(873,729)	(899,000)
Operating loss, before stop loss	\$ (11,677)	\$ (2,207)
Stop loss, net	1,913	2,110
Proforma operating loss	<u>\$ (9,764)</u>	<u>\$ (97)</u>

The stop loss amount reported represents stop loss written for the ASC business shown above.

For the nine months ended September 30, 2013, GHMSI ceded an ASC underwriting loss of \$942,000 to CFMI and assumed an ASC underwriting loss of \$1,248,000 from CFMI for a net underwriting loss of \$306,000. For the nine months ended September 30, 2012, GHMSI ceded an ASC underwriting gain of \$546,000 to CFMI and assumed an ASC underwriting gain of \$2,810,000 from CFMI for a net underwriting gain of \$2,264,000.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

NOTES TO FINANCIAL STATEMENTS

Not applicable.

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

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the 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 stocks when carried at the lower of cost or market. SSAP No. 100 *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between Level 1 and Level 2 during the nine months ended September 30, 2013.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Bonds. The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign governments securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign governments securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

Stocks. Fair value of publicly-traded equity index funds where market quotes are available but are not considered actively traded are classified as Level 2. Net asset value of the fixed income index fund invested in U.S. Treasury inflation-protected securities (USTIPS) is calculated as of the close of business of the New York Stock Exchange. Fair value of the fixed income index fund where a market quote is available but is not considered actively traded is classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

The following table presents information about the Company's financial instruments measured and reported at fair value as of September 30, 2013 (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of September 30, 2013
Assets				
Bonds	\$ —	\$ 358	\$ —	\$ 358
Common stocks				
Large capital equity index fund	—	30,873	—	30,873
Small capital equity index fund	—	12,103	—	12,103
International equity index fund	—	21,592	—	21,592
Publicly-traded fixed income index fund (a)	—	55,287	—	55,287
Privately held equity securities	—	—	4,300	4,300
Total common stocks	—	119,855	4,300	124,155
Total assets measured and reported at fair value	\$ —	\$ 120,213	\$ 4,300	\$ 124,513

(a) Represent investments in USTIPS.

NOTES TO FINANCIAL STATEMENTS

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs at September 30, 2013 is as follows (*in thousands*):

Beginning balance at January 1, 2013	\$ 4,121
Unrealized gains in capital and surplus—statutory basis	179
Ending balance at September 30, 2013	<u>\$ 4,300</u>
Change in unrealized losses included in net losses related to assets still held	<u>\$ —</u>

The following table presents information about the aggregate fair value of the Company's financial instruments as of September 30, 2013 (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of September 30, 2013	Admitted Assets
Bonds	\$ 113,848	\$ 434,060	\$ —	\$ 547,908	\$ 551,003
Common stocks	—	119,855	4,300	124,155	124,155
Total assets at fair value	<u>\$ 113,848</u>	<u>\$ 553,915</u>	<u>\$ 4,300</u>	<u>\$ 672,063</u>	<u>\$ 675,158</u>

As of September 30, 2013, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items**A. Extraordinary Items**

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Uncollectible Balances

Not applicable.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable Tax Credits

Not applicable.

G. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of September 30, 2013.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

H. Retained Assets

Not applicable.

22. Events Subsequent

Not Applicable.

23. Reinsurance**A. Ceded Reinsurance Report**

NOTES TO FINANCIAL STATEMENTS

The Company maintains a quota-share reinsurance contract with FirstCare, a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with CMS. The Company assumed risk premiums in the amount of \$4,972,000 and \$5,570,000, and incurred an underwriting loss in the amount of \$431,000 and \$90,000, for the nine months ended September 30, 2013 and 2012, respectively.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the nine months ended September 30, 2013 and 2012 (*in thousands*):

	September 30	
	2013	2012
Premiums assumed	\$ 38,497	\$ 41,282
Premiums ceded	(164,148)	(211,462)
Premiums, net	(125,651)	(170,180)
Cost of care assumed	28,619	31,192
Cost of care ceded	(129,382)	(170,628)
Cost of care, net	(100,763)	(139,436)
General and administrative expenses ceded, net	(24,945)	(34,492)
Net loss ceded	\$ 57	\$ 3,748

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

	Other				Total
	Individual	Small Group Employer	Large Group Employer	Categories with Rebates	
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ (4,410)	\$ 2,214	\$ –	\$ –	\$ (2,196)
(2) Medical loss ratio rebates paid	–	3,964	–	–	3,964
(3) Medical loss ratio rebates unpaid	–	–	–	–	–
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ 1,989	\$ –	\$ –	\$ 1,989
(8) Medical loss ratio rebates paid	–	1,989	–	–	1,989
(9) Medical loss ratio rebates unpaid	–	–	–	–	–
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ –

25. Change in Incurred Claims and Claim Adjustment Expenses

As of September 30, 2013, \$248,366,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$10,213,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been an \$8,476,000 favorable prior year development since December 31, 2012 to September 30, 2013, of which \$2,571,000 was a result of unfavorable development in the Federal Employee Program line

NOTES TO FINANCIAL STATEMENTS

of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$9,805,000 within aggregate health policy reserves
2. Date of the most recent evaluation of this liability: September 30, 2013
3. Was anticipated investment income utilized in the calculation? No

31. Salvage and Subrogation

No change.

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 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

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 [] N/A []
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. 12/31/2013
- 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. 12/31/2008
- 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). 09/29/2009
- 6.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking
- 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 [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []
- 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 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
- 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
- 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
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

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
- 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: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
Carrying Value |
|---|--|---|
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$ 401,455,368 | \$ 430,287,965 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 401,455,368 | \$ 430,287,965 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | \$0 |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 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 | \$ | 0 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 16.3 Total payable for securities lending reported on the liability page | \$ | 0 |

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 []

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
SunTrust Bank	1445 New York Ave, Washington DC 20005

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 information relating thereto:

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

17.5 Identify all investment advisors, brokers/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
15958	Vanguard	P.O. Box 2900 Valley Forge, PA 19482
104596	Dodge & Cox	55 California St., San Francisco, CA 94104
105496	T.Rowe Price	100 E. Pratt St., Baltimore MD 21202

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 percent91.3 %
1.2 A&H cost containment percent2.0 %
1.3 A&H expense percent excluding cost containment expenses10.6 %

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\$.....0

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\$.....0

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)
NONE						

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

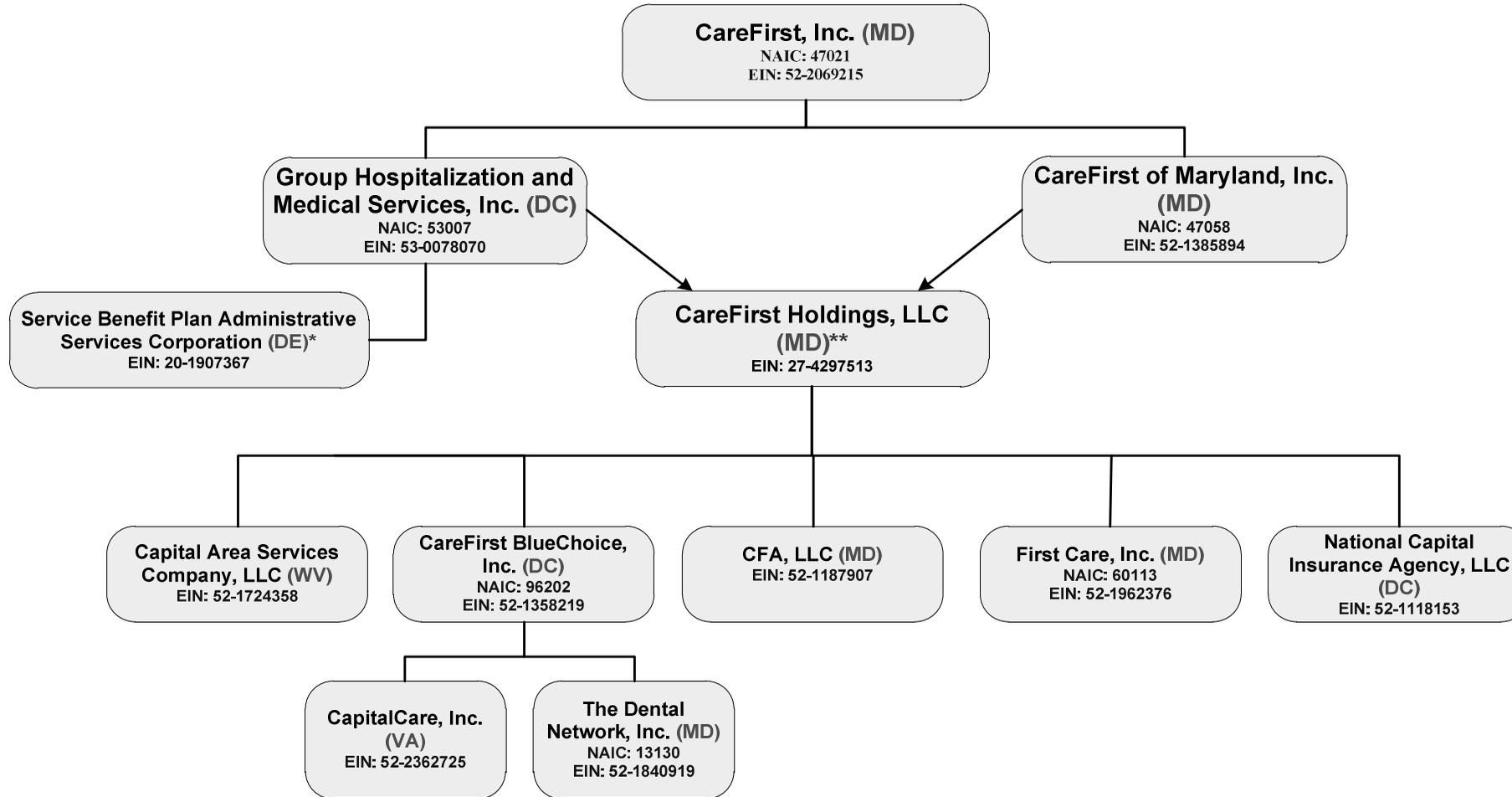
States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	L	358,199,128	0	0	244,032,492	0	0	602,231,620	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	L	397,989,072	0	0	581,446,644	0	0	979,435,716	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0	0
47. Virginia	VA	L	366,768,662	0	0	504,587,717	0	0	871,356,379	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	3	1,122,956,862	0	0	1,330,066,853	0	0	2,453,023,715	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX		0	0	0	0	0	0	0	0
61. Totals (Direct Business)	(a) 3		1,122,956,862	0	0	1,330,066,853	0	0	2,453,023,715	0
DETAILS OF WRITE-INS										
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
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		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.

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.

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



15

*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

**CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, 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)	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)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC		CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	
		00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	IA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	

Asterisk	Explanation
	N/A

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?	YES
Explanation:	
Bar Code:	

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
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 (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
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		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
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 (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	401,622,035	399,931,403
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	28,832,597	1,690,632
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	430,454,632	401,622,035
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	430,287,965	401,455,368

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	729,221,778	743,561,585
2. Cost of bonds and stocks acquired	605,534,785	1,171,215,189
3. Accrual of discount	175,694	317,160
4. Unrealized valuation increase (decrease)	(7,327,983)	9,099,147
5. Total gain (loss) on disposals	24,568,223	24,972,482
6. Deduct consideration for bonds and stocks disposed of	671,508,270	1,212,060,963
7. Deduct amortization of premium	5,505,799	7,882,822
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	675,158,428	729,221,778
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	675,158,428	729,221,778

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	556,465,177	194,221,153	212,600,592	(2,730,358)	507,861,207	556,465,177	535,355,380	469,699,598
2. Class 2 (a)	91,396,409	17,243,974	10,226,256	1,150,827	90,456,308	91,396,409	99,564,954	92,228,475
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	381,590	0	1,406	(472)	383,469	381,590	379,712	385,349
5. Class 5 (a)	887,529	0	0	(2,784)	890,302	887,529	884,745	951,370
6. Class 6 (a)	18	0	0	0	18	18	18	18
7. Total Bonds	649,130,723	211,465,127	222,828,254	(1,582,787)	599,591,304	649,130,723	636,184,809	563,264,810
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	649,130,723	211,465,127	222,828,254	(1,582,787)	599,591,304	649,130,723	636,184,809	563,264,810

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 ; NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

S102

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	85,181,561	xxx	85,202,942	52,847	30,056

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,689,876	172,197,558
2. Cost of short-term investments acquired	247,256,923	124,704,040
3. Accrual of discount	492	51
4. Unrealized valuation increase (decrease)	595	5,137
5. Total gain (loss) on disposals	9,226	143
6. Deduct consideration received on disposals	175,729,225	283,170,589
7. Deduct amortization of premium	46,326	46,464
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	85,181,561	13,689,876
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	85,181,561	13,689,876

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of cash equivalents acquired	0	1,955,294
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	0	1,950,000
7. Deduct amortization of premium	0	5,294
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
36179N-CX-4	GNMA PASS-THRU M SINGLE FAMILY		.08/08/2013	VARIOUS		679,233	676,686	640	1
36179N-CY-2	GNMA PASS-THRU M SINGLE FAMILY		.08/08/2013	CREDIT SUISSE FIRST BOSTO		345,734	335,054	363	1
36179N-F6-0	GNMA PASS-THRU M SINGLE FAMILY		.07/01/2013	BNP PARIBAS SECURITIES BO		653,797	658,426	1,152	1
36179N-FD-5	GNMA PASS-THRU M SINGLE FAMILY		.08/08/2013	VARIOUS		108,595	108,367	97	1
36241L-X8-4	GNMA PASS-THRU X PLATINUM 30YR		.07/01/2013	BNP PARIBAS SECURITIES BO		389,421	378,078	772	1
912810-0Z-4	UNITED STATES TREAS BDS		.09/27/2013	VARIOUS		2,049,008	2,300,000	13,174	1
912810-RC-4	UNITED STATES TREAS BDS		.09/19/2013	VARIOUS		46,241,719	48,000,000	163,125	1
912828-UA-6	UNITED STATES TREAS NTS		.09/10/2013	VARIOUS		945,626	980,000	1,685	1
912828-VJ-6	UNITED STATES TREAS NTS		.07/15/2013	BOENNING & SCATTERGOOD IN		995,156	1,000,000	815	1
912828-VK-3	UNITED STATES TREAS NTS		.07/15/2013	BOENNING & SCATTERGOOD IN		1,000,078	1,000,000	598	1
912828-VL-1	UNITED STATES TREAS NTS		.07/15/2013	BOENNING & SCATTERGOOD IN		1,000,000	1,000,000	37	1
912828-VR-8	UNITED STATES TREAS NTS		.09/05/2013	VARIOUS		9,918,359	10,000,000	3,736	1
912828-VU-1	UNITED STATES TREAS NTS		.09/05/2013	VARIOUS		29,946,094	30,000,000	1,865	1
912828-CP-3	UNITED STATES TREAS NTS TIPS		.07/02/2013	DEUTSCHE BANK SECURITIES		1,959,202	1,535,000	17,683	1
0599999. Subtotal - Bonds - U.S. Governments						96,232,022	97,971,612	205,722	XXX
683234-C5-5	ONTARIO PROV CDA	I	.08/16/2013	MERRILL LYNCH PROFESSNL C		1,463,445	1,500,000	350	1FE
68323A-BL-7	PROVINCE OF ONTARIO	I	.09/05/2013	MERRILL LYNCH PROFESSNL C		1,410,975	1,500,000	11,206	1FE
085209-AC-8	GOVERNMENT OF BERMUDA 144A	R	.09/12/2013	NOMURA SECURITIES INTL		201,720	205,000	1,133	1
716540-BJ-0	PETROLEOS MEXICANOS	R	.09/12/2013	VARIOUS		176,594	175,000	803	2FE
71656L-AS-0	PETROLEOS MEXICANOS MTN 144A	R	.07/11/2013	BARCLAYS CAPITAL INC		34,840	35,000	0	1FE
731011-AT-9	POLAND REP GLBL BD	R	.09/17/2013	VARIOUS		149,540	165,000	34	1FE
78307A-CZ-4	RUSSIAN FEDN 144A	R	.09/16/2013	EUROCLEAR BANK S.A. BRUSS		130,918	155,000	4,066	2FE
1099999. Subtotal - Bonds - All Other Governments						3,568,032	3,735,000	17,592	XXX
313660-5A-5	FEDERAL NATL MTG ASSN		.09/18/2013	U.S. BANCORP PIPER JAFFRA		845,000	1,000,000	8,333	1
3128MB-H5-6	FHLMC PC GOLD COMB 30		.08/07/2013	BNP PARIBAS SECURITIES BO		59,809	57,509	70	1
312931-C3-0	FHLMC PC GOLD COMB 30		.09/18/2013	GOLDMAN, SACHS & CO.		1,980,702	1,809,894	5,254	1
3138EL-TE-3	FNMA PASS-THRU INT 15 YEAR		.09/06/2013	BANC AMERICA SECURITIES L		2,375,892	2,231,867	4,464	1
3138WQ-AX-0	FNMA PASS-THRU LNG 30 YEAR		.08/27/2013	VARIOUS		535,091	558,612	1,036	1
3138X0-Y9-3	FNMA PASS-THRU LNG 30 YEAR		.08/28/2013	NOMURA SECURITIES INTL		756,229	757,649	810	1
31417D-GE-7	FNMA PASS-THRU LNG 30 YEAR		.08/08/2013	NOMURA SECURITIES INTL		106,590	109,393	100	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		.07/16/2013	CREDIT SUISSE FIRST BOSTO		312,962	294,943	664	1
3199999. Subtotal - Bonds - U.S. Special Revenues						6,972,275	6,819,866	20,731	XXX
02377U-AA-2	AMER AIRLINES 144A		.07/24/2013	MORGAN STANLEY & CO. INC		200,000	200,000	0	2FE
026874-BT-3	AMERICAN INTL GROUP INC		.08/14/2013	DEUTSCHE BANK SECURITIES		407,505	325,000	298	2FE
037411-BD-6	APACHE CORP 2.625% 23		.07/17/2013	LINSCO/PRIVATE LEDGER COR		944,400	1,000,000	510	1FE
00206R-BD-3	AT&T INC		.09/17/2013	BOENNING & SCATTERGOOD IN		1,847,000	2,000,000	5,833	1FE
06051G-ET-2	BANK AMER CORP		.08/06/2013	LINSCO/PRIVATE LEDGER COR		1,474,650	1,500,000	2,333	1FE
06051G-DZ-9	BANK AMER FDG CORP		.07/09/2013	BANC AMERICA SECURITIES L		211,404	175,000	1,520	1FE
071813-BL-2	BAXTER INTL INC		.07/02/2013	GOLDMAN, SACHS & CO.		39,526	40,000	96	1FE
12189L-AP-6	BURLINGTON NORTHN SANTA FE CP		.08/13/2013	BANC AMERICA SECURITIES L		263,431	265,000	0	2FE
14040H-BD-6	CAPITAL ONE FINL CORP		.09/26/2013	EXCHANGE		1,666,224	1,685,000	0	2FE
14040H-BC-8	CAPITAL ONE FINL CORP 144A		.07/01/2013	WACHOVIA SECURITIES CAPIT		190,636	200,000	564	2FE
151020-AL-8	CELGENE CORP SR NT		.08/01/2013	CHASE SECURITIES, INC.		114,019	115,000	0	2FE
12615S-AQ-3	CNH WHSL MSTR TR 144A		.08/07/2013	BARCLAYS CAPITAL INC		175,000	175,000	0	1FE
12622D-AA-2	COMM 2010-C1 144A		.07/16/2013	UBS FINANCIAL SERVICES IN		1,547,910	1,489,717	2,351	1FE
224044-BH-6	COX COMMUNICATIONS INC NEW 144A		.08/14/2013	VARIOUS		523,151	585,000	3,163	2FE
23311V-AC-1	DOP MIDSTREAM OPERATING PL		.07/11/2013	STERNE, AGEE & LEACH, INC		128,995	130,000	406	2FE
29372E-AY-4	ENTERPRISE FLEET FNC 144A		.08/07/2013	CHASE SECURITIES, INC.		199,969	200,000	0	1FE
26884T-AK-8	ERAC USA FINANCE COMPANY 144A		.07/18/2013	GREENWICH CAPITAL MKTS, I		24,963	25,000	0	2FE
36830L-AC-7	GE EQUIP SMALL TOKT 2013-144A		.07/24/2013	BARCLAYS CAPITAL INC		99,988	100,000	0	1FE
372491-AA-8	GENWORTH HLDGS INC		.08/06/2013	VARIOUS		94,894	95,000	5	2FE
38141G-CU-6	GOLDMAN SACHS GROUP INC		.08/09/2013	MERRILL LYNCH PROFESSNL C		553,585	500,000	15,227	1FE
38141G-GM-0	GOLDMAN SACHS GROUP INC		.07/22/2013	MERRILL LYNCH PROFESSNL C		1,751,145	1,500,000	45,313	1FE
411707-AA-0	HARDEES FUND LLC 144A		.08/26/2013	VARIOUS		324,753	323,781	1,135	2AM
428236-BM-4	HEWLETT PACKARD CO GLBL NT		.07/24/2013	BOENNING & SCATTERGOOD IN		1,002,200	1,000,000	6,928	2FE
44890P-AB-1	HYUNDAI AUTO LEASE TR 144A		.08/07/2013	BANC AMERICA SECURITIES L		224,982	225,000	0	1FE
449230-AF-1	HYUNDAI CAP AMER INC 144A		.08/06/2013	BANC AMERICA SECURITIES L		59,965	60,000	0	2FE
449230-AG-9	HYUNDAI CAP AMER INC 144A		.08/06/2013	BANC AMERICA SECURITIES L		94,715	95,000	0	2FE
45685E-AE-6	ING U S INC		.08/14/2013	EXCHANGE		104,833	105,000	0	2FE
46634S-AB-1	JP MORGAN CHASE CMBS 2012-C6		.07/16/2013	UBS FINANCIAL SERVICES IN		1,684,031	1,650,000	1,820	1FE
46640J-AP-2	JP MORGAN CHASE MBS 2013-C13		.07/16/2013	UBS FINANCIAL SERVICES IN		1,834,313	1,800,000	2,399	1FE
485188-AK-2	KANSAS CITY SOUTH RY CO 144A		.07/01/2013	GOLDMAN, SACHS & CO.		54,431	60,000	473	2FE

E04

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
57629W-BS-8	MASSMUTUAL GLBL FDG 11 MTN144A		.07/26/2013	MORGAN STANLEY & CO. INC		199,632	200,000	.0	1FE
617610-AB-9	MS BOFA ML TRUST 2013-C8		.07/23/2013	U.S. BANCORP PIPER JAFFRA		993,125	1,000,000	1,173	1FE
553893-AA-6	MVIN OWNER TRUST 2013-144A		.07/30/2013	BANC AMERICA SECURITIES L		99,996	100,000	.0	1FE
629568-AY-2	NABORS INDS INC 144A		.09/04/2013	SALOMON SMITH BARNEY INC/		39,977	40,000	.0	2FE
63858S-BC-2	NATIONSBANK CORP MTN SUB NT BE		.07/31/2013	RAYMOND JAMES & ASSOCIATE		214,600	185,000	5,305	2FE
638671-AG-2	NATIONWIDE MUT INS CO 144A		.09/17/2013	RAYMOND JAMES & ASSOCIATE		2,036,000	2,000,000	56,833	1FE
65477L-AC-4	NISSAN AUTO RECV 2013-B		.07/24/2013	CHASE SECURITIES, INC.		114,975	115,000	.0	1FE
68268N-AK-9	ONEOK PARTNERS LP		.09/09/2013	GREENWICH CAPITAL MKTS, I		29,981	30,000	.0	2FE
68389X-AO-8	ORACLE CORP		.07/09/2013	BANC AMERICA SECURITIES L		154,461	155,000	.0	1FE
726505-AH-3	PLAINS EXPL& PRODTN CO		.09/09/2013	MIZUHO SECURITIES USA INC		1,113,400	1,000,000	35,219	2FE
74005P-BH-6	PRAXAIR INC		.08/22/2013	LINSCO/PRIVATE LEDGER COR		950,400	1,000,000	3,819	1FE
742718-EB-1	PROCTER & GAMBLE CO		.08/13/2013	BOENNING & SCATTERGOOD IN		1,967,680	2,000,000	517	1FE
758202-AK-1	REED ELSEVIER CAP INC		.07/15/2013	EXCHANGE		1,099,000	1,181,000	.0	2FE
779382-AN-0	ROWAN COS INC SR NT		.08/01/2013	BARCLAYS CAPITAL INC		130,384	120,000	2,583	2FE
814120-AC-5	SECURITY BENEFIT LIFE INS CO 144A		.09/18/2013	VARIOUS		1,139,050	1,090,000	38,798	2FE
82852B-AA-2	SIERRA RECEIVABLES FDG 144A		.07/17/2013	CREDIT SUISSE FIRST BOSTO		124,996	125,000	.0	1FE
883556-BB-7	THERMO FISHER SCIENTIFIC INC		.07/29/2013	BARCLAYS CAPITAL INC		9,795	10,000	.8	2FE
88732J-AN-8	TIME WARNER CABLE INC		.09/17/2013	VARIOUS		458,975	450,000	7,057	2FE
88732J-AP-3	TIME WARNER CABLE INC		.07/22/2013	CREDIT SUISSE FIRST BOSTO		294,083	250,000	9,783	2FE
88732J-AU-2	TIME WARNER CABLE INC		.07/03/2013	CREDIT SUISSE FIRST BOSTO		519,662	550,000	2,475	2FE
92343V-BQ-6	VERIZON COMMUNICATIONS INC		.09/11/2013	CHASE SECURITIES, INC.		234,695	235,000	.0	2FE
92343V-BR-4	VERIZON COMMUNICATIONS INC		.09/16/2013	VARIOUS		2,125,155	2,120,000	.28	2FE
92343V-BS-2	VERIZON COMMUNICATIONS INC		.09/16/2013	VARIOUS		826,640	810,000	.31	2FE
92343V-BT-0	VERIZON COMMUNICATIONS INC		.09/18/2013	MORGAN STANLEY & CO. INC		1,523,438	1,500,000	250	2FE
92344S-AK-6	VERIZON WIRELESS CAP LLC		.09/04/2013	VARIOUS		125,508	100,000	2,692	1FE
92553P-AS-1	VIACOM INC NEW SR NT		.08/12/2013	BANC AMERICA SECURITIES L		29,827	30,000	.0	2FE
78008S-7D-2	ROYAL BK OF CDA BD CDS FR	I	.08/07/2013	BOENNING & SCATTERGOOD IN		1,507,500	1,500,000	1,192	1FE
05574L-PT-9	BNP PARIBAS / BNP PARIBAS US	R	.08/13/2013	BNP PARIBAS SECURITIES BO		179,665	180,000	.0	1FE
21987B-AM-0	CORPORACION NACIONAL DEL CO 144A	R	.09/12/2013	J. P. MORGAN CLEARING COR		119,239	100,000	1,292	1FE
279158-AD-1	ECOPETROL S A SR NT	R	.09/18/2013	VARIOUS		44,299	44,000	.9	2FE
05607M-AA-5	HEATHROW FUNDING LTD 144A	R	.07/17/2013	BNP PARIBAS SECURITIES BO		257,138	240,000	228	1FE
43474T-AA-1	HOLCIM US FINANCE 144A	R	.07/23/2013	CHASE SECURITIES, INC.		22,826	20,000	.87	2FE
43474T-AC-7	HOLCIM US FINANCE 144A	R	.09/05/2013	GREENWICH CAPITAL MKTS, I		258,190	260,000	.0	2FE
50247V-AA-7	LYB INTERNATIONAL FINANCE B.V.	R	.07/11/2013	MORGAN STANLEY & CO. INC		49,339	50,000	.0	2FE
62856R-AB-1	MYRIAD INTL HLDGS B V GLBL 144A	R	.07/16/2013	VARIOUS		753,250	750,000	.0	2FE
71645W-AR-2	PETROBRAS INTL FIN CO	R	.08/21/2013	BARCLAYS CAPITAL		245,823	250,000	1,082	2FE
749343-AB-5	RCI BANQUE S A	R	.08/15/2013	VARIOUS		15,806	15,000	245	2FE
78010X-AK-7	ROYAL BK OF SCOTLAND PLC	R	.08/02/2013	MORGAN STANLEY & CO. INC		535,781	475,000	2,101	1FE
87927V-AV-0	TELECOM ITALIA CAP	R	.07/23/2013	VARIOUS		299,990	300,000	3,346	2FE
87938W-AN-3	TELEFONICA EMISIONES S A U	R	.07/17/2013	BNP PARIBAS SECURITIES BO		129,891	125,000	2,162	2FE
89152U-AG-7	TOTAL CAPITAL GLBL NT	R	.08/21/2013	RBC CAPITAL MARKETS CORP		991,710	1,000,000	826	1FE
893830-AS-8	TRANSOCEAN SEDCO FOREX INC	R	.07/18/2013	CREDIT SUISSE FIRST BOSTO		73,673	65,000	1,387	2FE
92857W-BC-3	VODAFONE GROUP PLC NEW	R	.09/13/2013	LINSCO/PRIVATE LEDGER COR		1,804,500	2,000,000	4,753	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					41,686,673	41,393,499	275,655	XXX
8399997	Total - Bonds - Part 3					148,459,002	149,919,977	519,700	XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX
8399999	Total - Bonds					148,459,002	149,919,977	519,700	XXX
8999997	Total - Preferred Stocks - Part 3					0	XXX	0	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	XXX
922031-74-5	VANGUARD FIXED INCOME SECS FD		.09/27/2013	VANGUARD GROUP	36,951,920	395,016	.0	.0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.09/27/2013	VANGUARD GROUP	65,226,073	10,105,897	.0	.0	L
9299999	Subtotal - Common Stocks - Mutual Funds					10,500,913	XXX	0	XXX
9799997	Total - Common Stocks - Part 3					10,500,913	XXX	0	XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					10,500,913	XXX	0	XXX
8999999	Total - Preferred and Common Stocks					10,500,913	XXX	0	XXX
9999999	Totals					158,959,915	XXX	519,700	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
36202F-M7-8	GNMA 11 POOL #004882 4.000%		09/20/2013	PRINCIPAL RECEIPT		13,424	13,424	14,594	0	0	(1,170)	0	(1,170)	0	13,424	0	0	0	201	12/20/2040	1
36179M-2N-9	GNMA PASS-THRU M SINGLE FAMILY		09/24/2013	VARIOUS		848,124	927,257	937,339	0	0	1,371	0	1,371	0	938,710	0	(90,586)	(90,586)	9,235	02/20/2043	1
36179M-CH-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		10,176	10,176	10,638	10,176	0	(462)	0	(462)	0	10,176	0	0	0	163	05/20/2027	1
36179M-EL-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		5,017	5,017	5,344	5,343	0	(327)	0	(327)	0	5,017	0	0	0	93	06/20/2027	1
36179M-GN-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		18,496	18,496	19,701	19,700	0	(1,205)	0	(1,205)	0	18,496	0	0	0	353	07/20/2027	1
36179M-K6-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		7,527	7,527	7,918	7,919	0	(391)	0	(391)	0	7,527	0	0	0	154	08/20/2042	1
36179M-MX-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		11,751	11,751	12,375	12,380	0	(629)	0	(629)	0	11,751	0	0	0	192	09/20/2027	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		6,508	6,508	7,096	7,097	0	(590)	0	(590)	0	6,508	0	0	0	143	09/20/2042	1
36179M-VR-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		8,459	8,459	8,902	8,902	0	(443)	0	(443)	0	8,459	0	0	0	140	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	VARIOUS		585,480	641,357	634,037	0	0	1,396	0	1,396	0	635,432	0	(49,952)	(49,952)	6,626	01/20/2043	1
36179M-CX-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		5,136	5,136	5,160	0	0	(24)	0	(24)	0	5,136	0	0	0	12	05/20/2028	1
36179M-CY-2	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		2,980	2,980	3,075	0	0	(95)	0	(95)	0	2,980	0	0	0	7	05/20/2028	1
36179M-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		3,577	3,577	3,655	0	0	(79)	0	(79)	0	3,577	0	0	0	17	05/20/2043	1
36179M-DR-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		11,528	11,528	12,041	0	0	(513)	0	(513)	0	11,528	0	0	0	61	05/20/2043	1
36179M-F6-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		7,020	7,020	6,917	0	0	103	0	103	0	7,020	0	0	0	29	06/20/2043	1
36179M-FD-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		674	674	675	0	0	(1)	0	(1)	0	674	0	0	0	1	06/20/2028	1
36202F-ZM-7	GNMA PASS-THRU M SINGLE FAMILY		07/20/2013	VARIOUS		3,686,347	3,531,307	3,792,844	3,793,229	0	(9,884)	0	(9,884)	0	3,783,345	0	(96,998)	(96,998)	89,995	01/20/2042	1
36202F-KS-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		167,473	167,473	190,082	190,118	0	(22,644)	0	(22,644)	0	167,473	0	0	0	7,581	09/20/2040	1
36202F-MA-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2013	PRINCIPAL RECEIPT		45,433	45,433	49,357	49,384	0	(3,951)	0	(3,951)	0	45,433	0	0	0	1,137	11/20/2040	1
36202F-UF-1	GNMA PASS-THRU M SINGLE FAMILY		07/20/2013	VARIOUS		1,719,385	1,620,109	1,768,450	1,769,207	0	(6,363)	0	(6,363)	0	1,762,844	0	(43,459)	(43,459)	46,421	06/20/2041	1
36202F-ZY-5	GNMA PASS-THRU M SINGLE FAMILY		08/27/2013	VARIOUS		3,574,428	3,429,602	3,683,607	3,683,973	0	(14,163)	0	(14,163)	0	3,669,810	0	(95,382)	(95,382)	102,175	12/20/2041	1
36241K-T4-0	GNMA PASS-THRU X PLATINUM 30YR		08/27/2013	VARIOUS		1,970,914	1,840,431	2,023,037	2,026,645	0	(17,204)	0	(17,204)	0	2,009,441	0	(38,527)	(38,527)	68,069	08/15/2038	1
36241L-DM-5	GNMA PASS-THRU X PLATINUM 30YR		09/15/2013	PRINCIPAL RECEIPT		89,386	89,386	97,347	97,365	0	(7,979)	0	(7,979)	0	89,386	0	0	0	3,164	11/15/2039	1
36241L-X8-4	GNMA PASS-THRU X PLATINUM 30YR		09/15/2013	PRINCIPAL RECEIPT		31,428	31,428	32,236	0	0	(809)	0	(809)	0	31,428	0	0	0	93	09/15/2041	1
36176X-KP-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2013	PRINCIPAL RECEIPT		32,216	32,216	33,992	33,989	0	(1,773)	0	(1,773)	0	32,216	0	0	0	713	04/15/2042	1
3620AS-EQ-8	GNMA PASS-THRU X SINGLE FAMILY		09/19/2013	VARIOUS		1,806,255	1,702,531	1,857,355	1,858,131	0	(9,420)	0	(9,420)	0	1,848,710	0	(42,456)	(42,456)	57,051	04/15/2041	1
3620CO-ZY-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2013	PRINCIPAL RECEIPT		108,362	108,362	119,097	119,194	0	(10,832)	0	(10,832)	0	108,362	0	0	0	3,076	07/15/2040	1
3620CO-ZB-7	GNMA PASS-THRU X SINGLE FAMILY		09/15/2013	PRINCIPAL RECEIPT		97,495	97,495	107,153	107,240	0	(9,745)	0	(9,745)	0	97,495	0	0	0	2,832	06/15/2040	1
36296T-SS-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2013	PRINCIPAL RECEIPT		65,769	65,769	73,353	73,481	0	(7,711)	0	(7,711)	0	65,769	0	0	0	2,297	10/15/2038	1
36296X-UP-0	GNMA PASS-THRU X SINGLE FAMILY		09/15/2013	PRINCIPAL RECEIPT		102,567	102,567	114,394	114,593	0	(12,026)	0	(12,026)	0	102,567	0	0	0	3,611	01/15/2039	1
36225A-4V-9	GNMA POOL #780836		09/15/2013	PRINCIPAL RECEIPT		1,932	1,932	2,052	1,996	0	(64)	0	(64)	0	1,932	0	0	0	102	04/15/2020	1
38378B-PB-6	GNMA REMIC TRUST 2012-123		09/16/2013	PRINCIPAL RECEIPT		10,266	10,266	10,291	0	0	(26)	0	(26)	0	10,266	0	0	0	62	07/16/2046	1
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		09/03/2013	PRINCIPAL RECEIPT		48,795	48,795	52,088	48,795	0	0	0	0	0	48,795	0	0	0	2,986	09/01/2021	1
83162C-KM-4	SMALL BUSINESS ADMIN GTD 00-20A		07/01/2013	PRINCIPAL RECEIPT		7,565	7,565	7,565	0	0	0	0	0	0	7,565	0	0	0	338	01/01/2020	1
83162C-EV-1	SMALL BUSINESS ADMIN GTD 93-201		09/01/2013	VARIOUS		10,689	10,689	11,388	10,724	0	(31)	0	(31)	0	10,693	0	(3)	(3)	631	09/01/2013	1
912810-QE-1	UNITED STATES TREAS BDS		07/05/2013	MORGAN STANLEY & CO. INC		450,849	380,000	493,255	0	0	(1,164)	0	(1,164)	0	492,090	0	(41,241)	(41,241)	15,730	02/15/2040	1
912810-QT-8	UNITED STATES TREAS BDS		09/16/2013	VARIOUS		139,650	160,000	156,616	156,671	0	50	0	50	0	156,721	0	(17,071)	(17,071)	4,198	11/15/2041	1
912810-QZ-4	UNITED STATES TREAS BDS		09/16/2013	VARIOUS		1,411,100	1,600,000	1,568,467	0	0	141	0	141	0	1,568,608	0	(157,508)	(157,508)	26,185	02/15/2043	1
912810-RC-4	UNITED STATES TREAS BDS		09/23/2013	VARIOUS		46,455,000	48,000,000	46,241,719	0	0	132	0	132	0	46,241,850	0	213,150	213,150	163,125	08/15/2043	1
912828-JM-3	UNITED STATES TREAS NTS		09/30/2013	MATURITY		315,000	315,000	325,705	321,772	0	(6,772)	0	(6,772)	0	315,000	0	0	0	9,844	09/30/2013	1
912828-QW-3	UNITED STATES TREAS NTS		07/31/2013	MATURITY		3,750,000	3,750,000	3,754,980	3,752,637	0	(2,637)	0	(2,637)	0	3,750,000	0	0	0	14,063	07/31/2013	1
912828-RK-8	UNITED STATES TREAS NTS		09/30/2013	VARIOUS		4,665,640	4,665,000	4,660,238	4,661,750	0	2,439	0	2,439	0	4,664,189	0	1,451	1,451	4,817	09/30/2013	1
912828-UA-6	UNITED STATES TREAS NTS		09/12/2013	VARIOUS		617,888	640,000	617,938	0	0	21	0	21	0	617,959	0	(71)	(71)	1,104	11/30/2017	1
912828-VU-1	UNITED STATES TREAS NTS		09/25/2013	IN		10,001,953	10,000,000	9,979,688	0	0	562	0	562	0	9,980,249	0	21,704	21,704	2,797	08/31/2015	1
912828-BD-1	UNITED STATES TREAS NTS TIPS		07/15/2013	MATURITY		300,932	237,500	308,252	305,314	(5,327)	(6,194)	0	(11,521)	0	293,792	0	7,139	7,139	5,619	07/15/2013	1
912828-CP-3	UNITED STATES TREAS NTS TIPS		07/02/2013	GREENWICH CAPITAL MKTS,		228,882	180,000	228,882	0	0	0	0	0	228,882	0	0	0	4,077	07/15/2014	1	
911760-PP-3	US VA VENDEE MTG TR 2002-1		09/15/2013	PRINCIPAL RECEIPT		103,462	103,462	123,120	0	0	(19,658)	0	(19,658)	0	103,462	0	0	0	989	08/15/2031	1
059999	Subtotal - Bonds - U.S. Governments					83,562,938	84,655,206	84,174,015	23,246,850	(5,327)	(170,764)	0	(176,091)	0	83,992,747	0	(429,810)	(429,810)	662,309	XXX	XXX
683234-C5-5	ONTARIO PROV CDA	I	09/05/2013	MERRILL LYNCH PROFESSIONL		1,447,470	1,500,000	1,463,445	0	0	411	0	411	0	1,463,856	0	(16,386)	(16,386)	1,300	02/14/2018	1FE
683234-BM-5	PROVINCE OF ONTARIO	I	08/16/2013	MERRILL LYNCH PROFESSIONL		1,471,170	1,500,000	1,498,635	0	0	138										

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
1099999. Subtotal - Bonds - All Other Governments						3,640,528	3,685,000	3,650,897	652,116	0	132	0	132	0	3,649,168	0	(8,640)	(8,640)	38,402	XXX	XXX
546415-H2-9	LOUISIANA ST		08/19/2013	M LYNCH, PIERCE, FENNER, & S		52,236	45,000	57,258	57,061	0	(838)	0	(838)	0	56,223	0	(3,987)	(3,987)	2,594	07/15/2021	1FE
1799999. Subtotal - Bonds - U.S. States, Territories and Possessions						52,236	45,000	57,258	57,061	0	(838)	0	(838)	0	56,223	0	(3,987)	(3,987)	2,594	XXX	XXX
442331-OM-9	HOUSTON TEX		08/21/2013	CHASE SECURITIES, INC.		249,671	225,000	278,201	277,340	0	(2,086)	0	(2,086)	0	275,254	0	(25,583)	(25,583)	13,956	03/01/2032	1FE
64966J-DB-6	NEW YORK N Y		08/20/2013	FUMB-FUNDS I I		56,231	50,000	61,903	61,409	0	(711)	0	(711)	0	60,697	0	(4,466)	(4,466)	2,236	04/01/2023	1FE
2499999. Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						305,902	275,000	340,104	338,749	0	(2,797)	0	(2,797)	0	335,951	0	(30,049)	(30,049)	16,192	XXX	XXX
3128LX-S7-6	FHLMC GOLD #602342		09/15/2013	PRINCIPAL RECEIPT		135,210	135,210	147,020	147,010	0	(11,800)	0	(11,800)	0	135,210	0	0	0	4,351	10/01/2036	1
3128M5-K5-8	FHLMC GOLD #603616		09/15/2013	PRINCIPAL RECEIPT		81,904	81,904	90,863	90,854	0	(8,949)	0	(8,949)	0	81,904	0	0	0	3,162	12/01/2037	1
3128M5-NQ-9	FHLMC GOLD #603699		09/15/2013	PRINCIPAL RECEIPT		44,840	44,840	48,911	48,888	0	(4,048)	0	(4,048)	0	44,840	0	0	0	1,739	01/01/2038	1
3128MT-6K-9	FHLMC PC GOLD 10/20 I I		09/15/2013	PRINCIPAL RECEIPT		67,861	67,861	75,559	75,504	0	(7,643)	0	(7,643)	0	67,861	0	0	0	2,912	09/01/2037	1
3128UN-CE-0	FHLMC PC GOLD 10/20 I I		09/15/2013	PRINCIPAL RECEIPT		35,697	35,697	36,216	36,204	0	(507)	0	(507)	0	35,697	0	0	0	1,512	09/01/2037	1
3128PR-ZK-8	FHLMC PC GOLD 15 YR		09/15/2013	PRINCIPAL RECEIPT		97,937	97,937	102,585	102,585	0	(4,648)	0	(4,648)	0	97,937	0	0	0	2,600	07/01/2025	1
3128BB-GV-0	FHLMC PC GOLD CASH 30		09/15/2013	PRINCIPAL RECEIPT		6,259	6,259	6,348	6,342	0	(83)	0	(83)	0	6,259	0	0	0	240	11/01/2032	1
3129ZH-GP-3	FHLMC PC GOLD CASH 30		09/15/2013	PRINCIPAL RECEIPT		844	844	854	853	0	(9)	0	(9)	0	844	0	0	0	37	12/01/2030	1
3129ZS-AB-6	FHLMC PC GOLD CASH 30		09/15/2013	PRINCIPAL RECEIPT		101,968	101,968	106,318	106,359	0	(4,390)	0	(4,390)	0	101,968	0	0	0	1,962	06/01/2040	1
3129ZS-AG-5	FHLMC PC GOLD CASH 30		09/15/2013	PRINCIPAL RECEIPT		7,967	7,967	8,515	8,515	0	(548)	0	(548)	0	7,967	0	0	0	175	08/01/2042	1
3132L5-A2-9	FHLMC PC GOLD CI 30YR		09/15/2013	PRINCIPAL RECEIPT		2,444	2,444	2,539	2,539	0	(95)	0	(95)	0	2,444	0	0	0	23	04/01/2043	1
3128MC-4J-1	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		57,056	57,056	60,716	60,719	0	(3,664)	0	(3,664)	0	57,056	0	0	0	1,462	08/01/2026	1
3128MC-GV-1	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		22,285	22,285	24,232	24,232	0	(1,947)	0	(1,947)	0	22,285	0	0	0	779	02/01/2024	1
3128MC-OG-3	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		42,786	42,786	45,956	45,947	0	(3,161)	0	(3,161)	0	42,786	0	0	0	1,224	06/01/2025	1
3128MD-JG-9	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		357,506	357,506	387,559	387,240	0	(29,734)	0	(29,734)	0	357,506	0	0	0	11,416	07/01/2025	1
3128MD-KB-8	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		245,669	245,669	262,981	262,981	0	(17,293)	0	(17,293)	0	245,669	0	0	0	7,134	07/01/2026	1
3128MD-M3-4	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		87,985	87,985	93,237	93,237	0	(5,252)	0	(5,252)	0	87,985	0	0	0	1,666	12/01/2026	1
3128MD-MX-8	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		377,898	377,898	404,233	404,233	0	(26,335)	0	(26,335)	0	377,898	0	0	0	11,548	12/01/2024	1
3128MD-NK-5	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		309,975	309,975	332,254	332,254	0	(22,279)	0	(22,279)	0	309,975	0	0	0	4,283	06/01/2026	1
3128MM-AG-8	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		50,293	50,293	54,089	53,425	0	(3,131)	0	(3,131)	0	50,293	0	0	0	1,807	08/01/2019	1
3128MM-OT-3	FHLMC PC GOLD COMB 15		09/15/2013	PRINCIPAL RECEIPT		4,134	4,134	4,227	4,227	0	(93)	0	(93)	0	4,134	0	0	0	14	05/01/2028	1
31283H-6C-4	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		88,001	88,001	89,692	89,608	0	(1,607)	0	(1,607)	0	88,001	0	0	0	3,675	12/01/2032	1
31283H-6D-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		38,078	38,078	38,926	38,867	0	(788)	0	(788)	0	38,078	0	0	0	1,606	12/01/2031	1
3128LD-FV-1	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		24,990	24,990	27,551	27,569	0	(2,579)	0	(2,579)	0	24,990	0	0	0	1,016	10/01/2037	1
3128M5-B7-4	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		64,108	64,108	70,398	70,567	0	(6,460)	0	(6,460)	0	64,108	0	0	0	2,457	09/01/2037	1
3128M5-C5-7	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		132,247	132,247	146,856	146,751	0	(14,505)	0	(14,505)	0	132,247	0	0	0	5,127	10/01/2037	1
3128M5-G0-7	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		124,846	124,846	138,638	138,539	0	(13,692)	0	(13,692)	0	124,846	0	0	0	4,840	07/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		233,332	233,332	258,221	258,718	0	(25,386)	0	(25,386)	0	233,332	0	0	0	9,755	01/01/2038	1
3128M6-EC-8	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		171,994	171,994	186,157	186,244	0	(14,250)	0	(14,250)	0	171,994	0	0	0	5,544	02/01/2037	1
3128M6-NA-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		221,091	221,091	238,294	238,294	0	(17,204)	0	(17,204)	0	221,091	0	0	0	1,688	02/01/2038	1
3128M7-YJ-9	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		80,772	80,772	87,751	87,751	0	(6,979)	0	(6,979)	0	80,772	0	0	0	1,504	12/01/2039	1
3128M8-BL-3	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		180,049	180,049	198,054	198,254	0	(18,205)	0	(18,205)	0	180,049	0	0	0	6,318	12/01/2038	1
3128M8-AW-4	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		54,447	54,447	58,871	58,960	0	(4,513)	0	(4,513)	0	54,447	0	0	0	1,926	01/01/2040	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		16,648	16,648	18,729	18,754	0	(2,106)	0	(2,106)	0	16,648	0	0	0	701	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		502	502	522	522	0	(20)	0	(20)	0	502	0	0	0	0	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		4,102	4,102	4,321	4,323	0	(221)	0	(221)	0	4,102	0	0	0	103	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		7,128	7,128	7,672	7,673	0	(545)	0	(545)	0	7,128	0	0	0	78	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		56,756	56,756	61,895	61,973	0	(5,216)	0	(5,216)	0	56,756	0	0	0	1,822	09/01/2041	1
3128M9-B7-6	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		713,158	713,158	789,711	790,179	0	(77,020)	0	(77,020)	0	713,158	0	0	0	27,715	05/01/2040	1
3128M9-PP-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		328,733	328,733	363,661	364,351	0	(35,617)	0	(35,617)	0	328,733	0	0	0	11,641	01/01/2040	1
3128M9-LV-2	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		6,830	6,830	7,135	7,135	0	(305)	0	(305)	0	6,830	0	0	0	46	12/01/2042	1
3128MJ-O4-5	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		15,491	15,491	16,381	16,391	0	(901)	0	(901)	0	15,491	0	0	0	394	01/01/2042	1
3128MJ-O9-4	FHLMC PC GOLD COMB 30		09/15/2013	VARIOUS		3,308,234	3,326,715	3,540,872	3,540,872	0	(15,480)	0	(15,480)	0	3,525,392	0	(217,159)	(217,159)	76,278	03/01/2042	1
312936-NA-1	FHLMC PC GOLD COMB 30		09/15/2013	PRINCIPAL RECEIPT		75,075	75,075	80,108	80,181	0	(5,105)	0	(5,105)	0	75,075	0	0	0	2,154	10/01/2039	1

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
31329K-2F-2	FHLMC PC GOLD PC 30YR		09/15/2013	PRINCIPAL RECEIPT		7,501	7,501	8,022	8,025	0	(523)	0	(523)	0	7,501	0	0	0	180	12/01/2041	1
31329L-DR-2	FHLMC PC GOLD PC 30YR		08/27/2013	VARIOUS		2,233,615	2,166,159	2,308,652	2,310,583	0	(4,123)	0	(4,123)	0	2,306,460	0	(72,845)	(72,845)	64,664	12/01/2041	1
31329T-PY-7	FHLMC PC GOLD PC 30YR		08/26/2013	VARIOUS		1,329,665	1,344,172	1,344,172	1,344,172	0	(64)	0	(64)	0	1,344,108	0	(14,443)	(14,443)	11,346	05/01/2042	1
31329M-K9-1	FHLMC PC GOLD PC 30YR		09/15/2013	PRINCIPAL RECEIPT		36,825	36,825	39,217	39,233	0	(2,408)	0	(2,408)	0	36,825	0	0	0	841	09/01/2042	1
31329Q-4K-5	FHLMC PC GOLD PC 30YR		09/15/2013	PRINCIPAL RECEIPT		11,206	11,206	11,729	11,739	0	(532)	0	(532)	0	11,206	0	0	0	217	01/01/2043	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		09/15/2013	PRINCIPAL RECEIPT		580	580	591	584	0	(5)	0	(5)	0	580	0	0	0	29	07/01/2040	1
31322Y-U3-3	FHLMC PC JUMBO 30 YEAR		09/15/2013	PRINCIPAL RECEIPT		57,426	57,426	58,190	58,191	0	(765)	0	(765)	0	57,426	0	0	0	870	10/01/2042	1
31397C-K5-7	FHLMC REMIC SERIES 3243		09/15/2013	PRINCIPAL RECEIPT		32,162	32,162	34,454	34,159	0	(1,997)	0	(1,997)	0	32,162	0	0	0	1,050	11/15/2036	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		09/25/2013	PRINCIPAL RECEIPT		736	736	751	751	0	(15)	0	(15)	0	736	0	0	0	7	04/25/2022	1
31392M-EM-0	FHLMC REMIC SERIES T0041		09/25/2013	PRINCIPAL RECEIPT		6,762	6,762	7,024	6,755	0	7	0	7	0	6,762	0	0	0	282	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		09/25/2013	PRINCIPAL RECEIPT		8,327	8,327	8,590	8,358	0	(31)	0	(31)	0	8,327	0	0	0	405	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		09/25/2013	PRINCIPAL RECEIPT		81,825	81,825	83,871	83,371	0	(1,545)	0	(1,545)	0	81,825	0	0	0	3,848	07/25/2042	1
31381D-YY-5	FNMA PASS-THRU GNM-BK MGA 30		09/25/2013	PRINCIPAL RECEIPT		808	808	819	815	0	(7)	0	(7)	0	808	0	0	0	34	05/20/2023	1
31405F-O5-8	FNMA PASS-THRU GOV SNGLE FAM		09/25/2013	PRINCIPAL RECEIPT		561	561	591	589	0	(28)	0	(28)	0	561	0	0	0	25	10/01/2032	1
31384V-ML-3	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		7,297	7,297	7,527	7,320	0	(23)	0	(23)	0	7,297	0	0	0	307	12/01/2014	1
313847-G6-9	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		15,647	15,647	16,390	16,358	0	(711)	0	(711)	0	15,647	0	0	0	402	02/01/2026	1
31384F-KH-2	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		16,426	16,426	17,553	17,555	0	(1,129)	0	(1,129)	0	16,426	0	0	0	506	05/01/2026	1
3138EG-M6-8	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		192,166	192,166	204,357	203,929	0	(11,763)	0	(11,763)	0	192,166	0	0	0	5,509	03/01/2026	1
3138EH-U8-3	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		18,237	18,237	19,260	19,257	0	(1,021)	0	(1,021)	0	18,237	0	0	0	404	12/01/2026	1
3138EJ-KA-5	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		23,334	23,334	24,934	24,934	0	(1,601)	0	(1,601)	0	23,334	0	0	0	197	09/01/2026	1
3138LY-2K-2	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		24,208	24,208	25,539	25,539	0	(1,331)	0	(1,331)	0	24,208	0	0	0	212	06/01/2027	1
3138MD-2T-8	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		19,785	19,785	20,671	20,671	0	(886)	0	(886)	0	19,785	0	0	0	152	10/01/2027	1
3138WP-JE-5	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		2,598	2,598	2,724	2,724	0	(126)	0	(126)	0	2,598	0	0	0	14	04/01/2028	1
31402D-FV-7	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		31,760	31,760	33,385	32,449	0	(689)	0	(689)	0	31,760	0	0	0	1,310	07/01/2017	1
31403D-DK-2	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		71,525	71,525	72,821	72,412	0	(887)	0	(887)	0	71,525	0	0	0	2,732	03/01/2021	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		35,265	35,265	38,251	38,180	0	(2,915)	0	(2,915)	0	35,265	0	0	0	1,130	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		77,295	77,295	78,527	78,276	0	(981)	0	(981)	0	77,295	0	0	0	2,784	11/01/2021	1
31416B-QD-3	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		82,783	82,783	89,936	89,778	0	(6,996)	0	(6,996)	0	82,783	0	0	0	2,917	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		33,745	33,745	36,191	36,211	0	(2,466)	0	(2,466)	0	33,745	0	0	0	850	07/01/2026	1
31417C-7C-3	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		30,531	30,531	32,292	32,304	0	(1,773)	0	(1,773)	0	30,531	0	0	0	567	09/01/2027	1
31417D-CC-5	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		16,306	16,306	17,073	17,093	0	(787)	0	(787)	0	16,306	0	0	0	255	10/01/2027	1
31418A-EG-9	FNMA PASS-THRU INT 15 YEAR		09/25/2013	PRINCIPAL RECEIPT		23,848	23,848	25,295	25,296	0	(1,447)	0	(1,447)	0	23,848	0	0	0	504	04/01/2027	1
31416W-5Z-1	FNMA PASS-THRU INT 20 YEAR		09/25/2013	PRINCIPAL RECEIPT		70,906	70,906	75,515	75,515	0	(4,609)	0	(4,609)	0	70,906	0	0	0	1,049	10/01/2030	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		179,512	179,512	189,610	189,562	0	(10,050)	0	(10,050)	0	179,512	0	0	0	6,956	12/01/2033	1
31371K-T9-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		17,598	17,598	17,653	17,642	0	(43)	0	(43)	0	17,598	0	0	0	618	09/01/2032	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		33,075	33,075	34,659	34,626	0	(1,551)	0	(1,551)	0	33,075	0	0	0	1,481	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		29,668	29,668	31,911	31,944	0	(2,277)	0	(2,277)	0	29,668	0	0	0	830	12/01/2040	1
3138AT-5E-4	FNMA PASS-THRU LNG 30 YEAR		08/27/2013	VARIOUS		2,959,110	2,873,131	3,083,678	3,083,678	0	(16,653)	0	(16,653)	0	3,067,025	0	(107,915)	(107,915)	75,483	10/01/2041	1
3138AV-GD-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		385,071	385,071	413,470	414,011	0	(28,939)	0	(28,939)	0	385,071	0	0	0	10,796	11/01/2041	1
3138EH-JH-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		72,081	72,081	81,361	81,523	0	(9,442)	0	(9,442)	0	72,081	0	0	0	3,012	10/01/2039	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		11,960	11,960	12,905	12,905	0	(946)	0	(946)	0	11,960	0	0	0	286	12/01/2041	1
3138MD-ZA-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		965	965	997	997	0	(32)	0	(32)	0	965	0	0	0	4	10/01/2042	1
3138MR-LL-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		46,983	46,983	49,619	49,619	0	(2,636)	0	(2,636)	0	46,983	0	0	0	734	01/01/2043	1
3138NX-KF-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		45,354	45,354	47,551	47,551	0	(2,197)	0	(2,197)	0	45,354	0	0	0	823	01/01/2043	1
3138NX-KJ-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		9,005	9,005	8,730	8,730	0	276	0	276	0	9,005	0	0	0	38	01/01/2043	1
3138NY-EY-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		73,172	73,172	76,716	76,716	0	(3,544)	0	(3,544)	0	73,172	0	0	0	1,247	01/01/2043	1
3138W6-BW-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	VARIOUS		171,073	171,073	180,646	180,646	0	(135)	0	(135)	0	180,511	0	(9,438)	(9,438)	2,514	03/01/2043	1
3138WQ-AX-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		1,180	1,180	1,129	1,129	0	51	0	51	0	1,180	0	0	0	3	05/01/2043	1
3138WU-BF-5	FNMA PASS-THRU LNG 30 YEAR		08/26/2013	VARIOUS		3,160,124	3,170,000	3,190,803	3,190,803	0	68	0	68	0	3,190,871	0	(30,747)	(30,747)	27,081	06/01/2043	1
3138WV-4M-0	FNMA PASS-THRU LNG 30 YEAR		08/26/2013	VARIOUS		2,387,883	2,500,000	2,419,531	2,419,531	0	(153)	0	(153)	0	2,419,378	0	(31,495)	(31,495)	18,304	07/01/2043	1
31402C-Y3-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		133,387	133,387	142,745	142,670	0	(9,282)	0	(9,282)	0	133,387	0	0	0	5,166	03/01/2034	1
31402R-AQ-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		34,899	34,899	35,840	35,788	0	(889)	0	(889)	0	34,899	0	0	0	1,455	12/01/2032	1
31402R-AS-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		47,924	47,924	49,291	49,250	0	(1,326)	0	(1,326)	0	47,924	0	0	0	2,027	03/01/2035	1
31402R-H2-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		17,873	17,873	18,039	18,028	0	(154)	0	(154)	0	17,873	0	0	0	683	12/01/2032	1
31402R-JV-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		223,621	223,621	243,852	244,135	0	(20,513)	0	(20,513)	0	223,621	0	0	0	7,134	07/01/2035	1
31402R-LZ-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		10,974	10,974	12,224	12,237	0	(1,263)	0									

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
31410K-T8-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		137,878	137,878	152,097	152,728	.0	(14,849)	.0	(14,849)	.0	137,878	.0	.0	.0	5,322	05/01/2037	1
31410K-US-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		148,125	148,125	163,319	163,489	.0	(15,364)	.0	(15,364)	.0	148,125	.0	.0	.0	5,371	08/01/2037	1
31410L-XM-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		209,548	209,548	233,120	233,120	.0	(23,572)	.0	(23,572)	.0	209,548	.0	.0	.0	8,837	10/01/2038	1
31410L-DU-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		5,684	5,684	6,101	6,108	.0	(424)	.0	(424)	.0	5,684	.0	.0	.0	158	02/01/2041	1
31411B-GT-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		79,043	79,043	86,650	.0	.0	(7,608)	.0	(7,608)	.0	79,043	.0	.0	.0	837	12/01/2036	1
31416C-JV-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		185,704	185,704	206,364	206,574	.0	(20,870)	.0	(20,870)	.0	185,704	.0	.0	.0	7,223	11/01/2038	1
31416W-H3-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		69,895	69,895	76,458	76,570	.0	(6,675)	.0	(6,675)	.0	69,895	.0	.0	.0	2,247	06/01/2040	1
31416X-J7-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		162,373	162,373	172,001	172,099	.0	(9,726)	.0	(9,726)	.0	162,373	.0	.0	.0	4,129	01/01/2041	1
31417D-Z6-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		3,295	3,295	3,459	3,460	.0	(165)	.0	(165)	.0	3,295	.0	.0	.0	64	11/01/2042	1
31417D-3H-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		7,570	7,570	7,969	7,987	.0	(417)	.0	(417)	.0	7,570	.0	.0	.0	174	11/01/2042	1
31417D-F9-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		1,850	1,850	1,957	1,958	.0	(108)	.0	(108)	.0	1,850	.0	.0	.0	35	10/01/2042	1
31417D-GE-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		604	604	589	.0	.0	15	.0	15	.0	604	.0	.0	.0	2	10/01/2042	1
31417D-LP-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		32,872	32,872	34,573	.0	.0	(1,701)	.0	(1,701)	.0	32,872	.0	.0	.0	468	10/01/2042	1
31417D-MU-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		1,292	1,292	1,360	1,360	.0	(68)	.0	(68)	.0	1,292	.0	.0	.0	25	10/01/2042	1
31417D-MV-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		4,430	4,430	4,667	4,668	.0	(238)	.0	(238)	.0	4,430	.0	.0	.0	86	10/01/2042	1
31417D-QW-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		4,913	4,913	5,169	5,170	.0	(257)	.0	(257)	.0	4,913	.0	.0	.0	89	10/01/2042	1
31417E-CX-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		4,146	4,146	4,286	.0	.0	(140)	.0	(140)	.0	4,146	.0	.0	.0	59	12/01/2042	1
31417E-WG-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	VARIOUS		677,371	698,058	719,000	.0	.0	1,011	.0	1,011	.0	720,010	.0	(42,639)	(42,639)	9,998	02/01/2043	1
31417F-U2-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		3,210	3,210	3,326	.0	.0	(116)	.0	(116)	.0	3,210	.0	.0	.0	38	03/01/2043	1
31417V-N6-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		104,357	104,357	111,907	111,942	.0	(7,585)	.0	(7,585)	.0	104,357	.0	.0	.0	2,941	12/01/2039	1
31417Y-W4-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		38,419	38,419	41,372	41,416	.0	(2,997)	.0	(2,997)	.0	38,419	.0	.0	.0	1,087	03/01/2041	1
31418M-2T-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		17,101	17,101	18,937	18,956	.0	(1,855)	.0	(1,855)	.0	17,101	.0	.0	.0	851	10/01/2039	1
31418M-G3-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		203,658	203,658	217,203	178,779	.0	(13,948)	.0	(13,948)	.0	203,658	.0	.0	.0	6,926	08/01/2037	1
31418M-G4-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		87,005	87,005	96,929	.0	.0	(9,924)	.0	(9,924)	.0	87,005	.0	.0	.0	1,169	09/01/2036	1
31418M-G6-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		279,906	279,906	308,290	308,203	.0	(28,297)	.0	(28,297)	.0	279,906	.0	.0	.0	9,830	09/01/2038	1
31419A-G4-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		14,756	14,756	15,965	.0	.0	(1,208)	.0	(1,208)	.0	14,756	.0	.0	.0	464	08/01/2040	1
31419A-NJ-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		167,806	167,806	184,114	184,315	.0	(16,509)	.0	(16,509)	.0	167,806	.0	.0	.0	5,917	12/01/2039	1
31419A-P5-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		37,374	37,374	42,245	42,299	.0	(4,924)	.0	(4,924)	.0	37,374	.0	.0	.0	1,541	10/01/2039	1
31419B-BT-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		13,496	13,496	14,396	14,404	.0	(908)	.0	(908)	.0	13,496	.0	.0	.0	339	02/01/2041	1
31419F-FV-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		19,021	19,021	20,394	20,414	.0	(1,393)	.0	(1,393)	.0	19,021	.0	.0	.0	531	11/01/2040	1
31419J-SV-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2013	PRINCIPAL RECEIPT		16,140	16,140	17,126	.0	.0	(986)	.0	(986)	.0	16,140	.0	.0	.0	53	11/01/2040	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		09/25/2013	PRINCIPAL RECEIPT		42,519	42,519	43,296	43,304	.0	(785)	.0	(785)	.0	42,519	.0	.0	.0	1,807	10/01/2037	1
31410G-LR-2	FNMA PASS-THRU LNG 10 7-10YR		09/25/2013	PRINCIPAL RECEIPT		62,369	62,369	67,018	67,121	.0	(4,752)	.0	(4,752)	.0	62,369	.0	.0	.0	2,391	10/01/2037	1
31413Q-PD-4	FNMA PASS-THRU LNG 10 7-10YR		09/25/2013	PRINCIPAL RECEIPT		154,488	154,488	158,978	159,005	.0	(4,517)	.0	(4,517)	.0	154,488	.0	.0	.0	6,784	10/01/2037	1
31418M-CG-5	FNMA PASS-THRU LNG 10 7-10YR		09/25/2013	PRINCIPAL RECEIPT		178,761	178,761	190,715	190,946	.0	(12,186)	.0	(12,186)	.0	178,761	.0	.0	.0	7,363	12/01/2037	1
31418M-XZ-0	FNMA PASS-THRU LNG 10 7-10YR		09/25/2013	PRINCIPAL RECEIPT		47,686	47,686	50,804	50,770	.0	(3,084)	.0	(3,084)	.0	47,686	.0	.0	.0	1,826	05/01/2038	1
31402C-SS-7	FNMA PASS-THRU MEGA MULTI 7		09/25/2013	PRINCIPAL RECEIPT		105,387	105,387	101,744	104,039	.0	1,348	.0	1,348	.0	105,387	.0	.0	.0	3,665	04/01/2014	1
31403D-GP-8	FNMA PASS-THRU MEGA MULTI 7		09/25/2013	PRINCIPAL RECEIPT		4,099	4,099	4,266	4,203	.0	(104)	.0	(104)	.0	4,099	.0	.0	.0	150	02/01/2016	1
31416X-2J-8	FNMA PASS-THRU SHRT 10 YEAR		09/25/2013	PRINCIPAL RECEIPT		96,610	96,610	102,406	102,046	.0	(5,436)	.0	(5,436)	.0	96,610	.0	.0	.0	2,076	05/01/2021	1
31416Y-UL-0	FNMA PASS-THRU SHRT 10 YEAR		09/25/2013	PRINCIPAL RECEIPT		92,160	92,160	96,768	96,493	.0	(4,333)	.0	(4,333)	.0	92,160	.0	.0	.0	1,747	07/01/2021	1
31387D-30-0	FNMA POOL #581407		09/25/2013	PRINCIPAL RECEIPT		84	84	85	85	.0	(1)	.0	(1)	.0	84	.0	.0	.0	4	06/01/2031	1
31387H-3W-8	FNMA POOL #585013		09/25/2013	PRINCIPAL RECEIPT		1,494	1,494	1,555	1,495	.0	(1)	.0	(1)	.0	1,494	.0	.0	.0	64	06/01/2014	1
31410F-UC-7	FNMA POOL #888079 6.500%		09/25/2013	PRINCIPAL RECEIPT		71,415	71,415	73,036	72,837	.0	(1,422)	.0	(1,422)	.0	71,415	.0	.0	.0	2,873	10/01/2026	1
31410K-UK-8	FNMA POOL #889886 7.000%		09/25/2013	PRINCIPAL RECEIPT		45,869	45,869	48,019	47,978	.0	(2,109)	.0	(2,109)	.0	45,869	.0	.0	.0	2,075	12/01/2037	1
31392E-S8-4	FNMA REMIC TRUST 2002-W10		09/25/2013	PRINCIPAL RECEIPT		11,236	11,236	11,221	11,221	.0	15	.0	15	.0	11,236	.0	.0	.0	395	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		09/25/2013	PRINCIPAL RECEIPT		14,540	14,540	15,949	14,792	.0	(251)	.0	(251)	.0	14,540	.0	.0	.0	635	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		09/25/2013	PRINCIPAL RECEIPT		6,340	6,340	6,352	6,352	.0	(13)	.0	(13)	.0	6,340	.0	.0	.0	269	06/25/2042	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		09/25/2013	PRINCIPAL RECEIPT		125,643	125,643	133,181	132,442	.0	(6,799)	.0	(6,799)	.0	125,643	.0	.0	.0	3,067	03/25/2042	1
92813T-EE-6	VIRGINIA ST HSG DEV AUTH HOME0		09/25/2013	PRINCIPAL RECEIPT		9,127	9,127	9,127	.0	.0	.0	.0	.0	.0	9,127	.0	.0	.0	113	08/25/2042	1FE
3199999	Subtotal - Bonds - U.S. Special Revenues					27,213,246	27,231,800	28,623,064	12,337,123	0	(883,054)	0	(883,054)	0	27,741,569	0	(528,325)	(528,325)	636,234	XXX	XXX
008117-AP-8	AETNA INC		09/10/2013	DEUTSCHE BANK SECURITIES		71,526	80,000	78,647	78,666	.0	81	.0	81	.0	78,748	.0	(7,222)	(7,222)	1,870	11/15/2022	2FE
017363-AM-4	ALLEGHENY ENERGY SUPPLY CO LLC		08/01/2013	CHASE SECURITIES, INC.		64,796	70,000	79,834	79,726	.0	(92)	.0	(92)	.0	79,634	.0	(14,839)	(14,839)	3,819	10/15/2039	2FE
00206R-AG-7	AT&T INC		08/12/2013	VARIOUS		302,122	265,000	334,321	.0	.0	(373)	.0	(373)	.0	333,948	.0	(31,826)	(31,826)	9,096	01/15/2038	1FE
053807-AP-8	AVNET INC		08/22/2013	LINSCO/PRIVATE LEDGER		1,024,500	1,000,000	1,088,460	1,040,042	.0	(21,164)	.0	(21,164)	.0	1,018,878	.0	5,622	5,622	55,813	03/15/2014	2FE
12189P-AJ-1	BURLINGTON NORTH SF 2001-1		07/15/2013	PRINCIPAL RECEIPT		7,773	7,773	7,936	7,830	.0	(57)	.0	(57)	.0	7,773	.0	.0	.0	261	07/15/2022	1FE

E05.3

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 Con- tractual Maturity Date	NAIC Design- ation or Market In- dicator (a)
12189P-AG-7	BURLINGTON NORTHERN SANTA FE 8.25%		07/15/2013	Sink PMT @ 100.0000000		204	204	215	211	0	(7)	0	(7)	0	204	0	0	0	17	01/15/2021	1FE
12189L-AL-5	BURLINGTON NORTHERN SANTA FE CP		08/13/2013	VARIOUS		241,924	255,000	260,614	59,756	0	(141)	0	(141)	0	260,480	0	(18,557)	(18,557)	4,520	09/01/2022	2FE
14040H-BC-8	CAPITAL ONE FINL CORP 144A		09/26/2013	EXCHANGE CABRERA CAPITAL MARKETS		1,666,224	1,665,000	1,665,782	0	0	442	0	442	0	1,666,224	0	0	0	0	06/15/2023	2FE
14912L-SJ-6	CATERPILLAR FINL SVCS MTNS BE		09/10/2013			193,514	200,000	200,250	0	0	(16)	0	(16)	0	200,234	0	(6,720)	(6,720)	882	11/06/2017	1FE
151020-AH-7	CELGENE CORP		09/18/2013	VARIOUS		211,040	225,000	225,439	0	0	(23)	0	(23)	0	225,416	0	(14,376)	(14,376)	7,474	08/15/2022	2FE
172967-ET-4	CITIGROUP INC		08/09/2013	BANC AMERICA SECURITIES L		207,302	200,000	200,000	200,000	0	0	0	0	0	200,000	0	7,302	7,302	3,010	05/15/2018	1FE
172967-EM-9	CITIGROUP INC SR NT 6.125%		07/22/2013	SALOMON SMITH BARNEY INC/		344,997	300,000	334,617	330,322	0	(3,183)	0	(3,183)	0	327,139	0	17,858	17,858	12,454	11/21/2017	1FE
20030N-AU-5	COMCAST CORP NEW		09/18/2013	VARIOUS		1,464,406	1,250,000	1,191,372	1,212,979	0	4,539	0	4,539	0	1,217,518	0	246,888	246,888	66,364	11/15/2017	1FE
12622D-AA-2	COMM 2010-C1 144A		09/12/2013	PRINCIPAL RECEIPT		6,156	6,156	6,396	0	0	(240)	0	(240)	0	6,156	0	0	0	24	07/12/2046	1FE
12624N-AA-8	COMM MTG TR 2012-LTRT 144A		09/09/2013	PRINCIPAL RECEIPT		30,010	30,010	31,000	0	0	(990)	0	(990)	0	30,010	0	0	0	357	10/07/2030	1FM
22541L-BK-8	CREDIT SUISSE USA INC		07/17/2013	LINSCO/PRIVATE LEDGER COR		1,621,800	1,500,000	1,578,825	1,555,315	0	(11,060)	0	(11,060)	0	1,544,255	0	77,545	77,545	71,964	08/15/2015	1FE
25746U-BP-3	DOMINION RESOURCES INC		08/07/2013	CREDIT SUISSE FIRST BOSTO		94,425	100,000	99,991	99,991	0	1	0	1	0	99,992	0	(5,567)	(5,567)	2,513	09/15/2022	2FE
25755T-AC-4	DOMINOS PIZZA MSTR 2012-1 144A		07/25/2013	PRINCIPAL RECEIPT		1,406	1,406	1,465	1,462	0	(55)	0	(55)	0	1,406	0	0	0	55	01/25/2042	4AM
316773-CX-4	FIFTH THIRD BANCORP		08/05/2013	SECURI WACHOVIA SECURITIES		132,061	125,000	131,954	130,959	0	(1,127)	0	(1,127)	0	129,832	0	2,229	2,229	4,695	01/25/2016	2FE
340711-AV-2	FLORIDA GAS TRANSMISSION CO 144A		09/26/2013	CAPIT MORGAN STANLEY & CO. INC		43,808	45,000	44,943	44,945	0	3	0	3	0	44,949	0	(1,141)	(1,141)	2,187	07/15/2022	2FE
369622-SM-8	GENERAL ELEC CAP CORP		09/10/2013	BARCLAYS CAPITAL INC		646,467	605,000	660,306	656,614	0	(3,778)	0	(3,778)	0	652,836	0	(6,369)	(6,369)	34,915	02/11/2021	1FE
369626-4B-7	GENERAL ELEC CAP CORP MTN BE		09/10/2013	MERRILL LYNCH PROFESSNL		160,800	135,000	179,498	0	0	(296)	0	(296)	0	179,202	0	(18,403)	(18,403)	6,265	01/10/2039	1FE
38141G-GM-0	GOLDMAN SACHS GROUP INC		08/09/2013	C MERRILL LYNCH PROFESSNL		566,645	500,000	583,715	0	0	(66)	0	(66)	0	583,649	0	(17,004)	(17,004)	16,753	02/01/2041	1FE
38141G-RC-0	GOLDMAN SACHS GROUP INC		07/22/2013	C		1,488,990	1,500,000	1,529,640	0	0	(1,575)	0	(1,575)	0	1,528,065	0	(39,075)	(39,075)	18,109	01/22/2018	1FE
411707-AA-0	HARDEES FUND LLC 144A		09/20/2013	PRINCIPAL RECEIPT		1,219	1,219	1,213	0	0	6	0	6	0	1,219	0	0	0	14	03/20/2043	2AM
428236-BU-6	HEWLETT PACKARD CO		09/11/2013	VARIOUS		1,063,591	1,025,000	1,021,413	1,021,484	0	534	0	534	0	1,022,018	0	41,573	41,573	23,964	12/09/2016	2FE
45685E-AC-0	ING US 144A		08/14/2013	EXCHANGE		104,833	105,000	104,815	0	0	18	0	18	0	104,833	0	0	0	0	02/15/2018	2FE
494550-BL-9	KINDER MORGAN ENERGY PARTNERS		07/01/2013	VARIOUS		320,515	325,000	326,899	326,799	0	(80)	0	(80)	0	326,719	0	(6,204)	(6,204)	10,841	09/01/2022	2FE
585055-AH-9	MEDTRONIC INC		09/11/2013	Tender Offer		1,080,000	1,000,000	1,091,860	1,045,586	0	(11,364)	0	(11,364)	0	1,034,222	0	45,778	45,778	23,750	09/15/2015	1FE
553893-AA-6	MVIN OWNER TRUST 2013-144A		09/20/2013	PRINCIPAL RECEIPT		2,743	2,743	2,743	0	0	0	0	0	0	2,743	0	0	0	7	04/22/2030	1FE
681919-AZ-9	MINICOM GROUP INC		09/13/2013	VARIOUS RBC CAPITAL MARKETS CORP		345,429	365,000	363,853	338,614	0	79	0	79	0	364,018	0	(18,590)	(18,590)	11,198	05/01/2022	2FE
682680-AQ-6	ONEOK INC NEW		07/01/2013	WACHOVIA SECURITIES CAPIT		122,969	125,000	129,444	129,173	0	(201)	0	(201)	0	128,972	0	(6,003)	(6,003)	4,929	02/01/2022	2FE
68389X-AQ-8	ORACLE CORP		09/03/2013	KGS ALPHA CAPITAL MARKETS		154,031	155,000	154,461	0	0	14	0	14	0	154,474	0	(443)	(443)	511	01/15/2019	1FE
693476-BN-2	PNC FUNDING CORP		08/02/2013	BOENNING & SCATTERGOOD IN		317,587	325,000	326,352	326,268	0	(71)	0	(71)	0	326,197	0	(8,610)	(8,610)	9,801	03/08/2022	1FE
742718-DV-8	PROCTER & GAMBLE CO		08/13/2013	EXCHANGE		2,027,700	2,000,000	1,995,740	1,996,768	0	538	0	538	0	1,997,306	0	30,394	30,394	29,081	08/15/2016	1FE
758202-AH-8	REED ELSEVIER CAP INC 144A		07/15/2013	DEUTSCHE BANK SECURITIES		1,099,000	1,181,000	1,096,841	0	0	2,159	0	2,159	0	1,099,000	0	0	0	18,351	10/15/2022	2FE
760759-AP-5	REPUBLIC SVCS INC		09/09/2013	VARIOUS		148,588	155,000	154,571	154,593	0	25	0	25	0	154,619	0	(6,031)	(6,031)	4,295	06/01/2022	2FE
81745B-AA-3	SEQUOIA MTG TR 2013-6		09/25/2013	PRINCIPAL RECEIPT		1,829	1,829	1,819	0	0	9	0	9	0	1,829	0	0	0	12	05/25/2043	1FE
81745C-AB-9	SEQUOIA MTG TR 2013-7		09/25/2013	PRINCIPAL RECEIPT		1,325	1,325	1,334	0	0	(9)	0	(9)	0	1,325	0	0	0	6	06/25/2043	1FE
82651Y-AA-3	SIERRA RECEIVABLES FDG 144A		09/20/2013	PRINCIPAL RECEIPT		20,063	20,063	20,059	0	0	4	0	4	0	20,063	0	0	0	125	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FDG 144A		09/20/2013	PRINCIPAL RECEIPT		11,866	11,866	11,865	0	0	0	0	0	0	11,866	0	0	0	33	11/20/2025	1FE
85590A-AP-9	STARWOOD HOTELS&RESORTS WRLDWD		09/17/2013	VARIOUS BNY/SUNTRUST CAPITAL MARK		36,305	40,000	39,838	39,839	0	8	0	8	0	39,848	0	(3,542)	(3,542)	852	02/15/2023	2FE
867914-BD-4	SUNTRUST BKS INC		07/24/2013	VARIOUS		132,226	125,000	132,499	131,871	0	(1,179)	0	(1,179)	0	130,691	0	1,535	1,535	3,550	04/15/2016	2FE
881561-XJ-8	TERWIN MTG TR 2005-14HE		09/25/2013	PRINCIPAL RECEIPT		1,219	1,219	1,206	1,207	0	11	0	11	0	1,219	0	0	0	35	08/25/2036	1FM
907833-AJ-6	UNION PACIFIC RR CO 2000-1		07/10/2013	PRINCIPAL RECEIPT		35	35	43	39	0	(4)	0	(4)	0	35	0	0	0	3	01/10/2021	1FE
90783X-AA-9	UNION PACIFIC RR CO 2007-3		07/02/2013	PRINCIPAL RECEIPT		13,618	13,618	13,618	13,618	0	0	0	0	0	13,618	0	0	0	421	01/02/2031	1FE
92276M-AY-1	VENTAS RLTY LTD PARTNERSHIP		07/11/2013	VARIOUS		160,276	155,000	157,747	157,529	0	(198)	0	(198)	0	157,331	0	2,945	2,945	4,409	04/30/2019	2FE

E05.4

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)
92276M-AZ-8	VENTAS RLT LTD PARTNERSHIP		07/02/2013	BANC AMERICA SECURITIES L		97,357	105,000	103,978	104,014	0	44	0	44	0	104,058	0	(6,701)	(6,701)	3,176	08/15/2022	2FE
92343V-BD-5	VERIZON COMMUNICATIONS INC		09/17/2013	BOENNING & SCATTERGOOD IN		2,014,000	2,000,000	1,987,460	1,990,287	0	1,743	0	1,743	0	1,992,030	0	21,970	21,970	35,444	11/01/2016	1FE
92766-AJ-0	WACHOVIA BK NATL ASSN MTN SUB		07/18/2013	MERRILL LYNCH PROFESSNL		1,234,080	1,000,000	1,382,810	0	0	(4,834)	0	(4,834)	0	1,377,976	0	(143,896)	(143,896)	67,467	01/15/2038	1FE
94973V-AR-8	WELLPOINT INC		08/13/2013	BANC AMERICA SECURITIES L		2,483	2,000	2,489	0	0	(33)	0	(33)	0	2,455	0	27	27	0	02/15/2019	2FE
94973V-BA-4	WELLPOINT INC		07/23/2013	VARIOUS		178,683	185,000	188,277	188,244	0	(156)	0	(156)	0	188,088	0	(9,405)	(9,405)	5,315	01/15/2023	2FE
963320-AN-6	WHIRLPOOL CORP		09/11/2013	JEFFERIES & CO BONDS DIR		951,788	850,000	853,732	851,577	0	(289)	0	(289)	0	851,288	0	100,500	100,500	41,591	06/15/2016	2FE
984121-BP-7	XEROX CORP		09/11/2013	JEFFERIES & CO BONDS DIR		1,108,550	1,000,000	791,856	885,999	0	21,193	0	21,193	0	907,192	0	201,358	201,358	64,178	03/15/2016	2FE
65120F-AA-2	NEWCREST FINANCE PTY LTD 144A	R	07/17/2013	BARCLAYS CAPITAL INC		4,442	5,000	5,256	5,247	0	(13)	0	(13)	0	5,234	0	(791)	(791)	153	11/15/2021	2FE
822582-AC-6	SHELL INTERNATIONAL FIN BV	R	08/21/2013	RBC CAPITAL MARKETS CORP		1,122,530	1,000,000	1,156,120	1,123,248	0	(17,940)	0	(17,940)	0	1,105,308	0	17,222	17,222	48,244	03/22/2017	1FE
97063P-AA-2	WILLIS GROUP HLDGS PUBLIC LTD	R	07/18/2013	LINSCO/Private Ledger		1,046,000	1,000,000	1,049,390	1,041,317	0	(6,797)	0	(6,797)	0	1,034,520	0	11,480	11,480	35,292	03/15/2016	2FE
0842KP-B1-7	ZURICH FINANCE LU 3.250%	R	09/30/2013	VARIOUS		1,502,400	1,500,000	1,542,165	1,509,228	0	(8,218)	0	(8,218)	0	1,501,011	0	1,389	1,389	44,688	09/30/2013	1FE
8399999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					27,022,176	25,867,464	26,728,986	18,881,367	0	(64,178)	0	(64,178)	0	26,579,873	0	442,300	442,300	815,153		XXX
8399997	Total - Bonds - Part 4					141,797,026	141,759,470	143,574,324	55,513,266	(5,327)	(1,121,499)	0	(1,126,826)	0	142,355,531	0	(558,511)	(558,511)	2,170,884		XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
8399999	Total - Bonds					141,797,026	141,759,470	143,574,324	55,513,266	(5,327)	(1,121,499)	0	(1,126,826)	0	142,355,531	0	(558,511)	(558,511)	2,170,884		XXX
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0		XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0		XXX
921909-82-6	VANGUARD DEVELOPED MKTS INDEX INST		08/26/2013	VANGUARD GROUP		1,270,295,275	13,420,774	11,323,923	12,283,755	(959,832)	0	0	(959,832)	0	11,323,923	0	2,096,850	2,096,850	0		
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		09/03/2013	VANGUARD GROUP		246,298,013	13,710,698	10,897,998	11,295,227	(397,229)	0	0	(397,229)	0	10,897,998	0	2,812,700	2,812,700	4,433		
9299999	Subtotal - Common Stocks - Mutual Funds					27,131,472	XXX	22,221,921	23,578,982	(1,357,061)	0	0	(1,357,061)	0	22,221,921	0	4,909,550	4,909,550	4,433		XXX
9799997	Total - Common Stocks - Part 4					27,131,472	XXX	22,221,921	23,578,982	(1,357,061)	0	0	(1,357,061)	0	22,221,921	0	4,909,550	4,909,550	4,433		XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
9799999	Total - Common Stocks					27,131,472	XXX	22,221,921	23,578,982	(1,357,061)	0	0	(1,357,061)	0	22,221,921	0	4,909,550	4,909,550	4,433		XXX
8999999	Total - Preferred and Common Stocks					27,131,472	XXX	22,221,921	23,578,982	(1,357,061)	0	0	(1,357,061)	0	22,221,921	0	4,909,550	4,909,550	4,433		XXX
9999999	Totals					168,928,498	XXX	165,796,245	79,092,248	(1,362,388)	(1,121,499)	0	(2,483,887)	0	164,577,452	0	4,351,039	4,351,039	2,175,317		XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open
N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made
N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open
N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open
N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open
N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned
N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned
N O N E

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 and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2013 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	4,972,200	XXX	0	XXX	4,972,200
2. Earned Premiums	4,972,200	XXX	0	XXX	XXX
3. Claims Paid	4,329,863	XXX	0	XXX	4,329,863
4. Claims Incurred	4,322,347	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	0	XXX	0	0
6. Aggregate Policy Reserves - Change	0	XXX	0	XXX	XXX
7. Expenses Paid	1,080,791	XXX	0	XXX	1,080,791
8. Expenses Incurred	1,080,791	XXX	0	XXX	XXX
9. Underwriting Gain or Loss	(430,938)	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(438,454)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$0 due from CMS or \$0 due to CMS