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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

Unison Health Plan of the Capital Area, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 13032 Employer's ID Number 26-0651931

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 05/03/2007 Commenced Business 03/01/2008

Statutory Home Office 1225 I Street NW, Suite 510 (Street and Number), Washington , DC, US 20005 (City or Town, State, Country and Zip Code)

Main Administrative Office 1225 I Street NW, Suite 510 (Street and Number)
Washington , DC, US 20005 (City or Town, State, Country and Zip Code), 412-858-4000 (Area Code) (Telephone Number)

Mail Address 9700 Health Care Lane, MN017-E900 (Street and Number or P.O. Box), Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9700 Health Care Lane, MN017-E900 (Street and Number)
Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code), 952-979-6171 (Area Code) (Telephone Number)

Internet Website Address www.unisonhealthplan.com

Statutory Statement Contact Mollie Beth Viola (Name), 952-979-6171 (Area Code) (Telephone Number)
mollie_viola@uhc.com (E-mail Address), 952-979-7825 (FAX Number)

OFFICERS

Secretary Christina Regina Palme-Krizak
Chief Financial Officer John Ray Campbell Jr.
Treasurer Robert Worth Oberrender
President and Chief Executive Officer Karen Marie Johnson #

OTHER

Michelle Marie Huntley Dill Assistant Secretary

DIRECTORS OR TRUSTEES

Karen Marie Johnson # | Steven Eugene Meeker | Robert Jacob David Menkes

State of District of Columbia
County of District of Columbia

State of Minnesota
County of Hennepin

State of
County of

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.

Karen Marie Johnson
President and Chief Executive Officer

Christina Regina Palme-Krizak
Secretary

Subscribed and sworn to before me this 6th day of February 2013

Subscribed and sworn to before me this 22 day of January 2013

Subscribed and sworn to before me this ____ day of ____

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

PATRICIA AURORA LACAYO
NOTARY PUBLIC-MINNESOTA
My Commission Expires Jan. 31, 2016

JURAT

JURAT

ASSETS

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	32,571,460		32,571,460	312,321
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ 23,465,247 , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 5,586,388 , Schedule DA)	29,051,635		29,051,635	65,409,385
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	61,623,095	0	61,623,095	65,721,706
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	260,079		260,079	3,801
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	2,268,011		2,268,011	2,482,308
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers			0	0
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans			0	13,307
18.1	Current federal and foreign income tax recoverable and interest thereon			0	0
18.2	Net deferred tax asset			0	0
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates			0	464,664
24.	Health care ($ 234,795) and other amounts receivable	823,762	588,967	234,795	210,736
25.	Aggregate write-ins for other than invested assets	0	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	64,974,947	588,967	64,385,980	68,896,523
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	64,974,947	588,967	64,385,980	68,896,523
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.					
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $ 0 reinsurance ceded)	29,277,340		29,277,340	31,449,771
2.	Accrued medical incentive pool and bonus amounts	62,500		62,500	89,373
3.	Unpaid claims adjustment expenses	546,131		546,131	586,877
4.	Aggregate health policy reserves, including the liability of $ for medical loss ratio rebate per the Public Health Service Act			0	5,446,000
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserves			0	0
7.	Aggregate health claim reserves	784,695		784,695	900,187
8.	Premiums received in advance			0	0
9.	General expenses due or accrued	2,395,277		2,395,277	2,881,321
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))	595,058		595,058	2,944,764
10.2	Net deferred tax liability	90		90	0
11.	Ceded reinsurance premiums payable			0	0
12.	Amounts withheld or retained for the account of others			0	0
13.	Remittance and items not allocated			0	50,661
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates	1,163,594		1,163,594	0
16.	Derivatives			0	0
17.	Payable for securities			0	0
18.	Payable for securities lending			0	0
19.	Funds held under reinsurance treaties (with $ authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)			0	0
20.	Reinsurance in unauthorized and certified ($) companies			0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22.	Liability for amounts held under uninsured plans			0	0
23.	Aggregate write-ins for other liabilities (including $ current)	6,852	0	6,852	2,157
24.	Total liabilities (Lines 1 to 23)	34,831,537	0	34,831,537	44,351,111
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX	1,000	1,000
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	59,499,000	59,499,000
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	(29,945,557)	(34,954,588)
32.	Less treasury stock, at cost:				
	32.1 shares common (value included in Line 26 $)	XXX	XXX		
	32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	29,554,443	24,545,412
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	64,385,980	68,896,523
	DETAILS OF WRITE-INS				
2301.	Unclaimed Property	6,852		6,852	2,157
2302.					
2303.					
2308.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309.	Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	6,852	0	6,852	2,157
2501.		XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX	669,076	646,926
2.	Net premium income (including $ non-health premium income)	XXX	202,955,552	180,128,556
3.	Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4.	Fee-for-service (net of $ medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	0	3,419
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	202,955,552	180,131,975
	Hospital and Medical:			
9.	Hospital/medical benefits		91,454,954	106,231,430
10.	Other professional services		40,214,611	31,012,801
11.	Outside referrals		0	0
12.	Emergency room and out-of-area		17,097,517	17,372,938
13.	Prescription drugs		28,940,836	23,754,995
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments, and bonus amounts		41,602	104,077
16.	Subtotal (Lines 9 to 15)	0	177,749,520	178,476,241
	Less:			
17.	Net reinsurance recoveries		0	0
18.	Total hospital and medical (Lines 16 minus 17)	0	177,749,520	178,476,241
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 5,500,703 cost containment expenses		8,610,674	6,274,038
21.	General administrative expenses		17,247,183	17,026,051
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		(5,446,000)	930,321
23.	Total underwriting deductions (Lines 18 through 22)	0	198,161,377	202,706,651
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	4,794,175	(22,574,676)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		120,618	7,575
26.	Net realized capital gains (losses) less capital gains tax of $		92	
27.	Net investment gains (losses) (Lines 25 plus 26)	0	120,710	7,575
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	4,914,885	(22,567,101)
31.	Federal and foreign income taxes incurred	XXX	(301,943)	(7,503,905)
32.	Net income (loss) (Lines 30 minus 31)	XXX	5,216,828	(15,063,196)
	DETAILS OF WRITE-INS			
0601.	Other Health Care Related Revenue	XXX	0	3,419
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	3,419
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	Interest Income on State Taxes Refunded			0
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	24,545,412	18,276,796
34.	Net income or (loss) from Line 32	5,216,828	(15,063,196)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(90)	
39.	Change in nonadmitted assets	(207,707)	(331,431)
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	22,000,000
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	0	(336,756)
48.	Net change in capital and surplus (Lines 34 to 47)	5,009,031	6,268,616
49.	Capital and surplus end of reporting period (Line 33 plus 48)	29,554,443	24,545,412
	DETAILS OF WRITE-INS		
4701.	Correction of Errors		(336,756)
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	(336,756)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	203,169,847	180,593,619
2.	Net investment income	131,215	17,051
3.	Miscellaneous income	0	3,419
4.	Total (Lines 1 through 3)	203,301,062	180,614,089
5.	Benefit and loss related payments	180,296,081	174,508,837
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	26,378,913	22,582,037
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	2,047,763	(12,117,780)
10.	Total (Lines 5 through 9)	208,722,757	184,973,094
11.	Net cash from operations (Line 4 minus Line 10)	(5,421,695)	(4,359,005)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	2,149,856	0
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,149,856	0
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	34,668,204	0
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	34,668,204	0
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(32,518,348)	0
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	22,000,000
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	1,582,292	(986,557)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,582,292	21,013,443
	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)	(36,357,751)	16,654,438
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	65,409,386	48,754,948
	19.2 End of year (Line 18 plus Line 19.1)	29,051,635	65,409,386

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	202,955,552	17,175,841						185,779,711		
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	202,955,552	17,175,841	0	0	0	0	0	185,779,711	0	0
8. Hospital/medical benefits	91,454,954	12,754,190						78,700,764		XXX
9. Other professional services	40,214,611	4,652,126						35,562,485		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	17,097,517	808,970						16,288,547		XXX
12. Prescription drugs	28,940,836	1,106,828						27,834,008		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	41,602	(14,284)						55,886		XXX
15. Subtotal (Lines 8 to 14)	177,749,520	19,307,830	0	0	0	0	0	158,441,690	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total medical and hospital (Lines 15 minus 16)	177,749,520	19,307,830	0	0	0	0	0	158,441,690	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 5,500,703 cost containment expenses	8,610,674	669,992						7,940,682		
20. General administrative expenses	17,247,183	1,341,993						15,905,190		
21. Increase in reserves for accident and health contracts	(5,446,000)	(4,356,800)						(1,089,200)		XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	198,161,377	16,963,015	0	0	0	0	0	181,198,362	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	4,794,175	212,826	0	0	0	0	0	4,581,349	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	17,175,841			17,175,841
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	185,779,711			185,779,711
8. Other health				0
9. Health subtotal (Lines 1 through 8)	202,955,552	0	0	202,955,552
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	202,955,552	0	0	202,955,552

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	180,227,606	20,742,414						159,485,192		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	180,227,606	20,742,414	0	0	0	0	0	159,485,192	0	0
2. Paid medical incentive pools and bonuses	68,475	(13,048)						81,523		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	784,695	50,878						733,817		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	784,695	50,878	0	0	0	0	0	733,817	0	0
5. Accrued medical incentive pools and bonuses, current year	62,500	24,282						38,218		
6. Net healthcare receivables (a)	231,765	160,519						71,246		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	900,187	114,894						785,293		
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	900,187	114,894	0	0	0	0	0	785,293	0	0
10. Accrued medical incentive pools and bonuses, prior year	89,373	25,518						63,855		
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	177,707,918	19,322,114	0	0	0	0	0	158,385,804	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	177,707,918	19,322,114	0	0	0	0	0	158,385,804	0	0
13. Incurred medical incentive pools and bonuses	41,602	(14,284)	0	0	0	0	0	55,886	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,707,752	28,989						2,678,763		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	2,707,752	28,989	0	0	0	0	0	2,678,763	0	0
2. Incurred but Unreported:										
2.1 Direct	26,569,588	1,818,464						24,751,124		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	26,569,588	1,818,464	0	0	0	0	0	24,751,124	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	29,277,340	1,847,453	0	0	0	0	0	27,429,887	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	2,504,459	18,237,956	6,139	1,892,192	2,510,598	3,158,112
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7 Title XIX - Medicaid	12,987,582	146,497,610	6,135,840	22,027,864	19,123,422	29,191,846
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	15,492,041	164,735,566	6,141,979	23,920,056	21,634,020	32,349,958
10. Healthcare receivables (a)	7,004	782,417		34,341	7,004	591,996
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	66,225	2,250	1	62,499	66,226	89,373
13. Totals (Lines 9 - 10 + 11 + 12)	15,551,262	163,955,399	6,141,980	23,948,214	21,693,242	31,847,335

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	0	0	0	1	1
2.	2008	11,939	15,768	15,768	15,764	15,761
3.	2009	XXX	33,074	35,716	35,683	35,659
4.	2010	XXX	XXX	35,176	35,965	35,943
5.	2011	XXX	XXX	XXX	21,045	23,584
6.	2012	XXX	XXX	XXX	XXX	18,240

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	0	0	0	1	1
2.	2008	19,013	15,895	15,768	15,764	15,761
3.	2009	XXX	42,189	36,249	35,683	35,659
4.	2010	XXX	XXX	40,333	36,041	35,943
5.	2011	XXX	XXX	XXX	24,153	23,586
6.	2012	XXX	XXX	XXX	XXX	20,160

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2008	16,440	15,761	557	3.5	16,318	99.3			16,318	99.3
2.	2009	35,972	35,659	1,005	2.8	36,664	101.9			36,664	101.9
3.	2010	32,278	35,943	1,007	2.8	36,950	114.5			36,950	114.5
4.	2011	19,771	23,584	654	2.8	24,238	122.6	3		24,241	122.6
5.	2012	17,176	18,240	694	3.8	18,934	110.2	1,920	41	20,895	121.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	0	0	0	11	11
2. 2008	9,055	14,433	14,433	14,333	14,318
3. 2009	XXX	26,289	31,192	30,440	30,317
4. 2010	XXX	XXX	68,911	88,546	88,428
5. 2011	XXX	XXX	XXX	133,918	147,242
6. 2012	XXX	XXX	XXX	XXX	146,498

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	0	0	0	11	11
2. 2008	13,650	14,516	14,433	14,333	14,318
3. 2009	XXX	33,002	31,270	30,440	30,317
4. 2010	XXX	XXX	91,611	90,208	88,428
5. 2011	XXX	XXX	XXX	161,511	153,381
6. 2012	XXX	XXX	XXX	XXX	168,560

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008	16,131	14,318	590	4.1	14,908	92.4			14,908	92.4
2. 2009	35,364	30,317	834	2.8	31,151	88.1			31,151	88.1
3. 2010	98,913	88,428	4,324	4.9	92,752	93.8			92,752	93.8
4. 2011	160,358	147,242	5,559	3.8	152,801	95.3	6,139		158,940	99.1
5. 2012	185,780	146,498	7,957	5.4	154,455	83.1	22,063	505	177,023	95.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	0	0	0	12	12
2.	2008	20,994	30,201	30,201	30,097	30,079
3.	2009	XXX	59,363	66,908	66,123	65,976
4.	2010	XXX	XXX	104,087	124,511	124,371
5.	2011	XXX	XXX	XXX	154,963	170,826
6.	2012	XXX	XXX	XXX	XXX	164,738

Section B - Incurred Health Claims - Grand Total

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	0	0	0	12	12
2.	2008	32,663	30,411	30,201	30,097	30,079
3.	2009	XXX	75,191	67,519	66,123	65,976
4.	2010	XXX	XXX	131,944	126,249	124,371
5.	2011	XXX	XXX	XXX	185,664	176,967
6.	2012	XXX	XXX	XXX	XXX	188,720

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2008	32,571	30,079	1,147	3.8	31,226	95.9	0	0	31,226	95.9
2.	2009	71,336	65,976	1,839	2.8	67,815	95.1	0	0	67,815	95.1
3.	2010	131,191	124,371	5,331	4.3	129,702	98.9	0	0	129,702	98.9
4.	2011	180,129	170,826	6,213	3.6	177,039	98.3	6,142	0	183,181	101.7
5.	2012	202,956	164,738	8,651	5.3	173,389	85.4	23,983	546	197,918	97.5

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income	0								
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	784,695	50,878						733,817	
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	784,695	50,878	0	0	0	0	0	733,817	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	784,695	50,878	0	0	0	0	0	733,817	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)	139,683	78,643	347,952		566,278
2. Salary, wages and other benefits	2,828,245	1,592,336	7,045,176		11,465,757
3. Commissions (less $ .... ceded plus $ .... assumed)					0
4. Legal fees and expenses	38,630	21,749	96,227		156,606
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	308,894	173,911	806,753		1,289,558
7. Traveling expenses	97,836	55,083	243,711		396,630
8. Marketing and advertising	235,073	132,349	585,568		952,990
9. Postage, express and telephone	202,456	113,985	504,320		820,761
10. Printing and office supplies	61,479	34,613	153,145		249,237
11. Occupancy, depreciation and amortization	48,587	27,355	121,031		196,973
12. Equipment	8,677	4,885	21,615		35,177
13. Cost or depreciation of EDP equipment and software	390,627	219,928	973,055		1,583,610
14. Outsourced services including EDP, claims, and other services	457,969	310,117	706,296		1,474,382
15. Boards, bureaus and association fees	9,138	5,145	22,762		37,045
16. Insurance, except on real estate	61,306	34,516	152,713		248,535
17. Collection and bank service charges	20,037	11,281	49,911		81,229
18. Group service and administration fees	27,056	15,233	53,877		96,166
19. Reimbursements by uninsured plans			132		132
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	21,308	12,548	59,394		93,250
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			4,062,555		4,062,555
23.3 Regulatory authority licenses and fees			1,356		1,356
23.4 Payroll taxes	149,757	92,890	471,226		713,873
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				15,430	15,430
25. Aggregate write-ins for expenses	393,945	173,404	768,408	0	1,335,757
26. Total expenses incurred (Lines 1 to 25)	5,500,703	3,109,971	17,247,183	15,430	(a) 25,873,287
27. Less expenses unpaid December 31, current year	348,881	197,250	2,387,703	7,574	2,941,408
28. Add expenses unpaid December 31, prior year		586,877	2,881,321		3,468,198
29. Amounts receivable relating to uninsured plans, prior year			13,307		13,307
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	5,151,822	3,499,598	17,727,494	7,856	26,386,770
DETAILS OF WRITE-INS					
2501. Information Technology	23,385	13,166	58,251		94,802
2502. Interest	3,783	2,130	10,616		16,529
2503. Managed Care & Network Access	87,871	1,081	4,784		93,736
2598. Summary of remaining write-ins for Line 25 from overflow page	278,906	157,027	694,757	0	1,130,690
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	393,945	173,404	768,408	0	1,335,757

(a) Includes management fees of $ 19,138,696 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) (5,983)	28,787
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) (91,795)	98,780
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) (22,375)	8,481
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	(120,153)	136,048
11.	Investment expenses		(g) 15,430
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		15,430
17.	Net investment income (Line 10 minus Line 16)		120,618
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 256 accrual of discount less $ 259,557 amortization of premium and less $ 217,149 paid for accrued interest on purchases.

(b) Includes $ ______ accrual of discount less $ ______ amortization of premium and less $ ______ paid for accrued dividends on purchases.

(c) Includes $ ______ accrual of discount less $ ______ amortization of premium and less $ ______ paid for accrued interest on purchases.

(d) Includes $ ______ for company's occupancy of its own buildings; and excludes $ ______ interest on encumbrances.

(e) Includes $ ______ accrual of discount less $ 37,043 amortization of premium and less $ ______ paid for accrued interest on purchases.

(f) Includes $ ______ accrual of discount less $ ______ amortization of premium.

(g) Includes $. 15,430 investment expenses and $ ______ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ ______ interest on surplus notes and $ ______ interest on capital notes.

(i) Includes $ ______ depreciation on real estate and $ ______ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	92	0	92	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	0	0	0	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	92	0	92	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	588,967	381,260	(207,707)
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	588,967	381,260	(207,707)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	588,967	381,260	(207,707)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	55,098	55,004	54,789	56,834	56,114	669,076
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	55,098	55,004	54,789	56,834	56,114	669,076
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

UNISON HEALTH PLAN OF THE CAPITAL AREA, INC.
NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(IN THOUSANDS EXCEPT COMMON CAPITAL STOCK SHARE DATA)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Unison Health Plan of the Capital Area, Inc. (the Company), licensed as a health maintenance organization (HMO) offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of Three Rivers Holdings, Inc. (TRH). Effective May 30, 2008, TRH was acquired by AmeriChoice Corpoation (AmeriChoice), which is a wholly owned subsidiary of UnitedHealth Group Incorporated (UnitedHealth Group). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on May 7, 2007, as an HMO and operations commenced in March 2008. The Company is certified as an HMO by the District of Columbia Department of Insurance, Securities and Banking (the DISB). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company has a contract with the Government of the District of Columbia, Office of Contracting and Procurement (the District), to provide health care services to Medicaid and Health Care Alliance (Alliance) (a program for uninsured children and adults) eligible beneficiaries in the District of Columbia. The current contract is effective through April 30, 2012, and is subject to one annual renewal provision. The Company has completed negotiations for the renewal period. The effective dates as of the renewal period will be May 1, 2012 through April 30, 2013.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the DISB.

The Department 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 HMO, for determining its solvency under District of Columbia insurance law. The state prescribes the use of the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) in effect for the accounting periods covered in the financial statement.

No significant differences exist between the practices prescribed or permitted by the District of Columbia and those prescribed or permitted by the NAIC SAP which materially affect the statutory basis net income (loss) and capital and surplus, as illustrated in the table below:

	State of Domicile	2012	2011
NET INCOME (LOSS)			
(1) Company state basis	District of Columbia	$ 5,217	$ (15,063)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:	District of Columbia	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:	District of Columbia	-	-
(4) NAIC SAP	District of Columbia	$ 5,217	$ (15,063)
SURPLUS			
(5) Company state basis	District of Columbia	$ 29,554	$ 24,545
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:	District of Columbia	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:	District of Columbia	-	-
(8) NAIC SAP	District of Columbia	$ 29,554	$ 24,545

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

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, and aggregate health policy reserves and aggregate health claim reserves (collectively known as "aggregate health reserves"). The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income (loss) in the period in which the estimate is adjusted.

C. Accounting Policy

(1-13) Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the DISB. These statutory practices differ from accounting principles generally accepted in the United States of America (GAAP).

The more significant differences are as follows:

- Cash and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Certain debt investments categorized as held to maturity are shown at fair value or amortized cost, respectively, under GAAP, whereas in the statutory basis financial statements, these investments are presented at the lower of amortized cost or fair value in accordance with the National Association of Insurance Commissioners' (NAIC) designations;

- Under statutory accounting, the change to deferred tax assets and liabilities is recorded directly to unassigned deficit and deferred tax assets are subject to limitations regarding the realization and admissibility of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets;

- Certain assets, including certain health care receivables, are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. Nonadmitted assets are excluded from the statutory basis financial statements and are charged directly to unassigned deficit. Under GAAP, such assets are included in the balance sheet;

- Comprehensive income and its components are not presented in the statutory basis financial statements;

- Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with original maturities of one year or less from the time of acquisition. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and cash equivalents with maturities of three months or less. The corresponding caption of short-term investments under GAAP represents securities with a final maturity of one year or less from the balance sheet date. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Cash and Invested Assets —

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments.

- Short-term investments represent money market instruments and commercial paper with a maturity of greater than three months but less than one year at the time of purchase.

- Bonds include government and agency obligations with a maturity of greater than one year at the time of purchase.

- Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC (SVO) in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service.

- The Company holds no mortgage loans on real estate.

- Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in non-agency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets and total investments in mortgage-backed securities to 30% of total cash and invested assets.

- The Company holds no common or preferred stock.

- The Company holds no investments in subsidiaries, controlled, or affiliated entities.

- The Company has no investment interests with respect to joint ventures, partnerships or limited liability companies.

- The Company holds no derivatives.

- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax in the statutory basis statements of operations.

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments for the years ended December 31, 2012 and 2011.

Investment Income Due and Accrued — Investment income earned and due as of the reporting date in addition to investment income earned but not paid or collected until subsequent periods are reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

Net Investment Income Earned — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

Amounts Due to Parent, Subsidiaries, and Affiliates, net and Receivables from Parent, Subsidiaries, and Affiliates, net — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due or owed as amounts due to parent, subsidiaries, and affiliates, net and receivables from parent, subsidiaries, and affiliates, net, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Properties Occupied by the Company, Properties Held for the Production of Income, Properties Held for Sale, Furniture and Equipment and Electronic Data Processing Equipment and Software — The Company does not carry any fixed assets on the statutory basis financial statements.

Hospital and Medical Expenses, Claims Unpaid, and Aggregate Health Reserves — Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2012 and 2011. Management believes the amount of claims unpaid and aggregate health reserves is adequate to cover the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2012; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health reserves are reflected in statutory statement of operations in the period in which the change in estimate is identified.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

Amounts Receivable Relating to Uninsured Plans— Receivables for amounts held under uninsured plans represent the cost reimbursement under the District's Women's Services program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy. The Company is fully reimbursed by Department of Health Care Finance (DHCF) for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. Related cash flows are presented within operating expenses paid within cash used in operations in the statutory basis statements of cash flows.

Net Deferred Tax Asset and Federal Income Tax Benefit — Statutory accounting provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). The provision for federal income tax benefit is calculated based on applying the statutory federal income tax rate of 35% to net income (loss) before federal income taxes subject to certain adjustments (see Note 9).

Claims Adjustment Expense — Claims adjustment expenses (CAE) are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), effective March 1, 2011, the Company pays a management fee to United HealthCare Services, Inc. (UHS) in exchange for administrative and management services. Prior to March 1, 2011, the Company paid Unison Administrative Services, LLC (UAS) for similar services. A detailed review of UHS' and the Company's administrative expenses is performed to determine the allocation between CAE and general administrative expenses. It is the responsibility of UHS and UAS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2012 and 2011 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified.

Remittances and Items Not Allocated — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings that have not been entered into the billing system. The majority is from monies received in the lockbox account on the last day of the year.

General Administrative Expenses — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS and UAS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. Premium taxes are also a component of general administrative expenses. A detailed review of UHS', UAS' and the Company's administrative expenses is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

Revenues — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums.

Net premium income consists of amounts paid by the District per member in exchange for the provision and administration of medical benefits under the Medicaid and Alliance programs. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity and newborn payments. Maternity and newborn income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitation, maternity, and newborn payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled.

The Company reports uncollected premium balances from its insured members as uncollected premium balances on the statutory basis statements of admitted assets, liabilities and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

Health Care and Other Amounts Receivable — Health care and other amounts receivable consist of pharmacy rebate receivables estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. (OptumRx). Health care and other amounts receivable also include receivables for amounts due to the Company for claim overpayments to providers, hospitals and other healthcare provider organizations. Health care and other amounts receivable are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

Premium Deficiency Reserves — Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, claim adjustment expenses and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30).

Vulnerability Due to Certain Concentrations — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Direct premium income from the District on behalf of the Department of Health Care Finance as a percentage of direct premium income is 100% for the years ending December 31, 2012 and 2011, respectively.

Restricted Cash Reserves — The Company is required by the District of Columbia to maintain a minimum regulatory deposit (currently $300). The Company is in compliance with this requirement as of December 31, 2012 and 2011. This restricted cash reserve consists principally of government obligations which are stated at amortized cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.

Minimum Capital and Surplus — Under the laws of the District of Columbia, the DISB requires the Company to have an initial statutory capital and surplus of $1,500 and shall maintain a minimum capital and surplus equal to the greatest of $1,000, 2% of the first $150,000 of annual premium revenue and 1% of annual premium revenue over $150,000, three months of uncovered health care expenditures, or an amount equal to the sum of 8% of the annual health care expenditures (not including those expenditures paid on a capitated basis or those on a managed hospital plan basis), plus 4% of the annual hospital expenditures paid on a managed hospital payment basis. The minimum capital and surplus requirement is $12,135 and $11,159, for December 31, 2012 and 2011, respectively, which was based on health care expenditures as that produced the highest minimum requirement. The Company has $29,554 and $24,545 in total statutory basis capital and surplus as of December 31, 2012 and 2011, respectively, which is in compliance with the required amount.

Risk-based capital (RBC) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The DISB requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula. The Company is in compliance with the required amount.

Recently Issued Accounting Standards — In November 2011, the NAIC adopted SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, effective for 2012 interim and annual financial statements and beyond. The new standard includes revised guidance for tax contingencies, non-elective deferred tax asset admissibility test along with significant modifications to the deferred tax asset admissibility test, and disclosure modifications. A change resulting from the adoption of this revised statement shall be accounted for prospectively. The Company adopted SSAP No. 101 in 2012 and determined there is no material impact to the statutory basis financial statements. The Company has assessed the impact of adopting SSAP No. 101 and believes that there will not be a material impact to total capital and surplus.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2012 and 2011.

During 2011, the Company determined that it had understated total hospital and medical expense by $518. Of this amount, $365 is related to on overstatement of provider receivables and $153 is related to a claims accrual for the year ended December 31, 2010. As a result, the federal income tax benefit is understated by $181 for the year ended December 31, 2010. The impact to total capital and surplus is a decrease of $337 for 2011. The cumulative effect of this prior year error is corrected by the Company in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors* and is reflected in the accompanying statutory basis statements of changes in capital and surplus for the year ended December 31, 2011.

3. BUSINESS COMBINATIONS AND GOODWILL

The Company was not party to a business combination during the years ended December 31, 2012 and 2011, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

(1–5) The Company did not discontinue any operations during 2012 and 2011.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The Company has not recorded any gross realized gains or losses on sales of investments in 2012 or 2011.

As of December 31, 2012 and 2011, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash of $23,465 and $62,473, respectively, are as follows:

	2012				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 11,724	$ 42	$ (1)	$ -	$ 11,765
State and state agency	3,877	3	(3)	-	3,877
Municipalities and local agency	6,574	3	(9)	-	6,568
Corporate bonds	12,663	100	(6)	-	12,757
Commercial paper and money market funds	3,319	-	-	-	3,319
Total bonds and short-term investments	$ 38,157	$ 148	$ (19)	$ -	$ 38,286

	2012				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	$ 6,262	$ -	$ -	$ -	$ 6,262
One to five years	27,935	128	(18)	-	28,045
Five to ten years	1,782	14	-	-	1,796
Over ten years	2,178	6	(1)	-	2,183
Total bonds and short-term investments	$ 38,157	$ 148	$ (19)	$ -	$ 38,286

	2011				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 313	$ 1	$ -	$ -	$ 314
Commercial paper and money market funds	2,936	-	-	-	2,936
Total bonds and short-term investments	$ 3,249	$ 1	$ -	$ -	$ 3,250

Included in U.S. government and agency securities and corporate bonds in the tables above are mortgage-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an amortized cost of $1,547 and fair value of $1,552.

The following table illustrates the fair value and gross unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2012:

	2012					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency	$ 611	$ (1)	$ -	$ -	$ 611	$ (1)
State and state agency	1,970	(2)	-	-	1,970	(2)
Municipalities and local agency	3,576	(10)	-	-	3,576	(10)
Corporate bonds	2,926	(7)	-	-	2,926	(7)
Total bonds and short-term investments	$ 9,083	$ (20)	$ -	$ -	$ 9,083	$ (20)

The Company did not have individual securities in a continuous unrealized loss position in 2011.

The unrealized losses on investments in U.S. government and agency obligations, state and state agency obligations, municipalities and local agency obligations, and corporate bonds at December 31, 2012 and 2011, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors which may indicate an other–than-temporary impairment, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost. As a result of this review, the Company did not record other-than-temporary impairments as of December 31, 2012 and 2011, respectively, in the statutory basis statements of operations.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, reverse mortgages, repurchase agreements, or investments in low-income housing tax credits and does not participate in securities lending activities. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale. Total proceeds on the sale of investments for short-term investments were $36,383 and $5,353 in 2012 and 2011, respectively. Total proceeds on the sale of investments for long-term investments were $1,508 and $0 in 2012 and 2011, respectively. There were no proceeds on bonds sold during 2012 or 2011.

D. Loan-Backed Securities

(1) Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

(2) The Company did not recognize any other-than-temporary impairments on mortgage-backed securities as of December 31, 2012 and 2011.

(3) The Company did not have mortgage-backed securities with an other-than-temporary impairment to report by CUSIP as of December 31, 2012 or 2011.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the mortgage-backed securities have been in a continuous unrealized loss position at December 31, 2012:

The aggregate amount of unrealized losses:		
1. Less than 12 months	$	-
2. 12 Months or longer		-
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months	$	352
2. 12 Months or longer		-

E. Repurchase Agreements and/or Securities Lending Transactions — Not applicable.

F. Real Estate — Not applicable.

G. Low-Income Housing Tax Credits — Not applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write down for its investments in joint ventures, partnerships and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company has admitted all investment income due and accrued in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income earned at December 31, 2012 and 2011 are as follows:

	2012	2011
Bonds	$ 128	$ 5
Cash and short-term investments	$ 8	$ 3
Total investment income	$ 136	$ 8
Expenses — investment management fees	(15)	-
Net investment income earned	$ 121	$ 8

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset for the years ended December 31, 2012 and 2011, are as follows:

(2012 information is computed under SSAP No. 101. 2011 information was computed under SSAP No. 10R)

	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	$384	$ -	$384	$2,325	$ -	$2,325	$(1,941)	$ -	$(1,941)
(b) Statutory valuation allowance adjustments	384	-	384	2,325	-	2,325	(1,941)	-	(1,941)
(c) Adjusted gross deferred tax assets (1a–1b)	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c–1d)	-	-	-	-	-	-	-	-	-
(f) Deferred tax liabilities	-	-	-	-	-	-	-	-	-
(g) Net admitted deferred tax asset/ (net deferred tax liability)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

(2012 information is computed under SSAP No. 101. 2011 infomration was computed under SSAP No. 10R.)

Admission Calculation Components SSAP No. 101	2012 Ordinary	2012 Capital	2012 Total	2011 Ordinary	2011 Capital	2011 Total	Change Ordinary	Change Capital	Change Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	4,433	XXX	XXX	1,598	XXX	XXX	2,835
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 and SSAP No. 10R, respectively for 2012 and 2011 Total (2(a)+2(b)+2(c))	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(3) SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, is effective for 2012 interim and annual financial statements and beyond. The new standard includes revised guidance for tax contingencies, a non-elective deferred tax asset admissibility test along with significant modifications to the deferred tax assets admissibility test, and disclosure modifications. A change resulting from this adoption would be accounted for prospectively and reflected as a change in accounting principle in accordance with SSAP No. 3 — *Accounting Changes and Corrections of Errors*. The adoption of this pronouncement did not have an impact on the statutory basis financial statements. The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admission calculation are presented below:

	2012	2011
(a) Ratio percentage used to determine recovery period and threshold limitation amount	407 %	n/a
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2 (b) (2) above	$ 29,554	n/a

(4) There was no impact to the deferred tax assets as a result of tax-planning strategies.

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The current federal income tax benefit for the years ended December 31, are as follows:

	2012	2011	Change
1. Current income tax			
(a) Federal	$ (302)	$ (7,504)	$ 7,202
(b) Foreign	-	-	-
(c) Subtotal	(302)	(7,504)	7,202
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Total current federal income tax benefit	$ (302)	$ (7,504)	$ 7,202

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2012 and 2011, are as follows:

(2012 information is computed under SSAP No. 101.
2011 information was computed under SSAP No. 10R.)

	2012	2011	Change
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 152	$ 195	$ (43)
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	-	1,906	(1,906)
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	206	133	73
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	26	91	(65)
(99) Subtotal	384	2,325	(1,941)
(b) Statutory valuation allowance adjustment	384	2,325	(1,941)
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	-	-	-
(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	-	-	-
3. Deferred tax liabilities:			
(a) Ordinary	-	-	-
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities	-	-	-
(99) Subtotal	-	-	-
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	-	-	-
4. Net deferred tax assets/liabilities (2i - 3c)	$ -	$ -	$ -

The other ordinary deferred tax asset of $26 for 2012 consists of bad debt.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of $384 and $2,325 to reduce the gross deferred tax asset to $0 as of

December 31, 2012 and 2011, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is caused by insufficient income in the current period and insufficient projected income in the future periods.

D. The provision for federal income tax benefit is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income (loss) before federal income taxes. The significant items causing this difference are as follows:

	2012	2011
Tax provision at the federal statutory rate	$ 1,720	$ (7,899)
Tax-exempt interest	(8)	-
Change in statutory valuation allowance	(1,941)	511
Tax effect of nonadmitted assets	(73)	(116)
Total	$ (302)	$ (7,504)
Federal income tax benefit	$ (302)	$ (7,504)
Total statutory income taxes	$ (302)	$ (7,504)

E. At December 31, 2012, the Company had no net operating loss carryforwards.

Current federal income taxes payable of $595 and $2,945 as of December 31, 2012 and 2011, respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes (paid) recovered, net of refunds were ($2,048) and $12,299 in 2012 and 2011, respectively.

There are no federal income taxes available for recoupment in 2012 and 2011, in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (Deposits made to suspend running of interest on potential underpayments, etc.) of the Internal Revenue Service Code.

F. The Company is included in a consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y — Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2011 and prior. UnitedHealth Group's 2012 tax return is under advance review by the IRS under its Compliance Assurance Program (CAP). With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2007 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. **Tax Contingencies** — Not applicable

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–L. Material Related Party Transactions

Effective March 1, 2011, the Company entered into a Management Agreement (Agreement) with UHS. This Agreement has been approved by the DISB and replaces the previous agreement with UAS. UHS will provide similar services to the Company under a revised fee structure that is changing from a fee based on a percentage of revenue to a direct charge based on UHS' expenses for services or use of assets provided to the Company. Management fees under these arrangements totaled $19,139 and $18,424 in 2012 and 2011, respectively, and are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations. Direct expenses not included in the management agreement, such as broker commissions, DISB exam fees, and premium taxes are paid by UHS on the behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company expensed as hospital and medical expenses, general administrative expenses, and claims adjustment expenses $3,481 and $5,080 in capitation fees to related parties during 2012 and 2011, respectively. Under the Agreement, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS or using another allocation methodology consistent with the Agreement. These services include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support and wellness services, including a 24-hour call-in service, access to a network of transplant providers and discount program services. OptumHealth Care Solutions, Inc. provides chiropractic and physical therapy services. United Behavioral Health, Inc. provides mental health and substance abuse services.

The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the accompanying statutory basis statements of operations for the years ended December 31, 2012 and 2011, are shown below:

	2012	2011
UHS	$ 990	$ 512
United Behavioral Health	2,427	4,552
OptumHealth Care Solutions, Inc.	64	16
Total	$ 3,481	$ 5,080

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per-claim basis, of $566 and $366 in 2012 and 2011, respectively, are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations.

Effective November 1, 2012, the Company holds a $10,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of LIBOR plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. There are no balances outstanding at Dcember 31, 2012.

At December 31, 2012 and 2011, the Company reported $1,164 and $0, respectively, as amounts due to parent, subsidiaries, and affiliates and $0 and $465, respectively, as receivables from parent, subsidiaries and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company received capital infusions of $0 and $22,000 in 2012 and 2011, respectively, from its parent (see Note 13). The Company did not pay any dividends.

The Company does not have any investments in impaired subsidiary, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party, it does not have any investments in a foreign insurance subsidiary and it does not hold any investments in a downstream noninsurance holding company.

11. DEBT

A–B. The Company had no outstanding debt with third parties or outstanding federal home loan bank agreements during 2012 and 2011.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits and compensated absences plans, and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 10,000 shares authorized and 1,000 shares issued and outstanding of $1 stated value capital stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, TRH.

(3) Under the laws of the District of Columbia, each registered insurer shall report to the Commissioner of DISB all dividends and other distributions to shareholders within 15 business days following the declaration thereof. An extraordinary dividend or other extraordinary distribution to its shareholders cannot be made until (i) 30 days after the Mayor of the District of Columbia (Mayor) has received notice of the declaration and has not within this period disapproved such payment, or (ii) the Mayor shall have approved the payment within the 30-day period. An extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months, exceeds the lesser of (i) 10% of such insurer's surplus as regards policyholders as of the 31st day of December of the preceding year, or (ii) net income, not including realized capital gains, for the 12-month period ending the 31st day of December of the preceding year, but shall not include pro rata distributions of any class of the insurer's own securities. In determining whether a dividend or distribution is extraordinary, an insurer may carryforward net income from the previous two calendar years that has not already been paid out as dividends. The carryforward shall be computed by taking the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediate preceding calendar years.

(4) The Company received capital infusions of $12,000 on September 28, 2011 and $10,000 on December 27, 2011 from its parent, which was recorded as increases to gross paid-in and contributed surplus in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company did not receive any capital infusions or pay dividends in 2012.

(5) The amount of ordinary dividends that may be paid out during any given period are subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned deficit.

(7) Not applicable as the Company is not a mutual reciprocal or a similarly organized entity.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options or stock purchase warrants.

(9) The Company does not have any special surplus funds.

(10) The portion of unassigned deficit reduced by each item below is as follows:

	2012	2011
Nonadmitted assets	$ 589	$ 381
Correction of errors	-	337
Total	$ 589	$ 718

(11–13) The Company does not have any outstanding surplus notes and has never been a party to a

14. CONTINGENCIES

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable

E. All Other Contingences

Because of the nature of the business, the Company is routinely made party to a variety of legal actions related to the design and management of its service offerings. The Company records liabilities for estimates of probable costs resulting from these matters where appropriate. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes, and claims related to certain other business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company. The Company has recorded a liability within claims unpaid in the statutory basis statement of admitted assets, liabilities and capital and surplus for an estimate of probable costs related to ongoing negotiations with a provider for past services rendered.

The Company's business is regulated at the federal, state and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

During the first quarter of 2010, the Patient Protection and Affordable Care Act and a reconciliation measure, the Health Care and Education Reconciliation Act of 2010 (collectively known as Health Reform Legislation), were signed into law, and after being challenged, were substantially upheld in a U.S. Supreme Court decision in the second quarter of 2012. The Health Reform Legislation expands access to coverage and modifies aspects of the commercial insurance market, as well as the Medicaid and Medicare programs, Children's Health Insurance Pgoram (CHIP), and other aspects of the health care system. Certain provisions of the Health Reform Legislation have already taken effect, and other provisions become effective at various dates over the next several years. The Department of Health and Human Services (HHS), the Department of Labor (DOL) and the Treasury Department have issued regulations or proposed regulations on a number of aspects of Health Reform Legislation, but final rules and interim guidance on the other key aspects of the legislation remain pending.

The Health Reform Legislation and the related federal and state regulations will impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing our liability in federal and state courts for coverage determinations and contract interpretation) or put the Company at risk for loss of business. In addition, the Company's results of operations, financial condition and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

15. LEASES

A–B. According to the management agreements between the Company and UHS and UAS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS and UAS. Fees associated with the management agreements are included as a component of the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A. **ASO Plans —** The Company has no operations from Administrative Services Only Contracts (ASO).

B. **ASC Plans —** The Company has no operations from Administrative Services Contracts (ASC).

C. The Company has $13 for amounts recoverable from uninsured plans for the year ended December 31, 2011. These receivables represent the cost reimbursement under the District's Women's Services program. The Company is fully reimbursed by the DHCF for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Company (see Note 1).

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments (investments) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services, the Company has not historically adjusted the prices obtained from the pricing service.

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 or liability.

A. Fair Value

(1) There were no transfers between Levels 1 and 2 during the year ended December 31, 2012 and 2011.

(2) The Company does not have any financial assets with a fair value hierarchy of level 3.

B. Fair Value Combination — Not applicable

C. The aggregate fair value by hierarchy of all financial instruments as of December 31, 2012 and 2011 is presented in the table below:

	2012					
Types of Financial Investment	**Aggregate Fair Value**	**Admitted Assets**	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Not Practical Carrying Value**
Bonds	$ 38	$ 38	$ 9	$ 29	$ -	$ -
Common stock	-	-	-	-	-	-
Perpetual preferred stock	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-

	2011					
Types of Financial Investment	**Aggregate Fair Value**	**Admitted Assets**	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Not Practical Carrying Value**
Bonds	$ -	$ -	$ -	$ -	$ -	$ -
Common stock	-	-	-	-	-	-
Perpetual preferred stock	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-

D. Not Practicable to Estimate Fair Value — Not applicable

21. OTHER ITEMS

The Company's business is regulated at federal, state and local levels, and the Company must obtain and maintain regulatory approvals to market and sell many of its products. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. State legislatures and Congress continue to focus on health care issues.

A. The Company did not encounter any extraordinary items for the years ended December 31, 2012 or 2011.

B. The Company has no troubled debt restructurings as of December 31, 2012 or 2011.

C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments.

D. The Company routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's financial condition.

E. The Company has not received any business interruption insurance recoveries during 2012 and 2011.

F. The Company has no transferrable or non-transferable state tax credits.

G. **(1) Sub-Prime Mortgage Related Risk Exposure** — The investment policy for the Company limits investments in asset-backed securities, which includes the sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2. The Company has no direct exposure through investments in sub-prime mortgage loans. The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

H. The Company does not have any retained asset accounts for beneficiaries.

22. EVENTS SUBSEQUENT

TYPE I – Recognized Subsequent events:

Subsequent events have been evaluated through February 28, 2013, which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2012, that require disclosure.

TYPE II – Non-Recognized Subsequent events:

Subsequent events have been evaluated through February 28, 2013, which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2012, that require disclosure.

23. REINSURANCE

The Company does not have any unaffiliated reinsurance agreements (external reinsurance) in place as of December 31, 2012 or 2011.

A. **Ceded Reinsurance Report**

***Section 1* — General Interrogatories**

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

Yes ( ) No (X)

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

Yes ( ) No (X)

***Section 2* — Ceded Reinsurance Report— Part A**

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

Yes ( ) No (X)

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

Yes ( ) No (X)

***Section 3* — Ceded Reinsurance Report — Part B**

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2012.

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

Yes ( ) No (X)

B. **Uncollectible Reinsurance** — During 2012 and 2011, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2012 or 2011.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A–C. The Company does not have any retrospectively rated contracts or contracts subject to redetermination as of December 31, 2012 or 2011.

D. The Company does not have any business subject to specific mimimum loss ratio requirements as of December 31, 2012 pursuant to the Health Reform Legislation (See Note 14).

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables for 2012 and 2011:

	2012		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (32,439)	$ (32,439)
Paid claims, net of health care receivables	164,738	15,558	180,296
End of year claim reserve	23,983	6,142	30,125
Incurred claims excluding the change in health care receivables	188,721	(10,739)	177,982
Beginning of year health care receivables	-	592	592
End of year health care receivables	(817)	(7)	(824)
Total incurred claims	$ 187,904	$ (10,154)	$ 177,750

	2011		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (28,467)	$ (28,467)
Paid claims, net of health care receivables	154,962	19,547	174,509
End of year claim reserve	30,702	1,737	32,439
Incurred claims excluding the change in health care receivables	185,664	(7,183)	178,481
Beginning of year health care receivables	-	587	587
End of year health care receivables	(592)	-	(592)
Total incurred claims	$ 185,072	$ (6,596)	$ 178,476

The liabilities for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables as of December 31, 2011 were $31,847. As of December 31, 2012, $15,558 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now $6,135 as a result of re-estimation of unpaid claims. Therefore, there has been $10,154 favorable prior year development since December 31, 2011 to December 31, 2012. The primary drivers consist of favorable development of $7,783 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and by favorable development as a result of a change in the provision for adverse deviations in experience of $2,034. At December 31, 2011, the Company recorded $6,596 of favorable development related to insured events of prior years primarily as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, including medical loss ratio rebates. Included in this favorable development is the impact related to retrospectively rated policies, including medical loss ratio rebates. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred claims adjustment expenses of $8,611 and $6,274 in 2012 and 2011, respectively. These costs are included in the management service fees paid by the Company to UHS and UAS as a part of its management agreement (see Note 10).

The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2012 and 2011:

	2012	2011
Total claims adjustment expenses incurred	$ 8,611	$ 6,274
Less current year unpaid claims adjustment expenses	(546)	(587)
Add prior year unpaid claims adjustment expenses	587	525
Total claims adjustment expenses paid	$ 8,652	$ 6,212

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company did not have any intercompany pooling arrangements in 2012 or 2011.

27. STRUCTURED SETTLEMENTS

The Company did not have structured settlements in 2012 or 2011.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLES

A. Pharmaceutical rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For pharmacy rebates that meet the admissibility criteria, the collection history of pharmacy rebates is summarized as:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2012	$ 161	$ -	$ -	$ -	$ -
9/30/2012	151	145	16	-	-
6/30/2012	158	169	22	118	-
3/31/2012	138	182	7	127	26
12/31/2011	128	151	15	122	12
9/30/2011	-	126	18	74	36
6/30/2011	-	116	30	78	6
3/31/2011	-	70	11	41	17
12/31/2010	-	84	38	35	9
9/30/2010	-	127	38	81	8
6/30/2010	-	63	15	37	11
3/31/2010	-	35	4	23	8

Of the amount reported as health care and other amounts receivables, $215 and $200 relates to pharmaceutical rebate receivables and $20 and $11 relates to provider overpayment receivables as of December 31, 2012 and 2011, respectively.

B. The Company does not have any risk sharing receivables.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2012 or 2011.

30. PREMIUM DEFICIENCY RESERVES

The following table summarizes the Company's premium deficiency reserves as of December 31, 2012 and 2011:

	2012
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2011
1. Liability carried for premium deficiency reserves	$ 5,446
2. Date of the most recent evaluation of this liability	12/31/2011
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

Premium deficiency reserves are included in aggregate health policy reserves, (See Note 1 – Basis of Presentation) in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2012 and 2011, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? District of Columbia

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 08/31/2007

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/10/2008

3.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

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

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

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

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] 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
OptumHealth Bank, Inc.	Salt Lake City, Utah	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Baker Tilly Virchow Krause LLP
225 South Sixth Street, Suite 2300
Minneapolis, MN 55402

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kevin B. Francis, FSA, MAAA
Vice President, Actuarial Services
UnitedHealth Care Community & State
9800 Health Care Lane, MN006-W900
Minnetonka, MN 55343

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

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

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

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

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

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information relating thereto

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

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

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

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

GENERAL INTERROGATORIES

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

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

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Pledged as collateral $
25.26 Placed under option agreements $
25.27 Letter stock or other securities restricted as to sale $
25.28 On deposit with state or other regulatory body $ 349,171
25.29 Other $

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

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

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle Chicago, IL 60675
Mellon Bank	One Mellon Center Pittsburgh, PA 15258

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [X] No [ ]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
N/A	Northern Trust	06/15/2012	Economics

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

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

GENERAL INTERROGATORIES

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	38,157,848	38,322,656	164,808
30.2 Preferred stocks	0		0
30.3 Totals	38,157,848	38,322,656	164,808

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. Hub utilizes various pricing sources.

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

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

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned	$	0
1.62 Total incurred claims	$	0
1.63 Number of covered lives		0

All years prior to most current three years:

1.64 Total premium earned	$	0
1.65 Total incurred claims	$	0
1.66 Number of covered lives		0

1.7 Group policies:

Most current three years:

1.71 Total premium earned	$	0
1.72 Total incurred claims	$	0
1.73 Number of covered lives		0

All years prior to most current three years:

1.74 Total premium earned	$	0
1.75 Total incurred claims	$	0
1.76 Number of covered lives		0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	202,955,551	180,128,556
2.2	Premium Denominator	202,955,552	180,128,556
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	30,124,535	37,885,331
2.5	Reserve Denominator	30,124,535	37,885,331
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:
The Company is not required by statute or by the District of Columbia, Office of Managed Care, to have stop-loss insurance.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical	$	
5.32 Medical Only	$	
5.33 Medicare Supplement	$	
5.34 Dental & Vision	$	
5.35 Other Limited Benefit Plan	$	
5.36 Other	$	

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

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	3,386
8.2 Number of providers at end of reporting year	3,750

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	$
9.22 Business with rate guarantees over 36 months	$

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses	$	62,500
10.22 Amount actually paid for year bonuses	$	68,475
10.23 Maximum amount payable withholds	$	
10.24 Amount actually paid for year withholds	$	

11.1 Is the reporting entitiy organized as:

11.12 A Medical Group/Staff Model,	Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [ ] No [X]
11.14 A Mixed Model (combination of above)?	Yes [X] No [ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. District of Columbia

11.4 If yes, show the amount required. $ 12,134,895

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

Greater of $1,000,000 or Premium Revenues, first $150M at 2% and over $150M at 1%, or uncovered expenditures, or 8% of FFS and hospital non-contracted costs, except those paid on a capitated basis, and 4% of contracted hospital costs per DT ST 31-3412 2 (A, B, C, & D i, ii).

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

1 Name of Service Area
District of Columbia

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. $

FIVE-YEAR HISTORICAL DATA

		1 2012	2 2011	3 2010	4 2009	5 2008
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	64,385,980	68,896,523	54,234,368	31,811,873	14,640,541
2.	Total liabilities (Page 3, Line 24)	34,831,537	44,351,111	35,957,572	19,236,949	14,764,103
3.	Statutory surplus	12,134,895	11,159,454	7,891,766	4,685,770	1,775,135
4.	Total capital and surplus (Page 3, Line 33)	29,554,443	24,545,412	18,276,796	12,574,924	(123,562)
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	202,955,552	180,131,975	131,191,895	71,335,766	32,571,324
6.	Total medical and hospital expenses (Line 18)	177,749,520	178,476,241	122,622,352	72,939,051	32,662,665
7.	Claims adjustment expenses (Line 20)	8,610,674	6,274,038	5,332,881	1,966,356	1,286,432
8.	Total administrative expenses (Line 21)	17,247,183	17,026,051	10,586,217	6,496,253	3,683,659
9.	Net underwriting gain (loss) (Line 24)	4,794,175	(22,574,676)	(10,846,974)	(9,384,154)	(6,761,432)
10.	Net investment gain (loss) (Line 27)	120,710	7,575	16,387	41,053	133,487
11.	Total other income (Lines 28 plus 29)	0	0	12,845	0	0
12.	Net income or (loss) (Line 32)	5,216,828	(15,063,196)	(8,346,634)	(5,875,911)	(4,977,743)
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(5,421,695)	(4,359,005)	4,315,844	3,223,341	4,107,311
	Risk-Based Capital Analysis					
14.	Total adjusted capital	29,554,443	24,545,412	18,276,796	12,574,924	(123,562)
15.	Authorized control level risk-based capital	7,268,350	7,307,816	5,248,584	3,431,984	2,167,468
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	56,114	55,098	54,659	28,330	27,430
17.	Total members months (Column 6, Line 7)	669,076	646,926	546,825	340,900	165,783
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.6	99.1	93.5	102.2	100.3
20.	Cost containment expenses	2.7	2.5	2.8	2.0	1.6
21.	Other claims adjustment expenses	1.5	1.0	1.2	0.8	2.3
22.	Total underwriting deductions (Line 23)	97.6	112.5	108.3	113.2	120.8
23.	Total underwriting gain (loss) (Line 24)	2.4	(12.5)	(8.3)	(13.2)	(20.8)
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	21,693,242	21,283,962	8,155,583	9,416,763	0
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	31,847,335	27,879,929	16,037,528	11,668,908	0
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)		0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.					

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	L	17,175,841		185,779,711				202,955,552	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	17,175,841	0	185,779,711	0	0	0	202,955,552	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	17,175,841	0	185,779,711	0	0	0	202,955,552	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.

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

Premiums allocated by state based upon Geographic Market.

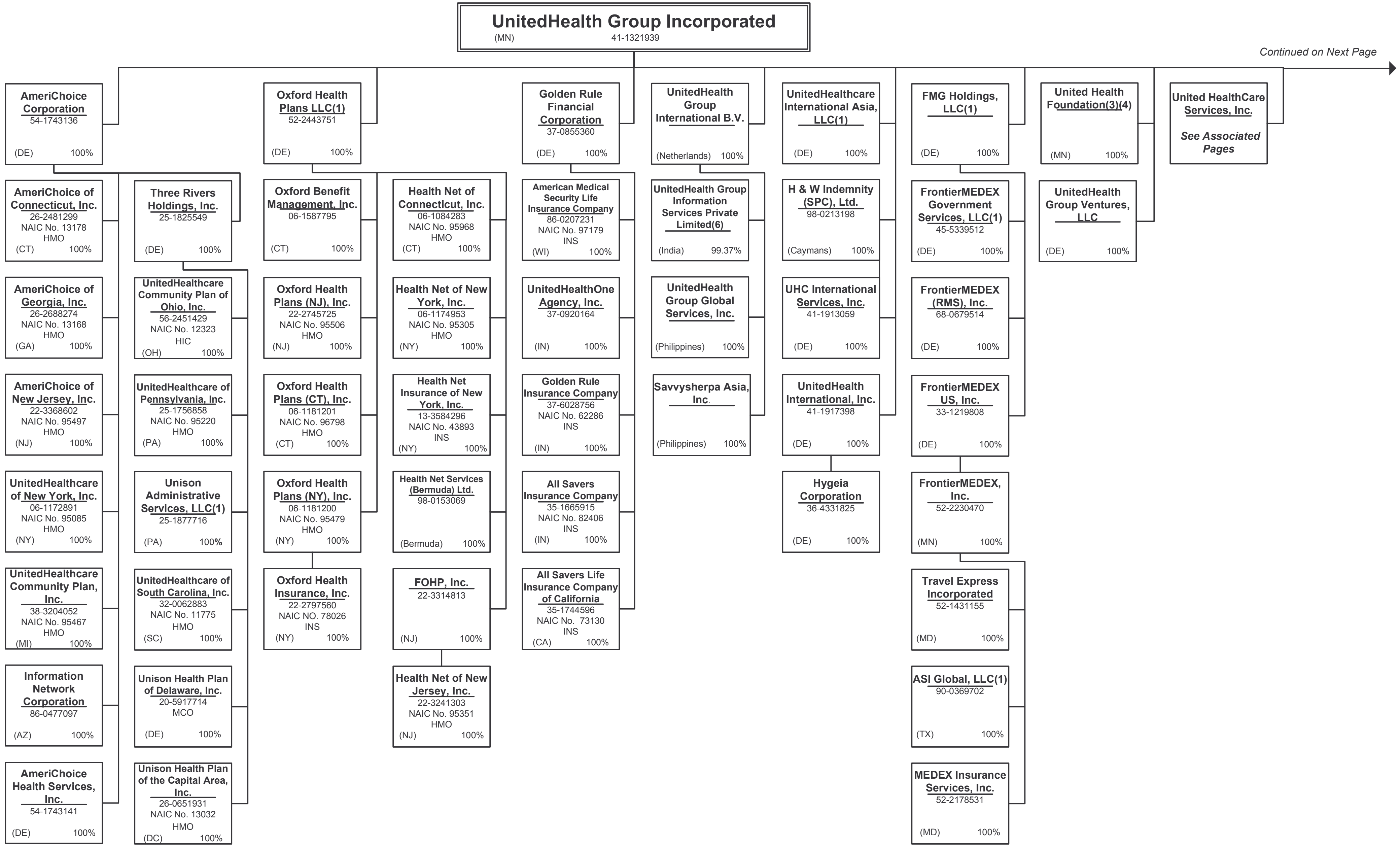
(a) Insert the number of L responses except for Canada and Other Alien.

Premiums allocated by state based upon Geographic Market.

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE Unison Health Plan of the Capital Area, Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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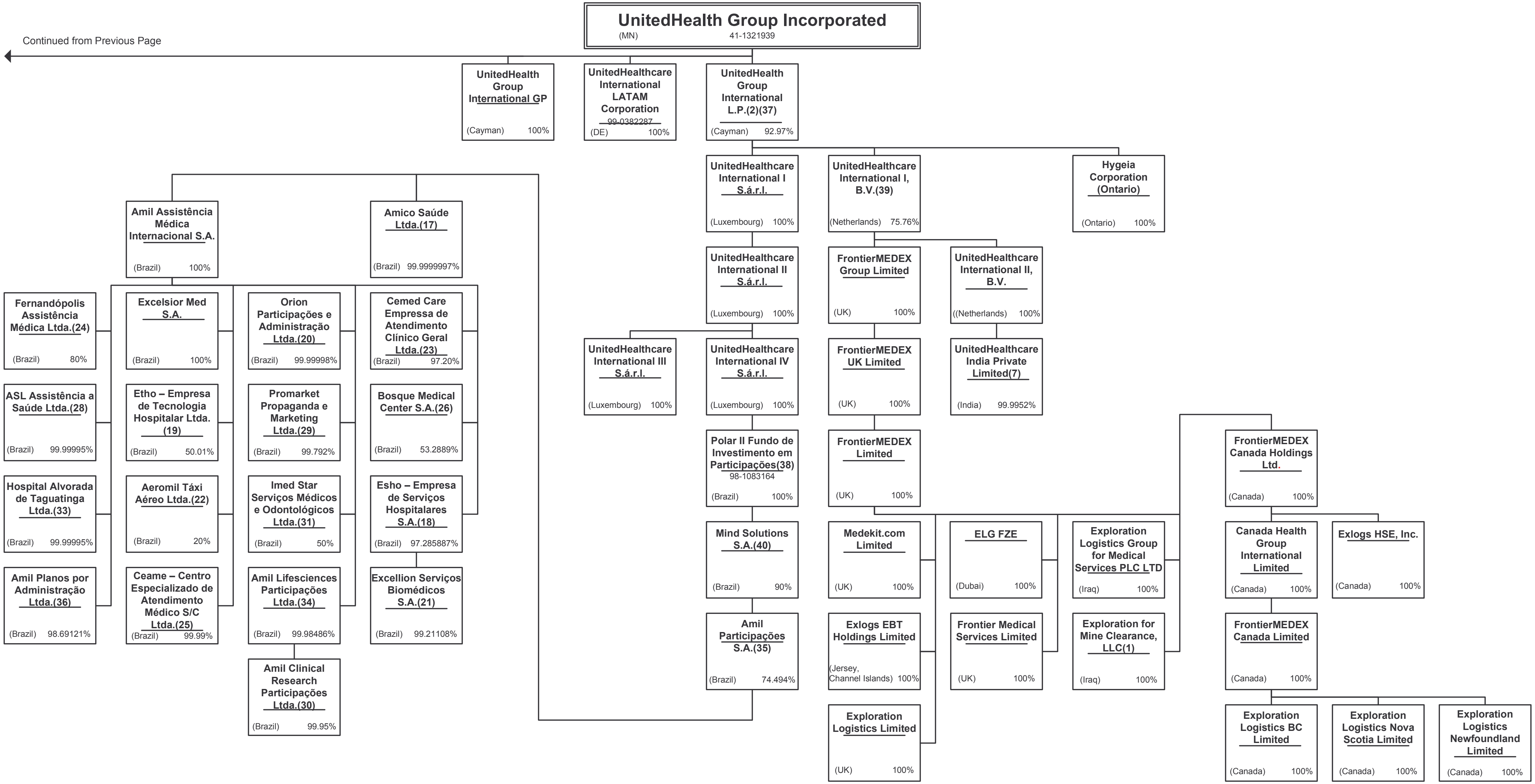

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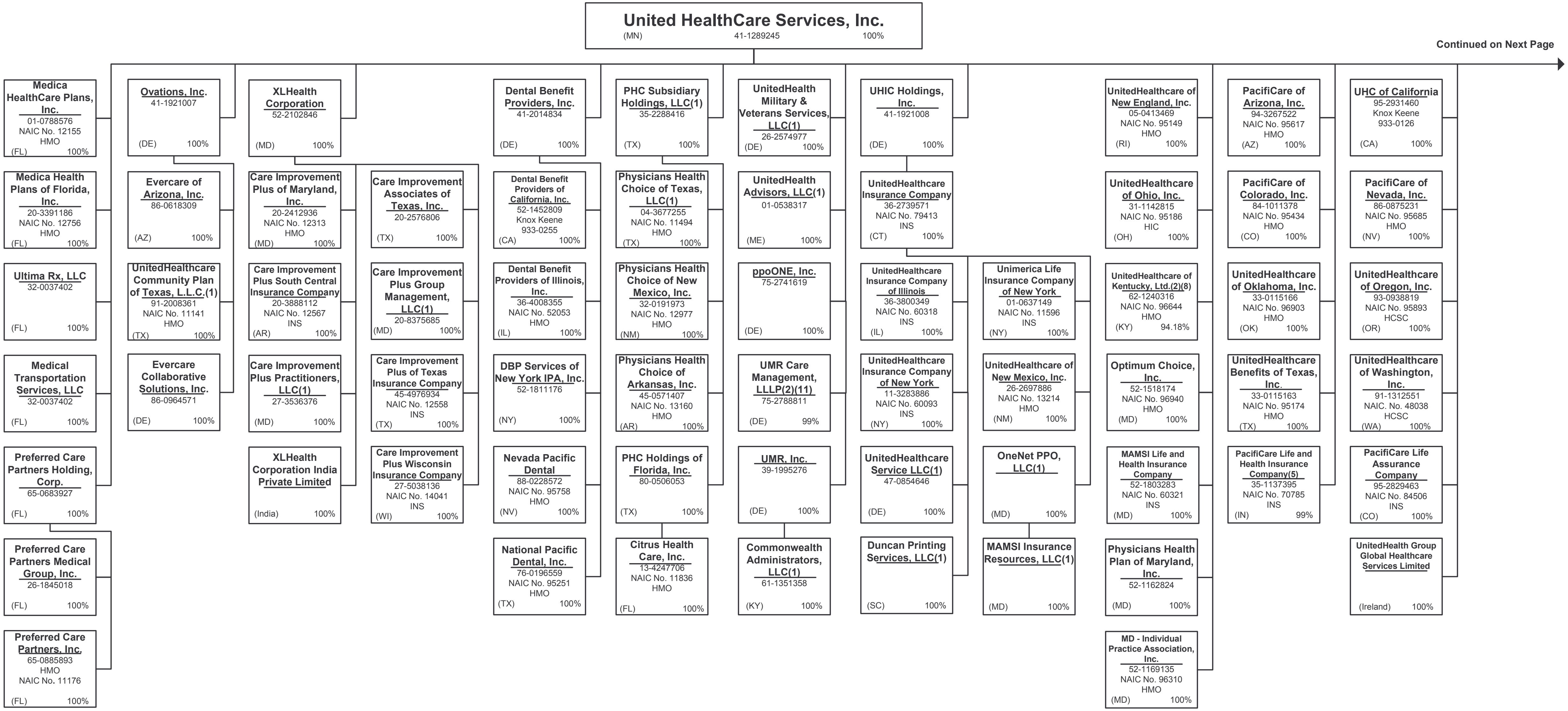
PART 1 - ORGANIZATIONAL CHART

Continued on Next Page



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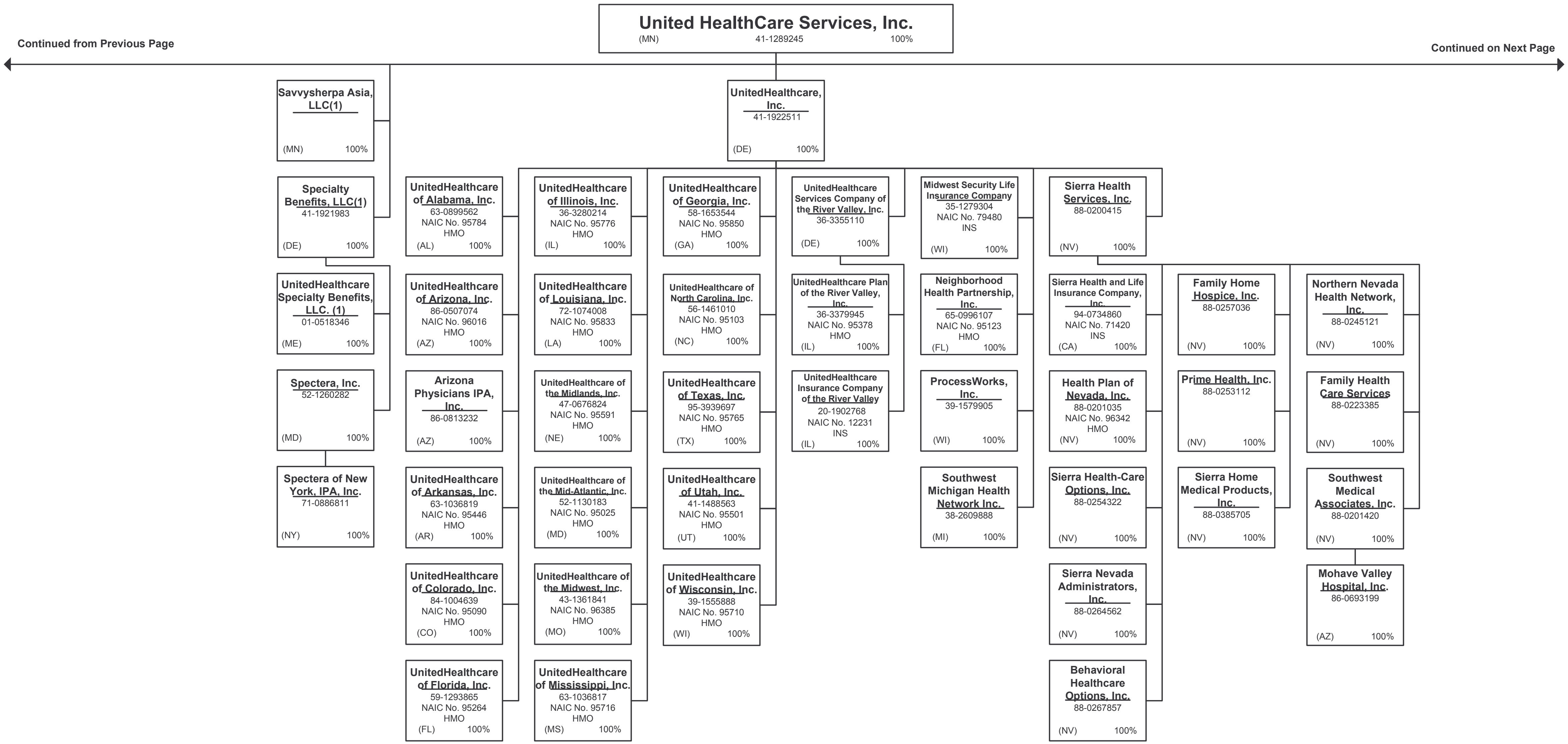

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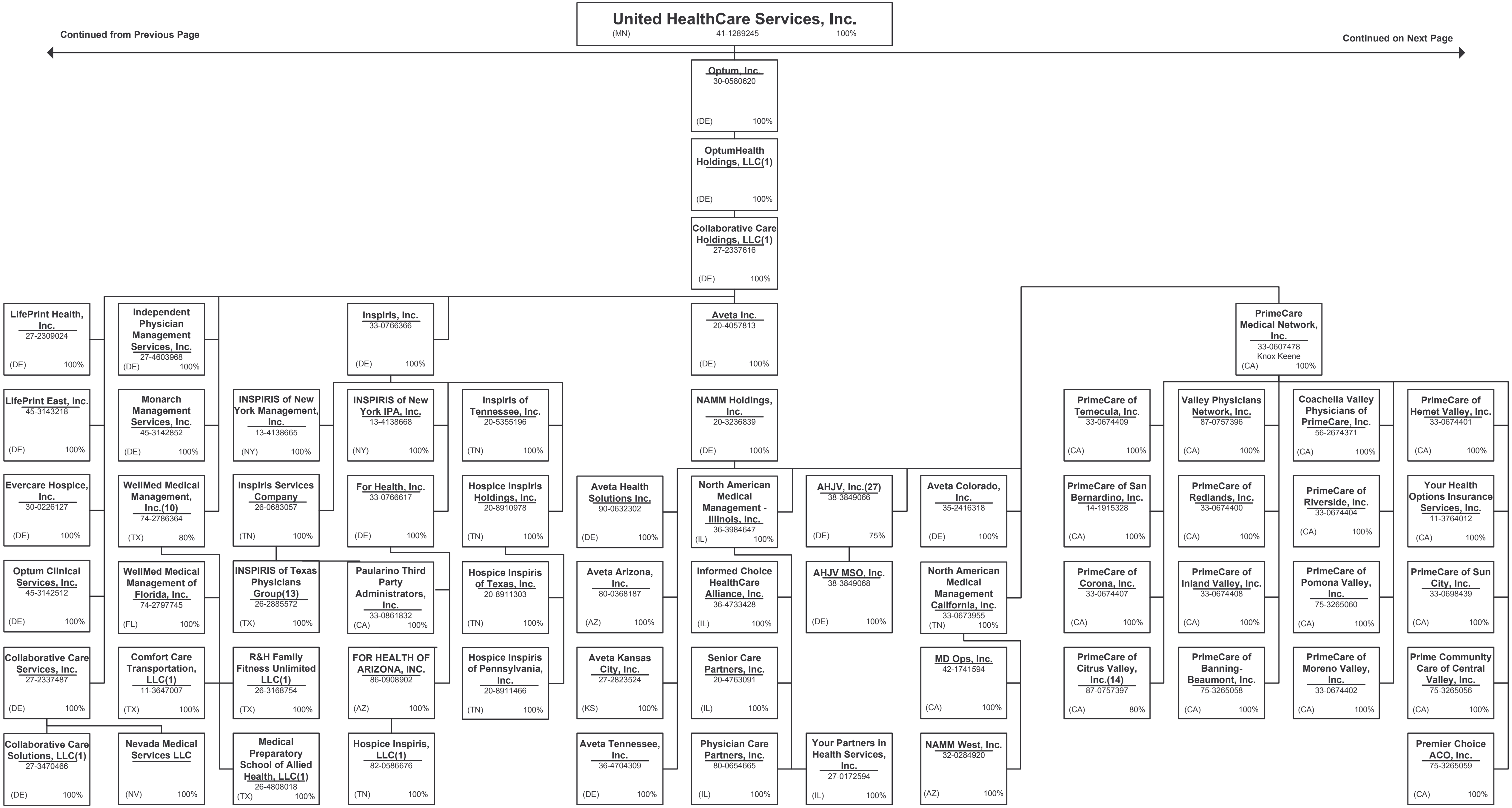

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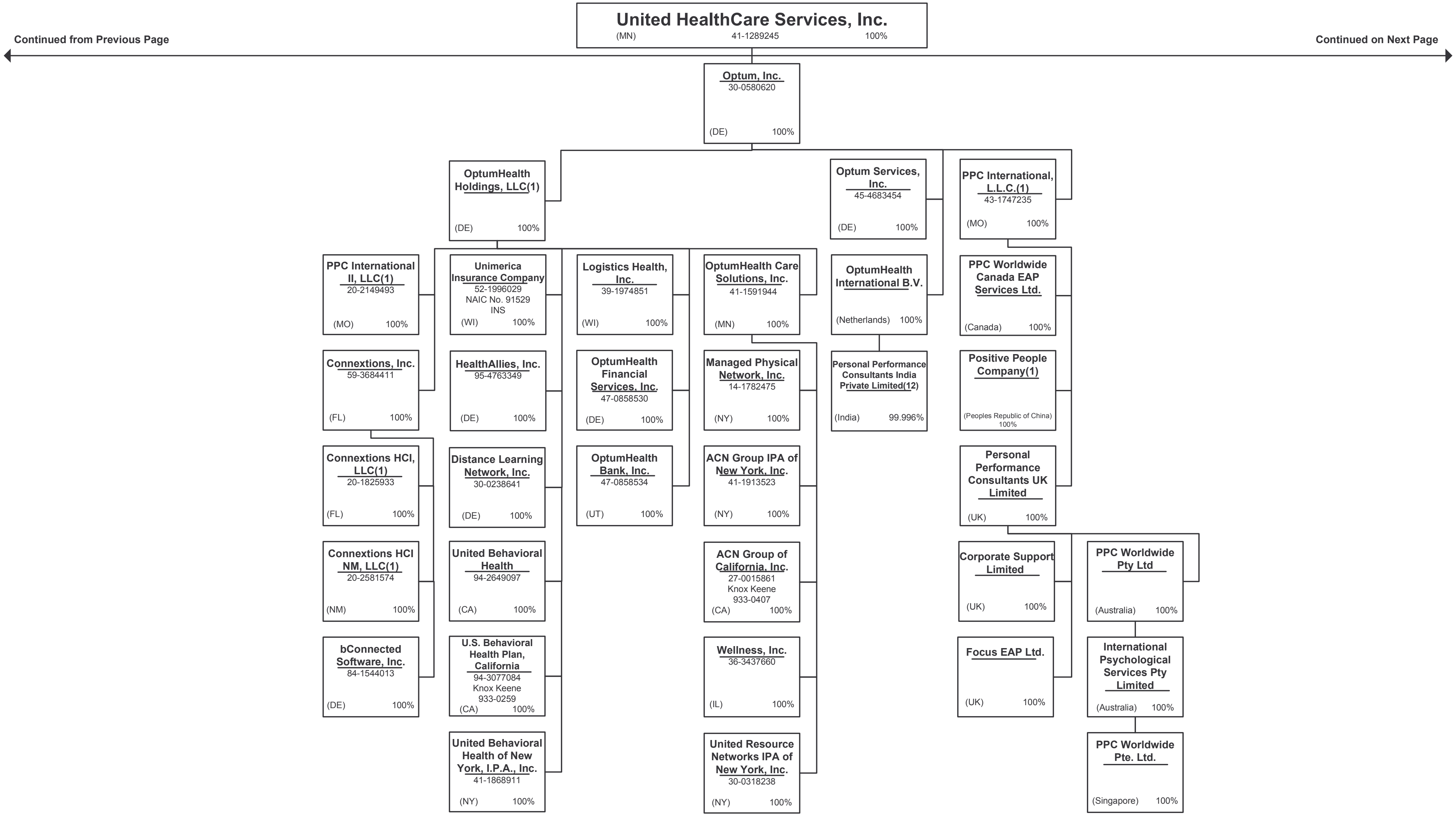

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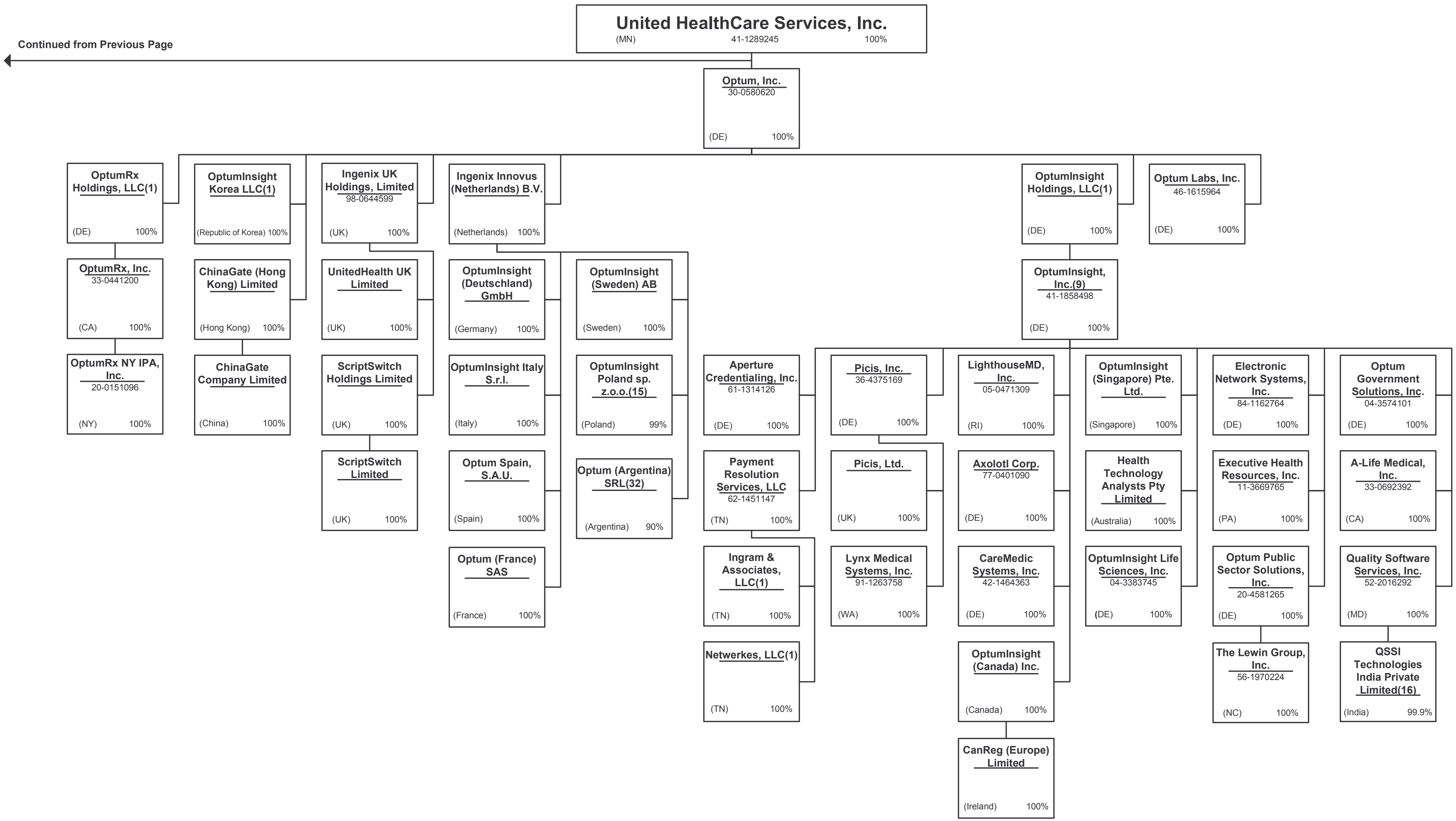

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) United Healthcare India Private Limited is 99.9952% owned by UnitedHealthcare International II B.V. and 0.0048% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Established a branch, Ingenix, Inc. – Abu Dhabi, located in Abut Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Limited partnership interest is held by United HealthCare Services, Inc. (99%). General partnership interest is held by UMR, Inc. (1%)

(12) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.

(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.

(15) OptumInsight Poland sp. z.o.o. is 99% owned by Ingenix Innovus (Netherlands) B.V. The remaining 1% is owned by OptumInsight, Inc.

(16) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.

(17) Amico Saúde Ltda. is 99.9999997% owned by Amil Participações S.A. and 0.0000003% owned by and officer of Amil.

(18) Esho – Empresa de Serviços Hospitalares S.A is 97.285887% owned by Amil Assistência Médica Internacional S.A.; 0.224917% owned by Amico Saúde Ltda.; 0.094901 owned by Treasury Shares and 2.4% owned by external shareholders.

(19) Etho – Empresa de Technologia Hospitalar Ltda. 50.01% owned by Amil Assistência Médica Internacional S.A.and 49.99% owned by an external shareholder.

(20) Orion Participações e Administração Ltda. is 99.99998% owned by Amil Assistência Médica Internacional S.A. and 0.00002% owned by Amico Saúde Ltda.

(21) Excellion Serviços Biomédicos S.A.is 99.21108% owned by Esho – Empresa de Serviços Hospitalares S.A and 0.78892% owned by external shareholders.

Continued on Next Page Page

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

Continued from Previous Page

(22) Aeromil Táxi Aéreo Ltda. Is 20% owned by Amil Assistência Médica Internacional S.A. and 80% owned by the Chairman and CEO of Amil.

(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 97.20% owned by Amil Assistência Médica Internacional S.A. and 2.8% owned by Amico Saúde Ltd.

(24) Fernandôpolis Assistência Médica Ltda. is 80% owned by Amil Assistência Médica Internacional S.A. and 20% owned by an external shareholder.

(25) Ceame – Centro Especializado de Atendimento Médico S/C Ltda. Is 99.99% onwed by Amil Assistência Médica Internacional S.A. and 0.01% owned by Cemed Care Empressa de Atendimento Clínico Geral Ltda.

(26) Bosque Medical Center S.A. is 53.2889% owned by Amil Assistência Médica Internacional S.A.; 33.7727% owned by Amico Saúde Ltd. and 12.9384% owned by Esho – Empresa de Serviços Hospitalares S.A.

(27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.

(28) ASL Assistência a Saúde Ltda. Is 99.99995% owned by Amil Assistência Médica Internacional S.A and 0.00005% owned by an officer of Amil.

(29) Promarket Propaganda e Marketing Ltda.is 99.792% owned by Amil Assistência Médica Internacional S.A and 0.208% owned by Amico Saúde Ltd.

(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and .05% owned by an officer of Amil.

(31) Imed Star Serviços Médicos e Odontológicos Ltda.is 50% owned by Amil Assistência Médica Internacional S.A and 50% owned by Amico Saúde Ltd.

(32) Optum Argentina is 90% owned by Ingenix Innovus (Netherlands) BV and 10% owned by ScriptSwitch Holdings Limited.

(33) Hospital Alvorada Taguatinga Ltda. Is 99.99995% owned by Amil Assistência Médica Internacional S.A. and 0.00005% owned by an officer of Amil.

(34) Amil Lifesciences Participações Ltda. Is 99.98486% owned by Amil Assistência Médica Internacional S.A and 0.01514% owned by an officer of Amil.

(35) Amil Participações S.A. is 74.49% owned by Mind Solutions S.A and the remaining 25.51% is owned by other parties.

(36) Amil Planos por Administração Ltda. is 98.69121% owned by Amil Assistência Médica Internacional S.A; 1.30196% owned by Amico Saúde Ltd and 0.00683% owned by an officer of Amil.

(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (4.41%), UnitedHealthcare International LATAM Corporation (2.3%), Hygeia Corporation (DE) (0.33%) and UnitedHealth Group Incorporated (92.97%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.

(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.

(39) UnitedHealthcare International I, B.V. is 75.76% owned by UnitedHealth Group International L.P. and 24.24% owned by UnitedHealth Group International B.V.

(40) Mind Solutions S.A. is 90% owned by Polar II Fundo de Investimento em Participações and 10% owned by Amil's founders.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Miscellaneous Losses	164	92	409		665
2505. Professional Fees/Consulting	677	381	1,687		2,745
2506. Sundry General Expenses	278,065	156,554	692,661		1,127,280
2597. Summary of remaining write-ins for Line 25 from overflow page	278,906	157,027	694,757	0	1,130,690

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)