



HUMANA HEALTH PLANS OF PUERTO RICO, INC.

OFFICERS

OTHER

DIRECTORS OR TRUSTEES

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.

Subscribed and sworn to before me this _____ day of _____

a. Is this an original filing? Yes [☐] No [☐]

b. If no,

1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	66,134,421	0	66,134,421	51,470,522
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(3,795,419) , Schedule E - Part 1), cash equivalents (\$45,554,760 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	41,759,341	0	41,759,341	32,573,565
6. Contract loans, (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	107,893,762	0	107,893,762	84,044,087
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	326,951	0	326,951	180,863
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,605,407	1,699,171	2,906,236	3,186,961
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$2,300,058)	2,300,058	0	2,300,058	4,322,424
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	86
17. Amounts receivable relating to uninsured plans	3,360,794	0	3,360,794	16,427,705
18.1 Current federal and foreign income tax recoverable and interest thereon	2,622,877	0	2,622,877	2,640,426
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	935,955	935,955	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	1,726,882	1,726,882	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$4,305,395) and other amounts receivable	4,776,412	80,829	4,695,583	3,864,671
25. Aggregate write-ins for other than invested assets	1,537,759	1,537,759	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	130,086,857	5,980,596	124,106,261	114,667,223
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	130,086,857	5,980,596	124,106,261	114,667,223
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. Prepaid Expenses	1,072,635	1,072,635	0	0
2502. Prepaid Commissions	344,218	344,218	0	0
2503. Deposits	120,906	120,906	0	0
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)	1,537,759	1,537,759	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	30,487,443	1,468,620	31,956,063	30,036,102
2. Accrued medical incentive pool and bonus amounts	35,273	0	35,273	0
3. Unpaid claims adjustment expenses	259,623	0	259,623	265,556
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	36,979,445	0	36,979,445	29,851,557
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	72,000	0	72,000	20,000
8. Premiums received in advance	394,978	0	394,978	186,250
9. General expenses due or accrued	9,167,634	0	9,167,634	7,594,578
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	570,449	0	570,449	654,018
13. Remittances and items not allocated	120,594	0	120,594	146,855
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	3,916,168	0	3,916,168	2,032,752
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	6,375,247	0	6,375,247	141,436
23. Aggregate write-ins for other liabilities (including \$13,521 current)	1,282,436	0	1,282,436	940,623
24. Total liabilities (Lines 1 to 23)	89,661,290	1,468,620	91,129,910	71,869,727
25. Aggregate write-ins for special surplus funds	XXX	XXX	6,137,673	0
26. Common capital stock	XXX	XXX	142,525	142,525
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	29,909,172	29,533,972
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	(600,000)	(600,000)
31. Unassigned funds (surplus)	XXX	XXX	(2,613,019)	13,720,999
32. Less treasury stock, at cost: 32.10 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.20 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	32,976,351	42,797,496
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	124,106,261	114,667,223
DETAILS OF WRITE-INS				
2301. Unclaimed Property	677,568	0	677,568	338,853
2302. Accrued Other	604,868	0	604,868	601,770
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	1,282,436	0	1,282,436	940,623
2501. Special Surplus – Projected HCRL Assessment for the Upcoming Year	XXX	XXX	6,137,673	0
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	6,137,673	0
3001. State Required Contingent Funds	XXX	XXX	(600,000)	(600,000)
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	(600,000)	(600,000)

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	558,865	576,129
2. Net premium income (including \$0 non-health premium income)	XXX	304,173,239	311,767,426
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	403,400
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	304,173,239	312,170,826
Hospital and Medical:			
9. Hospital/medical benefits	10,381,298	202,073,717	220,766,130
10. Other professional services	0	8,859,359	1,115,818
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	2,225,066	9,688,476	9,116,267
13. Prescription drugs	0	57,441,994	62,353,852
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	41,478	0
16. Subtotal (Lines 9 to 15)	12,606,364	278,105,024	293,352,067
Less:			
17. Net reinsurance recoveries	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	12,606,364	278,105,024	293,352,067
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$12,652,205 cost containment expenses	0	13,022,152	11,870,773
21. General administrative expenses	0	35,778,523	43,352,207
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	(3,800,000)	3,595,000
23. Total underwriting deductions (Lines 18 through 22).....	12,606,364	323,105,699	352,170,047
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(18,932,460)	(39,999,221)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	1,287,277	1,055,774
26. Net realized capital gains (losses) less capital gains tax of \$0	0	8,976	733,319
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,296,253	1,789,093
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	4,731,580	5,956,879
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	(12,904,627)	(32,253,249)
31. Federal and foreign income taxes incurred	XXX	18,674	(25,832)
32. Net income (loss) (Lines 30 minus 31)	XXX	(12,923,301)	(32,227,417)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 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. Miscellaneous Income	0	4,734,224	5,972,240
2902. Loss on Disposal	0	(2,644)	(15,361)
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	4,731,580	5,956,879

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	42,797,496	75,646,324
34. Net income or (loss) from Line 32	(12,923,301)	(32,227,417)
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(25,389)	12,134
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	2,752,345	(1,079,447)
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.....	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in	375,200	445,902
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(9,821,145)	(32,848,828)
49. Capital and surplus end of reporting period (Line 33 plus 48)	32,976,351	42,797,496
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	319,492,827	329,204,319
2. Net investment income	1,433,564	2,809,137
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	320,926,391	332,013,456
5. Benefit and loss related payments	277,074,299	306,132,170
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	21,802,774	49,259,483
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	1,125	8,775
10. Total (Lines 5 through 9)	298,878,198	355,400,428
11. Net cash from operations (Line 4 minus Line 10)	22,048,193	(23,386,972)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	17,544,755	78,856,415
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	29,945	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	17,574,700	78,856,415
13. Cost of investments acquired (long-term only):		
13.1 Bonds	32,547,387	30,781,814
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)	32,547,387	30,781,814
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)	(14,972,687)	48,074,601
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	0
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)	2,110,270	128,814
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,110,270	128,814
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)	9,185,776	24,816,443
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	32,573,565	7,757,122
19.2 End of year (Line 18 plus Line 19.1)	41,759,341	32,573,565

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

--	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

2

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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)	8,844,467	0	(311)	8,844,778
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	18,811,793	0	0	18,811,793
6. Title XVIII - Medicare	276,516,668	0	0	276,516,668
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	304,172,928	0	(311)	304,173,239
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	304,172,928	0	(311)	304,173,239

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	277,101,682	7,044,278	.0	.0	.0	15,517,666	254,514,706	25,032	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	277,101,682	7,044,278	.0	.0	.0	15,517,666	254,514,706	25,032	.0	.0
2. Paid medical incentive pools and bonuses	6,205	.0	.0	.0	.0	.0	6,205	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	31,956,063	986,274	.0	.0	.0	1,463,873	29,505,916	.0	.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	31,956,063	986,274	.0	.0	.0	1,463,873	29,505,916	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	72,000	72,000	.0	.0	.0	.0	.0	.0	.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	72,000	72,000	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	35,273	.0	.0	.0	.0	.0	35,273	.0	.0	.0
6. Net healthcare receivables (a)	1,010,097	(300,365)	.0	.0	.0	397,220	913,242	.0	.0	.0
7. Amounts recoverable from reinsurers December 31, current year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	30,036,102	1,175,490	.0	.0	.0	1,251,392	27,458,922	150,298	.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	30,036,102	1,175,490	.0	.0	.0	1,251,392	27,458,922	150,298	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	20,000	20,000	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net	20,000	20,000	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	278,063,546	7,207,427	.0	.0	.0	15,332,927	255,648,458	(125,266)	.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	278,063,546	7,207,427	0	0	0	15,332,927	255,648,458	(125,266)	0	0
13. Incurred medical incentive pools and bonuses	41,478	0	0	0	0	0	41,478	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	6,096,885	348,486	.0	.0	.0	147,534	5,600,865	.0	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	6,096,885	348,486	.0	.0	.0	147,534	5,600,865	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct	23,505,541	637,788	.0	.0	.0	1,316,339	21,551,414	.0	.0	.0
2.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	23,505,541	637,788	.0	.0	.0	1,316,339	21,551,414	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	2,353,637	.0	.0	.0	.0	.0	2,353,637	.0	.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	2,353,637	.0	.0	.0	.0	.0	2,353,637	.0	.0	.0
4. TOTALS:										
4.1 Direct	31,956,063	986,274	.0	.0	.0	1,463,873	29,505,916	.0	.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	31,956,063	986,274	0	0	0	1,463,873	29,505,916	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	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)	672,842	6,371,436	2,161	1,056,113	675,003	1,195,490
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	1,126,592	14,391,074	5,128	1,458,745	1,131,720	1,251,392
6. Title XVIII - Medicare	20,688,204	233,826,502	839,153	28,666,763	21,527,357	27,458,922
7. Title XIX - Medicaid	25,032	0	0	0	25,032	150,298
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	22,512,670	254,589,012	846,442	31,181,621	23,359,112	30,056,102
10. Healthcare receivables (a)	0	4,386,224	0	0	0	3,376,127
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	6,205	0	35,273	0	0
13. Totals (Lines 9 - 10 + 11 + 12)	22,512,670	250,208,993	846,442	31,216,894	23,359,112	26,679,975

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,369	21,406	21,407	21,398	21,393
2.	2013	18,058	18,831	18,847	18,824	18,820
3.	2014	XXX	8,862	9,857	9,863	9,854
4.	2015	XXX	XXX	3,932	4,586	4,568
5.	2016	XXX	XXX	XXX	10,072	10,782
6.	2017	XXX	XXX	XXX	XXX	6,371

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(44,244)	21,406	21,407	21,398	21,393
2.	2013	20,392	18,843	18,847	18,824	18,820
3.	2014	XXX	9,593	9,869	9,863	9,854
4.	2015	XXX	XXX	4,822	4,589	4,568
5.	2016	XXX	XXX	XXX	11,264	10,784
6.	2017	XXX	XXX	XXX	XXX	7,428

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. 2013	25,425	18,820	179	1.0	18,999	74.7	0	0	18,999	74.7
2. 2014	12,810	9,854	94	1.0	9,948	77.7	0	0	9,948	77.7
3. 2015	11,075	4,568	43	0.9	4,611	41.6	0	0	4,611	41.6
4. 2016	10,680	10,782	103	1.0	10,885	101.9	2	0	10,887	101.9
5. 2017	8,845	6,371	61	1.0	6,432	72.7	1,056	21	7,509	84.9

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	0	0	0	0	0
2.	2013	0	872	872	872	872
3.	2014	XXX	10,269	11,305	11,305	11,305
4.	2015	XXX	XXX	18,082	19,487	19,487
5.	2016	XXX	XXX	XXX	15,782	16,909
6.	2017	XXX	XXX	XXX	XXX	14,391

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	0	0	0	0	0
2.	2013	0	874	872	872	872
3.	2014	XXX	11,673	11,336	11,305	11,305
4.	2015	XXX	XXX	19,394	19,491	19,487
5.	2016	XXX	XXX	XXX	17,029	16,914
6.	2017	XXX	XXX	XXX	XXX	15,850

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

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. 2013	0	872	8	0.9	880	0.0	0	0	880	0.0
2. 2014	12,535	11,305	108	1.0	11,413	91.0	0	0	11,413	91.0
3. 2015	18,627	19,487	185	0.9	19,672	105.6	0	0	19,672	105.6
4. 2016	19,336	16,909	161	1.0	17,070	88.3	5	0	17,075	88.3
5. 2017	18,812	14,391	137	1.0	14,528	77.2	1,459	0	15,987	85.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	16,508	17,026	17,077	17,060	17,060
2.	2013	196,244	225,601	225,514	225,465	225,302
3.	2014	XXX	306,082	342,887	343,310	342,703
4.	2015	XXX	XXX	321,391	357,375	358,219
5.	2016	XXX	XXX	XXX	241,028	261,642
6.	2017	XXX	XXX	XXX	XXX	233,833

Section B - Incurred Health Claims - Title XVIII

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(82,173)	17,044	17,077	17,060	17,060
2.	2013	229,427	226,417	225,555	225,465	225,302
3.	2014	XXX	354,936	343,555	343,430	342,703
4.	2015	XXX	XXX	361,425	357,967	358,317
5.	2016	XXX	XXX	XXX	267,775	262,384
6.	2017	XXX	XXX	XXX	XXX	262,535

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

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. 2013	251,894	225,302	2,143	1.0	227,445	90.3	0	0	227,445	90.3
2. 2014	354,761	342,703	3,259	1.0	345,962	97.5	0	0	345,962	97.5
3. 2015	390,752	358,219	3,407	1.0	361,626	92.5	98	1	361,725	92.6
4. 2016	282,210	261,642	2,488	1.0	264,130	93.6	741	6	264,877	93.9
5. 2017	276,516	233,833	2,224	1.0	236,057	85.4	28,702	231	264,990	95.8

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	73,952	419,141	426,910	426,910	426,910
2.	2013	591,158	616,719	616,719	616,719	616,719
3.	2014	XXX	(12,755)	(12,755)	(11,862)	(11,837)
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(652,184)	419,141	426,910	426,910	426,910
2.	2013	607,094	616,730	616,719	616,719	616,719
3.	2014	XXX	(4,986)	(12,400)	(11,712)	(11,837)
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

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. 2013	629,312	616,719	5,865	1.0	622,584	98.9	0	0	622,584	98.9
2. 2014	11,489	(11,837)	0	0.0	(11,837)	(103.0)	0	0	(11,837)	(103.0)
3. 2015	(3,055)	0	0	0.0	0	0.0	0	0	0	0.0
4. 2016	(458)	0	0	0.0	0	0.0	0	0	0	0.0
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	92,829	457,573	465,394	465,368	465,363
2.	2013	805,460	862,023	861,952	861,880	861,713
3.	2014	XXX	312,458	351,294	352,616	352,025
4.	2015	XXX	XXX	343,405	381,448	382,274
5.	2016	XXX	XXX	XXX	266,882	289,333
6.	2017	XXX	XXX	XXX	XXX	254,595

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 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(778,601)	457,591	465,394	465,368	465,363
2.	2013	856,913	862,864	861,993	861,880	861,713
3.	2014	XXX	371,216	352,360	352,886	352,025
4.	2015	XXX	XXX	385,641	382,047	382,372
5.	2016	XXX	XXX	XXX	296,068	290,082
6.	2017	XXX	XXX	XXX	XXX	285,813

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. 2013	906,631	861,713	8,195	1.0	869,908	95.9	0	0	869,908	95.9
2. 2014	391,595	352,025	3,461	1.0	355,486	90.8	0	0	355,486	90.8
3. 2015	417,399	382,274	3,635	1.0	385,909	92.5	98	1	386,008	92.5
4. 2016	311,768	289,333	2,752	1.0	292,085	93.7	748	6	292,839	93.9
5. 2017	304,173	254,595	2,422	1.0	257,017	84.5	31,217	252	288,486	94.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$0) for investment income	4,357,775	0	0	0	0	3,395,689	962,086	0	0
5. Aggregate write-ins for other policy reserves	32,621,670	0	0	0	0	0	32,621,670	0	0
6. Totals (gross)	36,979,445	0	0	0	0	3,395,689	33,583,756	0	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	36,979,445	0	0	0	0	3,395,689	33,583,756	0	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	72,000	72,000	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	72,000	72,000	0	0	0	0	0	0	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7)	72,000	72,000	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. Risk Adjustment Premium Payable	32,621,670	0	0	0	0	0	32,621,670	0	0
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)	32,621,670	0	0	0	0	0	32,621,670	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 \$0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$0 for occupancy of own building)	261,824	8,004	611,406	0	881,234
2. Salary, wages and other benefits	6,198,731	183,664	17,702,488	0	24,084,883
3. Commissions (less \$0 ceded plus \$0 assumed)	0	0	1,805,970	0	1,805,970
4. Legal fees and expenses	137,939	4,216	640,250	0	782,405
5. Certifications and accreditation fees	95	22	1,677	0	1,794
6. Auditing, actuarial and other consulting services	145,612	4,451	340,031	0	490,094
7. Traveling expenses	179,227	5,479	418,524	0	603,230
8. Marketing and advertising	778,648	23,811	1,818,279	0	2,620,738
9. Postage, express and telephone	580,473	17,748	1,326,282	0	1,924,503
10. Printing and office supplies	158,151	4,834	369,322	0	532,307
11. Occupancy, depreciation and amortization	70,465	2,152	914,442	0	987,059
12. Equipment	283,070	8,652	661,038	0	952,760
13. Cost or depreciation of EDP equipment and software	711,552	21,759	940,946	0	1,674,257
14. Outsourced services including EDP, claims, and other services	2,551,156	66,966	5,113,579	0	7,731,701
15. Boards, bureaus and association fees	23,486	717	54,848	0	79,051
16. Insurance, except on real estate	32,458	991	75,803	0	109,252
17. Collection and bank service charges	137,179	4,193	320,348	0	461,720
18. Group service and administration fees	5,755	175	13,447	0	19,377
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	188,740	5,768	440,775	0	635,283
22. Real estate taxes	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	202	0	202
23.2 State premium taxes	0	0	81,420	0	81,420
23.3 Regulatory authority licenses and fees	0	0	203,055	0	203,055
23.4 Payroll taxes	0	0	1,029,031	0	1,029,031
23.5 Other (excluding federal income and real estate taxes)	0	0	22,790	0	22,790
24. Investment expenses not included elsewhere	36,229	1,107	81,974	0	119,310
25. Aggregate write-ins for expenses	171,415	5,238	790,596	0	967,249
26. Total expenses incurred (Lines 1 to 25)	12,652,205	369,947	35,778,523	0	(a) 48,800,675
27. Less expenses unpaid December 31, current year ..	0	259,623	9,167,634	0	9,427,257
28. Add expenses unpaid December 31, prior year	0	265,556	7,594,578	0	7,860,134
29. Amounts receivable relating to uninsured plans, prior year	0	0	16,427,705	0	16,427,705
30. Amounts receivable relating to uninsured plans, current year	0	0	3,360,794	0	3,360,794
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	12,652,205	375,880	21,138,556	0	34,166,641
DETAILS OF WRITE-INS					
2501. Miscellaneous Administrative Expenses	171,415	5,238	790,596	0	967,249
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	171,415	5,238	790,596	0	967,249

(a) Includes management fees of \$(16,484,697) to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a)55,269	47,057
1.1	Bonds exempt from U.S. tax	(a)0	0
1.2	Other bonds (unaffiliated)	(a)1,063,153	1,217,452
1.3	Bonds of affiliates	(a)0	0
2.1	Preferred stocks (unaffiliated)	(b)0	0
2.11	Preferred stocks of affiliates	(b)0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c)0	0
4.	Real estate	(d)0	0
5	Contract Loans	0	0
6	Cash, cash equivalents and short-term investments	(e)28,282	28,282
7	Derivative instruments	(f)0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	1,146,704	1,292,791
11.	Investment expenses		(g)0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)0
13.	Interest expense		(h)0
14.	Depreciation on real estate and other invested assets		(i)0
15.	Aggregate write-ins for deductions from investment income		5,514
16.	Total deductions (Lines 11 through 15)		5,514
17.	Net investment income (Line 10 minus Line 16)		1,287,277
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.	Miscellaneous Investment Expenses		5,514
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)		5,514

- (a) Includes \$6,118 accrual of discount less \$298,493 amortization of premium and less \$65,246 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$1,562 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$.0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(80,384)	0	(80,384)	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	59,415	0	59,415	(25,389)	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	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	29,945	0	29,945	0	0
10.	Total capital gains (losses)	8,976	0	8,976	(25,389)	0
DETAILS OF WRITE-INS						
0901.	Other realized gain/(loss)	29,945	0	29,945	0	0
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)	29,945	0	29,945	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	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	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,699,171	3,578,967	1,879,796
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	935,955	1,287,769	351,814
21. Furniture and equipment, including health care delivery assets	1,726,882	969,772	(757,110)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	80,829	3,847	(76,982)
25. Aggregate write-ins for other than invested assets	1,537,759	2,892,586	1,354,827
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,980,596	8,732,941	2,752,345
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	5,980,596	8,732,941	2,752,345
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. Prepaid Expenses	1,072,635	2,295,055	1,222,420
2502. Prepaid Commissions	344,218	485,221	141,003
2503. Deposits	120,906	112,310	(8,596)
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)	1,537,759	2,892,586	1,354,827

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	46,579	47,116	47,421	47,698	47,094	558,865
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	46,579	47,116	47,421	47,698	47,094	558,865
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

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Insurance Commissioner of Puerto Rico.

The Insurance Commissioner of Puerto Rico recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Puerto Rico for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Puerto Rico Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Commonwealth of Puerto Rico. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations from the Codification currently exist.

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

	SSAP #	F/S Page	F/S Line #	2017	2016
Net Loss					
1. Humana Health Plans of Puerto Rico, Inc. Puerto Rico basis	xxx	xxx	xxx	\$ (12,923,301)	\$ (32,227,417)
2. State Prescribed Practices that is an increase/(decrease) NAIC SAP				-	-
3. State Permitted Practices that is an increase/(decrease) NAIC SAP				-	-
4. NAIC SAP	xxx	xxx	xxx	\$ <u>(12,923,301)</u>	\$ <u>(32,227,417)</u>
Surplus					
5. Humana Health Plans of Puerto Rico, Inc. Puerto Rico basis	xxx	xxx	xxx	\$ 32,976,351	\$ 42,797,496
6. State Prescribed Practices that is an increase/(decrease) NAIC SAP				-	-
7. State Permitted Practices that is an increase/(decrease) NAIC SAP				-	-
8. NAIC SAP	xxx	xxx	xxx	\$ <u>32,976,351</u>	\$ <u>42,797,496</u>

On July 2, 2015, Humana entered into an Agreement and Plan of Merger, which is referred to herein as the Merger Agreement, with Aetna Inc. and certain wholly owned subsidiaries of Aetna Inc., (Aetna), which sets forth the terms and conditions under which Humana agreed to merge with, and become a wholly owned subsidiary of Aetna.

The Merger was subject to customary closing conditions, including, among other things, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the receipt of necessary approvals under state insurance and healthcare laws and regulations pursuant to certain licenses of certain Humana subsidiaries, and the absence of legal restraints and prohibitions on the consummation of the Merger.

On December 22, 2016, in order to extend the "End Date" (as defined in the Merger Agreement), Aetna and Humana each agreed to waive until 11:59 p.m. (Eastern time) on February 15, 2017 its right to terminate the Merger Agreement due to a failure of the Mergers to have been completed on or before December 31, 2016.

On July 21, 2016, the U.S. Department of Justice (DOJ) and the attorneys general of certain U.S. jurisdictions filed a civil antitrust complaint in the U.S. District Court for the District of Columbia against Humana and Aetna, alleging that the Merger would violate Section 7 of the Clayton Antitrust Act and seeking a permanent injunction to prevent the Merger from being completed. On January 23, 2017, the Court ruled in favor of the DOJ and granted a permanent injunction of the proposed transaction. On February 14, 2017, Humana and Aetna agreed to mutually terminate the Merger Agreement, as Humana's Board determined that an appeal of the Court's ruling would not be in the best interest of its stockholders. Under terms of the Merger Agreement, Humana received a breakup fee of \$1 billion on February 16, 2017.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.

- (2-4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value. Common stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. For all securities other than loan-backed and structured securities, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

- (5) Not Applicable.

- (6) For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.

- (7) Not Applicable.

- (8) Not Applicable.

- (9) Not Applicable.

- (10-11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

- (12) The Company has not modified its capitalization policy from the prior period.

Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

- (14) Not Applicable.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

(15) Not Applicable.

D. Going Concern

Effective December 31, 2016, the Company adopted revisions to SSAP No. 1, *Accounting Policies, Risks & Uncertainties, and Other Disclosures* (SSAP No. 1). The revisions require management of the Company to evaluate whether there is substantial doubt about the Company's ability to continue as a going concern and provide certain disclosures if substantial doubt exists. Management of the Company has completed its evaluation of the Company and determined that there is no substantial doubt about its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from industry market sources.

(2) Not Applicable.

(3) Not Applicable.

(4) The Company does not have any investments in an other-than-temporary impairment position at December 31, 2017.

Gross unrealized losses and related fair value of temporarily impaired securities that have been in a continuous unrealized loss position were as follows at December 31, 2017:

(a) The aggregate amount of unrealized losses:

1. Less than Twelve Months	\$	(32,199)
2. Twelve Months or Longer	\$	(201,446)

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

1. Less than Twelve Months	\$	7,767,742
2. Twelve Months or Longer	\$	7,931,341

(5) Unrealized losses are primarily due to increases in market interest rates and tighter liquidity conditions in the current markets than when the securities were purchased. All issuers of securities trading at an unrealized loss remain current on all contractual payments and the Company believes it is probable that all amounts due according to the contractual terms of the debt securities are collectible. After taking into account these and other factors, including the severity of the decline and the Company's ability and intent to hold these securities until recovery or maturity, the Company determined the unrealized losses on these investment securities were temporary and, as

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

such, no impairment was required.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
- (1) The Company has no repurchase agreements or securities lending transactions.
- (2) The Company has not pledged any of its assets as collateral.
- (3-7) Not Applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
- Not Applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
- Not Applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale
- Not Applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
- Not Applicable.
- J. Real Estate
- Not Applicable.
- K. Low-Income Housing Tax Credits (LIHTC)
- Not Applicable.
- L. Restricted Assets

	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Percentage Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Percentage Admitted Restricted to Total Admitted Assets (b)
Restricted Asset Category							
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	-%	-%
b. Collateral held under security lending agreements	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted to sale – excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-
j. On deposit with states	21,919,041	22,079,859	(160,818)	-	21,919,041	16.85%	17.66%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-
o. Total Restricted Assets	\$ 21,919,041	\$ 22,079,859	\$ (160,818)	-	\$ 21,919,041	16.85%	17.66%

- (1) Restricted Assets (Including Pledged)
- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)
- Not Applicable.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

- (3) Detail of Other Restricted Assets Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not Applicable.

- (4) Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements

Not Applicable.

- M. Working Capital Finance Investments

Not Applicable.

- N. Offsetting and Netting of Assets and Liabilities

Not Applicable.

- O. Structured Notes

Not Applicable.

- P. 5* Securities

Not Applicable.

- Q. Short Sales

Not Applicable.

- R. Prepayment Penalty and Acceleration Fees

		General Account
(1)	Number of CUSIPS	12
(2)	Aggregate Amount of Investment Income	\$ -

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.
- B. The Company 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. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

- B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

9. Income Taxes

A. Deferred Tax Assets/(Liabilities)

(1) The components of the net admitted deferred tax asset/(liability) by tax character were as follows:

		December 31, 2017		
		Ordinary	Capital	Total
a.	Gross deferred tax assets	\$ 32,662,807	\$ -	\$ 32,662,807
b.	Statutory valuation allowance adjustments	(32,662,807)	-	(32,662,807)
c.	Adjusted gross deferred tax assets	-	-	-
d.	Deferred tax assets nonadmitted	-	-	-
e.	Net admitted deferred tax assets	-	-	-
f.	Deferred tax liabilities	-	-	-
g.	Net admitted deferred tax asset/(liability)	\$ -	\$ -	\$ -

		December 31, 2016		
		Ordinary	Capital	Total
a.	Gross deferred tax assets	\$ 29,941,689	\$ -	\$ 29,941,689
b.	Statutory valuation allowance adjustments	(29,941,689)	-	(29,941,689)
c.	Adjusted gross deferred tax assets	-	-	-
d.	Deferred tax assets nonadmitted	-	-	-
e.	Net admitted deferred tax assets	-	-	-
f.	Deferred tax liabilities	-	-	-
g.	Net admitted deferred tax asset/(liability)	\$ -	\$ -	\$ -

		Change		
		Ordinary	Capital	Total
a.	Gross deferred tax assets	\$ 2,721,118	\$ -	\$ 2,721,118
b.	Statutory valuation allowance adjustments	(2,721,118)	-	(2,721,118)
c.	Adjusted gross deferred tax assets	-	-	-
d.	Deferred tax assets nonadmitted	-	-	-
e.	Net admitted deferred tax assets	-	-	-
f.	Deferred tax liabilities	-	-	-
g.	Net admitted deferred tax asset/(liability)	\$ -	\$ -	\$ -

(2) The amount of admitted adjusted gross deferred tax assets under SSAP No. 101 were as follows:

		December 31, 2017		
		Ordinary	Capital	Total
a.	Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
b.	Adjusted gross deferred tax assets expected to be realized after application of the threshold limitation	-	-	-
1.	Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	-
2.	Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	-
c.	Adjusted gross deferred tax assets offset by gross deferred tax liabilities	-	-	-
d.	Deferred tax assets admitted as the result of application of SSAP No. 101. Total	\$ -	\$ -	\$ -

		December 31, 2016		
		Ordinary	Capital	Total
a.	Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
b.	Adjusted gross deferred tax assets expected to be realized after application of the threshold limitation	-	-	-
1.	Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	-
2.	Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	-
c.	Adjusted gross deferred tax assets offset by gross deferred tax liabilities	-	-	-
d.	Deferred tax assets admitted as the result of application of SSAP No. 101. Total	\$ -	\$ -	\$ -

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

	Ordinary	Change Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
b. Adjusted gross deferred tax assets expected to be realized after application of the threshold limitation	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	-
c. Adjusted gross deferred tax assets offset by gross deferred tax liabilities	-	-	-
d. Deferred tax assets admitted as the result of application of SSAP No. 101. Total	\$ -	\$ -	\$ -

(3) The ratio percentage used to determine recovery period and threshold limitation amount was as follows:

	December 31, 2017	December 31, 2016
a. Ratio percentage used to determine recovery period and threshold limitation amount	391%	486%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2 b.2 above	32,976,351	42,797,496

(4) The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs was as follows:

	December 31, 2017	
	Ordinary	Capital
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage		
1. Adjusted gross DTAs amount from note 9A1(c)	\$ -	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%
3. Net admitted adjusted gross DTAs amount from note 9A1(e)	\$ -	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%
	December 31, 2016	
	Ordinary	Capital
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage		
1. Adjusted gross DTAs amount from note 9A1(c)	\$ -	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%
3. Net admitted adjusted gross DTAs amount from note 9A1(e)	\$ -	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%
	Change	
	Ordinary	Capital
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage		
1. Adjusted gross DTAs amount from note 9A1(c)	\$ -	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%
3. Net admitted adjusted gross DTAs amount from note 9A1(e)	\$ -	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.00%	0.00%
b. Does the Company's tax planning strategies include the use of reinsurance? Yes [] No [X]		

B. There are no temporary differences for which a DTL has not been established.

C. Current and deferred income taxes

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

(1) Current income taxes incurred consist of the following major components:

	December 31, 2017	December 31, 2016	Change
a. Federal	\$ -	\$ -	\$ -
b. Foreign	18,674	(25,832)	44,506
c. Subtotal	18,674	(25,832)	44,506
d. Federal income tax on net capital gains	-	-	-
e. Utilization of capital loss carryforwards	-	-	-
f. Other	-	-	-
g. Federal and foreign income taxes incurred	<u>\$ 18,674</u>	<u>\$ (25,832)</u>	<u>\$ 44,506</u>

(2-3) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

DTAs resulting from Book/Tax Differences in:

	December 31, 2017	December 31, 2016	Change
a. Ordinary			
1. Discounting of unpaid losses	\$ -	\$ 1,482,000	\$ (1,482,000)
2. Unearned premium reserve	-	-	-
3. Policyholder reserves	-	-	-
4. Investments and other	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	444,657	567,850	(123,193)
8. Compensation and benefit accruals	-	-	-
9. Pension accruals	-	-	-
10. Receivables – nonadmitted	2,332,433	3,405,847	(1,073,414)
11. Net operating loss carry-forward	29,053,213	22,554,199	6,499,014
12. Tax credit carry-forward	-	-	-
13. Other	13,756	86,452	(72,696)
14. Bad debts	92,342	1,457,174	(1,364,832)
15. Accrued litigation	-	-	-
16. CMS Rx reserve	-	-	-
17. CMS risk corridor - ACA	-	-	-
18. Medicare risk adjustment data	-	-	-
19. Miscellaneous reserves	726,407	388,167	338,240
20. Accrued lease	-	-	-
21. Section 197 intangible	-	-	-
22. Reinsurance fee	-	-	-
23. Provider contracts	-	-	-
99. Subtotal	32,662,808	29,941,689	2,721,119
b. Statutory valuation allowance adjustment	(32,662,808)	(29,941,689)	(2,721,119)
c. Nonadmitted	-	-	-
d. Admitted Ordinary DTAs	-	-	-
e. Capital			
1. Investments	-	-	-
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other	-	-	-
99. Subtotal	-	-	-
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	-	-	-
h. Admitted capital DTAs	-	-	-
i. Admitted DTAs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

DTLs resulting from Book/Tax Differences in:

	December 31, 2017	December 31, 2016	Change
a. Ordinary			
1. Investments	\$ -	\$ -	-
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves/salvage & subrogation	-	-	-
5. Other	-	-	-
6. Premium acquisition reserve	-	-	-
7. CMS Rx reserve	-	-	-
8. Accrued leases	-	-	-
99. Subtotal	-	-	-
b. Capital			
1. Investments	-	-	-
2. Real estate	-	-	-
3. Other	-	-	-
99. Subtotal	-	-	-
c. DTLs	\$ -	\$ -	-
(4) Net deferred tax asset/(liability)	\$ -	\$ -	-

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference as of December 31, 2017 are as follows:

	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ (12,904,627)	\$ (5,032,804)	39.00%
Tax-exempt interest	-	-	0.00%
Dividends received deduction	-	-	0.00%
Proration	370,019	144,307	(1.12%)
Meals & entertainment, lobbying expenses, etc.	89,997	35,099	(0.27%)
Statutory valuation allowance adjustment	6,977,226	2,721,118	(21.09%)
ACA fee	-	-	0.00%
Change to nonadmitted assets & deferred tax true-up	(2,752,345)	(1,073,414)	8.32%
Other, including prior year true-up	8,267,613	3,224,369	(24.99%)
Total	\$ 47,883	\$ 18,675	(0.14%)
Federal income taxes incurred [expense/(benefit)]		\$ -	0.00%
Tax on capital gains/(losses)		-	0.00%
Change in net deferred income tax [charge/(benefit)]		-	0.00%
Correction of prior period error		18,675	(0.14%)
Total statutory income taxes		\$ 18,675	(0.14%)

E. Operating loss and tax credit carry-forwards and protective tax deposits

At December 31, 2017, the Company had net operating loss carry-forwards expiring through the year 2026 of \$74,495,417.

At December 31, 2017, the Company had no capital loss carry-forwards.

At December 31, 2017, the Company had no AMT credit carry-forwards.

(2) The following table demonstrates the income tax expense for 2015, 2016 and 2017 that is available for the recoupment in the event of future net losses:

	Ordinary	Capital	Total
2015	\$ -	\$ -	-
2016	-	-	-
2017	-	-	-
Total	\$ -	\$ -	-

(3) There are no deposits admitted under IRC § 6603.

F. Not Applicable

G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A.-F. The Company provides management and administrative services to Humana Insurance Company of Puerto Rico, Inc., an affiliate. The related expenses are allocated based on a number of factors depending on the specific expense. That is, certain expenses are allocated on a per member per month basis while others are allocated on a percentage of premium basis or other specific allocation basis. For the years ended December 31, 2017 and 2016, expenses recovered by the Company amounted to \$16,484,697 and \$16,835,878, respectively, which are recorded as a reduction to selling, general and administrative expenses in the accompanying statutory statements of revenue and expenses.

The Company has a cash pooling arrangement with Humana whereby a majority of its cash is swept nightly. At December 31, 2017, the Company reported \$3,916,168 due to Humana associated with this arrangement and the aforementioned management arrangement with Humana Insurance Company of Puerto Rico, Inc.

No dividends were paid by the Company as of December 31, 2017.

G. All outstanding shares of the Company are owned by the Parent Company.

H. Not Applicable.

I. Not Applicable.

J. Not Applicable.

K. Not Applicable.

L. Not Applicable.

M. All SCA Investments

Not Applicable.

N. Investment in Insurance SCA

Not Applicable.

11. Debt

A. Debt Including Capital Notes

The Company has no debentures outstanding.

The Company has no capital notes outstanding.

The Company does not have any reverse repurchase agreements.

B. Federal Home Loan Bank (FHLB) Agreements

The Company does not have any FHLB agreements.

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

A.-D. Defined Benefit Plans

Not Applicable.

E. Defined Contribution Plans

Not Applicable.

F. Multiemployer Plans

Not Applicable.

G. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan (“the Plan”), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.’s total contributions paid to the Savings and Retirement accounts of the Humana Retirement Savings Plan were \$216,450,717 and \$193,755,632 for the years ended December 31, 2017 and 2016, respectively. Of these contributions, the Company contributed \$1,812,377 and \$1,901,823 during 2017 and 2016, respectively. As of December 31, 2017 and 2016, the fair market value of the Humana Retirement Savings Plan’s assets was \$51,064,170 and \$43,707,517, respectively.

H. Postemployment Benefits and Compensated Absences

Not Applicable.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable.

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

- (1) The Company has \$5 par value common stock with 1,000,000 shares authorized and 28,505 shares issued and 28,505 outstanding. All shares are common stock shares.
- (2) The Company has no preferred stock outstanding.
- (3-5) Dividends and returns of capital to shareholders are noncumulative and are paid as determined by the Board of Directors. In accordance with the Insurance Commissioner of Puerto Rico statutes, the maximum amount which can be paid by the Company to shareholders without prior approval by the Insurance Commissioner of Puerto Rico is the lesser of 10% of total surplus, or the greater of net operating gain for the calendar year preceding the dividend or for the 3 calendar years preceding the dividend less dividends paid for those 3 years. Based on these restrictions, no dividend was available without prior approval.

Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

No dividends were paid by the Company as of December 31, 2017.

- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) Not Applicable.
- (8) Not Applicable.
- (9) Changes in balances of special surplus funds from the prior year is due to the estimated health insurance industry fee that will be payable on September 30, 2018.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(25,389).
- (11) Not Applicable.
- (12) Not Applicable.
- (13) Not Applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. Joint and Several Liabilities

Not Applicable.

F. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Company does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

CMS is continuing to perform audits of various companies' selected MA contracts related to this risk adjustment diagnosis data. These audits are referred to herein as Risk-Adjustment Data Validation Audits, or RADV audits. RADV audits review medical records in an attempt to validate provider medical record documentation and coding practices which influence the calculation of premium payments to MA plans.

In 2012, CMS released a "Notice of Final Payment Error Calculation Methodology for Part C Medicare Advantage Risk Adjustment Data Validation (RADV) Contract-Level Audits". The payment error calculation methodology provides that, in calculating the economic impact of audit results for an MA contract, if any, the results of the audit sample will be extrapolated to the entire MA contract based upon a comparison to "benchmark" audit data in Medicare FFS, which is referred to herein as the FFS Adjuster. This comparison to the FFS Adjuster is necessary to determine the

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

economic impact, if any, of audit results because the government program data set, including any attendant errors that are present in that data set, provides the basis for MA plans’ risk adjustment to payment rates. CMS already makes other adjustments to payment rates based on a comparison of coding pattern differences between MA plans and Medicare FFS data (such as for frequency of coding for certain diagnoses in MA plan data versus the government program data set).

The final methodology, including the first application of extrapolated audit results to determine audit settlements, is expected to be applied to RADV contract level audits currently being conducted for contract year 2011 in which two of Humana’s MA plans are being audited. Per CMS guidance, selected MA contracts will be notified of an audit at some point after the close of the final reconciliation for the payment year being audited. The final reconciliation occurs in August of the calendar year following the payment year. Humana was notified on September 15, 2015 that five of its MA contracts have been selected for audit for contract year 2012. The Company held one of the MA contracts selected for audit. The Company submitted records for the selected contract to CMS on May 10, 2016.

Estimated audit settlements are recorded as a reduction of earned premiums in the statutory statements of revenue and expenses, based upon available information. The Company performs internal contract level audits based on the RADV audit methodology prescribed by CMS. Included in these internal contract level audits is an audit of the Company’s Private Fee-For-Service business which the Company used to represent a proxy of the FFS Adjuster which has not yet been released. The Company based its accrual of estimated audit settlements for each contract year on the results of these internal contract level audits and update its estimates as each audit is completed. Estimates derived from these results indicated a potential exposure of \$21 million to the Company’s statutory statements of admitted assets, liabilities and surplus, and related statutory statements of revenue and expenses, changes in surplus, and cash flows and the Company has notified CMS of the results of this internal audit. However, as indicated, the Company is awaiting additional guidance from CMS regarding CMS’ preferred method for measuring the final amount owed in light of (i) CMS’ ongoing RADV audit of certain Humana contracts, and (ii) CMS’ prior recoupment of premiums associated with individual risk adjustment data corrections submitted to CMS by Humana following the self-audit process. Accordingly, the Company cannot determine whether such RADV audits will have a material adverse effect on the Company’s statutory statements of admitted assets, liabilities and surplus, and related statutory statements of revenue and expenses, changes in surplus, and cash flows.

In addition, CMS’ comments in formalized guidance regarding “overpayments” to MA plans appear to be inconsistent with CMS’ prior RADV audit guidance. These statements, contained in the preamble to CMS’ final rule release regarding MA and Part D prescription drug benefit program regulations for Contract Year 2015, appear to equate each MA risk adjustment data error with an “overpayment” without reconciliation to the principles underlying the FFS Adjuster referenced above. The Company will continue to work with CMS to ensure that MA plans are paid accurately and that payment model principles are in accordance with the requirements of the Social Security Act, which, if not implemented correctly could have a material adverse effect on the Company’s statutory statements of admitted assets, liabilities and surplus, and related statutory statements of revenue and expenses, changes in surplus, and cash flows.

The Company is not aware of any other material contingent liabilities as of December 31, 2017.

15. Leases

A. Lessee Operating Lease

(1) The Company has entered into operating leases for medical and administrative office space and equipment with lease terms ranging from one to six years. Operating lease rental payments charged to expenses for the years ended December 31, 2017 and 2016 was \$1,310,098 and \$1,979,603, respectively.

(2) Noncancelable Lease Terms:

a) At January 1, 2018, the minimum aggregate rental commitments are as follows:

Year ending December 31,		
2018	\$	1,060,987
2019		1,099,907
2020		1,104,959
2021		1,052,234
2022		1,042,774
Thereafter		21,367
Total Minimum Lease Payments	\$	<u>5,382,228</u>

b) Certain rental commitments have renewal options extending through the year 2023. Some of these renewals are subject to adjustments in future periods.

(3) The Company is not involved in any sales-leaseback transactions.

B. Lessor Leases

Not Applicable.

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

The Company has no investment in Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

Not Applicable.

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

(1) The Company records no revenue explicitly attributable to the cost share and reinsurance components of its Medicare or other similarly structured cost based reimbursement contracts.

(2) As of December 31, 2017, the Company has recorded a receivable from CMS of \$3,360,794 related to the cost share and reinsurance components of administered Medicare products. The Company does not have any additional receivables greater than 10% of the Company's accounts receivable from uninsured accident and health plans or \$10,000.

(3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare or other similarly structured cost based reimbursement contracts, the Company has recorded no allowances and reserves for adjustment of recorded revenues and receivables.

(4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

20. Fair Value Measurements

A. (1) The fair value of financial assets at December 31, 2017 were as follows:

	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Bonds				
U.S. governments	\$ -	\$ -	\$ -	\$ -
Tax-exempt municipal	-	-	-	-
Residential mortgage-backed	-	-	-	-
Corporate debt securities	-	1,597,964	-	1,597,964
Total bonds	-	1,597,964	-	1,597,964
Total assets at fair value	\$ -	\$ 1,597,964	\$ -	\$ 1,597,964
b. Liabilities at fair value	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

The Company reports transfers between Level 1 and Level 2 of the fair value hierarchy levels at the end of the reporting period. There were no transfers between Level 1 and Level 2 of the fair value hierarchy between December 31, 2016 and December 31, 2017.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Not Applicable.

(3) The Company reports transfers into or out of Level 3 of the fair value hierarchy levels at the end of the reporting period. There were no transfers into or out of Level 3 of the fair value hierarchy levels between December 31, 2016 and December 31, 2017.

(4) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices

NOTES TO THE FINANCIAL STATEMENTS

are not available, the third party pricing service may use quoted market prices of comparable securities 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 benchmark yields, reported trades, credit spreads, broker quotes, default rates and prepayment speeds. The Company is responsible for the determination of fair value and as such, the Company performs analysis on the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. The Company’s analysis includes a review of monthly price fluctuations as well as a quarterly comparison of the prices received from the pricing service to prices reported by the Company’s third party investment advisor. Based on the Company’s internal price verification procedures and review of fair value methodology documentation provided by the third party pricing service, there were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2017.

(5) Derivative Fair Values

Not Applicable.

B. Other Fair Value Disclosures

Not Applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds and cash equivalents	\$ 111,511,679	\$ 111,689,181	\$ 45,554,760	\$ 65,956,919	\$ -	\$ -

D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not Applicable.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures and Unusual Items

Not Applicable.

D. Business Interruption Insurance Recoveries

Not Applicable.

E. State Transferable and Non-transferable Tax Credits

Not Applicable.

F. Subprime Mortgage Related Risk Exposure

(1) The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management’s practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(2) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(3) Direct exposure through other investments:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Commercial mortgage backed securities – No substantial exposure noted.
- c. Collateralized debt obligations – No substantial exposure noted.
- d. Structured securities – No substantial exposure noted.
- e. Equity investment in SCAs – No substantial exposure noted.
- f. Other assets – No substantial exposure noted.
- g. Total – No substantial exposure noted.

(4) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Not Applicable.

Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

G. Retained Assets

Not Applicable.

H. Insurance Linked Securities

Not Applicable.

22. Events Subsequent

On January 1, 2018, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be \$6,137,673. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 18.61%. Reporting the ACA assessment as of December 31, 2017 would not have triggered an RBC action level. The Company expects to offset the impact of the health insurance industry fee on its results of operations in 2018 through pretax income improvement; however, there can be no assurance that it will be able to do so.

In 2016 the Company was not subject to the annual fee under Section 9010 of the Federal Health Care Reform Law. The Consolidated Appropriations Act, 2016, which was signed into law on December 18, 2015 imposed a moratorium on the 2017 fee applied to all health insurance providers. Based on the moratorium no segregation was recorded within special surplus for the annual health insurance industry fee related to the 2016 data year. The impact of the annual health insurance industry fee on the Company's operations as of December 31, 2017 and 2016 were as follows:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for the upcoming year	\$ 6,137,673	\$ -
C. ACA fee assessment paid	\$ -	\$ 5,670,254
D. Premiums written subject to ACA 9010 assessment	\$ 307,899,264	\$ -
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 32,976,351	\$ 42,797,496
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 26,838,678	\$ 42,797,496
G. Authorized Control Level (Five-Year Historical Line 15)	\$ 8,437,129	\$ 8,800,714
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)	No	

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through March 19, 2018 for the Statutory Statement issued on March 19, 2018.

23. Reinsurance

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 10.0 percent 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 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

- (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 credits?

Yes () No (X)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

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

Yes () No (X)

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.

The Company estimates accrued retrospective premium adjustments for its Commercial business based on experience to date, knowledge of the marketplace, and the terms of the risk corridors program with HHS.

- B. The Company records accrued retrospective premium as an adjustment to earned premiums.

- C. The amount of net premiums written by the Company at December 31, 2017 that are subject to retrospective rating features was \$304,173,239, or 100.00% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

- D. Medical loss ratio rebates required pursuant to the Public Health Service Act

	Individual	Small Group Employer	Large Group Employer	Other Categories with rebates	Total
Prior Reporting Year:					
Medical loss ratio rebates incurred	\$ -	\$ -	\$ 286,829	\$ -	\$ 286,829
Medical loss ratio rebates paid	-	-	690,229	-	690,229
Medical loss rebates unpaid	-	-	-	-	-
Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -
Current Reporting Year-to-date:					
Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
Medical loss ratio rebates paid	-	-	-	-	-
Medical loss rebates unpaid	-	-	-	-	-
Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ -

- E. Risk Sharing Provisions of the Affordable Care Act

Not Applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2016 were \$30,321,658. As of December 31, 2017, \$26,138,160 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$853,303 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$3,330,195 favorable prior-year development since December 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes

STATEMENT AS OF December 31, 2017 OF Humana Health Plans of Puerto Rico, Inc.

NOTES TO THE FINANCIAL STATEMENTS

known regarding individual claims. The amounts presented in this footnote exclude any impact related to Pharmacy Rebates and other Healthcare Receivable activity. Impact of such receivables can be seen in Footnote 28. The Company did not experience any material prior year claim development on retrospectively rated policies.

26. Intercompany Pooling Arrangements

Not Applicable.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimate 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 181 Days after Billing
12/31/2017	\$ 4,307,254	\$ 4,307,254	\$ -	\$ -	\$ -
9/30/2017	4,885,808	4,885,808	4,884,107	-	-
6/30/2017	4,718,203	4,718,203	4,714,786	2,406	-
3/31/2017	4,663,747	4,663,747	4,662,701	-	1,046
12/31/2016	3,374,542	3,374,542	3,373,767	775	-
9/30/2016	3,131,658	3,131,658	3,131,041	-	617
6/30/2016	2,996,476	2,996,476	2,993,246	-	3,230
3/31/2016	3,266,182	3,266,182	3,264,744	-	1,438
12/31/2015	3,861,747	3,861,747	3,861,747	29,079	7,683
9/30/2015	4,163,249	4,163,249	4,153,322	7,544	2,383
6/30/2015	3,291,604	3,291,604	3,286,937	-	4,667
3/31/2015	3,526,201	3,526,201	3,525,032	-	1,169

B. Risk Sharing Receivables

Not Applicable.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

Not Applicable.

31. Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Puerto Rico

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.

12/31/2014

3.2

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

12/31/2011

3.3

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

10/25/2015

3.4

By what department or departments?
Insurance Commissioner of Puerto Rico

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
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?
4.22 renewals?

Yes [] No [X]
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	2	3
Name of Entity	NAIC Company Code	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).

0.0 %

1	2
Nationality	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 [] No [X]
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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLC, 254 Munoz Rivera, Oriental Center, Suite 900, San Juan, Puerto Rico 00918
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 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
10.4 If the response to 10.3 is yes, provide information related to this exemption:
10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
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?
Susan Mateja, Appointed Actuary, 500 West Main Street, Louisville, KY 40202
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 involved0
12.13 Total book/adjusted carrying value\$0
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?
Not Applicable.
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 [X] No []
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Revised based on general policy and regulatory changes
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?
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- Yes [] No [X]

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?
- Yes [X] No []
- Yes [X] No []
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 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?
- 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?
- 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?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- Yes [] No [X]
- \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?
- Yes [X] No []
-
-
- Yes [] No [] N/A [X]
- \$ 0
- \$ 0
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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 ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	21,919,041
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
Citibank N.A.	Securities Services Unit, PO Box 70301, San Juan, PR 00936-70301 Attn:Victor Colon Cartagena 787-766-4545 ext 600-1016

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
BLACKROCK FINANCIAL MANAGEMENT, INC	U.....
W. Mark Preston	I.....
.....	

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107105	BLACKROCK FINANCIAL MANAGEMENT, INC	549300LVXY1VJKE13M84	The SEC	DS.....
.....				

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	111,689,181	111,511,679	(177,502)
30.2 Preferred stocks	0	0	0
30.3 Totals	111,689,181	111,511,679	(177,502)

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

Fair value of actively traded debt and equity securities are based on quoted market prices.Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.

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

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

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

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

32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

GENERAL INTERROGATORIES

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

a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$49,720

34.2 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
ACODESE	40,000
.....	

35.1 Amount of payments for legal expenses, if any?\$275,316

35.2 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
PIETRANTONI MENDEZ & ALVAREZ LLP	157,633
SCHUSTER AGUILLO LLC	84,413
.....	

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

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

1 Name	2 Amount Paid
.....	

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

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

\$ 0

1.3

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

\$ 0

1.31

Reason for excluding

1.4

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

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

304,173,239

325,068,059

2.2

Premium Denominator

304,173,239

311,767,426

2.3

Premium Ratio (2.1/2.2)

1.000

1.043

2.4

Reserve Numerator

69,042,781

51,433,026

2.5

Reserve Denominator

69,042,781

59,907,659

2.6

Reserve Ratio (2.4/2.5)

1.000

0.859

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2

If no, explain:
Stop-Loss Reinsurance is Not required

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 0

5.32

Medical Only

\$ 0

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.

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

7,253

8.2

Number of providers at end of reporting year

22,560

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.

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

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

\$ 35,273

10.22

Amount actually paid for year bonuses

\$ 0

10.23

Maximum amount payable withholds

\$ 0

10.24

Amount actually paid for year withholds

\$ 0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Puerto Rico

11.4

If yes, show the amount required.

\$ 16,874,494

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

See RBC calculation or state regulation.

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

1
Name of Service Area
PR - Territory wide

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.

\$ 0

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.

\$ 0

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [X] N/A []

14.2

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

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

15.

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

15.1

Direct Premium Written

\$ 0

15.2

Total Incurred Claims

\$ 0

15.3

Number of Covered Lives

0

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

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	124,106,261	114,667,223	140,756,289	150,112,414	189,490,517
2. Total liabilities (Page 3, Line 24)	91,129,910	71,869,727	65,109,965	80,586,648	102,457,818
3. Statutory minimum capital and surplus requirement	16,874,494	17,601,428	20,325,710	21,109,527	600,000
4. Total capital and surplus (Page 3, Line 33)	32,976,351	42,797,496	75,646,324	69,525,766	87,032,699
Income Statement (Page 4)					
5. Total revenues (Line 8)	304,173,239	312,170,826	417,739,128	391,463,927	907,212,559
6. Total medical and hospital expenses (Line 18)	278,105,024	293,352,067	368,360,055	367,677,319	843,803,471
7. Claims adjustment expenses (Line 20)	13,022,152	11,870,773	11,514,823	9,843,849	15,146,086
8. Total administrative expenses (Line 21)	35,778,523	43,352,207	40,568,240	39,839,800	64,905,040
9. Net underwriting gain (loss) (Line 24)	(18,932,460)	(39,999,221)	(2,910,990)	(22,044,041)	(20,495,038)
10. Net investment gain (loss) (Line 27)	1,296,253	1,789,093	5,065,647	3,878,255	3,749,019
11. Total other income (Lines 28 plus 29)	4,731,580	5,956,879	6,021,019	(2,909)	756
12. Net income or (loss) (Line 32)	(12,923,301)	(32,227,417)	7,698,771	(18,168,695)	(14,982,476)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	22,048,193	(23,386,972)	(14,175,551)	(14,623,127)	(63,401,465)
Risk-Based Capital Analysis					
14. Total adjusted capital	32,976,351	42,797,496	75,646,324	69,525,766	87,032,699
15. Authorized control level risk-based capital	8,437,129	8,800,714	10,162,855	10,554,764	35,122,855
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	47,094	46,579	58,192	60,335	46,811
17. Total members months (Column 6, Line 7)	558,865	576,129	723,572	682,784	5,303,170
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)	91.4	94.0	88.2	93.9	93.0
20. Cost containment expenses	4.2	3.7	2.4	2.2	1.5
21. Other claims adjustment expenses	0.1	0.1	0.4	0.3	0.1
22. Total underwriting deductions (Line 23)	106.2	112.8	100.7	105.6	102.3
23. Total underwriting gain (loss) (Line 24)	(6.2)	(12.8)	(0.7)	(5.6)	(2.3)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	23,359,112	40,138,003	45,120,141	62,935,029	109,590,914
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	26,679,975	39,477,303	58,543,337	63,734,676	121,626,192
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	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	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
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.	0	0	0	0	0

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:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

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 Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N	0	0	0	0	0	0	0	0
2.	Alaska	AK	N	0	0	0	0	0	0	0	0
3.	Arizona	AZ	N	0	0	0	0	0	0	0	0
4.	Arkansas	AR	N	0	0	0	0	0	0	0	0
5.	California	CA	N	0	0	0	0	0	0	0	0
6.	Colorado	CO	N	0	0	0	0	0	0	0	0
7.	Connecticut	CT	N	0	0	0	0	0	0	0	0
8.	Delaware	DE	N	0	0	0	0	0	0	0	0
9.	District of Columbia	DC	N	0	0	0	0	0	0	0	0
10.	Florida	FL	N	0	0	0	0	0	0	0	0
11.	Georgia	GA	N	0	0	0	0	0	0	0	0
12.	Hawaii	HI	N	0	0	0	0	0	0	0	0
13.	Idaho	ID	N	0	0	0	0	0	0	0	0
14.	Illinois	IL	N	0	0	0	0	0	0	0	0
15.	Indiana	IN	N	0	0	0	0	0	0	0	0
16.	Iowa	IA	N	0	0	0	0	0	0	0	0
17.	Kansas	KS	N	0	0	0	0	0	0	0	0
18.	Kentucky	KY	N	0	0	0	0	0	0	0	0
19.	Louisiana	LA	N	0	0	0	0	0	0	0	0
20.	Maine	ME	N	0	0	0	0	0	0	0	0
21.	Maryland	MD	N	0	0	0	0	0	0	0	0
22.	Massachusetts	MA	N	0	0	0	0	0	0	0	0
23.	Michigan	MI	N	0	0	0	0	0	0	0	0
24.	Minnesota	MN	N	0	0	0	0	0	0	0	0
25.	Mississippi	MS	N	0	0	0	0	0	0	0	0
26.	Missouri	MO	N	0	0	0	0	0	0	0	0
27.	Montana	MT	N	0	0	0	0	0	0	0	0
28.	Nebraska	NE	N	0	0	0	0	0	0	0	0
29.	Nevada	NV	N	0	0	0	0	0	0	0	0
30.	New Hampshire	NH	N	0	0	0	0	0	0	0	0
31.	New Jersey	NJ	N	0	0	0	0	0	0	0	0
32.	New Mexico	NM	N	0	0	0	0	0	0	0	0
33.	New York	NY	N	0	0	0	0	0	0	0	0
34.	North Carolina	NC	N	0	0	0	0	0	0	0	0
35.	North Dakota	ND	N	0	0	0	0	0	0	0	0
36.	Ohio	OH	N	0	0	0	0	0	0	0	0
37.	Oklahoma	OK	N	0	0	0	0	0	0	0	0
38.	Oregon	OR	N	0	0	0	0	0	0	0	0
39.	Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40.	Rhode Island	RI	N	0	0	0	0	0	0	0	0
41.	South Carolina	SC	N	0	0	0	0	0	0	0	0
42.	South Dakota	SD	N	0	0	0	0	0	0	0	0
43.	Tennessee	TN	N	0	0	0	0	0	0	0	0
44.	Texas	TX	N	0	0	0	0	0	0	0	0
45.	Utah	UT	N	0	0	0	0	0	0	0	0
46.	Vermont	VT	N	0	0	0	0	0	0	0	0
47.	Virginia	VA	N	0	0	0	0	0	0	0	0
48.	Washington	WA	N	0	0	0	0	0	0	0	0
49.	West Virginia	WV	N	0	0	0	0	0	0	0	0
50.	Wisconsin	WI	N	0	0	0	0	0	0	0	0
51.	Wyoming	WY	N	0	0	0	0	0	0	0	0
52.	American Samoa	AS	N	0	0	0	0	0	0	0	0
53.	Guam	GU	N	0	0	0	0	0	0	0	0
54.	Puerto Rico	PR	L	8,844,467	276,516,668	0	18,811,793	0	0	304,172,928	0
55.	U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56.	Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57.	Canada	CAN	N	0	0	0	0	0	0	0	0
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal		XXX	8,844,467	276,516,668	0	18,811,793	0	0	304,172,928	0
60.	Reporting entity contributions for Employee Benefit Plans		XXX	0	0	0	0	0	0	0	0
61.	Total (Direct Business)	(a)	1	8,844,467	276,516,668	0	18,811,793	0	0	304,172,928	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.

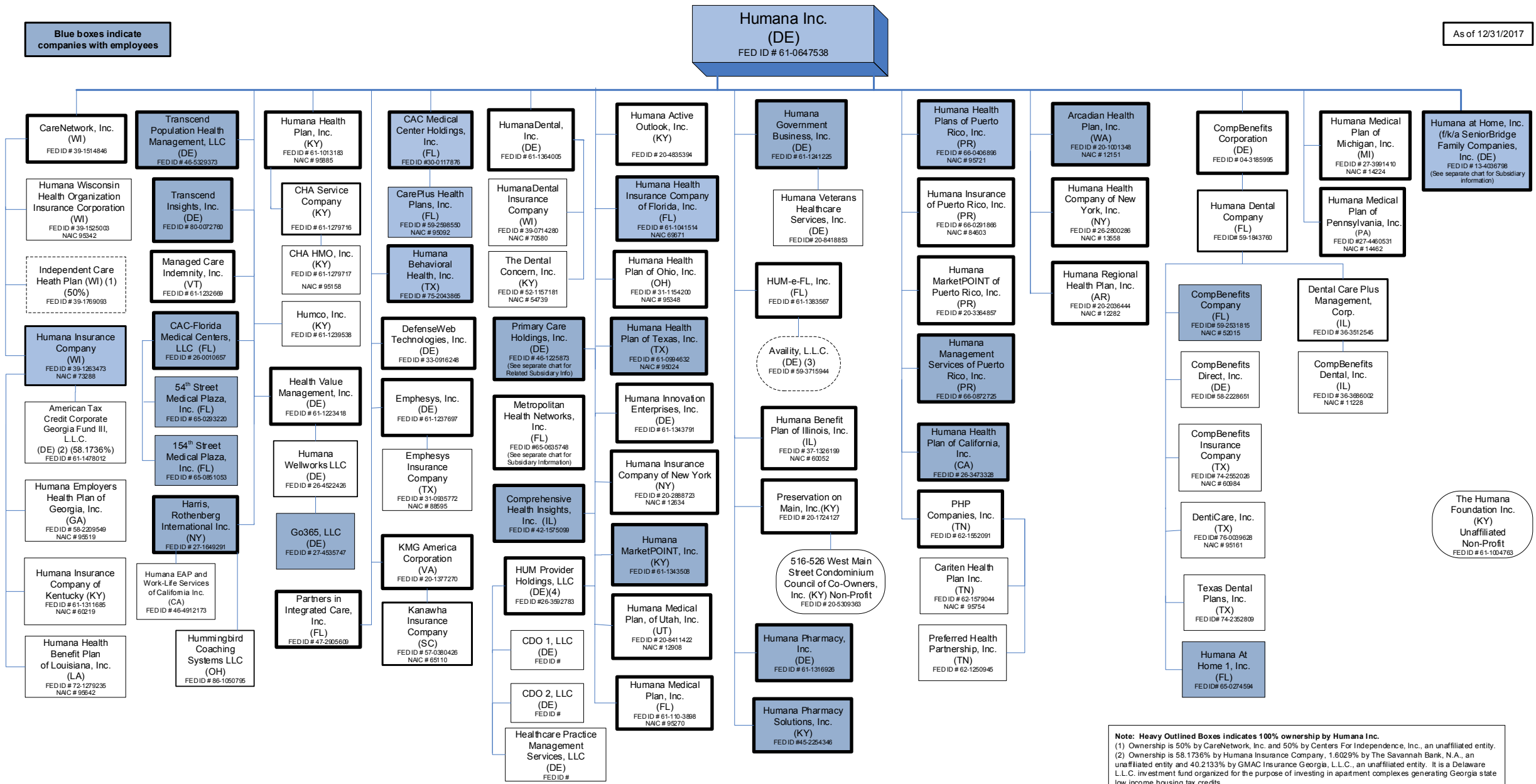
Explanation of basis of allocation by states, premiums by state, etc.

The company allocates group premiums to the situs of the contract and individual premiums based on residence.

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.

40



Note: Heavy Outlined Boxes indicates 100% ownership by Humana Inc.

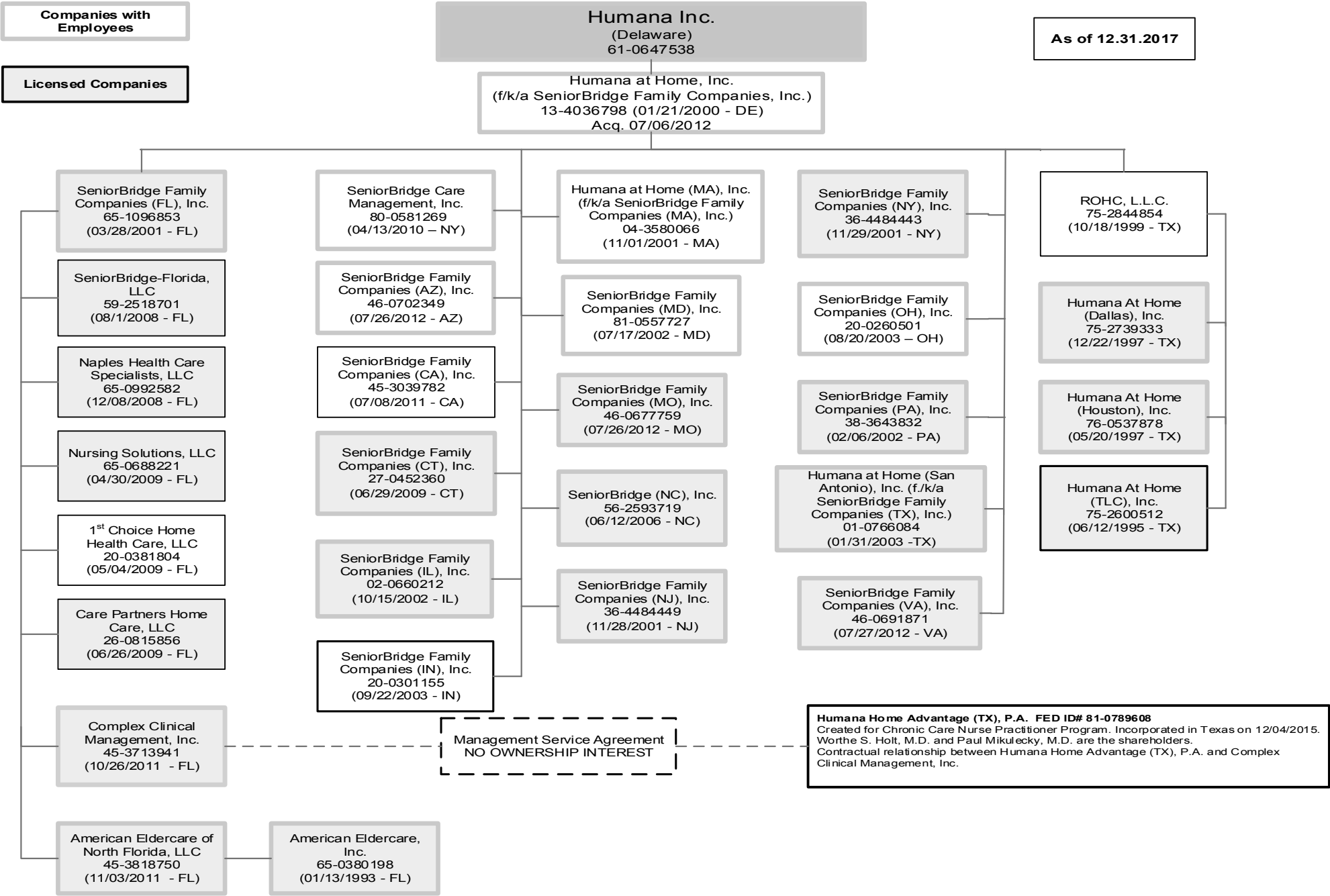
(1) Ownership is 50% by CareNetwork, Inc. and 50% by Centers For Independence, Inc., an unaffiliated entity.

(2) Ownership is 58.1736% by Humana Insurance Company, 1.6029% by The Savannah Bank, N.A., an unaffiliated entity and 40.2133% by GMAC Insurance Georgia, L.L.C., an unaffiliated entity. It is a Delaware L.L.C. investment fund organized for the purpose of investing in apartment complexes generating Georgia state low income housing tax credits.

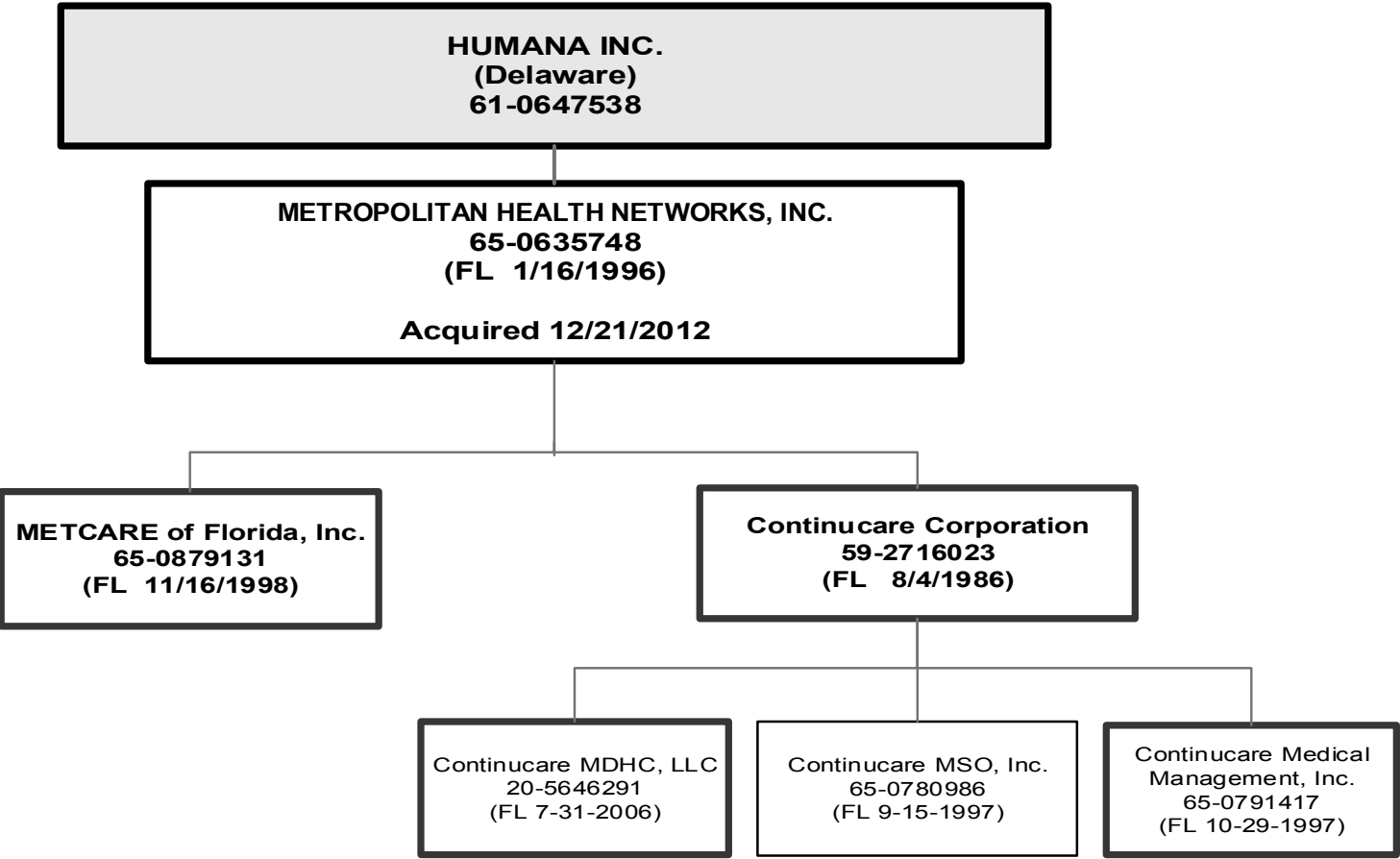
(3) Common Unit Ownership is 19.4% by HUM-e-FL, Inc., 29.1% by Navigy, Inc., an unaffiliated entity, 29.1% by Health Care Service Corporation, an unaffiliated entity, 19.4% by Sellcore, Inc., an unaffiliated entity, and 3% by MII Services, Inc., an unaffiliated entity. Preferred Unit Ownership is 8.33% by HUM-e-FL, Inc., 8.34% by Navigy, Inc., an unaffiliated entity, 8.33% by Health Care Service Corporation, an unaffiliated entity, and 75% by AV Investor, L.L.C., an unaffiliated entity.

(4) See Joint Venture organizational chart for information on the company's ownership in several joint ventures.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Humana Health Plans of Puerto Rico Inc.



As of 12-31-2017



Employees

NONE

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business 7

Assets 2

Cash Flow 6

Exhibit 1 - Enrollment By Product Type for Health Business Only 17

Exhibit 2 - Accident and Health Premiums Due and Unpaid 18

Exhibit 3 - Health Care Receivables 19

Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued 20

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus 21

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates 22

Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates 23

Exhibit 7 - Part 1 - Summary of Transactions With Providers 24

Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries 24

Exhibit 8 - Furniture, Equipment and Supplies Owned 25

Exhibit of Capital Gains (Losses) 15

Exhibit of Net Investment Income 15

Exhibit of Nonadmitted Assets 16

Exhibit of Premiums, Enrollment and Utilization (State Page) 30

Five-Year Historical Data 29

General Interrogatories 27

Jurat Page 1

Liabilities, Capital and Surplus 3

Notes To Financial Statements 26

Overflow Page For Write-ins 44

Schedule A - Part 1 E01

Schedule A - Part 2 E02

Schedule A - Part 3 E03

Schedule A - Verification Between Years SI02

Schedule B - Part 1 E04

Schedule B - Part 2 E05

Schedule B - Part 3 E06

Schedule B - Verification Between Years SI02

Schedule BA - Part 1 E07

Schedule BA - Part 2 E08

Schedule BA - Part 3 E09

Schedule BA - Verification Between Years SI03

Schedule D - Part 1 E10

Schedule D - Part 1A - Section 1 SI05

Schedule D - Part 1A - Section 2 SI08

Schedule D - Part 2 - Section 1 E11

Schedule D - Part 2 - Section 2 E12

Schedule D - Part 3 E13

Schedule D - Part 4 E14

Schedule D - Part 5 E15

Schedule D - Part 6 - Section 1 E16

Schedule D - Part 6 - Section 2 E16

Schedule D - Summary By Country SI04

Schedule D - Verification Between Years SI03

Schedule DA - Part 1 E17

Schedule DA - Verification Between Years SI10

Schedule DB - Part A - Section 1 E18

Schedule DB - Part A - Section 2 E19

Schedule DB - Part A - Verification Between Years SI11

Schedule DB - Part B - Section 1 E20

Schedule DB - Part B - Section 2 E21

Schedule DB - Part B - Verification Between Years SI11

Schedule DB - Part C - Section 1 SI12

Schedule DB - Part C - Section 2 SI13

Schedule DB - Part D - Section 1 E22

Schedule DB - Part D - Section 2 E23

Schedule DB - Verification SI14

Schedule DL - Part 1 E24

Schedule DL - Part 2 E25

Schedule E - Part 1 - Cash E26

Schedule E - Part 2 - Cash Equivalents E27

Schedule E - Part 3 - Special Deposits E28

Schedule E - Verification Between Years SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14