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HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016

OF THE CONDITION AND AFFAIRS OF THE

Maine Community Health Options

NAIC Group Code 0000 (Current) 0000 (Prior) NAIC Company Code 15077 Employer's ID Number 45-3416923

Organized under the Laws of Maine, State of Domicile or Port of Entry

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

Incorporated/Organized 09/26/2011 Commenced Business 01/01/2014

Statutory Home Office 150 Mill Street, Third Floor (Street and Number), Lewiston , ME, US 04240 (City or Town, State, Country and Zip Code)

Main Administrative Office 150 Mill Street, Third Floor (Street and Number)

Lewiston , ME, US 04240 (City or Town, State, Country and Zip Code), (Area Code) (Telephone Number)

Mail Address PO Box 1121 (Street and Number or P.O. Box), Lewiston , ME, US 04243-1121 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 150 Mill Street, Third Floor (Street and Number)

Lewiston , ME, US 04240 (City or Town, State, Country and Zip Code), (Area Code) (Telephone Number)

Internet Website Address www.healthoptions.org

Statutory Statement Contact Charissa Michelle Kerr (Name), 207-330-2390 (Area Code) (Telephone Number)

ckerr@healthoptions.org (E-mail Address), 207-402-3318 (FAX Number)

OFFICERS

Chief Executive Officer	Kevin Lewis	Chief Human Resources Officer	Joyce H McPhetres
Chief Operating Officer	Robert J Hillman	Chief Financial Officer	Edward J Vozzo

OTHER

William Kilbreth, Chief Information Officer	John Yindra, MD, Chief Medical Officer	

DIRECTORS OR TRUSTEES

Dana Baldwin	Fred Craigie Dr.	Jim Davis
Tonua Fedusenko #	Sarah Hines	Rocell Marcellino
Felicity Myers #	Trish Riley	Laura Ronan
David Shipman	David Shultz	W. Douglas Smith
Ronnie Weston	Douglas Wilson	Michael Woodard

State of Maine
County of Androscoggin SS:

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.

Kevin Lewis Chief Executive Officer	Edward Vozzo Chief Financial Officer	

Subscribed and sworn to before me this 14 day of November 2016

Carrie L. Bolduc
Notary
08/2020

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

ASSETS

		Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1.	Bonds	65,859,457		65,859,457	41,307,062
2.	Stocks:				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate:				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate:				
	4.1 Properties occupied by the company (less $ ..... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
	4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5.	Cash ($ 1,581,102), cash equivalents ($ .....) and short-term investments ($ 20,580,973)	22,162,075		22,162,075	76,405,962
6.	Contract loans (including $ ..... premium notes)			0	0
7.	Derivatives			0	0
8.	Other invested assets	105,000	105,000	0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	88,126,532	105,000	88,021,532	117,713,024
13.	Title plants less $ ..... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	342,393		342,393	149,543
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	5,092,248	509,225	4,583,023	3,900,159
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($ .....) and contracts subject to redetermination ($ .....)			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	15,967,192		15,967,192	36,565,310
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans			0	0
18.1	Current federal and foreign income tax recoverable and interest thereon			0	0
18.2	Net deferred tax asset			0	0
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software	1,058,622	836,835	221,787	382,519
21.	Furniture and equipment, including health care delivery assets ($ .....)	292,980	292,980	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates			0	0
24.	Health care ($ 6,040,485) and other amounts receivable	10,496,169	2,387,111	8,109,058	8,845,052
25.	Aggregate write-ins for other than invested assets	4,722,897	1,712,452	3,010,445	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	126,099,033	5,843,603	120,255,430	167,555,607
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	126,099,033	5,843,603	120,255,430	167,555,607
	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 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Risk Corridor & Risk Adjustment Receivable	3,222,547	212,102	3,010,445	0
2502.	Prepaid Expenses	1,483,214	1,483,214	0	0
2503.	Security Deposits	17,136	17,136	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	4,722,897	1,712,452	3,010,445	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $ 2,600,000 reinsurance ceded)	57,220,020		57,220,020	56,354,564
2.	Accrued medical incentive pool and bonus amounts	405,910		405,910	349,385
3.	Unpaid claims adjustment expenses	1,808,735		1,808,735	1,990,637
4.	Aggregate health policy reserves, including the liability of $ for medical loss ratio rebate per the Public Health Service Act	5,655,638		5,655,638	43,072,541
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserve			0	0
7.	Aggregate health claim reserves			0	0
8.	Premiums received in advance	835,641		835,641	7,610,274
9.	General expenses due or accrued	3,698,845		3,698,845	5,228,611
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized gains (losses))			0	0
10.2	Net deferred tax liability			0	0
11.	Ceded reinsurance premiums payable	2,314,978		2,314,978	3,082,272
12.	Amounts withheld or retained for the account of others	7,683		7,683	16,099
13.	Remittances and items not allocated			0	0
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates			0	0
16.	Derivatives			0	0
17.	Payable for securities			0	0
18.	Payable for securities lending			0	0
19.	Funds held under reinsurance treaties (with $ authorized reinsurers, $ unauthorized reinsurers and $ certified reinsurers)			0	0
20.	Reinsurance in unauthorized and certified ($) companies			0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22.	Liability for amounts held under uninsured plans			0	0
23.	Aggregate write-ins for other liabilities (including $ current)	109,089	0	109,089	67,430
24.	Total liabilities (Lines 1 to 23)	72,056,539	0	72,056,539	117,771,813
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	2,907,530
26.	Common capital stock	XXX	XXX		
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX		
29.	Surplus notes	XXX	XXX	132,316,124	132,316,124
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	(84,117,233)	(85,439,860)
32.	Less treasury stock, at cost:				
	32.1 shares common (value included in Line 26 $)	XXX	XXX		
	32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	48,198,891	49,783,794
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	120,255,430	167,555,607
	DETAILS OF WRITE-INS				
2301.	Risk Adjustment User Fee Payable	109,089		109,089	67,430
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	109,089	0	109,089	67,430
2501.	Estimated ACA Insurer Fee	XXX	XXX		2,907,530
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	2,907,530
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	XXX	717,002	606,339	824,005
2.	Net premium income (including $ non-health premium income)	XXX	299,328,331	244,443,044	331,610,530
3.	Change in unearned premium reserves and reserve for rate credits	XXX	187,054	(1,488,576)	(1,488,576)
4.	Fee-for-service (net of $ medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX	114,616	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	(40,394)	(1,425)	0
8.	Total revenues (Lines 2 to 7)	XXX	299,589,607	242,953,043	330,121,954
	Hospital and Medical:				
9.	Hospital/medical benefits		181,162,075	181,353,050	251,274,963
10.	Other professional services		22,038,750	12,998,461	18,214,054
11.	Outside referrals		973,870	15,210,650	21,076,494
12.	Emergency room and out-of-area		59,776,430	15,077,388	20,563,307
13.	Prescription drugs		45,237,857	30,893,621	43,194,624
14.	Aggregate write-ins for other hospital and medical	0	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		419,547	452,765	349,385
16.	Subtotal (Lines 9 to 15)	0	309,608,529	255,985,935	354,672,827
	Less:				
17.	Net reinsurance recoveries		15,224,261	39,049,063	54,828,457
18.	Total hospital and medical (Lines 16 minus 17)	0	294,384,268	216,936,872	299,844,370
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $ 5,546,116 cost containment expenses		13,926,698	8,869,777	13,497,447
21.	General administrative expenses		32,501,547	34,521,915	47,914,916
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		(37,416,903)		43,072,541
23.	Total underwriting deductions (Lines 18 through 22)	0	303,395,610	260,328,564	404,329,274
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(3,806,003)	(17,375,521)	(74,207,320)
25.	Net investment income earned		499,628	88,250	193,731
26.	Net realized capital gains (losses) less capital gains tax of $		27,188	(4,822)	(2,755)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	526,816	83,428	190,976
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]				
29.	Aggregate write-ins for other income or expenses	0	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(3,279,187)	(17,292,093)	(74,016,344)
31.	Federal and foreign income taxes incurred	XXX			
32.	Net income (loss) (Lines 30 minus 31)	XXX	(3,279,187)	(17,292,093)	(74,016,344)
	DETAILS OF WRITE-INS				
0601.	User Fee Revenue - Contraceptive Claims	XXX	114,616	0	0
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	114,616	0	0
0701.	Other Revenue	XXX		(1,425)	0
0702.	Loss on Sale of Fixed Asset	XXX	(40,394)		
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	(40,394)	(1,425)	0
1401.					
1402.					
1403					
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.					
2902.					
2903					
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
	CAPITAL AND SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	49,783,794	27,377,122	27,377,122
34.	Net income or (loss) from Line 32	(3,279,187)	(17,292,093)	(74,016,344)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	1,694,284	(111,839)	(4,570,394)
40	Change in unauthorized and certified reinsurance	0	0	0
41.	Change in treasury stock	0	0	0
42.	Change in surplus notes	0	13,602,000	100,993,410
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in	0	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0	0
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	0	0	0
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(1,584,903)	(3,801,932)	22,406,672
49.	Capital and surplus end of reporting period (Line 33 plus 48)	48,198,891	23,575,190	49,783,794
	DETAILS OF WRITE-INS			
4701.				
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	291,159,730	239,786,407	331,080,953
2.	Net investment income	502,943	121,700	279,849
3.	Miscellaneous income	74,222	(1,425)	0
4.	Total (Lines 1 to 3)	291,736,895	239,906,682	331,360,802
5.	Benefit and loss related payments	272,864,169	189,973,123	283,911,544
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0		
7.	Commissions, expenses paid and aggregate write-ins for deductions	48,139,913	42,642,215	57,492,558
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	0	0	0
10.	Total (Lines 5 through 9)	321,004,082	232,615,338	341,404,102
11.	Net cash from operations (Line 4 minus Line 10)	(29,267,187)	7,291,344	(10,043,300)
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	14,663,008	8,711,004	8,711,004
	12.2 Stocks	0	0	0
	12.3 Mortgage loans	0	0	0
	12.4 Real estate	0	0	0
	12.5 Other invested assets	0	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
	12.7 Miscellaneous proceeds	0	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	14,663,008	8,711,004	8,711,004
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	39,384,380	18,770,426	26,864,116
	13.2 Stocks	0	0	0
	13.3 Mortgage loans	0	0	0
	13.4 Real estate	0	0	0
	13.5 Other invested assets	0	105,000	105,000
	13.6 Miscellaneous applications	0	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	39,384,380	18,875,426	26,969,116
14.	Net increase (or decrease) in contract loans and premium notes	0	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(24,721,372)	(10,164,422)	(18,258,111)
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes	0	13,602,000	100,993,410
	16.2 Capital and paid in surplus, less treasury stock	0	0	0
	16.3 Borrowed funds	0	936,919	(11,569,207)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
	16.5 Dividends to stockholders	0	0	0
	16.6 Other cash provided (applied)	(255,328)	(3,568,401)	(12,108,179)
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(255,328)	10,970,518	77,316,024
	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)	(54,243,887)	8,097,440	49,014,613
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	76,405,962	27,391,349	27,391,349
	19.2 End of period (Line 18 plus Line 19.1)	22,162,075	35,488,789	76,405,962

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	74,981	60,732	14,249	0	0	0	0	0	0	0
2. First Quarter	82,813	64,469	18,344	0	0	0	0	0	0	0
3. Second Quarter	77,031	59,177	17,854	0	0	0	0	0	0	0
4. Third Quarter	72,938	55,064	17,874							
5. Current Year	0									
6. Current Year Member Months	717,002	554,854	162,148							
Total Member Ambulatory Encounters for Period:										
7 Physician	256,517	204,621	51,896							
8. Non-Physician	132,261	106,074	26,187							
9. Total	388,778	310,695	78,083	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	9,294	7,756	1,538							
11. Number of Inpatient Admissions	2,264	1,822	442							
12. Health Premiums Written (a)	304,506,783	240,002,925	64,503,858							
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	304,506,783	240,002,925	64,503,858							
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	316,713,123	261,019,561	55,693,562							
18. Amount Incurred for Provision of Health Care Services	309,608,529	249,966,771	59,641,758							

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

STATEMENT AS OF SEPTEMBER 30, 2016 OF THE Maine Community Health Options

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered	16,906,373	1,031,712				17,938,085
0499999 Subtotals	16,906,373	1,031,712	0	0	0	17,938,085
0599999 Unreported claims and other claim reserves						41,881,935
0699999 Total amounts withheld						
0799999 Total claims unpaid						59,820,020
0899999 Accrued medical incentive pool and bonus amounts						405,910

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	40,376,527	253,349,317	678,606	56,541,414	41,055,133	56,354,564
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7 Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	40,376,527	253,349,317	678,606	56,541,414	41,055,133	56,354,564
10. Healthcare receivables (a)	197,328	8,230,268			197,328	7,801,017
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	363,022		(108,209)	514,119	254,813	349,385
13. Totals (Lines 9-10+11+12)	40,542,221	245,119,049	570,397	57,055,533	41,112,618	48,902,932

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

NOTES TO FINANCIAL STATEMENTS

For purposes of the quarterly interim financial information, it is presumed that the users of the interim financial information have read or have access to the Annual Statement as of December 31, 2015. This presentation addresses only significant events occurring since the last Annual Statement.

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Maine Community Health Options (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners' ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* ("NAIC SAP"), subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the "Bureau").

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

		State of Domicile	September 30, 2016	December 31, 2015
NET INCOME				
(1)	Company state basis (Page 4, Line 32, Columns 2 & 4)	Maine	(3,279,187)	(74,016,344)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP			
(3)	State Permitted Practices that increase/(decrease) NAIC SAP			
(4)	NAIC SAP (1-2-3=4)	Maine	(3,279,187)	(74,016,344)
SURPLUS				
(5)	State basis (Page 3, Line 33, Columns 3 & 4	Maine	48,198,891	49,783,794
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP			
(7)	State Permitted Practices that increase/(decrease) NAIC SAP			
(8)	NAIC SAP (5-6-7=8)	Maine	48,198,891	49,783,794

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. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned over the term of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods for direct business. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates are subject to approval by the Bureau. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. All other costs are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1) Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair value.
2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the scientific interest method, using yield to maturity.
3) The Company has no investments in common stocks.

4) The Company has no investments in preferred stocks.
5) The Company has no mortgage loans on real estate.
6) The Company has no investments in loan-backed securities.
7) The Company has no investments in subsidiaries, controlled and affiliated entities.
8) The Company has no investments in joint ventures, partnerships or limited liability companies.
9) The Company has no derivative instruments.
10) The Company does not currently carry a premium deficiency reserve; therefore use of anticipated investment income as a factor in the calculation is not applicable.
11) Unpaid claims and claims adjustment expenses included management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considered health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates. While management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continuously reviewed and changes in estimates are incorporated into current period estimates.
12) Furniture, equipment and software are capitalized at cost for items greater than $2000. Depreciation is recorded using the straight-line method over the various assets' estimated useful lives, which range from 2 to 5 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized, while maintenance and repairs are charged to expense as incurred.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

A. Accounting Changes

There were no accounting changes during the nine months ended September 30, 2016.

B. Corrections of Errors

There were no corrections of errors during the nine months ended September 30, 2016.

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

NOTES TO FINANCIAL STATEMENTS

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at September 30, 2016.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at September 30, 2016.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at September 30, 2016.

D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.
(2) The company did not recognize other-than-temporary impairments on its loaned-backed securities during the nine months ended September 30, 2016.
(3) The Company did not hold other-than-temporarily impaired loan-backed securities at September 30, 2016.
(4) The Company had no impaired securities for which other-than-temporary impairment had not been recognized in earnings as a realized loss at September 30, 2016.
(5) The Company had no impaired loaned-backed securities at September 30, 2016.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements at September 30, 2016.
(2) No significant change.
(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or re-pledge as of September 30, 2016.
(4) Not applicable.
(5) There were no significant changes for the nine months ended September 30, 2016.
(6) Not applicable
(7) Not applicable

F. Real Estate

The Company did not have investments in real estate at September 30, 2016.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during the nine months ended September 30, 2016.

H. Restricted Assets

On March 4, 2016 the custodian for the collateral security deposit required by the State of Maine changed to US Bank.

I. Working Capital Finance Investments

The Company did not have any working capital finance investments at September 30, 2016.

J. Offsetting and Netting of Assets and Liabilities

The company did not have any offsetting and netting of financial assets or liabilities at September 30, 2016.

K. **Structured Notes**

The company did not have any structured notes at September 30, 2016.

6. Joint Ventures, Partnerships and Limited Liability Companies

There were no significant changes for the nine months ended September 30, 2016.

7. Investment Income

There were no significant changes for the nine months ended September 30, 2016.

8. Derivative Instruments

There were no significant changes for the nine months ended September 30, 2016.

9. Income Taxes

The Company is exempt from Federal income taxes under Section 501(c)(29) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Company's federal income tax return is not consolidated with any other entity.

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

There were no significant changes for the nine months ended September 30, 2016.

11. Debt

A. Debt, including Capital Notes

On December 15, 2015 the Company converted an outstanding start-up loan of $12,506,124 with the U.S. Department of Health and Human Services to a surplus note.

At September 30, 2016 and 2015 the Company had outstanding a note payable, with a face value and a carry value of $462,829 and $518,506 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued May 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of $7,106 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five year term, the note will become due 60 days after cancellation. The note carries interest at 6%. As September 30, 2016 and 2015, the Company paid interest of $21,886 and $24,330 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

At September 30, 2016 and 2015 the Company had outstanding a note payable, with a face value and a carry value of $348,453 and $390,371 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued October 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of $5,350 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five (5) year term, the note will become due 60 days after cancellation. The note carries interest at 6%. As September 30, 2016 and 2015 the Company paid interest of $16,477 and $18,317 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB Agreements at September 30, 2016.

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

A. **Defined Benefit Plan**

Not Applicable

B. **Defined Benefit Plan Investment Policies and Strategie**s

Not Applicable

C. Defined Benefit Plan Fair Value of Assets

Not Applicable

D. Defined Benefit Plan Basis Used to Determine the Overall Expected Rate of Return on Assets Assumption

Not Applicable

E. **Defined Contribution Plan**:

The Company maintains a Section 401(k) Retirement Plan for its employees. Elective employee deferrals were matched by the Company in an amount equal to 100% of such deferrals up to a maximum match of 3% of compensation plus 50% of such elective deferrals equal to more than 3% but not exceeding 5% of compensation. The Company's contribution to the plan as of September 30, 2016 was $52,988. Effective March 6, 2016 the company suspended the matching contributions.

The Company has a Section 457 (b) Plan for its employees. This Plan limits participation to a select group of management or highly compensated employees (or "top hat" group) and is exempt from most ERISA requirements. The Company made an initial deposit of $105,000 in 2014. As of September 30, 2016 the fair market value of the account is $115,286. These funds have not been appropriated to any specific employee as of September 30, 2016.

F. Multiemployer Plans

Not Applicable

G. Consolidating/Holding Company Plans

Not Applicable

H. Postemployment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation benefits have been accrued as of September 30, 2016.

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. Outstanding Shares – no change

2. Preferred Stock – no change
3. Dividend Restrictions – no change
4. Dividends Paid – no change
5. Maximum Ordinary Dividend – no change
6. Unassigned Surplus Restrictions – no change
7. Mutual Surplus Advances – no change
8. Company Stock Held for Special Purpose – no change
9. Changes in Special Surplus Funds – no change
10. Changes in Unassigned Funds – no change
11. The Company issued the following surplus debentures or similar obligations

1 Date Issued	2 Interest Rate	3 Par Value (Face Amount of Notes)	4 Carrying Value of Note*	5 Interest And/Or Principal Paid Current Year	6 Total Interest And/Or Principal Paid	7 Unapproved Interest And/Or Principal	8 Date of Maturity
03/23/2012	0.370	132,316,124	132,316,124	0	0	652,463	2/24/2028
Total		132,316,124	132,316,124	0	0	652,463	

12) Restatement Due to Prior Quasi-Reorganizations – no change
13) Quasi-Reorganizations over Prior 10 Years – no change

14. Liabilities, Contingencies and Assessments

There were no significant changes for the nine months ended September 30, 2016.

15. Leases

There were no significant changes for the nine months ended September 30, 2016.

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

The company had no financial instruments with off-balance sheet risk at September 30, 2016.

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

A. Transfers of Receivables Reported as Sales

Not applicable at September 30, 2016.

B. Transfer and Servicing of Financial Assets

(1) There were no significant changes for the nine months ended September 30, 2016.
(2) - (7) Not Applicable.

C. Wash Sales

(1) The Company did not have any wash sales for the period ending September 30, 2016.
(2) Not applicable.

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

A. Administrative Services Only Plans: Not Applicable

B. Administrative Services Contract Plans: Not Applicable

C. Medicare or Similarly Structured Cost-Based Reimbursement Contract: Not Applicable

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN NUMBER	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/ Produced By
Dubraski & Associates Insurance Services, LLC 11622 El Camino Real, Suite 100 San Diego, CA 92130	20-1994280	YES	Reinsurance Recoveries	R	2,521,137
Total					2,521,137

C - Claims Payment
CA -Claims Adjustment
R - Reinsurance Ceding
B - Binding Authority
P - Premium Collection
U - Underwriting

20. Fair Value Measurements:

A Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Money Market Funds	20,580,973			20,580,973
Industrial and Miscellaneous Bonds		65,859,457		65,857,457
Total assets at fair value	20,580,973	65,859,457	0	86,440,430

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
b. Liabilities at fair value				
Surplus Note Payable to U.S. Government			132,316,124	132,316,124
Total liabilities at fair value	0	0	132,316,124	132,316,124

All valuations noted above employ a market approach. Level 1 valuations are based on readily determinable fair values based on quoted prices in active markets for the corresponding instruments. Level 2 valuations are inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets. Level 3 valuations are based on the assumption that carrying value for the respective instruments approximates the exit price which would be required in order for the Company's position in these instruments to be relieved; this assumption is deemed reasonable given the short period of time that has passed to-date since the various instruments were first issued.

B. See Item A.

C. Not Applicable.

D. Not Applicable.

21. Other Items

There were no significant changes for the nine months ended September 30, 2016.

22. Events Subsequent

On December 31, 2015, The Company reduced incurred losses by $5.4 million in its 2015 Annual Statement and booked a $5.4 million healthcare receivable based on its best estimate of likely results from the 2016 CSR reconciliation. By June 3, 2016, the Company submitted to CMS the information needed to reconcile CSR Advance Payments against the final CSR Reconciliation Amount. Prior to the end of May, the Company concluded that the CSR Reconciliation Amount would exceed CSR Advance Payments by approximately $1 million, $4.4 million less than earlier reflected in its financial statements. Since the Company did not have information in its possession to correctly calculate the CSR Reconciliation Amount at the time it prepared and submitted its 2015 Annual Statement, this is an instance of a change in accounting estimate. This change in accounting estimate has been reflected as of the June 30, 2016 Financials.

On July 31, 2016 the Company filed the Annual Medical Loss Ratio report. A component of this report is the calculation of the Risk Corridor Receivable and Risk Corridor Payable. The Risk Corridor Receivable was calculated as $19,632,996 for Maine, and $3,106,210 for New Hampshire. The total amount owed to the Company from CMS is $22,739,205. There is no Risk Corridor Payable owed to CMS. During 2015, CMS announced that they only anticipate paying 12.62% of 2014 Risk Corridor Receivables owed. On September 9, 2016, CMS released a memo stating that they will pay 2014 Receivable balances before paying 2015 balances. Notwithstanding the government's clear and unambiguous obligation to pay in full and its prior acknowledgment of this obligation, the Company did not feel it was prudent, responsible or reasonable to recognize this 2015 Risk Corridor Receivable on their books at this time. The amount is reflected properly in Footnote 24 E (5).

Subsequent events have been considered through November 14, 2016 for the statutory statements issued on November 15, 2016.

23. Reinsurance

A. Ceded Reinsurance Report.

Section 1 – General Interrogatories

There were no significant changes for the nine months ended September 30, 2016.

Section 2 – Ceded Reinsurance Report – Part A

There were no significant changes for the nine months ended September 30, 2016.

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.
   Not applicable

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 (X) No ( )

B. Uncollectible Reinsurance

There were no significant changes for the nine months ended September 30, 2016.

C. Commutation of Ceded Reinsurance

There were no significant changes for the nine months ended September 30, 2016.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

There were no significant changes for the nine months ended September 30, 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Not applicable at September 30, 2016.

B. Not applicable at September 30, 2016.

C. Not applicable at September 30, 2016.

D. The Company had no medical loss rebate accruals at September 30, 2016.

E. **Risk Sharing Provisions of the Affordable Care Act**

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	107,550
3. Premium adjustments payable due to ACA Risk Adjustment	0
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	0
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	107,550
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	12,024,078
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	2,600,000
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	0
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium .	0
5. Ceded reinsurance premiums payable due to ACA Reinsurance	1,613,255
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	0
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	1,613,255
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	12,024,078
9. ACA Reinsurance contributions – not reported as ceded premium	0
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	0
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	0
4. Effect of ACA Risk Corridors on change in reserves for rate credits	0

NOTES TO FINANCIAL STATEMENTS

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any non-admission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	11,536	0	11,514	5,034,630	22	(5,034,630)	8,045,076	0	A	8,045,098	(5,034,630)
2. Premium adjustments (payable)	0	0	0	7,359,990	0	(7,359,990)	0	7,359,990	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program	11,536	0	11,514	12,394,620	22	(12,394,620)	8,045,076	7,359,990		8,045,098	(5,034,630)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	34,148,024	0	30,462,865	0	3,685,159	0	1,128,600	0	C	4,813,759	0
2. Amounts recoverable for claims unpaid (contra liability)	9,000,000	0	9,000,000	0	0	0	0	0	D	0	0
3. Amounts receivable relating to uninsured plans	0	0	0	0	0	0	0	0	E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	0	0	0	0	0	0	0	0	F	0	0
5. Ceded reinsurance premiums payable	0	0	0	0	0	0	0	0	G	0	0
6. Liability for amounts held under uninsured plans	0	0	0	0	0	0	0	0	H	0	0
7. Subtotal ACA Transitional Reinsurance Program	43,148,024	0	39,462,865	0	3,685,159	0	1,128,600	0		4,813,759	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	28,483	0	3,455	0	25,028	0	187,054	0	I	212,082	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	J	0	0
3. Subtotal ACA Risk Corridors Program	28,483	0	3,455	0	25,028	0	187,054	0		212,082	0
d. Total for ACA Risk Sharing Provisions	43,188,043	0	39,477,834	12,394,620	3,710,209	(12,394,620)	9,360,730	7,359,990		13,070,939	(5,034,630)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted	6 Net Admitted Asset (4-5)
a. 2014	241,717	0	29,636	212,081	212,081	0
b. 2015	22,739,205	22,739,205	0	0	0	0
c. 2016	0	0	0	0	0	0
d. Total (a+b+c)	22,980,922	22,739,205	29,636	212,081	212,081	0

NOTES TO FINANCIAL STATEMENTS

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of September 30, 2016 were $59,420,531. As of September 30, 2016, $42,532,857 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $590,757 as a result of re-estimation of unpaid claims and claim adjustments expenses principally on the comprehensive line of business. Therefore there has been a $7,790,312 favorable prior year development since December 31, 2015 to September 30, 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 known regarding individual claims.

26. Intercompany Pooling Arrangements

There were no significant changes for the nine months ended September 30, 2016.

27. Structured Settlements

There were no significant changes for the nine months ended September 30, 2016.

28. Health Care Receivables

There were no significant changes for the nine months ended September 30, 2016.

29. Participating Policies

There were no significant changes for the nine months ended September 30, 2016.

30. Premium Deficiency Reserves

At September 30, 2016 the company recorded premium deficiency reserves of $ 37,416,903 related to the individual and group line of business.

1. Liability carried for premium deficiency reserves	$ 5,655,638
2. Date of the most recent evaluation of this liability	09/30/2016
3. Was anticipated investment income utilized in the calculation?	Yes No X

31. Anticipated Salvage and Subrogation

There were no significant changes for the nine months ended September 30, 2016.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]
If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

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

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

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

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

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

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

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

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

6.4 By what department or departments?

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

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

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

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]
11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $
13. Amount of real estate and mortgages held in short-term investments: $
14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]
14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [X]
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0

16.3 Total payable for securities lending reported on the liability page. $ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
Key Private Bank	4900 Tiedeman Road, Brooklyn, OH 44144-2302
US Bank	1555 N. Rivercenter Dr, Suite 300, Milwaukee, WI 53212

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

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

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

17.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
2205	Key Private Bank	4900 Tiedeman Road, Brooklyn, OH 44144-2302

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent ..... 87.6 %

1.2 A&H cost containment percent ..... 1.9 %

1.3 A&H expense percent excluding cost containment expenses ..... 13.7 %

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

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

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

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

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
21113	13-5459190	01/01/2016	United States Fire Insurance Company	DE	ASL/L/I	Authorized		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	L	258,629,717						258,629,717	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	L	45,877,066						45,877,066	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal		XXX	304,506,783	0	0	0	0	0	304,506,783	0
60. Reporting Entity Contributions for Employee Benefit Plans		XXX							0	
61. Totals (Direct Business)		(a) 2	304,506,783	0	0	0	0	0	304,506,783	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0	0

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

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

Schedule Y - Part 1

N O N E

Schedule Y - Part 1A - Detail of Insurance Holding Company System

N O N E

Schedule Y - Part 1A - Explanations

N O N E

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1. Not Applicable

Bar Code:

1. Medicare Part D Coverage Supplement [Document Identifier 365]

1 5 0 7 7 2 0 1 6 3 6 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	105,000	
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		105,000
	2.2 Additional investment made after acquisition		0
3.	Capitalized deferred interest and other		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)		0
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value		0
10.	Deduct current year's other than temporary impairment recognized		0
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	105,000	105,000
12.	Deduct total nonadmitted amounts	105,000	105,000
13.	Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	41,307,062	23,322,621
2.	Cost of bonds and stocks acquired	39,384,380	26,864,116
3.	Accrual of discount	7,150	3,975
4.	Unrealized valuation increase (decrease)		0
5.	Total gain (loss) on disposals	27,188	(2,755)
6.	Deduct consideration for bonds and stocks disposed of	14,663,008	8,711,004
7.	Deduct amortization of premium	203,315	169,890
8.	Total foreign exchange change in book/adjusted carrying value		0
9.	Deduct current year's other than temporary impairment recognized		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	65,859,457	41,307,062
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)	65,859,457	41,307,062

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	86,242,221	999,680	724,915	(76,556)	96,146,117	86,242,221	86,440,430	101,068,328
2. NAIC 2 (a)	0				0	0	0	
3. NAIC 3 (a)	0				0	0	0	
4. NAIC 4 (a)	0				0	0	0	
5. NAIC 5 (a)	0				0	0	0	
6. NAIC 6 (a)	0				0	0	0	
7. Total Bonds	86,242,221	999,680	724,915	(76,556)	96,146,117	86,242,221	86,440,430	101,068,328
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	86,242,221	999,680	724,915	(76,556)	96,146,117	86,242,221	86,440,430	101,068,328

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	20,580,973	XXX	20,580,973		

SCHEDULE DA - VERIFICATION

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	59,761,266	8,090,113
2.	Cost of short-term investments acquired	15,456,580	121,706,859
3.	Accrual of discount		0
4.	Unrealized valuation increase (decrease)		0
5.	Total gain (loss) on disposals		0
6.	Deduct consideration received on disposals	54,636,873	70,035,706
7.	Deduct amortization of premium		0
8.	Total foreign exchange change in book/adjusted carrying value		0
9.	Deduct current year's other than temporary impairment recognized		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	20,580,973	59,761,266
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)	20,580,973	59,761,266

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

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

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

N O N E

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

N O N E

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

N O N E

Schedule E - Verification - Cash Equivalents

N O N E

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

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

N O N E

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

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

N O N E

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

N O N E

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
961214-CY-7	Westpac Banking Corp		09/08/2016	Broker		999,680	1,000,000	844	1
United States						999,680	1,000,000	844	XXX
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						999,680	1,000,000	844	XXX
8399997. Total - Bonds - Part 3						999,680	1,000,000	844	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						999,680	1,000,000	844	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						999,680	XXX	844	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
0258M0-DG-1	AMERICAN EXPRESS CREDIT MED TERM NOTE SE		07/05/2016	Broker		500,215	500,000	505,435	500,174	0	(30)	0	(30)	0	500,144	0	71	71	2,817	07/29/2016	1FE
17275R-AS-1	CISCO SYSTEMS INC		07/05/2016	Broker		1,001,506	1,000,000	1,003,850	1,000,974	0	(20)	0	(20)	0	1,000,954	0	552	552	854	03/03/2017	1FE
30231G-AU-6	Exxon Mobil Corp		07/05/2016	Broker		3,025,830	3,000,000	3,023,220	0	0	(180)	0	(180)	0	3,021,601	0	4,229	4,229	14,630	03/01/2018	1FE
427866-SA-7	HERSHEY CO		07/05/2016	Broker		601,602	600,000	610,758	601,588	0	(66)	0	(66)	0	601,522	0	80	80	1,600	11/01/2016	1FE
458140-AH-3	INTEL CORP SENIOR NOTE		07/05/2016	Broker		501,545	500,000	514,650	501,400	0	(77)	0	(77)	0	501,323	0	222	222	2,546	10/01/2016	1FE
594918-AH-7	MICROSOFT CORP		07/05/2016	Broker		1,066,980	1,000,000	1,064,050	1,050,371	0	(158)	0	(158)	0	1,050,213	0	16,767	16,767	7,833	10/01/2020	1FE
742718-EE-5	PROCTOR & GAMBLE		07/05/2016	Broker		1,019,780	1,000,000	1,009,630	1,005,194	0	(30)	0	(30)	0	1,005,165	0	14,615	14,615	2,222	11/15/2018	1FE
25468P-CV-6	WALT DISNEY CO 1.1% OF 12/01/2017		07/05/2016	Broker		1,003,600	1,000,000	1,005,190	1,003,531	0	(34)	0	(34)	0	1,003,497	0	103	103	1,039	12/01/2017	1FE
78008T-LB-8	ROYAL BANK OF CANADA		07/20/2016	Maturity		1,000,000	1,000,000	1,020,310	1,000,909	0	(909)	0	(909)	0	1,000,000	0	0	0	11,500	07/20/2016	1FE
459200-GX-3	IBM CORP SENIOR NOTE		07/22/2016	Maturity		500,000	500,000	515,300	500,375	0	(375)	0	(375)	0	500,000	0	0	0	4,875	07/22/2016	1FE
191216-AU-4	COCA-COLA CO SENIOR NOTE		09/01/2016	Maturity		500,000	500,000	513,555	500,895	0	(895)	0	(895)	0	500,000	0	0	0	4,500	09/01/2016	1FE
06739F-GF-2	BARCLAYS BANK PLC		09/22/2016	Maturity		800,000	800,000	844,312	807,269	0	(7,269)	0	(7,269)	0	800,000	0	0	0	20,000	09/22/2016	1FE
88579Y-AD-3	3M CO MED TERM NOTE SERIES F		09/29/2016	Maturity		500,000	500,000	509,080	500,849	0	(849)	0	(849)	0	500,000	0	0	0	3,438	09/29/2016	1FE
United States						12,021,058	11,900,000	12,139,340	8,973,530	0	(10,893)	0	(10,893)	0	11,984,418	0	36,640	36,640	77,854	XXX	XXX
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						12,021,058	11,900,000	12,139,340	8,973,530	0	(10,893)	0	(10,893)	0	11,984,418	0	36,640	36,640	77,854	XXX	XXX
8399997. Total - Bonds - Part 4						12,021,058	11,900,000	12,139,340	8,973,530	0	(10,893)	0	(10,893)	0	11,984,418	0	36,640	36,640	77,854	XXX	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						12,021,058	11,900,000	12,139,340	8,973,530	0	(10,893)	0	(10,893)	0	11,984,418	0	36,640	36,640	77,854	XXX	XXX
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 - Totals						12,021,058	XXX	12,139,340	8,973,530	0	(10,893)	0	(10,893)	0	11,984,418	0	36,640	36,640	77,854	XXX	XXX

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

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

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

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

N O N E

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

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Key Bank, N.A. Portland, ME					(7,465,512)	(5,910,868)	(11,210,365)	XXX
Key Bank, N.A. Portland, ME	RA				20,476,485	26,612,709	12,791,467	XXX
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX						XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	13,010,973	20,701,841	1,581,102	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	13,010,973	20,701,841	1,581,102	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	0	0	13,010,973	20,701,841	1,581,102	XXX

Schedule E - Part 2 - Cash Equivalents - Investments Owned End of Current Quarter

N O N E