



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Maine Community Health Options

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

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

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, Lewiston, ME, US 04240
(Street and Number) (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, Lewiston, ME, US 04243-1121
(Street and Number or P.O. Box) (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, 207-330-2390
(Name) (Area Code) (Telephone Number)
ckerr@healthoptions.org, 207-402-3318
(E-mail Address) (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

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

State of Maine SS:
County of Androscoggin

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 _____ day of _____

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

Carrie L. Bolduc
Notary
08/2020

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|---|------------------------|-------------------------|---|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 39,406,638 | | 39,406,638 | 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 (\$27,163,360), cash equivalents (\$) and short-term investments (\$56,739,383) | 83,902,743 | | 83,902,743 | 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) | 123,414,381 | 105,000 | 123,309,381 | 117,713,024 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | 0 | 0 |
| 14. Investment income due and accrued | 186,084 | | 186,084 | 149,543 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 5,355,782 | 348,668 | 5,007,114 | 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 | 27,327,542 | | 27,327,542 | 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 | 1,164,314 | 838,257 | 326,057 | 382,519 |
| 21. Furniture and equipment, including health care delivery assets (\$) | 383,833 | 383,833 | 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 (\$3,017,134) and other amounts receivable | 13,276,483 | 4,939,928 | 8,336,555 | 8,845,052 |
| 25. Aggregate write-ins for other than invested assets | 1,889,991 | 1,889,991 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 172,998,410 | 8,505,677 | 164,492,733 | 167,555,607 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 172,998,410 | 8,505,677 | 164,492,733 | 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. Prepaid Expenses | 1,847,807 | 1,847,807 | 0 | 0 |
| 2502. Risk Corridor Receivable | 25,048 | 25,048 | 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) | 1,889,991 | 1,889,991 | 0 | 0 |

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

LIABILITIES, CAPITAL AND SURPLUS

| | Current Period | | | Prior Year |
|--|----------------|----------------|--------------|--------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$ 3,200,000 reinsurance ceded) | 69,678,118 | | 69,678,118 | 56,354,564 |
| 2. Accrued medical incentive pool and bonus amounts | 349,385 | | 349,385 | 349,385 |
| 3. Unpaid claims adjustment expenses | 2,186,344 | | 2,186,344 | 1,990,637 |
| 4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act | 34,590,315 | | 34,590,315 | 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 | 2,811,489 | | 2,811,489 | 7,610,274 |
| 9. General expenses due or accrued | 4,667,229 | | 4,667,229 | 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 | 1,281,238 | | 1,281,238 | 3,082,272 |
| 12. Amounts withheld or retained for the account of others | 6,551 | | 6,551 | 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) | 106,064 | 0 | 106,064 | 67,430 |
| 24. Total liabilities (Lines 1 to 23) | 115,676,733 | 0 | 115,676,733 | 117,771,813 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 675,138 | 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 | (84,175,262) | (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 | 48,816,000 | 49,783,794 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 164,492,733 | 167,555,607 |
| DETAILS OF WRITE-INS | | | | |
| 2301. Risk Adjustment User Fee Payable | 106,064 | | 106,064 | 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) | 106,064 | 0 | 106,064 | 67,430 |
| 2501. Estimated ACA Insurer Fee | XXX | XXX | 675,138 | 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 | 675,138 | 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 | 257,562 | 127,706 | 824,005 |
| 2. Net premium income (including \$ non-health premium income) | XXX | 106,534,312 | 77,528,439 | 331,610,530 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | 0 | (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 | 0 | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | (1,425) | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 106,534,312 | 77,527,014 | 330,121,954 |
| Hospital and Medical: | | | | |
| 9. Hospital/medical benefits | | 67,673,773 | 24,589,769 | 251,274,963 |
| 10. Other professional services | | 6,062,297 | 1,332,513 | 18,214,054 |
| 11. Outside referrals | | 5,216,615 | 13,452,969 | 21,076,494 |
| 12. Emergency room and out-of-area | | 7,642,513 | 2,723,577 | 20,563,307 |
| 13. Prescription drugs | | 12,578,977 | 8,464,990 | 43,194,624 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 0 | 583,358 | 349,385 |
| 16. Subtotal (Lines 9 to 15) | 0 | 99,174,175 | 51,147,176 | 354,672,827 |
| Less: | | | | |
| 17. Net reinsurance recoveries | | 0 | 11,359,881 | 54,828,457 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 99,174,175 | 39,787,295 | 299,844,370 |
| 19. Non-health claims (net) | | | | |
| 20. Claims adjustment expenses, including \$ 1,743,794 cost containment expenses | | 5,379,845 | 2,631,479 | 13,497,447 |
| 21. General administrative expenses | | 10,563,658 | 12,525,695 | 47,914,916 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only) | | (8,482,226) | | 43,072,541 |
| 23. Total underwriting deductions (Lines 18 through 22) | 0 | 106,635,452 | 54,944,469 | 404,329,274 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | (101,140) | 22,582,545 | (74,207,320) |
| 25. Net investment income earned | | 110,592 | 119,684 | 193,731 |
| 26. Net realized capital gains (losses) less capital gains tax of \$ | | (9,452) | (3,552) | (2,755) |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 101,140 | 116,132 | 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 | 0 | 22,698,677 | (74,016,344) |
| 31. Federal and foreign income taxes incurred | XXX | | | |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 0 | 22,698,677 | (74,016,344) |
| 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 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) | XXX | 0 | 0 | 0 |
| 0701. Other Revenue | XXX | | (1,425) | |
| 0702. | XXX | | | |
| 0703. | XXX | | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) | XXX | 0 | (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 | 27,377,119 | 27,377,122 |
| 34. Net income or (loss) from Line 32..... | 0 | 22,698,677 | (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..... | (967,794) | 407,932 | (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 | 0 | 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)..... | (967,794) | 23,106,609 | 22,406,672 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 48,816,000 | 50,483,728 | 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 |

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

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 | 98,857,231 | 70,932,545 | 331,080,953 |
| 2. Net investment income | 123,074 | 128,377 | 279,849 |
| 3. Miscellaneous income | 0 | (1,425) | 0 |
| 4. Total (Lines 1 to 3) | 98,980,305 | 71,059,497 | 331,360,802 |
| 5. Benefit and loss related payments | 76,612,853 | 56,234,850 | 283,911,544 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 16,309,178 | 11,710,242 | 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) | 92,922,031 | 67,945,092 | 341,404,102 |
| 11. Net cash from operations (Line 4 minus Line 10) | 6,058,274 | 3,114,405 | (10,043,300) |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 1,841,950 | 3,014,690 | 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) | 1,841,950 | 3,014,690 | 8,711,004 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 0 | 996,110 | 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 | 0 | 105,000 |
| 13.6 Miscellaneous applications | 0 | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 0 | 996,110 | 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) | 1,841,950 | 2,018,580 | (18,258,111) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | 0 | 0 | 100,993,410 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 | 0 |
| 16.3 Borrowed funds | 0 | 631,197 | (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) | (403,443) | (664,106) | (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) | (403,443) | (32,909) | 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) | 7,496,781 | 5,100,076 | 49,014,613 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 76,405,962 | 28,742,592 | 27,391,349 |
| 19.2 End of period (Line 18 plus Line 19.1) | 83,902,743 | 33,842,668 | 76,405,962 |

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

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|-------------|---------------------------------------|------------|-----------------------------|---------------------|---------------------|---|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 74,981 | 60,732 | 14,249 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 82,813 | 64,469 | 18,344 | | | | | | | |
| 3. Second Quarter | 0 | | | | | | | | | |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 257,562 | 203,415 | 54,147 | | | | | | | |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | 108,724 | 89,641 | 19,083 | | | | | | | |
| 8. Non-Physician | 63,344 | 54,200 | 9,144 | | | | | | | |
| 9. Total | 172,068 | 143,841 | 28,227 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 7,207 | 6,243 | 964 | | | | | | | |
| 11. Number of Inpatient Admissions | 1,324 | 1,101 | 223 | | | | | | | |
| 12. Health Premiums Written (a) | 108,038,095 | 86,832,855 | 21,205,240 | | | | | | | |
| 13. Life Premiums Direct | 0 | | | | | | | | | |
| 14. Property/Casualty Premiums Written | 0 | | | | | | | | | |
| 15. Health Premiums Earned | 108,038,095 | 86,832,855 | 21,205,240 | | | | | | | |
| 16. Property/Casualty Premiums Earned | 0 | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services..... | 92,806,667 | 76,298,951 | 16,507,716 | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | 99,174,175 | 76,681,352 | 22,492,823 | | | | | | | |

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

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 Claims Incurred in Prior Years (Columns 1 + 3) | 6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
|---|---|---|--|---|---|--|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid Dec. 31 of Prior Year | 4 On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital and medical) | 40,080,456 | 45,926,210 | 5,860,296 | 63,817,822 | 45,940,752 | 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) | 40,080,456 | 45,926,210 | 5,860,296 | 63,817,822 | 45,940,752 | 56,354,564 |
| 10. Healthcare receivables (a) | 7,957,062 | | | | 7,957,062 | 7,801,017 |
| 11. Other non-health | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | | | 349,385 | | 349,385 | 349,385 |
| 13. Totals (Lines 9-10+11+12) | 32,123,394 | 45,926,210 | 6,209,681 | 63,817,822 | 38,333,075 | 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 | March 31, 2016 | December 31, 2015 |
|-------------------|--|-------------------|----------------|-------------------|
| NET INCOME | | | | |
| (1) | Company state basis (Page 4, Line 32, Columns 2 & 4) | Maine | 0 | (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 | 0 | (74,016,344) |
| SURPLUS | | | | |
| (5) | State basis (Page 3, Line 33, Columns 3 & 4) | Maine | 48,816,000 | 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 | 48,816,000 | 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.

NOTES TO FINANCIAL STATEMENTS

- 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 three months ended March 31, 2016.

B. Corrections of Errors

There were no corrections of errors during the three months ended March 31, 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 March 31, 2016.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at March 31, 2016.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at March 31, 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 three months ended March 31, 2016.
- (3) The Company did not hold other-than-temporarily impaired loan-backed securities at March 31, 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 March 31, 2016.
- (5) The Company had no impaired loaned-backed securities at March 31, 2016.

E. Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company did not have any repurchase agreements at March 31, 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 March 31, 2016.
- (4) Not applicable.
- (5) There were no significant changes for the three months ended March 31, 2016.
- (6) Not applicable
- (7) Not applicable

F. Real Estate

The Company did not have investments in real estate at March 31, 2016.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during the three months ended March 31, 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 March 31, 2016.

NOTES TO FINANCIAL STATEMENTS

J. Offsetting and Netting of Assets and Liabilities

The company did not have any offsetting and netting of financial assets or liabilities at March 31, 2016.

K. Structured Notes

The company did not have any structured notes at March 31, 2016.

6. Joint Ventures, Partnerships and Limited Liability Companies

There were no significant changes for the three months ended March 31, 2016.

7. Investment Income

There were no significant changes for the three months ended March 31, 2016.

8. Derivative Instruments

There were no significant changes for the three months ended March 31, 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 three months ended March 31, 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 March 31, 2016 and 2015 the Company had outstanding a note payable, with a face value and a carry value of \$491,084 and \$545,120 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 March 31, 2016 and 2015, the Company paid interest of \$7,505 and \$8,307 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

At March 31, 2016 and 2015 the Company had outstanding a note payable, with a face value and a carry value of \$369,726 and \$410,408 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 March 31, 2016 and 2015 the Company paid interest of \$5,650 and \$6,254 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

NOTES TO FINANCIAL STATEMENTS

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB Agreements at March 31, 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 Strategies

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 March 31, 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 March 31, 2016 the fair market value of the account is \$109,970. These funds have not been appropriated to any specific employee as of March 31, 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 March 31, 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

NOTES TO FINANCIAL STATEMENTS

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 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------|---------------|----------------------------------|-------------------------|---|--------------------------------------|--------------------------------------|------------------|
| Date Issued | Interest Rate | Par Value (Face Amount of Notes) | Carrying Value of Note* | Interest And/Or Principal Paid Current Year | Total Interest And/Or Principal Paid | Unapproved Interest And/Or Principal | Date of Maturity |
| 03/23/2012 | 0.370 | 132,316,124 | 132,316,124 | 0 | 0 | 407,681 | 2/24/2028 |
| Total | | 132,316,124 | 132,316,124 | 0 | 0 | 407,681 | |

- 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 three months ended March 31, 2016.

15. Leases

There were no significant changes for the three months ended March 31, 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 March 31, 2016.

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

Not applicable at March 31, 2016.

B. Transfer and Servicing of Financial Assets

(1) There were no significant changes for the three months ended March 31, 2016.

(2) - (7) Not Applicable.

C. Wash Sales

(1) The Company did not have any wash sales for the period ending March 31, 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

NOTES TO FINANCIAL STATEMENTS

- 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 | 924,268 |
| Total | | | | | 924,268 |

- 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 | 56,739,383 | | | 56,739,383 |
| Industrial and Miscellaneous Bonds | | 39,406,638 | | 39,406,638 |
| Total assets at fair value | 56,739,383 | 39,406,638 | 0 | 96,146,021 |

| 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 three months ended March 31, 2016.

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

There were no events occurring subsequent to March 31, 2016 requiring disclosure. Subsequent events have been considered through May 12, 2016 for the statutory statements issued on May 13, 2016.

23. Reinsurance

A. Ceded Reinsurance Report.

Section 1 – General Interrogatories

There were no significant changes for the three months ended March 31, 2016.

Section 2 – Ceded Reinsurance Report – Part A

There were no significant changes for the three months ended March 31, 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 three months ended March 31, 2016.

C. Commutation of Ceded Reinsurance

There were no significant changes for the three months ended March 31, 2016.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

There were no significant changes for the three months ended March 31, 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Not applicable at March 31, 2016.

B. Not applicable at March 31, 2016.

C. Not applicable at March 31, 2016.

D. The Company had no medical loss rebate accruals at March 31, 2016.

NOTES TO FINANCIAL STATEMENTS

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 | 38,634 |
| 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) | 38,634 |
| b. Transitional ACA Reinsurance Program | |
| Assets | |
| 1. Amounts recoverable for claims paid due to ACA Reinsurance | 141,875 |
| 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | 0 |
| 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 | 0 |
| 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | 0 |
| Operations (Revenue & Expense) | |
| 7. Ceded reinsurance premiums due to ACA Reinsurance | 579,515 |
| 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments | 141,875 |
| 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 |

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

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 | | |
|---|--|-----------|--|-----------|--|--|------------------------|------------------------|---|---|-----------|
| | 1 | 2 | 3 | 4 | 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) | |
| | | | | | 5 | 6 | 7 | 8 | | | |
| | 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 | 0 | 22 | 0 | 0 | | A | 22 | 0 |
| 2. Premium adjustments (payable) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | B | 0 | 0 |
| 3. Subtotal ACA Permanent Risk Adjustment Program | 11,536 | 0 | 11,514 | 0 | 22 | 0 | 0 | 0 | | 22 | 0 |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | 34,148,024 | 0 | 15,034,134 | 0 | 19,113,890 | 0 | 0 | 0 | C | 19,113,890 | 0 |
| 2. Amounts recoverable for claims unpaid (contra liability) | 9,000,000 | 0 | 0 | 0 | 9,000,000 | 0 | 0 | 0 | D | 9,000,000 | 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 | 15,034,134 | 0 | 28,113,890 | 0 | 0 | 0 | | 28,113,890 | 0 |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | 28,483 | 0 | 3,455 | 0 | 25,028 | 0 | 0 | 0 | I | 25,028 | 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 | 0 | 0 | 25,028 | 0 | 0 | 0 | | 25,028 | 0 |
| d. Total for ACA Risk Sharing Provisions | 43,188,043 | 0 | 15,049,103 | 0 | 28,138,940 | 0 | 0 | 0 | | 28,138,940 | 0 |

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of March 31, 2016 were \$72,213,846. As of March 31, 2016, \$34,114,032 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$6,481,489 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 \$10,569,856 favorable prior year development since December 31, 2015 to March 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 known regarding individual claims.

26. Intercompany Pooling Arrangements

There were no significant changes for the three months ended March 31, 2016.

27. Structured Settlements

There were no significant changes for the three months ended March 31, 2016.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

There were no significant changes for the three months ended March 31, 2016.

29. Participating Policies

There were no significant changes for the three months ended March 31, 2016.

30. Premium Deficiency Reserves

At March 31, 2016 the company recorded premium deficiency reserves of \$ 34,590,315 related to the individual and group line of business.

| | |
|---|---------------|
| 1. Liability carried for premium deficiency reserves | \$ 34,590,315 |
| 2. Date of the most recent evaluation of this liability | 03/31/2016 |
| 3. Was anticipated investment income utilized in the calculation? | Yes No X |

31. Anticipated Salvage and Subrogation

There were no significant changes for the three months ended March 31, 2016.

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options
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 |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options
GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No []
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No []
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No []
- 14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|---|--|---|
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$0 | \$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 | \$0 | \$0 |

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

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options
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 |
| UBS Financial Services | One City Center, 7th Floor, Portland, ME 04101 |
| 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 [X] No []

- 17.4 If yes, give full information relating thereto:

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|------------------------------|--------------------|---------------------|----------------------|
| UBS Financial Services | US Bank | ..03/04/2016 | State required. |

- 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 percent94.7 %
1.2 A&H cost containment percent1.6 %
1.3 A&H expense percent excluding cost containment expenses13.3 %

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 T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

| States, etc. | 1 Active Status | Direct Business Only | | | | | | | 9 Deposit-Type Contracts | |
|--|--------------------|-----------------------------------|---------------------------|-------------------------|---|---|---------------------------------|--------------------------------|-----------------------------|---|
| | | 2 Accident and Health Premiums | 3 Medicare Title XVIII | 4 Medicaid Title XIX | 5 Federal Employees Health Benefits Program Premiums | 6 Life and Annuity Premiums & Other Considerations | 7 Property/Casualty Premiums | 8 Total Columns 2 Through 7 | | |
| 1. Alabama | AL | N | | | | | | | 0 | |
| 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 | 91,416,014 | | | | | | 91,416,014 | |
| 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 | 16,622,081 | | | | | | 16,622,081 | |
| 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 | | 108,038,095 | 0 | 0 | 0 | 0 | 0 | 108,038,095 | 0 |
| 60. Reporting Entity Contributions for Employee Benefit Plans | XXX | | | | | | | | 0 | |
| 61. Totals (Direct Business) | (a) 2 | | 108,038,095 | 0 | 0 | 0 | 0 | 0 | 108,038,095 | 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 - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

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? | YES |

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and mortgage interest 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) | | |

NONE

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 | | 26,864,116 |
| 3. Accrual of discount | 2,328 | 3,975 |
| 4. Unrealized valuation increase (decrease) | | 0 |
| 5. Total gain (loss) on disposals | (9,451) | (2,755) |
| 6. Deduct consideration for bonds and stocks disposed of | 1,841,950 | 8,711,004 |
| 7. Deduct amortization of premium | 51,351 | 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) | 39,406,638 | 41,307,062 |
| 11. Deduct total nonadmitted amounts | | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 39,406,638 | 41,307,062 |

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

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) | 101,068,328 | 0 | 4,873,190 | (49,021) | 96,146,117 | | | 101,068,328 |
| 2. NAIC 2 (a) | 0 | | | | 0 | | | |
| 3. NAIC 3 (a) | 0 | | | | 0 | | | |
| 4. NAIC 4 (a) | 0 | | | | 0 | | | |
| 5. NAIC 5 (a) | 0 | | | | 0 | | | |
| 6. NAIC 6 (a) | 0 | | | | 0 | | | |
| 7. Total Bonds | 101,068,328 | 0 | 4,873,190 | (49,021) | 96,146,117 | 0 | 0 | 101,068,328 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | 0 | | | | 0 | | | |
| 9. NAIC 2 | 0 | | | | 0 | | | |
| 10. NAIC 3 | 0 | | | | 0 | | | |
| 11. NAIC 4 | 0 | | | | 0 | | | |
| 12. NAIC 5 | 0 | | | | 0 | | | |
| 13. NAIC 6 | 0 | | | | 0 | | | |
| 14. Total Preferred Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Total Bonds and Preferred Stock | 101,068,328 | 0 | 4,873,190 | (49,021) | 96,146,117 | 0 | 0 | 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 \$

S102

SCHEDULE DA - PART 1

Short-Term Investments

| | 1 | 2 | 3 | 4 | 5 |
|----------------|---------------------------------|-----------|-------------|------------------------------------|--|
| | Book/Adjusted Carrying Value | Par Value | Actual Cost | Interest Collected Year-to-Date | Paid for Accrued Interest Year-to-Date |
| 9199999 Totals | 56,739,383 | XXX | 56,739,383 | | |

SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1 | 2 |
|---|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year | 59,761,266 | 8,090,113 |
| 2. Cost of short-term investments acquired | 2,018,804 | 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 | 5,040,687 | 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) | 56,739,383 | 59,761,266 |
| 11. Deduct total nonadmitted amounts | | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 56,739,383 | 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 - Long-Term Bonds and Stocks Acquired

N O N E

STATEMENT AS OF MARCH 31, 2016 OF THE Maine Community Health Options

SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change In Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 | | |
|--|------------------------|-------------|---------------|-------------------|---------------------------|---------------|-----------|-------------|---|--|---|--|---|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|--|-----|-----|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | | | |
| CUSIP Identification | Description | For-foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Other Than Temporary Impairment Recognized | Total Change in Book/Adjusted Carrying Value (11 + 12 - 13) | Total Foreign Exchange Change in Book /Adjusted Carrying Value | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Stated Contractual Maturity Date | NAIC Designation or Market Indicator (a) | | |
| 225460-AL-1 | CREDIT SUISSE NEW YORK | | 02/17/2016 | Broker | | 991,950 | 1,000,000 | 1,003,170 | 1,001,541 | 0 | (139) | 0 | (139) | 0 | 1,001,402 | 0 | (9,452) | (9,452) | 3,094 | 05/26/2017 | 1FE | | |
| 58933Y-AB-1 | MERCK & CO INC | | 01/15/2016 | Maturity | | 850,000 | 850,000 | 876,588 | 850,583 | 0 | (583) | 0 | (583) | 0 | 850,000 | 0 | 0 | 0 | 9,563 | 01/15/2016 | 1FE | | |
| United States | | | | | | 1,841,950 | 1,850,000 | 1,879,758 | 1,852,124 | 0 | (722) | 0 | (722) | 0 | 1,851,402 | 0 | (9,452) | (9,452) | 12,656 | | XXX | | |
| 3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 1,841,950 | 1,850,000 | 1,879,758 | 1,852,124 | 0 | (722) | 0 | (722) | 0 | 1,851,402 | 0 | (9,452) | (9,452) | 12,656 | | XXX | | |
| 8399997. Total - Bonds - Part 4 | | | | | | 1,841,950 | 1,850,000 | 1,879,758 | 1,852,124 | 0 | (722) | 0 | (722) | 0 | 1,851,402 | 0 | (9,452) | (9,452) | 12,656 | | 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 | | | | | | 1,841,950 | 1,850,000 | 1,879,758 | 1,852,124 | 0 | (722) | 0 | (722) | 0 | 1,851,402 | 0 | (9,452) | (9,452) | 12,656 | | XXX | | |
| 8999997. Total - Preferred Stocks - Part 4 | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX | |
| 8999998. Total - Preferred Stocks - Part 5 | | | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX |
| 8999999. Total - Preferred Stocks | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 9799997. Total - Common Stocks - Part 4 | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 9799998. Total - Common Stocks - Part 5 | | | | | | XXX | 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 | 0 | 0 | 0 | XXX |
| 9899999. Total - Preferred and Common Stocks | | | | | | 0 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 9999999 - Totals | | | | | | 1,841,950 | 1,850,000 | 1,879,758 | 1,852,124 | 0 | (722) | 0 | (722) | 0 | 1,851,402 | 0 | (9,452) | (9,452) | 12,656 | | 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 2 - Cash Equivalents - Investments Owned End of Current Quarter

N O N E

Medicare Part D Coverage Supplement

N O N E