



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2017
OF THE CONDITION AND AFFAIRS OF THE
CareFirst BlueChoice, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 96202 Employer's ID Number 52-1358219
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 06/22/1984 Commenced Business 03/01/1985

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

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

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

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

Internet Website Address www.carefirst.com

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

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy

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

OTHER

<u>Gregory Mark Chaney, EVP & CFO</u>	<u>Brian David Pieninck, COO</u>	<u>Jonathan David Blum, EVP, Medical Affairs</u>
<u>David Jeffrey Corkum #, EVP, Large Group SBU</u>	<u>Harry Dietz Fox, EVP, Technical & Ops Support</u>	<u>Wanda Kay Oneferu-Bey, EVP, Consumer Direct SBU</u>
<u>Fred Adrian Walton Plumb, EVP, SBU-FEHP</u>	<u>Jennifer Ann Cryor Baldwin, SVP, Patient Centered Medical Home (PCMH)</u>	<u>Peter Andrew Berry, SVP, Chief Actuary</u>
<u>Rita Ann Costello, SVP, Strategic Marketing</u>	<u>Michael Bruce Edwards, SVP, Networks Mgmt</u>	<u>Usha Nakhasi, SVP, Gen Mgr SBPASC/FEPOC</u>
<u>Rahul Rajkumar, SVP, Chief Medical Officer</u>	<u>Gwendolyn Denise Skillern, SVP, General Auditor</u>	<u>Maria Harris Tildon, SVP, Public Policy</u>
<u>Michelle Judith Wright, SVP, Human Resources</u>		

DIRECTORS OR TRUSTEES

Chester Emerson Burrell Wendell Lee Johns Robert Carl Kovarik Jr. #
Ann Baldwin Mech John Frederick Reim

State of Maryland SS:
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

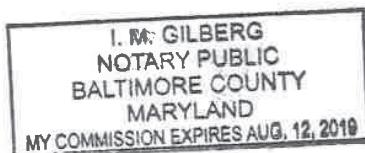
Chester Emerson Burrell
President and Chief Executive Officer

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

Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this 27th day of July 2017

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



STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	595,476,992	0	595,476,992	605,227,028
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	139,023,105	0	139,023,105	140,765,817
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(34,626,750)), cash equivalents (\$0) and short-term investments (\$159,379,444)	124,752,694	0	124,752,694	6,776,740
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	700,000
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	859,252,791	0	859,252,791	753,469,585
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	4,351,867	0	4,351,867	4,432,710
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	77,992,756	6,699,195	71,293,561	78,132,591
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$67,180) and contracts subject to redetermination (\$5,599,314)	5,666,494	0	5,666,494	3,579,126
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	48,758,171	0	48,758,171	68,465,848
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	390,095	0	390,095	394,009
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	757,021	0	757,021	25,109,617
18.2 Net deferred tax asset	12,117,161	276,470	11,840,691	16,950,860
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	59,328,845	0	59,328,845	69,678,316
24. Health care (\$99,372,104) and other amounts receivable	141,022,571	5,308,885	135,713,686	125,327,477
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,209,637,772	12,284,550	1,197,353,222	1,145,540,139
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	1,209,637,772	12,284,550	1,197,353,222	1,145,540,139
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	174,772,538	1,037,548	175,810,086	173,200,329
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	6,266,399	37,201	6,303,600	6,433,960
4. Aggregate health policy reserves, including the liability of \$72,150,000 for medical loss ratio rebate per the Public Health Service Act	176,300,450	0	176,300,450	124,694,962
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	83,936,797	0	83,936,797	80,286,614
9. General expenses due or accrued	11,782,723	0	11,782,723	43,374,819
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	8,324,671	0	8,324,671	6,692,893
13. Remittances and items not allocated	26,233	0	26,233	1,011,181
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	2,312,522	0	2,312,522	2,916,098
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	11,083,161	0	11,083,161	2,354,836
23. Aggregate write-ins for other liabilities (including \$2,917,982 current)	5,816,731	0	5,816,731	7,051,431
24. Total liabilities (Lines 1 to 23)	480,622,225	1,074,749	481,696,974	448,017,123
25. Aggregate write-ins for special surplus funds	XXX	XXX	32,500,000	0
26. Common capital stock	XXX	XXX	10,000	10,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	50,615,750	50,615,750
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	632,530,498	646,897,266
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.20 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	715,656,248	697,523,016
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,197,353,222	1,145,540,139
DETAILS OF WRITE-INS				
2301. Reinsurance Payable	230,517	0	230,517	29,429
2302. Legal Reserve	682,531	0	682,531	900,000
2303. Amounts held for escheatment to State	2,949,671	0	2,949,671	4,007,868
2398. Summary of remaining write-ins for Line 23 from overflow page	1,954,012	0	1,954,012	2,114,134
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	5,816,731	0	5,816,731	7,051,431
2501. Special Surplus 2018 Health Insurer Fee	XXX	XXX	32,500,000	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	32,500,000	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	4,014,105	4,119,633	8,157,601
2. Net premium income (including \$0 non-health premium income)	XXX	1,652,505,437	1,581,102,853	3,156,795,618
3. Change in unearned premium reserves and reserve for rate credits	XXX	(31,240,223)	(22,910,749)	(56,344,003)
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues	XXX	1,490,715	1,247,856	2,487,767
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,622,755,929	1,559,439,960	3,102,939,382
Hospital and Medical:				
9. Hospital/medical benefits	5,108,606	863,131,578	836,242,114	1,699,055,817
10. Other professional services	0	78,351,105	68,994,181	144,798,637
11. Outside referrals	2,335,469	2,335,469	2,667,698	5,322,866
12. Emergency room and out-of-area	188,782	34,804,178	36,267,137	73,238,669
13. Prescription drugs	0	314,746,948	272,923,437	563,646,787
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	7,632,857	1,293,369,278	1,217,094,567	2,486,062,776
Less:				
17. Net reinsurance recoveries	0	(2,373,036)	16,173,439	42,229,807
18. Total hospital and medical (Lines 16 minus 17)	7,632,857	1,295,742,314	1,200,921,128	2,443,832,969
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including \$31,185,124 cost containment expenses	0	82,138,246	79,024,229	168,769,526
21. General administrative expenses	0	249,088,918	308,928,400	568,736,255
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	7,632,857	1,626,969,478	1,588,873,757	3,181,338,750
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(4,213,549)	(29,433,797)	(78,399,368)
25. Net investment income earned	0	10,838,169	11,337,463	23,364,264
26. Net realized capital gains (losses) less capital gains tax of \$3,470,935	0	6,446,023	5,184,205	7,350,884
27. Net investment gains (losses) (Lines 25 plus 26)	0	17,284,192	16,521,668	30,715,148
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0	0
29. Aggregate write-ins for other income or expenses	0	18,008	(20,852)	19,751
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	13,088,651	(12,932,981)	(47,664,469)
31. Federal and foreign income taxes incurred	XXX	(202,617)	9,201,404	(1,562,763)
32. Net income (loss) (Lines 30 minus 31)	XXX	13,291,268	(22,134,385)	(46,101,706)
DETAILS OF WRITE-INS				
0601. TDN Access fees	XXX	4,317	19,408	30,871
0602. FEHBP OPMHMO Incentive	XXX	1,486,398	1,228,448	2,456,896
0603.	XXX	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	1,490,715	1,247,856	2,487,767
0701.	XXX	0	0	0
0702.	XXX	0	0	0
0703.	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.	0	0	0	0
1402.	0	0	0	0
1403.	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. Miscellaneous Income/Expense	0	90,633	(11,529)	20,339
2902. Fines and penalties	0	(72,625)	(9,323)	(588)
2903.	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	18,008	(20,852)	19,751

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.....	697,523,016	741,104,638	741,104,638
34. Net income or (loss) from Line 32	13,291,268	(22,134,385)	(46,101,706)
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$433,708	785,273	(174,907)	1,815,117
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	(4,752,772)	(39,456)	1,763,471
39. Change in nonadmitted assets	8,809,463	(5,746,413)	(5,291,292)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	0	0	0
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	3,485,459	4,232,788
48. Net change in capital & surplus (Lines 34 to 47)	18,133,232	(24,609,702)	(43,581,622)
49. Capital and surplus end of reporting period (Line 33 plus 48)	715,656,248	716,494,936	697,523,016
DETAILS OF WRITE-INS			
4701. Correction of Errors, Net of taxes	0	3,485,459	3,485,459
4702. Prior Year Miscellaneous Adjustments	0	0	747,329
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	3,485,459	4,232,788

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

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	1,688,996,610	1,558,081,499	3,101,208,506
2. Net investment income	12,499,877	13,116,682	27,734,426
3. Miscellaneous income	1,490,715	1,247,856	2,487,767
4. Total (Lines 1 to 3)	1,702,987,202	1,572,446,037	3,131,430,699
5. Benefit and loss related payments	1,284,337,919	1,186,769,775	2,431,486,493
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	352,462,367	352,360,150	742,828,119
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 3,470,935 tax on capital gains (losses)	(21,084,280)	17,058,641	27,125,124
10. Total (Lines 5 through 9)	1,615,716,006	1,556,188,566	3,201,439,736
11. Net cash from operations (Line 4 minus Line 10)	87,271,196	16,257,471	(70,009,037)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	380,509,296	387,883,060	592,832,493
12.2 Stocks	54,700,000	19,600,000	39,710,721
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	31
12.7 Miscellaneous proceeds	700,000	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	435,909,296	407,483,060	632,543,245
13. Cost of investments acquired (long-term only):			
13.1 Bonds	371,315,049	412,506,985	538,557,603
13.2 Stocks	42,846,459	29,070,420	31,507,621
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	700,000
13.7 Total investments acquired (Lines 13.1 to 13.6)	414,161,508	441,577,405	570,765,224
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)	21,747,788	(34,094,345)	61,778,021
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	8,956,970	18,414,890	10,069,076
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	8,956,970	18,414,890	10,069,076
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)	117,975,954	578,016	1,838,060
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	6,776,740	4,938,680	4,938,680
19.2 End of period (Line 18 plus Line 19.1)	124,752,694	5,516,696	6,776,740

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

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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	669,238	177,162	423,096	0	645	671	67,664	0	0	0
2. First Quarter	669,743	178,945	421,640	0	601	622	67,935	0	0	0
3. Second Quarter	662,443	169,714	423,535	0	597	582	68,015	0	0	0
4. Third Quarter	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	4,014,105	1,061,186	2,538,029	0	3,665	3,773	407,452	0	0	0
Total Member Ambulatory Encounters for Period:										
7. Physician	1,940,724	509,068	1,180,196	0	0	0	251,460	0	0	0
8. Non-Physician	1,367,141	376,302	815,147	0	0	0	175,692	0	0	0
9. Total	3,307,865	885,370	1,995,343	0	0	0	427,152	0	0	0
10. Hospital Patient Days Incurred	60,657	18,182	33,991	0	0	0	8,484	0	0	0
11. Number of Inpatient Admissions	15,729	4,259	9,468	0	0	0	2,002	0	0	0
12. Health Premiums Written (a)	1,650,539,553	395,244,079	1,051,951,347	0	65,658	402,933	202,875,536	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	1,619,299,330	395,240,565	1,023,961,347	0	65,658	402,933	199,628,827	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	1,298,081,005	350,690,328	762,719,363	0	50,819	254,088	184,366,407	0	0	0
18. Amount Incurred for Provision of Health Care Services	1,293,369,278	347,085,357	760,245,600	0	50,819	211,578	185,775,924	0	0	0

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

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	0	0	0	0	0
0399999 Aggregate accounts not individually listed-covered	12,107,569	326,752	99,959	0	333	12,534,613
0499999 Subtotals	12,107,569	326,752	99,959	0	333	12,534,613
0599999 Unreported claims and other claim reserves						163,275,473
0699999 Total amounts withheld						0
0799999 Total claims unpaid						175,810,086
0899999 Accrued medical incentive pool and bonus amounts						0

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	119,848,352	1,054,621,901	7,975,083	145,477,274	127,823,435	152,229,551
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	459,956	1,849,044	17,747	399,681	477,703	439,992
4. Vision Only	124	50,695	0	0	124	0
5. Federal Employees Health Benefits Plan	19,002,110	165,364,298	917,573	21,022,729	19,919,683	20,530,785
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	139,310,542	1,221,885,938	8,910,403	166,899,684	148,220,945	173,200,328
10. Healthcare receivables (a)	0	68,063,923	0	0	0	0
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	139,310,542	1,153,822,015	8,910,403	166,899,684	148,220,945	173,200,328

(a) Excludes \$ 36,265,600 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

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

The financial statements of CareFirst BlueChoice Inc. (CFBC or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities, and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the six months ended June 30, 2017 and the year ended December 31, 2016, there were no differences in net income (loss) and surplus between NAIC SAP and practices prescribed by the District of Columbia.

				<i>(in thousands)</i>	
				June 30,	December 31,
<u>NET INCOME (LOSS)</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>Line #</u>	2017	2016
(1) State basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 13,291	\$ (46,102)
(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)	XXX	XXX	XXX	<u>\$ 13,291</u>	<u>\$ (46,102)</u>
				June 30,	December 31,
				2017	2016
<u>SURPLUS</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>Line #</u>	2017	2016
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 715,656	\$ 697,523
(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)	XXX	XXX	XXX	<u>\$ 715,656</u>	<u>\$ 697,523</u>

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

No change.

C. Accounting Policy**Bonds**

Mortgage-backed securities that are included within bonds are valued at amortized cost using the interest method including anticipated prepayments except in cases where NAIC guidance requires them to be carried at the lower of cost or fair value. Prepayment assumptions are obtained from external sources and are based on the current interest rate and economic environment. The prospective adjustment method is used to value all such securities (refer to Note 20).

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

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

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed

NOTES TO FINANCIAL STATEMENTS

securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.

- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended June 30, 2017, the Company did not recognize other than temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At June 30, 2017, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*).

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
June 30, 2017					
Government sponsored enterprise mortgage-backed securities	\$ 115,580	\$ 1,501	\$ 13,640	\$ 292	\$ 1,793
Other mortgage-backed and asset-backed securities	15,350	26	809	19	45
Total	<u>\$ 130,930</u>	<u>\$ 1,527</u>	<u>\$ 14,449</u>	<u>\$ 311</u>	<u>\$ 1,838</u>

- (5) No change.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits (LIHTC)

None.

H. Restricted Assets

No change.

I. Working Capital Finance Investments

None.

J. Offsetting and Netting of Assets and Liabilities

None.

K. Structured Notes

No change.

L. 5* Securities

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. – B. Not applicable.

7. Investment Income

- A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

The Company is part of a federal tax sharing agreement that exists among CFBC (and its related subsidiaries). Through this agreement and the tax allocation methodology, federal taxes have been allocated to the Company. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the

NOTES TO FINANCIAL STATEMENTS

consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company's subsidiaries tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFBC shall pay the subsidiaries for use of such attributes in the year utilized. Amounts due from the subsidiaries for federal income taxes are settled quarterly.

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

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

	June 30, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 14,597	\$ -	\$ 14,597	\$ 19,350	\$ -	\$ 19,350	\$ (4,753)	\$ -	\$ (4,753)
Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
Adjusted gross deferred tax assets	14,597	-	14,597	19,350	-	19,350	(4,753)	-	(4,753)
Deferred tax assets nonadmitted	276	-	276	353	-	353	(77)	-	(77)
Subtotal net admitted deferred tax asset	14,321	-	14,321	18,997	-	18,997	(4,676)	-	(4,676)
Deferred tax liabilities	9	2,471	2,480	9	2,037	2,046	-	434	434
Net admitted deferred tax asset/(liability)	\$ 14,312	\$ (2,471)	\$ 11,841	\$ 18,988	\$ (2,037)	\$ 16,951	\$ (4,676)	\$ (434)	\$ (5,110)

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

	June 30, 2017			December 31, 2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 5,412	-	\$ 5,412	\$ 18,988	\$ -	\$ 18,988	\$ (13,576)	\$ -	\$ (13,576)
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from a, above) After application of the Threshold Limitation. (Lesser of b.i. and b.ii. Below)	8,900	-	8,900	-	-	-	8,900	-	8,900
i. Adjusted gross DTA expected to be realized following the Balance Sheet Date	8,900	-	8,900	-	-	-	8,900	-	8,900
ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	105,572	NA	NA	102,086	NA	NA	3,486
c. Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities.	9	-	9	9	-	9	-	-	-
Deferred Tax Asset Admitted as the result of application of SSAP No. 101 Total (a.+b.+c.)	\$ 14,321	\$ -	\$ 14,321	\$ 18,997	\$ -	\$ 18,997	\$ (4,676)	\$ -	\$ (4,676)

	2017	2016
Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	788%	788%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	\$ 703,816	\$ 680,572

The impact of tax planning strategies on adjusted gross DTA's and net admitted DTA's is as follows (*in thousands*):

	6/30/2017			12/31/2016			Change		
	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent
Adjusted Gross DTAs amount	\$ 14,597	\$ -	\$ 14,597	\$ 19,350	\$ -	\$ 19,350	\$ (4,753)	\$ -	\$ (4,753)
Percentage of Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Admitted Adjusted Gross DTAs	\$ 14,321	\$ -	\$ 14,321	\$ 18,997	\$ -	\$ 18,997	\$ (4,676)	\$ -	\$ (4,676)
Percentage of Net Admitted Adjusted Gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

The Company's tax-planning strategy does not include the use of reinsurance.

The provision for income taxes on earnings for the quarters ended June 30, 2017 and June 30, 2016 and year ended December 31, 2016 are as follows (*in thousands*):

	Jun. 30, 2017	Jun. 30, 2016	Dec. 31, 2016
Federal benefit	\$ (203)	\$ 9,201	\$ (1,563)
Federal income tax on net capital gains	3,471	2,791	3,958
Federal income taxes incurred	\$ 3,268	\$ 11,992	\$ 2,395

NOTES TO FINANCIAL STATEMENTS

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

Deferred Tax Assets:	<u>Jun. 30, 2017</u>	<u>Dec. 31, 2016</u>	<u>Change</u>
Ordinary			
Unearned Revenues	\$ 5,591	\$ 5,620	\$ (29)
Unpaid Claims	479	523	(44)
Accrued Expenses	3,918	6,557	(2,639)
Nonadmitted assets	4,609	6,650	(2,041)
Subtotal	14,597	19,350	(4,753)
Nonadmitted	276	353	(77)
Admitted ordinary deferred tax assets	14,321	18,997	(4,676)
Capital			
Investments	-	-	-
Subtotal	-	-	-
Nonadmitted	-	-	-
Admitted capital deferred tax assets	-	-	-
Admitted deferred tax assets	14,321	18,997	(4,676)
Deferred Tax Liabilities:			
Ordinary			
Unpaid Claims	9	9	-
Subtotal	9	9	-
Capital			
Investments	2,471	2,037	434
Subtotal	2,471	2,037	434
Deferred Tax Liabilities	2,480	2,046	434
Net deferred tax assets	\$ 11,841	\$ 16,951	\$ (5,110)

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

	<u>Jun. 30, 2017</u>	<u>Dec. 31, 2016</u>	<u>Change</u>
Adjusted gross deferred tax assets	\$ 14,597	\$ 19,350	\$ (4,753)
Total deferred tax liabilities	2,480	2,046	434
Net deferred tax assets	\$ 12,117	\$ 17,304	\$ (5,187)
Tax effect of unrealized gains(losses)			434
Change in net deferred income tax			\$ (4,753)

The reconciliation of the federal income tax rate to the actual effective rate is as follows (*in thousands*):

	<u>Jun. 30, 2017</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 5,796	35.00%
Permanent book to tax and other reserve adjustment	(222)	-1.34%
Nonadmitted assets and other	2,447	14.78%
Total	\$ 8,021	48.44%
Federal income taxes incurred	\$ 3,268	19.74%
Change in net deferred income taxes	4,753	28.70%
Total statutory income taxes	\$ 8,021	48.44%

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2013 and forward remain open under the statutes of limitation and subject to examination.

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

NOTES TO FINANCIAL STATEMENTS

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

CareFirst BlueChoice, Inc. (CFBC or the Company) is a health maintenance organization (HMO) that provides managed health care products and services to individuals and to employees of businesses and governmental agencies in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland. Benefits are provided to members through fee-for-service and capitation agreements with local area physicians, hospitals and other health care providers. CFBC has two wholly-owned subsidiaries; The Dental Network, Inc. (TDN) and CapitalCare, Inc. (CapCare). TDN is a licensed dental service corporation that provides dental health coverage to its subscribers through a network of dentists in the state of Maryland. Effective December 13, 2011, CapCare withdrew its HMO license and became a non-insurance entity, which is currently inactive.

CFBC and its subsidiaries are wholly-owned subsidiaries of CareFirst Holdings, LLC (CFH). CFH, a Maryland limited liability company, was formed on December 31, 2010 by contributed assets from CareFirst of Maryland, Inc. (CFMI) and Group Hospitalization and Medical Services, Inc. (GHMSI). CFMI and GHMSI are both affiliates of CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield.

CareCo, LLC, a wholly-owned subsidiary of CFH, was formed on January 10, 2017 to provide certain services to support the Patient-Centered Medical Home program operated by the Company and its affiliates.

11. Debt

Not applicable.

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

Not applicable.

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

(1) – (8) No change.

(9) The Company is subject to the Health Insurer Fee (HIF) imposed under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Section 9010 Assessment* (SSAP 106) the Company's estimated HIF payable in the following year is required to be reclassified from unassigned surplus to special surplus. The Company's balance of special surplus funds represents the amount reclassified for the period.

(10) Change in net unrealized capital gains (losses) for the six months ended June 30, 2017:

Change in the unrealized gains (losses) from:

Affiliated common stocks:

TDN	\$ (20,185)
Unaffiliated common stocks	1,246,588
Bonds	<u>(7,422)</u>
Total unrealized gains (losses)	1,218,981
Capital gains deferred taxes	<u>(433,708)</u>
Change in net unrealized capital gains (losses)	
less capital gains tax (Page 5 Line 36)	\$ 785,273

(11) – (13) No change.

14. Liabilities, Contingencies and Assessments**A. Contingent Commitments**

None.

B. Assessments

None.

C. Gain Contingencies

None.

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

None.

E. Joint and Several Liabilities

None.

NOTES TO FINANCIAL STATEMENTS

F. All Other Contingencies

The Company, along with the BCBSA and all of the other BCBSA licensees, has been named as a defendant in multiple suits that make up the Blue Cross Blue Shield Antitrust Litigation. This matter is part of a multi-district litigation combining several anti-trust cases that challenge the exclusive service areas outlined in the BCBSA license agreements. The Company has been cooperating in the joint defense with the BCBSA. These cases are pending in the U.S. District Court for the Northern District of Alabama. The Company has retained its own independent counsel to defend these cases; however, it is unable to predict the outcome of the matter or to reasonably estimate a range of possible loss.

15. Leases

Not applicable.

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

Not applicable.

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

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

None.

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

Not applicable.

B. ASC Plans

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

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks, when carried at the lower of cost or market. SSAP No. 100 *Fair Value* defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

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

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

There were no transfers between levels during the six months ended June 30, 2017.

NOTES TO FINANCIAL STATEMENTS

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

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

Stocks. Fair values of publicly-traded index funds where market quotes are available and are actively traded are classified as Level 1. Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2.

The following table presents information about the fair value of the Company's financial instruments measured and reported at fair value (*in thousands*).

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of June 30, 2017
Assets				
Bonds	\$ —	\$ 416	\$ —	\$ 416
Common stocks				
Large capital equity index funds	18,401	27,469	—	45,870
Small capital equity index fund	—	15,614	—	15,614
International equity index fund	—	41,979	—	41,979
Publicly-traded fixed income index fund (a)	—	35,041	—	35,041
Total common stocks	18,401	120,103	—	138,504
Total assets measured and reported at fair value	\$ 18,401	\$ 120,519	\$ —	\$ 138,920

(a) Represent investments in U.S. Treasury inflation-protected securities.

As of June 30, 2017, the Company has no financial instruments measured at fair value using Level 3 inputs.

The following table presents information about the aggregate fair value of the Company's financial instruments (*in thousands*).

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of June 30, 2017	Admitted Assets as of June 30, 2017
Bonds	\$ 63,531	\$ 536,322	\$ —	\$ 599,853	\$ 595,477
Common stocks	18,401	120,103	—	138,504	138,504
Total assets at fair value	\$ 81,932	\$ 656,425	\$ —	\$ 738,357	\$ 733,981

As of June 30, 2017, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items

A. Unusual or Infrequent Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

In accordance with SSAP 106, the entire HIF is recognized as general administrative expense on January 1. As a

NOTES TO FINANCIAL STATEMENTS

result of the 2017 HIF moratorium, there is no HIF expense in 2017. As of June 30, 2016, the Company recorded the HIF of \$52,635,000, net of reinsurance.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of June 30, 2017.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

G. Retained Assets

Not applicable.

H. Insurance-Linked Securities (ILS) Contracts

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

The Company maintains a reinsurance agreement with CFMI and GHMSI providing stop-loss coverage. This coverage does not have an expiration date.

The Company also maintains a quota-share reinsurance agreement with TDN. Under the terms of the agreement, the Company assumes all the underwriting risk on the business written by TDN. The Company assumed revenue from TDN in the amount of \$1,983,000 and \$1,973,000 and incurred an underwriting loss in the amount of \$1,621,000 and \$1,401,000 for the six months ended June 30, 2017 and 2016, respectively.

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

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

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ –	\$ 41,834	\$ 13,431	\$ –	\$ 55,265
(2) Medical loss ratio rebates paid	–	21,154	4,421	–	25,575
(3) Medical loss ratio rebates unpaid	–	30,850	13,280	–	44,130
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	<u>\$ 44,130</u>
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ –	\$ 15,280	\$ 12,740	\$ –	\$ 28,020
(8) Medical loss ratio rebates paid	–	–	–	–	–
(9) Medical loss ratio rebates unpaid	–	46,130	26,020	–	72,150
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	–
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	<u>\$ 72,150</u>

NOTES TO FINANCIAL STATEMENTS

E. Risk-Sharing Provisions of the Affordable Care Act

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act (ACA) risk-sharing provisions?

Yes.

2. Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the six months ended June 30, 2017 (*in thousands*):

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment \$ 5,599

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment 999

3. Premium adjustments payable due to ACA Risk Adjustment 69,265

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment (17,085)

5. Reported in expenses as ACA risk adjustment user fees incurred 299

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance \$ 48,758

2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) –

3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance –

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium 3,632

5. Ceded reinsurance premiums payable due to ACA Reinsurance –

6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance –

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance –

8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments (298)

9. ACA Reinsurance contributions – not reported as ceded premium –

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due from ACA Risk Corridors \$ 67

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors 30

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income –

4. Effect of ACA Risk Corridors on change in reserves for rate credits (26)

NOTES TO FINANCIAL STATEMENTS

3. Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance (*in thousands*):

	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 (Col1- 3)	Prior Year Accrued Less Payments (Col2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col1-3 +7)	Cumulative Balance from Prior Years (Col2-4 +8)
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 3,408	\$ -	\$ 1,089	\$ -	\$ 2,319	\$ -	\$ (1,160)	\$ -	A	\$ 1,159	\$ -
2. Premium adjustments (payable)	-	48,900	-	-	-	48,900	-	(5,515)	B	-	43,385
3. Subtotal ACA Permanent Risk Adjustment Program	3,408	48,900	1,089	-	2,319	48,900	(1,160)	(5,515)		1,159	43,385
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	68,466	-	26,711	-	41,755	-	7,003	-	C	48,758	-
2. Amounts recoverable for claims unpaid (contra liability)	7,302	-	-	-	7,302	-	(7,302)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-	3,632	-	-	-	3,632	-	-	F	-	3,632
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	75,768	3,632	26,711	-	49,057	3,632	(299)	-		48,758	3,632
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	171	-	104	-	67	-	-	-	I	67	-
2. Reserve for rate credits or policy experience rating refunds	-	56	-	-	-	56	-	(26)	J	-	30
3. Subtotal ACA Risk Corridors Program	171	56	104	-	67	56	-	(26)		67	30
d. Total for ACA Risk Sharing Provisions	\$ 79,347	\$ 52,588	\$ 27,904	\$ -	\$ 51,443	\$ 52,588	\$ (1,459)	\$ (5,541)		\$ 49,984	\$ 47,047

Explanations of Adjustments:

- A. True-up to reflect the 2016 actual based upon the risk adjustment results published by HHS.
- B. True-up of year-end estimate.
- C. Include run-out claims through 3/31/2017.
- D. Accrued receivable is now included in amounts recoverable for claims paid.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. True-up of year-end estimate.

As of June 30, 2017, the risk adjustment receivable balance includes a receivable due from CMS related to an uncollected risk adjustment payable from Evergreen Health, Inc. (Evergreen) of \$1,159,000 (net of reserve of \$1,159,000) for the 2015 benefit year. On July 25, 2017 the Commissioner of Maryland Insurance Administration issued an Administrative Order prohibiting Evergreen from making any disbursement, payment or transfer of assets, or issuing or renewing any insurance policies, without the prior approval of the Commissioner. On July 31, 2017, the Circuit Court for Baltimore City issued a Court Order formally placing Evergreen into receivership. As a result of the Court Order to rehabilitate Evergreen, the Company is in the process of evaluating the financial impact of the risk adjustment receivable balance due from Evergreen.

NOTES TO FINANCIAL STATEMENTS

4. Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year (in thousands):

Risk Corridors Program Year:	Accrued as of December 31 of the prior reporting year		Received or Paid as of the Current Period on Business Written For the Risk Corridors Program Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Accrued Less Payments (Col1 - 3)	Accrued Less Payments (Col2 - 4)	Balances	Balances		Cumulative Balance (Col1 - 3 + 7)	Cumulative Balance (Col2 - 4 + 8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
2014	\$ 171	\$ -	\$ 104	\$ -	\$ 67	\$ -	\$ -	\$ -	A	\$ 67	\$ -
									B		
2015	-	-	-	-	-	-	-	-	C	-	-
									D		
2016	-	60	-	-	-	60	-	(30)	E	-	30
									F		
Total for Risk Corridors	\$ 171	\$ 56	\$ 104	\$ -	\$ 67	\$ 56	\$ -	\$ (26)		\$ 67	\$ 30

Explanations of Adjustments:

- A. Not applicable.
B. Not applicable.
C. Not applicable.
D. True-up of year-end estimate.
E. Not applicable.
F. True-up of year-end estimate.

5. ACA Risk Corridors Receivable as of Reporting Date (in thousands):

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 = 1 (-) 2 (-) 3 Asset Balance (Gross of Non-admissions)	5 Non-admitted Amount	6 = 4 (-) 5 Net Admitted Asset
2014	\$ 18,658	\$ 15,711	\$ 2,880	\$ 67	\$ -	\$ 67
2015	24,218	24,218	-	-	-	-
2016	41,600	41,600	-	-	-	-
Total	\$ 84,476	\$ 81,529	\$ 2,880	\$ 67	\$ -	\$ 67

25. Change in Incurred Claims and Claim Adjustment Expenses

As of June 30, 2017, \$139,311,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$8,910,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$24,979,000 favorable prior year development since December 31, 2016 to June 30, 2017, which includes a \$611,000 favorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

1. Liability carried for premium deficiency reserves: \$0
2. Date of the most recent evaluation of this liability: June 30, 2017
3. Was anticipated investment income utilized in the calculation? No

31. Anticipated Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 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
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
- 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
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No N/A
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013
- 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). 06/29/2015
- 6.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

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

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
Carrying Value |
|---|--|---|
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$538,983 | \$518,798 |
| 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) | \$538,983 | \$518,798 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | \$0 |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
- If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2\$0
 - 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2\$0
 - 16.3 Total payable for securities lending reported on the liability page\$0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [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
SunTrust Bank	1445 New York Ave., Washington DC 20005
Bank of New York Mellon	1 Wall St., New York, NY 10286

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

1 Name of Firm or Individual	2 Affiliation
Vanguard	U.....
Dodge & Cox	U.....
T.Rowe Price	U.....
CareFirst (internally managed)	I.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No []

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
15958	Vanguard	54930002789CX3LOCJP65	SEC	NO.....
104596	Dodge & Cox	549300SV2H1B7EJR0U84	SEC	NO.....
105496	T.Rowe Price	7HTL8AEQSEDX602FBU63	SEC	NO.....

- 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 percent81.8 %

1.2 A&H cost containment percent1.9 %

1.3 A&H expense percent excluding cost containment expenses18.5 %

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

2.2 If yes, please provide the amount of custodial funds held as of the reporting date\$.....0

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

2.4 If yes, please provide the balance of the funds administered as of the reporting date\$.....0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 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
NONE								

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

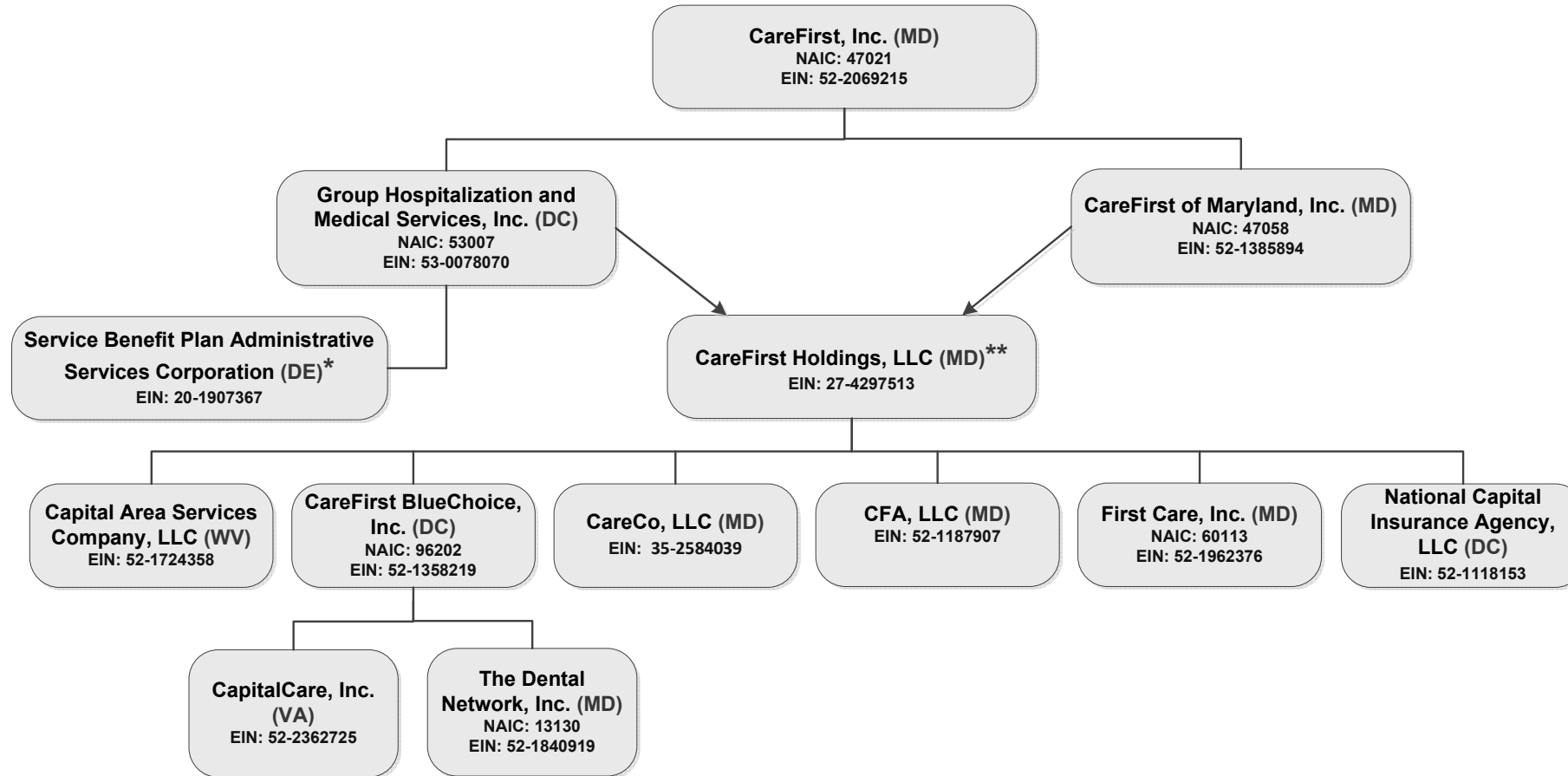
Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama AL	N	0	0	0	0	0	0	0	0
2. Alaska AK	N	0	0	0	0	0	0	0	0
3. Arizona AZ	N	0	0	0	0	0	0	0	0
4. Arkansas AR	N	0	0	0	0	0	0	0	0
5. California CA	N	0	0	0	0	0	0	0	0
6. Colorado CO	N	0	0	0	0	0	0	0	0
7. Connecticut CT	N	0	0	0	0	0	0	0	0
8. Delaware DE	N	0	0	0	0	0	0	0	0
9. District of Columbia DC	L	205,523,092	0	0	0	0	0	205,523,092	0
10. Florida FL	N	0	0	0	0	0	0	0	0
11. Georgia GA	N	0	0	0	0	0	0	0	0
12. Hawaii HI	N	0	0	0	0	0	0	0	0
13. Idaho ID	N	0	0	0	0	0	0	0	0
14. Illinois IL	N	0	0	0	0	0	0	0	0
15. Indiana IN	N	0	0	0	0	0	0	0	0
16. Iowa IA	N	0	0	0	0	0	0	0	0
17. Kansas KS	N	0	0	0	0	0	0	0	0
18. Kentucky KY	N	0	0	0	0	0	0	0	0
19. Louisiana LA	N	0	0	0	0	0	0	0	0
20. Maine ME	N	0	0	0	0	0	0	0	0
21. Maryland MD	L	1,039,115,412	0	0	202,875,536	0	0	1,241,990,948	0
22. Massachusetts MA	N	0	0	0	0	0	0	0	0
23. Michigan MI	N	0	0	0	0	0	0	0	0
24. Minnesota MN	N	0	0	0	0	0	0	0	0
25. Mississippi MS	N	0	0	0	0	0	0	0	0
26. Missouri MO	N	0	0	0	0	0	0	0	0
27. Montana MT	N	0	0	0	0	0	0	0	0
28. Nebraska NE	N	0	0	0	0	0	0	0	0
29. Nevada NV	N	0	0	0	0	0	0	0	0
30. New Hampshire NH	N	0	0	0	0	0	0	0	0
31. New Jersey NJ	N	0	0	0	0	0	0	0	0
32. New Mexico NM	N	0	0	0	0	0	0	0	0
33. New York NY	N	0	0	0	0	0	0	0	0
34. North Carolina NC	N	0	0	0	0	0	0	0	0
35. North Dakota ND	N	0	0	0	0	0	0	0	0
36. Ohio OH	N	0	0	0	0	0	0	0	0
37. Oklahoma OK	N	0	0	0	0	0	0	0	0
38. Oregon OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0
40. Rhode Island RI	N	0	0	0	0	0	0	0	0
41. South Carolina SC	N	0	0	0	0	0	0	0	0
42. South Dakota SD	N	0	0	0	0	0	0	0	0
43. Tennessee TN	N	0	0	0	0	0	0	0	0
44. Texas TX	N	0	0	0	0	0	0	0	0
45. Utah UT	N	0	0	0	0	0	0	0	0
46. Vermont VT	N	0	0	0	0	0	0	0	0
47. Virginia VA	L	203,025,513	0	0	0	0	0	203,025,513	0
48. Washington WA	N	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	0
50. Wisconsin WI	N	0	0	0	0	0	0	0	0
51. Wyoming WY	N	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,447,664,017	0	0	202,875,536	0	0	1,650,539,553	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Totals (Direct Business)	(a) 3	1,447,664,017	0	0	202,875,536	0	0	1,650,539,553	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(a) Insert the number of L responses except for Canada and Other Alien.
Enrollment and billing systems capture and report premiums by group situs.

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



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

**CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domi-ciliary Loca-tion	Relation-ship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percen-tage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Re-quired? (Y/N)	*
.0380	Carefirst Inc Group	47021	52-2069215				CareFirst, Inc.	MD	IA			0.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	47058	52-1385894				CareFirst of Maryland, Inc.	MD	IA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
		.00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	NIA	CareFirst, Inc.	Ownership	90.000	CareFirst, Inc.	N	
		.00000	27-4297513				CareFirst Holdings, LLC	MD	UDP	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	N	
		.00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	96202	52-1358219				CareFirst BlueChoice, Inc.	DC	RE	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-1187907				CFA, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	60113	52-1962376				First Care, Inc.	MD	IA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	35-2584039				CareCo, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	N	
		.00000	52-2362725				CapitalCare, Inc.	VA	DS	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	N	
.0380	Carefirst Inc Group	13130	52-1840919				The Dental Network, Inc.	MD	DS	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	N	

Asterisk	Explanation
	N/A

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

Bar Code:

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



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 23

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Tax Contingency Reserve	1,853,372	0	1,853,372	1,853,372
2305. Other Liabilities	100,640	0	100,640	260,762
2397. Summary of remaining write-ins for Line 23 from overflow page	1,954,012	0	1,954,012	2,114,134

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 premium 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		
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 depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

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	745,992,766	798,295,523
2. Cost of bonds and stocks acquired	414,161,508	570,065,224
3. Accrual of discount	106,513	290,260
4. Unrealized valuation increase (decrease)	1,218,993	2,805,802
5. Total gain (loss) on disposals	9,916,912	11,309,031
6. Deduct consideration for bonds and stocks disposed of	435,209,296	632,543,214
7. Deduct amortization of premium	1,687,378	4,229,860
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	734,500,018	745,992,766
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	734,500,018	745,992,766

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

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)	560,458,970	322,721,818	296,542,937	(587,004)	560,458,970	586,050,847	0	470,893,248
2. NAIC 2 (a)	164,716,154	22,507,464	18,719,412	(218,243)	164,716,154	168,285,963	0	173,584,617
3. NAIC 3 (a)	524,854	0	0	(5,228)	524,854	519,626	0	118,144
4. NAIC 4 (a)	0	0	0	0	0	0	0	427,344
5. NAIC 5 (a)	0	0	0	0	0	0	0	0
6. NAIC 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	725,699,978	345,229,282	315,262,349	(810,475)	725,699,978	754,856,436	0	645,023,353
PREFERRED STOCK								
8. NAIC 1	0	0	0	0	0	0	0	0
9. NAIC 2	0	0	0	0	0	0	0	0
10. NAIC 3	0	0	0	0	0	0	0	0
11. NAIC 4	0	0	0	0	0	0	0	0
12. NAIC 5	0	0	0	0	0	0	0	0
13. NAIC 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	725,699,978	345,229,282	315,262,349	(810,475)	725,699,978	754,856,436	0	645,023,353

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$ 159,379,443 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

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	159,379,444	xxx	159,405,306	289,561	1,858

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	39,796,334	37,583,133
2. Cost of short-term investments acquired	238,420,556	346,884,644
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	31
6. Deduct consideration received on disposals	118,803,131	344,657,566
7. Deduct amortization of premium	34,315	13,908
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	159,379,444	39,796,334
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	159,379,444	39,796,334

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

NONE

Schedule DB - Part B - Verification - Futures Contracts

NONE

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

NONE

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

NONE

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

NONE

Schedule E - Verification - Cash Equivalents

NONE

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

NONE

Schedule A - Part 3 - Real Estate Disposed

NONE

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

NONE

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

NONE

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

NONE

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

NONE

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
36179S-20-9	GNMA PASS-THRU M SINGLE FAMILY		.05/15/2017	GOLDMAN, SACHS & CO.		751,019	709,606	1,340	1
36179S-2R-7	GNMA PASS-THRU M SINGLE FAMILY		.05/15/2017	VARIOUS		1,191,724	1,113,065	2,365	1
36179S-UI-5	GNMA PASS-THRU M SINGLE FAMILY		.05/12/2017	BNP PARIBAS SECS CORP/BOND		417,842	394,948	746	1
36179S-WZ-6	GNMA PASS-THRU M SINGLE FAMILY		.05/01/2017	VARIOUS		1,085,619	1,014,058	2,401	1
36179S-YU-5	GNMA PASS-THRU M SINGLE FAMILY		.05/15/2017	VARIOUS		1,801,712	1,683,038	3,876	1
3617A0-A6-3	GNMA PASS-THRU X PL NON-LEVEL		.05/04/2017	CFG CAPITAL MARKETS LLC		1,008,755	950,954	818	1
38376G-CK-4	GNMA REMIC TRUST 2009-119		.06/27/2017	CFG CAPITAL MARKETS LLC		370,282	360,948	1,266	1
38376G-JA-9	GNMA REMIC TRUST 2010-49		.06/27/2017	CFG CAPITAL MARKETS LLC		563,724	548,824	1,921	1
38378N-JA-2	GNMA REMIC TRUST 2013-178		.06/27/2017	CFG CAPITAL MARKETS LLC		839,826	835,665	1,462	1
38378N-2R-3	GNMA REMIC TRUST 2014-67		.06/26/2017	FIRST TENN BANK N.A.-BOND D		545,513	543,983	910	1
38379K-FL-7	GNMA REMIC TRUST 2015-37		.06/27/2017	CFG CAPITAL MARKETS LLC		3,061,775	3,033,337	5,662	1
912810-PX-0	UNITED STATES TREAS BDS		.04/21/2017	GOLDMAN, SACHS & CO.		1,084,456	835,000	16,815	1
912810-RT-7	UNITED STATES TREAS BDS		.05/10/2017	VARIOUS		540,189	635,000	3,160	1
912810-RU-4	UNITED STATES TREAS BDS		.06/14/2017	VARIOUS		29,325,078	29,400,000	41,172	1
912810-RV-2	UNITED STATES TREAS BDS		.06/22/2017	VARIOUS		50,723,172	49,200,000	446,026	1
912810-RX-8	UNITED STATES TREAS BDS		.06/01/2017	VARIOUS		6,685,409	6,640,000	2,354	1
912828-2A-7	UNITED STATES TREAS NTS		.04/11/2017	CFG CAPITAL MARKETS LLC		17,274,375	18,500,000	42,928	1
912828-G3-8	UNITED STATES TREAS NTS		.06/23/2017	DEUTSCHE BANK SECURITIES INC		329,900	325,000	874	1
912828-V9-8	UNITED STATES TREAS NTS		.04/18/2017	VARIOUS		20,571,797	20,500,000	81,174	1
912828-W5-5	UNITED STATES TREAS NTS		.06/13/2017	BANC AMERICA SECURITIES LLC		3,216,250	3,200,000	17,609	1
912828-WL-0	UNITED STATES TREAS NTS		.05/01/2017	BMOOH/BONDS		512,371	510,000	3,195	1
912828-XU-9	UNITED STATES TREAS NTS		.06/28/2017	CFG CAPITAL MARKETS LLC		115,036	115,000	66	1
0599999. Subtotal - Bonds - U.S. Governments						142,015,824	141,048,427	678,140	XXX
3130AB-F9-2	FEDERAL HOME LOAN BANKS		.05/11/2017	BANC AMERICA SECURITIES LLC		459,131	460,000	50	1
31335B-AP-1	FHLMC PC GOLD COMB 30		.05/01/2017	GOLDMAN, SACHS & CO.		1,330,388	1,232,911	1,541	1
3137B3-6J-2	FHLMC REMIC SERIES K-029		.05/16/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,961,197	2,800,000	4,648	1
3137B3-NX-2	FHLMC REMIC SERIES K-031		.05/17/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,860,154	1,750,000	3,369	1
3137B4-GY-6	FHLMC REMIC SERIES K-032		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		4,243,040	4,000,000	368	1
3137AH-60-6	FHLMC REMIC SERIES K-704		.06/27/2017	FIRST TENN BANK N.A.-BOND D		1,213,417	1,204,587	2,260	1
31418C-EC-4	FNMA PASS-THRU INT 15 YEAR		.06/01/2017	GOLDMAN, SACHS & CO.		616,625	611,892	765	1
3138ER-A5-9	FNMA PASS-THRU LING 30 YEAR		.04/01/2017	BNP PARIBAS SECS CORP/BOND		29,035	27,685	34	1
3138ER-J7-6	FNMA PASS-THRU LING 30 YEAR		.05/09/2017	GOLDMAN, SACHS & CO.		110,837	108,179	105	1
3138ER-TY-6	FNMA PASS-THRU LING 30 YEAR		.04/01/2017	CREDIT SUISSE FIRST BOSTON COR		66,156	64,346	69	1
3138WF-RH-1	FNMA PASS-THRU LING 30 YEAR		.04/01/2017	BANC AMERICA SECURITIES LLC		32,302	30,801	38	1
3138WH-U3-4	FNMA PASS-THRU LING 30 YEAR		.05/08/2017	VARIOUS		738,851	720,474	700	1
3138YV-JZ-1	FNMA PASS-THRU LING 30 YEAR		.04/01/2017	SALOMON SMITH BARNEY INC/SAL		52,662	50,214	61	1
3140J5-HL-6	FNMA PASS-THRU LING 30 YEAR		.05/08/2017	GOLDMAN, SACHS & CO.		2,672,912	2,473,487	3,092	1
3140J5-QK-8	FNMA PASS-THRU LING 30 YEAR		.06/08/2017	CREDIT SUISSE FIRST BOSTON COR		1,169,282	1,079,000	1,619	1
31418C-GD-0	FNMA PASS-THRU LING 30 YEAR		.06/01/2017	NOMURA SECURITIES/FIX INCOME		1,054,817	1,051,941	1,052	1
3138WJ-3A-4	FNMA PASS-THRU INT 15 YEAR		.06/01/2017	WACHOVIA SECURITIES INC		624,103	618,977	774	1
3199999. Subtotal - Bonds - U.S. Special Revenues						19,234,909	18,284,494	20,495	XXX
037833-CH-1	APPLE INC		.06/12/2017	LINSCO/PRIVATE LEDGER CORP. RE		3,174,360	3,000,000	44,625	1FE
053332-AV-4	AUTOZONE INC		.04/06/2017	JP MORGAN SECURITIES INC		449,978	450,000	0	2FE
06051G-FC-8	BANK AMER CORP		.04/12/2017	KEYBANC CAPITAL MARKETS INC		3,897,775	3,500,000	42,292	1FE
06051G-GH-6	BANK AMER CORP		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		3,546,515	3,500,000	10,584	2FE
06051G-GM-5	BANK AMER CORP		.04/19/2017	BANC AMERICA SECURITIES LLC		745,000	745,000	0	2FE
114521-AB-3	BROOKSIDE MILL CLO LTD 2013-1		.05/01/2017	BAIRD, ROBERT W. & CO INC		1,001,400	1,000,000	962	1FE
07333N-AA-0	BYVII OPP MST FD TR 2017-SPL1		.06/22/2017	RAYMOND JAMES & ASSOCIATES, INC		1,011,405	967,852	3,119	1FE
174010-AK-7	CITIZENS BANK N A		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,506,075	2,500,000	1,350	2FE
209111-FK-4	CONSOLIDATED EDISON CO N Y INC		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,085,100	2,000,000	1,194	1FE
21079U-AA-3	CONTINENTAL AIRL PT TR		.05/01/2017	BAIRD, ROBERT W. & CO INC		1,073,964	967,134	33,500	1FE
25746U-CT-4	DOMINION ENERGY INC		.05/15/2017	GOLDMAN, SACHS & CO.		75,077	75,000	147	2FE
278642-AT-0	EBAY INC		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,514,450	2,500,000	0	2FE
419838-AA-5	HAWAIIAN AIRL TR 2013-1		.04/20/2017	BAIRD, ROBERT W. & CO INC		1,084,364	1,059,466	11,478	1FE
459200-HF-1	INTERNATIONAL BUSINESS MACHS		.06/12/2017	LINSCO/PRIVATE LEDGER CORP. RE		3,037,590	3,000,000	58,333	1FE
46648H-AE-3	JP MORGAN MFG TR 2017-2 144A		.05/22/2017	RAYMOND JAMES & ASSOCIATES, INC		2,048,750	2,000,000	5,833	1FE
49327M-2R-4	KEYBANK NATIONAL ASSOCIATION		.04/20/2017	KEYBANC CAPITAL MARKETS INC		2,523,450	2,500,000	8,009	1FE
53079E-BF-0	LIBERTY MUT GROUP INC 144A		.05/03/2017	JEFFERIES & CO BONDS DIR		311,844	300,000	3,920	2FE
584918-BL-7	MICROSOFT CORP		.04/17/2017	NATIONAL FINL SERVICES CORP		2,166,620	2,000,000	41,286	1FE
584918-BT-0	MICROSOFT CORP		.06/12/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,969,740	2,000,000	26,106	1FE
654730-BE-2	NISOURCE FIN CORP		.05/11/2017	JP MORGAN SECURITIES INC		299,952	300,000	0	2FE
666807-BJ-0	NORTHROP GRUMMAN CORP		.05/18/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,960,970	3,000,000	12,192	2FE

E04

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
680223-AK-0	GLD REP INTL CORP		.06/06/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,628,144	1,600,000	17,739	2FE
68389X-BG-9	ORACLE CORP		.06/01/2017	CFG CAPITAL MARKETS LLC		2,604,550	2,500,000	6,076	1FE
68389X-BJ-3	ORACLE CORP		.04/18/2017	NATIONAL FINL SERVICES CORP		2,988,600	3,000,000	32,000	1FE
737679-DE-7	POTOMAC ELEC PWR CO		.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		1,578,150	1,500,000	14,006	1FE
878091-BF-3	TEACHERS INS & ANNUITY ASSN 144A		.05/03/2017	JP MORGAN SECURITIES INC		448,560	450,000	.0	1FE
89236T-DV-4	TOYOTA MOTOR CREDIT CORP		.04/11/2017	CANTOR FITZGERALD & CO/CASTLE		2,750,000	2,750,000	.0	1FE
907818-EC-8	UNION PAC CORP		.06/06/2017	LINSCO/PRIVATE LEDGER CORP. RE		887,832	900,000	12,400	1FE
907833-AH-0	UNION PACIFIC RR		.06/09/2017	SCOTT & STRINGFELLOW, INC.		124,996	130,713	.0	1FE
913017-CJ-6	UNITED TECHNOLOGIES CORP		.05/16/2017	LINSCO/PRIVATE LEDGER CORP. RE		2,411,175	2,500,000	4,688	1FE
92343V-DZ-4	VERIZON COMMUNICATIONS INC FL NT		.06/26/2017	LINSCO/PRIVATE LEDGER CORP. RE		3,006,300	3,000,000	5,452	2FE
970648-AF-8	WILLIS NORTH AMER INC		.05/11/2017	BANC AMERICA SECURITIES LLC		229,802	230,000	.0	2FE
06738E-AV-7	BARCLAYS PLC	C.	.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		3,219,750	3,000,000	58,575	2FE
05583J-AA-0	BPCE SR NON PFD MED TM NT 144A	C.	.05/15/2017	MORGAN STANLEY		248,450	250,000	.0	2FE
423012-AG-8	HEINEKEN N V 144A 47	C.	.05/05/2017	KEYBANC CAPITAL MARKETS INC		765,158	750,000	3,716	2FE
77426N-AC-7	ROCKWALL CDO 11 LTD 2007-2 144A	C.	.06/13/2017	BAIRD, ROBERT W. & CO INC		800,000	800,000	1,911	1FE
822582-BY-7	SHELL INTERNATIONAL FIN BV	C.	.06/01/2017	LINSCO/PRIVATE LEDGER CORP. RE		953,600	1,000,000	8,333	1FE
92915U-AA-2	Voya CLO 2017-2 Ltd./Voya CLO 144A	C.	.06/01/2017	BAIRD, ROBERT W. & CO INC		1,500,000	1,500,000	.0	1FE
961214-DL-4	WESTPAC BKG CORP	C.	.04/04/2017	NATIONAL FINL SERVICES CORP		3,008,520	3,000,000	4,080	1FE
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						67,647,966	66,225,166	473,906	XXX
8399997. Total - Bonds - Part 3						228,898,699	225,558,087	1,172,541	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						228,898,699	225,558,087	1,172,541	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
921943-88-2	VANGUARD DEVELOPED MKTS INDEX INST		.06/21/2017	VANGUARD GROUP	36,660,950	484,658	.0	.0	U
922908-88-4	VANGUARD EXTENDED MKT INDEX INSTL		.06/21/2017	VANGUARD GROUP	559,240	43,128	.0	.0	U
922031-74-5	VANGUARD FIXED INCOME SECS FD		.06/23/2017	VANGUARD GROUP	4,456,580	46,883	.0	.0	U
922908-36-3	VANGUARD INDEX FDS		.06/16/2017	VANGUARD GROUP	82,864,000	18,499,951	.0	.0	L
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		.06/23/2017	VANGUARD GROUP	544,120	120,647	.0	.0	U
9299999. Subtotal - Common Stocks - Mutual Funds						19,195,267	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						19,195,267	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						19,195,267	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						19,195,267	XXX	0	XXX
9999999 - Totals						248,093,966	XXX	1,172,541	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues4

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	15 Total Foreign Exchange Change in Book /Adjusted Carrying Value								
38378N-KT-9	GNMA REMIC TRUST 2013-176		06/16/2017	PRINCIPAL RECEIPT		64,971	64,971	63,161	63,259	0	1,712	0	1,712	0	64,971	0	0	0	356	03/16/2046	1	
38378K-DW-6	GNMA REMIC TRUST 2013-35		06/16/2017	PRINCIPAL RECEIPT		30,450	30,450	29,868	29,941	0	508	0	508	0	30,450	0	0	0	151	03/16/2043	1	
38378K-ER-6	GNMA REMIC TRUST 2013-45		06/30/2017	VARIOUS		2,533,780	2,580,207	2,557,126	2,558,701	0	764	0	764	0	2,559,465	0	(25,685)	(25,685)	21,520	10/16/2040	1	
38378K-SZ-3	GNMA REMIC TRUST 2013-94		06/16/2017	PRINCIPAL RECEIPT		16,921	16,921	16,644	16,658	0	263	0	263	0	16,921	0	0	0	124	03/16/2054	1	
38378Y-GF-2	GNMA REMIC TRUST 2014-109		06/16/2017	PRINCIPAL RECEIPT		16,985	16,985	17,304	17,280	0	(295)	0	(295)	0	16,985	0	0	0	132	01/16/2046	1	
38378N-UA-9	GNMA REMIC TRUST 2014-14		06/16/2017	PRINCIPAL RECEIPT		299,352	299,352	300,849	300,723	0	(1,371)	0	(1,371)	0	299,352	0	0	0	2,318	01/16/2042	1	
38378Y-P4-7	GNMA REMIC TRUST 2014-166		06/16/2017	PRINCIPAL RECEIPT		42,510	42,510	43,692	43,591	0	(1,081)	0	(1,081)	0	42,510	0	0	0	402	07/16/2051	1	
83162C-0G-1	SMALL BUS ADMIN GTD DEV PTC		05/01/2017	CALLED @ 100.0000000		10,711	10,711	10,711	10,711	0	0	0	0	0	10,711	0	0	0	314	05/01/2026	1	
83162C-HN-6	SMALL BUSINESS ADMIN GTD 97-20F		06/01/2017	PRINCIPAL RECEIPT		500	500	499	500	0	0	0	0	0	500	0	0	0	18	06/01/2017	1	
912810-PX-0	UNITED STATES TREAS BDS		05/17/2017	GOLDMAN, SACHS & CO.		373,828	290,000	394,808	392,350	0	(1,390)	0	(1,390)	0	390,960	0	(17,132)	(17,132)	6,631	05/15/2038	1	
912810-QT-8	UNITED STATES TREAS BDS		05/03/2017	GOLDMAN, SACHS & CO.		677,413	655,000	734,950	734,089	0	(796)	0	(796)	0	733,293	0	(55,880)	(55,880)	13,987	11/15/2041	1	
912810-RU-4	UNITED STATES TREAS BDS		06/22/2017	CFG CAPITAL MARKETS LLC		29,270,312	29,000,000	28,937,891	0	0	(62)	0	(62)	0	28,937,829	0	332,484	332,484	59,531	11/15/2046	1	
912810-RV-2	UNITED STATES TREAS BDS		06/14/2017	CFG CAPITAL MARKETS LLC		33,048,633	32,000,000	32,599,922	0	0	(593)	0	(593)	0	32,599,329	0	449,304	449,304	307,044	02/15/2047	1	
912810-RX-8	UNITED STATES TREAS BDS		05/23/2017	CFG CAPITAL MARKETS LLC		6,103,828	6,000,000	6,028,359	0	0	(11)	0	(11)	0	6,028,348	0	75,480	75,480	4,891	05/15/2047	1	
912828-2A-7	UNITED STATES TREAS NTS		04/18/2017	CFG CAPITAL MARKETS LLC		17,390,000	18,500,000	17,381,563	1,975,261	0	2,724	0	2,724	0	17,384,859	0	5,141	5,141	64,061	08/15/2026	1	
912828-2C-3	UNITED STATES TREAS NTS		06/28/2017	CFG CAPITAL MARKETS LLC		124,194	125,000	125,068	125,059	0	(17)	0	(17)	0	125,042	0	(847)	(847)	777	08/31/2018	1	
912828-TG-5	UNITED STATES TREAS NTS		05/08/2017	SALOMON SMITH BARNEY INC/SAL		229,802	230,000	226,388	229,293	0	424	0	424	0	229,717	0	85	85	893	07/31/2017	1	
912828-TS-9	UNITED STATES TREAS NTS		05/08/2017	CHASE SECURITIES, INC.		923,627	925,000	923,555	924,438	0	262	0	262	0	924,701	0	(1,074)	(1,074)	3,538	09/30/2017	1	
912828-U2-4	UNITED STATES TREAS NTS		04/11/2017	CFG CAPITAL MARKETS LLC		18,004,258	18,500,000	17,849,609	0	0	3,157	0	3,157	0	17,852,766	0	151,491	151,491	151,271	11/15/2026	1	
912828-V9-8	UNITED STATES TREAS NTS		05/23/2017	CFG CAPITAL MARKETS LLC		20,470,371	20,500,000	20,571,797	0	0	(624)	0	(624)	0	20,571,173	0	(100,802)	(100,802)	126,143	02/15/2027	1	
912828-HL-0	UNITED STATES TREAS NTS		05/23/2017	VARIOUS		512,188	510,000	512,371	0	0	(58)	0	(58)	0	512,313	0	(125)	(125)	3,621	05/31/2019	1	
912828-W5-5	UNITED STATES TREAS NTS		04/11/2017	CFG CAPITAL MARKETS LLC		4,025,781	4,000,000	3,989,062	3,994,352	0	612	0	612	0	3,994,964	0	30,817	30,817	50,815	06/30/2019	1	
911760-PP-3	US VA VENDEE MITG TR 2002-1		06/15/2017	PRINCIPAL RECEIPT		28,805	28,805	34,278	33,635	0	(4,830)	0	(4,830)	0	28,805	0	0	0	597	08/15/2031	1	
0599999	Subtotal - Bonds - U.S. Governments					141,183,465	140,987,050	140,456,267	17,486,379	0	(41,685)	0	(41,685)	0	140,416,933	0	766,535	766,535	942,697	XXX	XXX	
000000-00-0	ICELAND REP	C	04/18/2017	EUROPEAN SECURITIES CORP		184,558	160,000	167,000	164,854	0	(236)	0	(236)	0	164,619	0	19,940	19,940	3,812	05/11/2022	1FE	
716540-BE-1	PETROLEOS MEXICANOS	C	05/15/2017	CREDIT SUISSE FIRST BOSTON COR		157,850	175,000	173,538	173,579	0	8	0	8	0	173,587	0	(15,737)	(15,737)	3,770	06/27/2044	2FE	
1099999	Subtotal - Bonds - All Other Governments					342,408	335,000	340,538	338,433	0	(228)	0	(228)	0	338,206	0	4,203	4,203	7,582	XXX	XXX	
355694-Y7-9	FREDERICK CNTY MD		06/01/2017	LINSCO/PRIVATE LEDGER CORP RE		998,400	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	(1,600)	(1,600)	9,030	08/01/2017	1FE	
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					998,400	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	(1,600)	(1,600)	9,030	XXX	XXX	
048677-AB-4	ATLANTIC MARINE CORPS QINTYS		06/14/2017	VARIOUS		104,324	96,894	96,358	96,369	0	2	0	2	0	96,371	0	7,953	7,953	2,847	12/01/2050	1FE	
3130A3-DU-5	FEDERAL HOME LOAN BANKS		04/12/2017	FIRST TENN BANK, N.A. - BOND D		2,045,586	2,000,000	2,007,740	0	0	(64)	0	(64)	0	2,007,676	0	37,910	37,910	35,833	03/12/2027	1	
31335B-AP-1	FHLMC PC GOLD COMB 30		06/15/2017	PRINCIPAL RECEIPT		25,806	25,806	27,846	0	0	(2,040)	0	(2,040)	0	25,806	0	0	0	97	07/01/2042	1	
3128JN-RT-4	FHLMC PC 1YR LIBOR VR		06/15/2017	PRINCIPAL RECEIPT		20,652	20,652	22,317	22,241	0	(1,589)	0	(1,589)	0	20,652	0	0	0	523	03/01/2037	1	
3128MT-6K-9	FHLMC PC GOLD 10/20 11		06/15/2017	PRINCIPAL RECEIPT		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	09/01/2037	1
3128UN-DB-5	FHLMC PC GOLD 10/20 11		06/15/2017	PRINCIPAL RECEIPT		9	9	9	9	0	0	0	0	0	9	0	0	0	9	10/01/2037	1	
3128UN-GE-6	FHLMC PC GOLD 10/20 11		06/15/2017	PRINCIPAL RECEIPT		729	729	774	772	0	(43)	0	(43)	0	729	0	0	0	18	10/01/2038	1	
3128PT-DM-2	FHLMC PC GOLD CASH 20		06/15/2017	PRINCIPAL RECEIPT		2,350	2,350	2,398	2,388	0	(37)	0	(37)	0	2,350	0	0	0	52	12/01/2026	1	
31292S-AG-5	FHLMC PC GOLD CASH 30		06/15/2017	PRINCIPAL RECEIPT		1,557	1,557	1,664	1,658	0	(101)	0	(101)	0	1,557	0	0	0	21	08/01/2042	1	
31292S-BD-1	FHLMC PC GOLD CASH 30		06/15/2017	PRINCIPAL RECEIPT		5,428	5,428	5,753	5,738	0	(309)	0	(309)	0	5,428	0	0	0	76	03/01/2043	1	
31292S-BK-5	FHLMC PC GOLD CASH 30		06/15/2017	PRINCIPAL RECEIPT		12,072	12,072	12,470	12,456	0	(384)	0	(384)	0	12,072	0	0	0	167	05/01/2043	1	
3132L5-A2-9	FHLMC PC GOLD C1 30YR		06/15/2017	PRINCIPAL RECEIPT		2,829	2,829	2,939	2,933	0	(104)	0	(104)	0	2,829	0	0	0	33	04/01/2043	1	
3128MB-Y5-0	FHLMC PC GOLD COMB 15		06/15/2017	PRINCIPAL RECEIPT		61,650	61,650	66,390	65,025	0	(3,375)	0	(3,375)	0	61,650	0	0	0	1,215	06/01/2023	1	
3128MC-4J-1	FHLMC PC GOLD COMB 15		06/15/2017	PRINCIPAL RECEIPT		10,263	10,263	10,921	10,795	0	(532)	0	(532)	0	10,263	0	0	0	165	08/01/2026	1	
3128MC-A9-6	FHLMC PC GOLD COMB 15		06/15/2017	PRINCIPAL RECEIPT		19,643	19,643	21,435	20,884	0	(1,241)	0	(1,241)	0	19,643	0	0	0	424	01/01/2024	1	

E05.1

STATEMENT AS OF JUNE 30, 2017 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
89171V-AK-3	TOWD POINT MTG TR 2015-5 144A		06/26/2017	VARIOUS		1,095,434	1,095,434	1,102,623	1,100,289	0	(1,767)	0	(1,767)	0	1,098,522	0	(3,088)	(3,088)	17,250	05/25/2055	1FM	
907833-AH-0	UNION PACIFIC RR		06/09/2017	SCOTT & STRINGFELLOW, INC.		148,687	130,713	124,996	0	0	0	0	0	124,996	0	23,691	23,691	686	01/02/2020	1FE		
90345W-AD-6	US AIRWAYS PT TRUST 2012-2		06/03/2017	Sink PMT @ 100.0000000		5,919	5,919	6,230	6,230	0	(310)	0	(310)	0	5,919	0	0	0	0	12/03/2026	1FE	
92343V-BY-9	VERIZON COMMUNICATIONS INC		05/10/2017	MITSUBISHI UFJ SECURITIES (USA MORGAN STANLEY & CO. INC		417,272	400,000	415,880	412,676	0	(556)	0	(556)	0	412,120	0	5,152	5,152	11,067	03/15/2024	2FE	
984121-CB-7	XEROX CORP		06/20/2017			429,320	400,000	483,500	479,345	0	(855)	0	(855)	0	478,490	0	(49,170)	(49,170)	14,100	12/15/2039	2FE	
34988W-AQ-7	FOSSE MASTER 2012-1	C	04/18/2017	PRINCIPAL RECEIPT		5,573	5,573	5,573	5,573	0	0	0	0	5,573	0	0	0	0	35	10/18/2054	1FE	
423012-AG-8	HEINEKEN N V 144A 47	C	06/28/2017	LINSCO/Private Ledger Corp. RE		368,207	350,000	357,074	0	0	(18)	0	(18)	0	357,056	0	11,151	11,151	3,806	03/29/2047	1FE	
638602-BP-6	NATIONWIDE BLDG SOC 144A	D	06/23/2017	SALOMON SMITH BARNEY INC/SAL		343,324	325,000	323,775	323,925	0	51	0	51	0	323,976	0	19,347	19,347	11,865	07/21/2025	1FE	
71429M-AB-1	PERRIGO FINANCE PLC	C	06/26/2017	CANTOR CLEARING SERV		479,070	460,000	458,855	458,930	0	46	0	46	0	458,976	0	20,094	20,094	15,828	03/15/2026	2FE	
77426N-AC-7	ROCKWALL CDO II LTD 2007-2 144A	C	06/26/2017	BAIRD, ROBERT W. & CO INC		799,000	800,000	800,000	0	0	0	0	0	800,000	0	(1,000)	(1,000)	2,451	08/01/2024	1FE		
78447U-AF-7	SMART ABS US TRUST 2013-2US	C	04/14/2017	PRINCIPAL RECEIPT		53,236	53,236	53,234	53,236	0	1	0	1	0	53,236	0	0	0	224	02/14/2019	1FE	
8399999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					61,846,878	58,943,317	62,279,994	24,123,666	0	(75,996)	0	(75,996)	0	61,849,321	0	(2,445)	(2,445)	1,400,416	XXX	XXX	
8399997	Total - Bonds - Part 4					230,129,430	226,575,700	230,334,537	66,107,314	0	(485,851)	0	(485,851)	0	229,415,334	0	714,100	714,100	2,929,374	XXX	XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					230,129,430	226,575,700	230,334,537	66,107,314	0	(485,851)	0	(485,851)	0	229,415,334	0	714,100	714,100	2,929,374	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	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		06/16/2017	VANGUARD GROUP		83,123,650	18,500,000	15,855,836	16,943,094	(1,087,257)	0	0	(1,087,257)	0	15,855,836	0	2,644,164	2,644,164	0	XXX	XXX	
9299999	Subtotal - Common Stocks - Mutual Funds					18,500,000	XXX	15,855,836	16,943,094	(1,087,257)	0	0	(1,087,257)	0	15,855,836	0	2,644,164	2,644,164	0	XXX	XXX	
9799997	Total - Common Stocks - Part 4					18,500,000	XXX	15,855,836	16,943,094	(1,087,257)	0	0	(1,087,257)	0	15,855,836	0	2,644,164	2,644,164	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	XXX
9799999	Total - Common Stocks					18,500,000	XXX	15,855,836	16,943,094	(1,087,257)	0	0	(1,087,257)	0	15,855,836	0	2,644,164	2,644,164	0	XXX	XXX	
9899999	Total - Preferred and Common Stocks					18,500,000	XXX	15,855,836	16,943,094	(1,087,257)	0	0	(1,087,257)	0	15,855,836	0	2,644,164	2,644,164	0	XXX	XXX	
9999999	Totals					248,629,430	XXX	246,190,373	83,050,408	(1,087,257)	(485,851)	0	(1,573,108)	0	245,271,170	0	3,358,264	3,358,264	2,929,374	XXX	XXX	

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

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

N O N E

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

N O N E

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

N O N E

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

N O N E

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