

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	298,830,271		298,830,271	292,808,816
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	
2.2 Common stocks .....	81,672,095		81,672,095	79,632,105
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	
3.2 Other than first liens .....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... 0 encumbrances) .....	16,026,949		16,026,949	16,689,372
4.2 Properties held for the production of income (less \$ ..... 0 encumbrances) .....			0	
4.3 Properties held for sale (less \$ ..... 0 encumbrances) .....			0	
5. Cash (\$ ..... 12,030,126 , Schedule E - Part 1), cash equivalents (\$ ..... 13,471,218 , Schedule E - Part 2) and short-term investments (\$ ..... 694,667 , Schedule DA) .....	26,196,011		26,196,011	7,417,351
6. Contract loans, (including \$ ..... 0 premium notes) .....			0	
7. Derivatives (Schedule DB) .....			0	
8. Other invested assets (Schedule BA) .....	0		0	0
9. Receivables for securities .....	40,403		40,403	4,258
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	422,765,729	0	422,765,729	396,551,902
13. Title plants less \$ ..... 0 charged off (for Title insurers only) .....			0	
14. Investment income due and accrued .....	2,168,024		2,168,024	1,761,144
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	7,638,286	427,811	7,210,475	7,160,028
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... 0 earned but unbilled premiums) .....			0	
15.3 Accrued retrospective premiums (\$ ..... 2,640,448 ) and contracts subject to redetermination (\$ ..... 1,992,594 ) .....	4,633,042		4,633,042	7,112,472
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	427,761		427,761	110,678
16.2 Funds held by or deposited with reinsured companies .....			0	
16.3 Other amounts receivable under reinsurance contracts .....			0	
17. Amounts receivable relating to uninsured plans .....	24,131,322	1,832,630	22,298,692	25,462,408
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	806,825
18.2 Net deferred tax asset .....	2,848,842		2,848,842	0
19. Guaranty funds receivable or on deposit .....			0	
20. Electronic data processing equipment and software .....	5,002,861	5,002,861	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... 0 ) .....	1,293,692		1,293,692	393,027
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	
23. Receivables from parent, subsidiaries and affiliates .....	695,399		695,399	13,671,561
24. Health care (\$ ..... 7,174,886 ) and other amounts receivable .....	10,737,663	3,562,777	7,174,886	6,401,658
25. Aggregate write-ins for other than invested assets .....	2,703,207	329,313	2,373,894	3,101,945
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	485,045,828	11,155,392	473,890,436	462,533,648
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	
28. Total (Lines 26 and 27) .....	485,045,828	11,155,392	473,890,436	462,533,648
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Executives and Directors Deferred Compensation .....	2,373,894		2,373,894	2,971,471
2502. Miscellaneous Assets .....	48,072	48,072	0	3,891
2503. Prepaid Assets .....	281,241	281,241	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	126,583
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	2,703,207	329,313	2,373,894	3,101,945

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....450,000 reinsurance ceded) .....	69,505,798		69,505,798	61,002,607
2. Accrued medical incentive pool and bonus amounts .....	7,345,748		7,345,748	6,218,982
3. Unpaid claims adjustment expenses .....	1,604,645		1,604,645	1,537,460
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	42,043,736		42,043,736	48,398,919
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves .....			0	
7. Aggregate health claim reserves.....	898,468		898,468	1,009,382
8. Premiums received in advance .....	10,512,112		10,512,112	4,410,921
9. General expenses due or accrued.....	6,268,284		6,268,284	4,315,831
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....407,539 on realized capital gains (losses) ) .....	4,570,856		4,570,856	0
10.2 Net deferred tax liability .....			0	2,272,671
11. Ceded reinsurance premiums payable.....	503,791		503,791	30,452
12. Amounts withheld or retained for the account of others.....	3,008,956		3,008,956	4,728,539
13. Remittances and items not allocated.....	265,637		265,637	315,637
14. Borrowed money (including \$ .....0 current) and interest thereon \$ .....0 (including \$ .....0 current).....	0		0	6,000,000
15. Amounts due to parent, subsidiaries and affiliates.....	5,123,194		5,123,194	5,332,203
16. Derivatives.....			0	
17. Payable for securities.....	67,789		67,789	1,516,393
18. Payable for securities lending .....			0	
19. Funds held under reinsurance treaties (with \$ .....0 authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$ .....0 ) companies .....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	
22. Liability for amounts held under uninsured plans.....	17,341,702		17,341,702	22,578,911
23. Aggregate write-ins for other liabilities (including \$ .....132,717 current).....	132,717	0	132,717	129,103
24. Total liabilities (Lines 1 to 23).....	169,193,433	0	169,193,433	169,798,011
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	304,697,003	292,735,637
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$ .....0 ).....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$ .....0 ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	304,697,003	292,735,637
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	473,890,436	462,533,648
<b>DETAILS OF WRITE-INS</b>				
2301. Unclaimed Property .....	132,717		132,717	129,103
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	132,717	0	132,717	129,103
2501. Surplus appropriated for the Affordable Care Act Section 9010 fee .....	XXX	XXX		0
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,062,190	2,016,455
2. Net premium income ( including \$ .....0 non-health premium income) .....	XXX	499,487,332	457,654,335
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(1,362,428)	(1,640,608)
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	498,124,904	456,013,727
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		219,378,651	220,693,568
10. Other professional services .....		27,858,185	24,900,953
11. Outside referrals .....		4,591,436	4,856,234
12. Emergency room and out-of-area .....		89,460,401	77,113,933
13. Prescription drugs .....		68,746,551	59,332,417
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		7,939,690	6,109,357
16. Subtotal (Lines 9 to 15) .....	0	417,974,914	393,006,462
<b>Less:</b>			
17. Net reinsurance recoveries .....		7,218,425	1,336,144
18. Total hospital and medical (Lines 16 minus 17) .....	0	410,756,489	391,670,318
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....16,096,094 cost containment expenses .....		26,140,573	23,433,029
21. General administrative expenses .....		44,336,566	34,925,255
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only) .....		167,794	500,563
23. Total underwriting deductions (Lines 18 through 22).....	0	481,401,422	450,529,165
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	16,723,482	5,484,562
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		9,693,811	7,224,598
26. Net realized capital gains (losses) less capital gains tax of \$ .....336,316 .....		2,545,308	5,891,822
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	12,239,119	13,116,420
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....62,470 )] .....		(62,470)	(21,127)
29. Aggregate write-ins for other income or expenses .....	0	(137,318)	603,579
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	28,762,813	19,183,434
31. Federal and foreign income taxes incurred .....	XXX	7,641,365	(1,979,678)
32. Net income (loss) (Lines 30 minus 31) .....	XXX	21,121,448	21,163,112
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Other Income .....		309,815	2,507,053
2902. Other Expense .....		(447,133)	(1,903,474)
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	(137,318)	603,579

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	292,735,637	268,525,773
34. Net income or (loss) from Line 32 .....	21,121,448	21,163,112
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....(3,133,235) .....	(11,592,897)	2,657,434
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	1,988,278	(1,089,835)
39. Change in nonadmitted assets .....	444,538	1,479,152
40. Change in unauthorized and certified reinsurance .....	0	
41. Change in treasury stock .....	0	
42. Change in surplus notes .....	0	
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	
44.2 Transferred from surplus (Stock Dividend).....	0	
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	11,961,367	24,209,863
49. Capital and surplus end of reporting period (Line 33 plus 48)	304,697,003	292,735,637
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0



**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	500,464,897	460,725,538
2. Net investment income .....	9,576,349	7,786,271
3. Miscellaneous income .....	13,456	107,854
4. Total (Lines 1 through 3) .....	510,054,702	468,619,663
5. Benefit and loss related payments .....	402,193,002	365,909,245
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	69,515,291	61,040,868
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 194,388 tax on capital gains (losses) .....	2,600,000	5,650,000
10. Total (Lines 5 through 9) .....	474,308,293	432,600,113
11. Net cash from operations (Line 4 minus Line 10) .....	35,746,409	36,019,550
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	58,501,401	105,172,152
12.2 Stocks .....	18,394,026	14,167,898
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	3	31
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(1,707)	2,250
12.7 Miscellaneous proceeds .....	0	1,529,231
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	76,893,723	120,871,562
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	70,148,292	152,232,809
13.2 Stocks .....	28,419,548	10,872,171
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	90,096	(34,867)
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	989,976	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	99,647,912	163,070,113
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(22,754,189)	(42,198,551)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	(6,000,000)	6,000,000
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	11,786,440	(2,808,670)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	5,786,440	3,191,330
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	18,778,660	(2,987,671)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	7,417,351	10,405,022
19.2 End of year (Line 18 plus Line 19.1) .....	26,196,011	7,417,351
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001. Securities contribution to the Cambia Health Foundation .....	1,719,834	1,253,139
20.0002. Securities contribution to the Oregon Community Foundation .....		154,873
20.0003. Sale of affiliate in exchange for ownership interest in new affiliate .....		1,525,063