QUARTERLY STATEMENT

OF THE

Volunteer State Health Plan, Inc.

of

Chattanooga

in the state of

Tennessee

TO THE

Insurance Department

OF THE STATE OF

Tennessee

FOR THE QUARTER ENDED
JUNE 30, 2014

HEALTH

2014

2014

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QUARTERLY STATEMENT

AS OF JUNE 30, 2014

OF THE CONDITION AND AFFAIRS OF THE

Volunteer State Health Plan, Inc.

NAIC Group Code 3498 (Current Period), 3498 (Prior Period) NAIC Company Code 14046 Employer's ID Number 62-1656610

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

Country of Domicile United States

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]
Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 07/11/1996 Commenced Business 11/01/1996

Statutory Home Office 1 Cameron Hill Circle (Street and Number), Chattanooga, TN, US 37402-0001 (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Cameron Hill Circle (Street and Number)
Chattanooga, TN, US 37402-0001 (City or Town, State, Country and Zip Code) (423)535-5600 (Area Code) (Telephone Number)

Mail Address 1 Cameron Hill Circle (Street and Number or P.O. Box), Chattanooga, TN, US 37402-0001 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Cameron Hill Circle (Street and Number)
Chattanooga, TN, US 37402-0001 (City or Town, State, Country and Zip Code) (423)535-5600 (Area Code) (Telephone Number)

Internet Web Site Address www.bluecare.bcbst.com

Statutory Statement Contact Susan Hatcher McGehee (Name) (423)535-3419 (Area Code)(Telephone Number)(Extension)
Susan_McGehee@bcbst.com (E-Mail Address) (423)535-8331 (Fax Number)

CORPORATE OFFICERS

Name	Title
Scott Christian Pierce	President & CEO
Brian Edward Stana	Treasurer
Shelia Dian Clemons	Secretary
Katharine Anne Laurance	Assistant Secretary

ADMINISTRATIVE OFFICERS

Amber Jeanine Cambron, VP, Chief Operating Officer
Reid Allen Smiley, VP, Chief Financial Officer
Toliver Ralph Woodard, Jr., Controller & Chief Accounting Officer
David Matthew Moroney, MD, VP, Chief Medical Officer
James Howard Srite, Actuary

DIRECTORS OR TRUSTEES

William Morgan Gracey, Chairperson
Jason David Hickey
John Francis Giblin

State of Tennessee
County of Hamilton ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)	(Signature)	(Signature)
Scott Christian Pierce	Reid Allen Smiley	Shelia Dian Clemons
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President & Chief Executive Officer	VP & Chief Financial Officer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 18th day of August, 2014

a. Is this an original filing? Yes[X] No[ ]
b. If no, 1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

Amanda Poe
(Notary Public Signature)

AMANDA POE STATE OF TENNESSEE NOTARY PUBLIC HAMILTON COUNTY

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Statement of Actuarial Opinion

ACTUARIAL OPINION

TABLE of KEY INDICATORS

This Opinion is: ☒ Unqualified ☐ Qualified ☐ Adverse ☐ Inconclusive

IDENTIFICATION SECTION
☒ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

SCOPE SECTION
☒ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

RELIANCE SECTION
☒ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☐ Revised Wording

OPINION SECTION
☐ Prescribed Wording Only ☐ Prescribed Wording with Additional Wording ☒ Revised Wording

RELEVANT COMMENTS
☒ Revised Wording

☐ The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

IDENTIFICATION

I, James Howard Srite, FSA, MAAA, am an employee of Blue Cross and Blue Shield of Tennessee (BCBST), holding company for Volunteer State Health Plan, and a member of the American Academy of Actuaries. I was appointed on October 15, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

SCOPE

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of Volunteer State Health Plan as prepared for filing with state regulatory officials, as of June 30, 2014.

A. Claims unpaid (Page 3, Line 1);	$ 150,797,954
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	$650,000
C. Unpaid claims adjustment expenses (Page 3, Line 3);	$ 6,252,908
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	$5,500,000
E. Aggregate life policy reserves (Page 3, Line 5);	$0
F. Property/casualty unearned premium reserves (Page 3, Line 6);	$0
G. Aggregate health claim reserves (Page 3, Line 7); and	$0
H. Any actuarial reserves or liabilities not included in the items above.	$0
I. Specified actuarial items presented as assets in the annual statement	$0

RELIANCE

In forming my opinion on loss reserves, I relied upon data prepared by Jeffrey Stuart Kay, FSA, MAAA, Director of Valuation & Data Analytics, by Joseph Dewayne Moser, Manager Health Plan Accounting, by Trey White, Director of Financial Reporting, and by David Keith Marckel, Vice President of Information Services, Enterprise Applications as certified in the attached statements. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit - Part 2B of the company's current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

Statement of Actuarial Opinion

OPINION

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,

B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,

C. Meet the requirements of the Insurance Laws and regulations of the State of Tennessee and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,

D. Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,

E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,

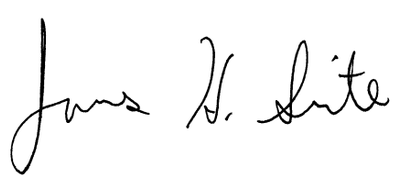
F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

RELEVANT COMMENTS

This opinion has been prepared solely for the Board and the management of the Company, for filing with insurance regulatory agencies of states in which the Company is licensed, and for the Blue Cross and Blue Shield Association and is not intended for any other purpose.



Signature of Actuary

James Howard Srite, FSA, MAAA
Printed Name of Actuary

1 Cameron Hill Circle CH 1.5
Chattanooga, Tennessee 37402
Address of Actuary

423-535-8200
Telephone Number of Actuary

7/24/2014
Date Opinion was Rendered

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	248,638,624	0	248,638,624	390,981,782
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
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 $.....0 encumbrances)	0	0	0	0
5. Cash ($.....9,912,981), cash equivalents ($.....0) and short-term investments ($.....240,826,002)	250,738,983	0	250,738,983	70,383,514
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	89,099	0	89,099	2,731,709
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)	499,466,706	0	499,466,706	464,097,005
13. Title plants less $.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	1,249,900	0	1,249,900	1,643,187
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	31,154,367	0	31,154,367	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	76,024	0	76,024	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	9,149,552	0	9,149,552	6,627,692
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	5,613,791	444,847	5,168,944	5,823,460
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets ($.....0)	0	0	0	0
22. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care ($.....58,451) and other amounts receivable	2,400,441	2,341,990	58,451	0
25. Aggregate write-ins for other than invested assets	98,500	98,500	0	0
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	549,209,281	2,885,337	546,323,944	478,191,344
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	549,209,281	2,885,337	546,323,944	478,191,344
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. Prepaid Expenses	98,500	98,500	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)	98,500	98,500	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)	150,797,954	0	150,797,954	142,357,184
2.	Accrued medical incentive pool and bonus amounts	650,000	0	650,000	813,500
3.	Unpaid claims adjustment expenses	6,252,908	0	6,252,908	6,320,157
4.	Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	5,500,000	0	5,500,000	4,000,000
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	0	0	0	0
9.	General expenses due or accrued	13,305,491	0	13,305,491	12,435,570
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	25,334	0	25,334	25,334
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	22,643	0	22,643	4,721
13.	Remittances and items not allocated	6,784,344	0	6,784,344	6,533,307
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates	24,779,988	0	24,779,988	20,604,131
16.	Derivatives	0	0	0	0
17.	Payable for securities	0	0	0	1,498,170
18.	Payable for securities lending	0	0	0	0
19.	Funds held under reinsurance treaties with ($.....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	49,487	0	49,487	358,516
23.	Aggregate write-ins for other liabilities (including $.....0 current)	43,594,688	0	43,594,688	26,371,434
24.	Total liabilities (Lines 1 to 23)	251,762,837	0	251,762,837	221,322,024
25.	Aggregate write-ins for special surplus funds	XXX	XXX	13,214,752	0
26.	Common capital stock	XXX	XXX	10	10
27.	Preferred capital stock	XXX	XXX	0	0
28.	Gross paid in and contributed surplus	XXX	XXX	155,299,990	155,299,990
29.	Surplus notes	XXX	XXX	17,000,000	17,000,000
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	34,942,038	35,640,000
31.	Unassigned funds (surplus)	XXX	XXX	74,104,317	48,929,320
32.	Less treasury stock, at cost:				
	32.1 .....0 shares common (value included in Line 26 $.....0)	XXX	XXX	0	0
	32.2 .....0 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	294,561,107	256,869,320
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	546,323,944	478,191,344
DETAILS OF WRITE-INS					
2301.	Insured Premium Tax Payable	24,795,261	0	24,795,261	23,068,924
2302.	ACA 2014 Annual Assessment Fee	18,403,536	0	18,403,536	0
2303.	Due State of Tennessee - Premium Payable	0	0	0	2,823,210
2398.	Summary of remaining write-ins for Line 23 from overflow page	395,891	0	395,891	479,300
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	43,594,688	0	43,594,688	26,371,434
2501.	ACA 2nd Qtr Amount of 2015 Annual Assessment Fee	XXX	XXX	13,214,752	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	13,214,752	0
3001.	Legally Required Reserves	XXX	XXX	34,942,038	35,640,000
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	34,942,038	35,640,000

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	2,372,056	2,333,502	4,651,133
2.	Net premium income (including $.....0 non-health premium income)	XXX	888,695,722	839,151,260	1,677,051,246
3.	Change in unearned premium reserves and reserves for rate credits	XXX	(1,500,000)	0	(4,000,000)
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	0	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0	0
8.	Total revenues (Lines 2 to 7)	XXX	887,195,722	839,151,260	1,673,051,246
Hospital and Medical:					
9.	Hospital/medical benefits	0	515,339,776	529,683,161	1,037,825,261
10.	Other professional services	0	141,669,573	141,015,419	288,464,392
11.	Outside referrals	0	0	0	0
12.	Emergency room and out-of-area	0	21,495,152	20,810,512	41,012,680
13.	Prescription drugs	0	1,581,648	0	0
14.	Aggregate write-ins for other hospital and medical	0	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts	0	681,574	632,813	1,401,931
16.	Subtotal (Lines 9 to 15)	0	680,767,723	692,141,905	1,368,704,264
Less:					
17.	Net reinsurance recoveries	0	0	0	0
18.	Total hospital and medical (Lines 16 minus 17)	0	680,767,723	692,141,905	1,368,704,264
19.	Non-health claims (net)	0	0	0	0
20.	Claims adjustment expenses, including $.....27,661,858 cost containment expenses	0	46,887,516	46,744,912	92,488,400
21.	General administrative expenses	0	96,305,865	75,949,377	150,263,832
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)	0	823,961,104	814,836,194	1,611,456,496
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	63,234,618	24,315,066	61,594,750
25.	Net investment income earned	0	1,535,442	1,220,488	2,769,640
26.	Net realized capital gains (losses) less capital gains tax of $.....0	0	295,642	(13,401)	(175,792)
27.	Net investment gains or (losses) (Lines 25 plus 26)	0	1,831,084	1,207,087	2,593,848
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	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	65,065,702	25,522,153	64,188,598
31.	Federal and foreign income taxes incurred	XXX	29,360,783	9,034,385	22,172,701
32.	Net income (loss) (Lines 30 minus 31)	XXX	35,704,919	16,487,768	42,015,897
DETAILS OF WRITE-INS					
0601.		XXX	0	0	0
0602.		XXX	0	0	0
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	0	0	0
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.		0	0	0	0
2902.		0	0	0	0
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	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	256,869,320	217,716,730	217,716,730
34.	Net income or (loss) from Line 32	35,704,919	16,487,768	42,015,897
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 $.....0	(1,310)	(8,386)	(9,848)
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38.	Change in net deferred income tax	(778,393)	626,340	1,084,007
39.	Change in nonadmitted assets	2,766,571	(1,679,912)	(3,937,466)
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	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	37,691,787	15,425,810	39,152,590
49.	Capital and surplus end of reporting period (Line 33 plus 48)	294,561,107	233,142,540	256,869,320
DETAILS OF WRITE-INS				
4701.		0	0	0
4702.		0	0	0
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	0	0

Report #2A: TennCare Select Only			
	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
Member Months	146,584	289,081	566,008
Estimated Revenues:			
1. TennCare Capitation	103,526,339	202,259,107	403,243,467
2. Investment	-	-	-
3. Other Revenues	-	-	-
4. **Total Estimated Revenues** (Lines 1 to 3)	103,526,339	202,259,107	403,243,467
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	277,068	553,544	1,127,407
6. Fee-for Service Physician Services	11,973,496	23,139,269	46,554,027
7. Inpatient Hospital Services	19,174,070	36,204,889	76,425,280
8. Outpatient Hospital Services	8,234,278	15,677,177	28,730,008
9. Emergency Room Services	1,173,254	2,261,100	4,368,508
10. Dental Services	629	629	1,159
11. Vision Services	103,818	203,213	403,552
12. Pharmacy Services	-	-	-
13. Home Health Services	27,640,956	55,366,671	110,827,229
14. Chiropractic Services	-	-	-
15. Radiology Services	314,119	604,295	1,160,391
16. Laboratory Services	261,522	468,132	1,103,426
17. Durable Medical Equipment Services	5,835,354	11,723,158	22,202,820
18. Transportation Services	874,128	1,726,589	3,440,606
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	(6,475)	(6,475)	8,175
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	1,833	(15,745)	191,587
23. HCBS Services	21	1,073	7,981
24. Other Medical and Hospital Services - Write-Ins	1,376,575	2,817,015	4,401,280
25. **Subtotal Medical and Hospital** (Lines 5 to 24)	77,234,646	150,724,534	300,953,436
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,734,300	3,239,802	5,337,265
27. Inpatient Substance Abuse Treatment and Detox	34,482	56,712	72,788
28. Outpatient Mental Health Services	4,271,601	8,258,555	14,720,330
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	1,549,125	2,875,107	7,967,318
31. Specialized Crisis Services	298,988	587,389	1,172,749
32. Psychiatric Rehab and Support Services	99,261	232,026	439,519
33. Case Management	1,585,679	3,100,414	8,492,646
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	19,438	35,506	78,462
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	3,574,862	6,922,041	9,217,763
42. PCP and Specialist Servcies	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. **Subtotal MH & SAS** (Lines 26 to 43)	13,167,736	25,307,552	47,498,840
45. **Subtotal Hospital, Medical, MH&SAS** (Lines 25 and 44)	90,402,382	176,032,086	348,452,276
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	225	645	2,257
48. Subrogation and Coordination of Benefits	245,997	325,778	88,138
49. **Subtotal Reinsurance, Copay, Subrogation** (Lines 46 to 48)	246,222	326,423	90,395
50. **Total Hospital, Medical, MH&SAS** (Lines 45 and 49)	90,156,160	175,705,663	348,361,881
Administation:			
51. Compensation	4,376,380	8,638,132	16,594,806
52. Marketing	23,096	45,587	87,577
53. Interest Expense	-	-	-
54. Premium Tax Expense	5,693,949	11,124,251	24,967,337
55. Occupancy, Depreciation, and Amortization	348,242	687,362	1,320,499
56. Other Administration - Write-Ins	2,157,413	4,258,314	8,180,685
57. **Total Administration Expenses** (Lines 51 to 56)	12,599,080	24,753,646	51,150,904
58. **Total Expenses** (Lines 50 and 57)	102,755,240	200,459,309	399,512,785
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	326,948	652,309	1,288,691
61. **Net Income (Loss)** (Line 4 Less Lines 58, 59 and 60)	444,151	1,147,489	2,441,991
Write-Ins for Other Expense			
Detail of Other Revenues			
0301.	-	-	-
0399. Total Other Revenues	-	-	-
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	1,534,415	2,887,644	5,444,618
2202. Bad Debt Expense	(157,840)	(70,629)	(1,043,338)
2203. Out of Area Claims Expense	-	-	-
2299. Total Other Medical and Hospital	1,376,575	2,817,015	4,401,280
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	733,393	1,447,571	2,780,933
5602. Outsourced Services	566,934	1,119,018	2,149,758
5603. Auditing, Actuarial, and Other Consulting	378,821	747,719	1,436,450
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	252,080	497,560	955,872
5605. Postage/Telephone	155,222	306,379	588,588
5606. Printing and Stationary	70,963	140,067	269,084
5699. Total Other Administration	2,157,413	4,258,314	8,180,685

Report #2A: BlueCare West Only			
	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
Member Months	546,561	1,075,213	2,109,575
Estimated Revenues:			
1. TennCare Capitation	190,453,004	377,845,739	740,224,425
2. Investment	416,402	823,594	1,243,133
3. Other Revenues	901,417	13,154,957	194,968
4. **Total Estimated Revenues** (Lines 1 to 3)	191,770,823	391,824,290	741,662,526
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	31,190,169	64,039,268	125,801,270
7. Inpatient Hospital Services	19,684,524	44,318,999	107,843,582
8. Outpatient Hospital Services	16,778,483	32,940,056	66,525,228
9. Emergency Room Services	5,885,956	12,003,166	24,602,539
10. Dental Services	-	-	355
11. Vision Services	121,849	267,267	553,795
12. Pharmacy Services	-	-	-
13. Home Health Services	5,381,081	11,208,385	22,853,406
14. Chiropractic Services	-	-	-
15. Radiology Services	1,366,120	2,774,160	5,215,470
16. Laboratory Services	1,551,635	3,061,564	6,213,618
17. Durable Medical Equipment Services	2,162,876	4,723,708	9,251,947
18. Transportation Services	3,770,402	7,476,489	13,563,778
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	191,686	343,969	709,195
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	30,865,281	64,057,122	131,318,061
23. HCBS Services	12,618,106	24,360,243	48,018,576
24. Other Medical and Hospital Services - Write-Ins	3,393,809	6,588,452	12,559,843
25. **Subtotal Medical and Hospital** (Lines 5 to 24)	134,961,977	278,162,848	575,030,663
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	2,878,310	5,219,414	9,010,957
27. Inpatient Substance Abuse Treatment and Detox	281,654	436,567	463,765
28. Outpatient Mental Health Services	2,475,032	4,819,530	6,621,092
29. Outpatient Substance Abuse Treatment and Detox	501	3,516	5,190
30. Housing/Residential Treatment	3,362,180	5,903,482	5,310,384
31. Specialized Crisis Services	551,970	1,044,896	3,062,000
32. Psychiatric Rehab and Support Services	264,001	593,944	1,182,930
33. Case Management	1,178,766	2,188,289	9,708,400
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	27,822	39,047	164,041
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	1,323,734	2,464,484	6,834,748
42. PCP and Specialist Servcies	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. **Subtotal MH & SAS** (Lines 26 to 43)	12,343,970	22,713,169	42,363,507
45. **Subtotal Hospital, Medical, MH&SAS** (Lines 25 and 44)	147,305,947	300,876,017	617,394,170
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	8,725	21,413	52,528
48. Subrogation and Coordination of Benefits	-	-	(5,236)
49. **Subtotal Reinsurance, Copay, Subrogation** (Lines 46 to 48)	8,725	21,413	47,292
50. **Total Hospital, Medical, MH&SAS,** (Lines 45 and 49)	147,297,222	300,854,604	617,346,878
Administation:			
51. Compensation	10,888,008	20,983,080	42,554,458
52. Marketing	57,460	110,736	224,576
53. Health Insurer Fee	401,978	7,928,476	-
54. Premium Tax Expense	10,524,493	21,505,038	43,610,815
55. Occupancy, Depreciation, and Amortization	866,391	1,669,687	3,386,186
56. Other Administration - Write-Ins	5,367,426	10,343,957	20,977,936
57. **Total Administration Expenses** (Lines 51 to 56)	28,105,756	62,540,974	110,753,971
58. **Total Expenses** (Lines 50 and 57)	175,402,978	363,395,578	728,100,849
59. Extraordinary Item	-		
60. Provision for Income Tax	5,913,353	12,793,096	4,684,617
61. **Net Income (Loss)** (Line 4 Less Lines 58, 59 and 60)	10,454,492	15,635,616	8,877,060
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	654,417	12,907,572	-
0302. Pay-for-Performance Bonus	247,000	247,385	194,968
0399. Total Other Revenues	901,417	13,154,957	194,968
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,142,627	6,350,355	11,880,141
2202. Bad Debt Expense	251,182	238,097	680,174
2203. Out of Area Claims Expense	-	-	(472)
2299. Total Other Medical and Hospital	3,393,809	6,588,452	12,559,843
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	1,824,599	3,516,317	7,131,226
5602. Outsourced Services	1,410,477	2,718,232	5,512,676
5603. Auditing, Actuarial, and Other Consulting	942,468	1,816,299	3,683,524
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	627,155	1,208,637	2,451,162
5605. Postage/Telephone	386,178	744,232	1,509,329
5606. Printing and Stationary	176,549	340,240	690,019
5699. Total Other Administration	5,367,426	10,343,957	20,977,936

Report #2A: BlueCare East Only			
	Current Year		Previous Year
	Current Period	Year-to-Date Total	Total
Member Months	657,700	1,293,169	2,541,558
Estimated Revenues:			
1. TennCare Capitation	239,617,620	475,104,104	941,002,348
2. Investment	508,936	1,006,615	1,519,385
3. Other Revenues	1,016,404	17,247,591	108,192
4. **Total Estimated Revenues** (Lines 1 to 3)	241,142,960	493,358,310	942,629,925
Estimated Expenses:			
Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	-	-	-
6. Fee-for Service Physician Services	45,475,169	84,851,302	188,045,445
7. Inpatient Hospital Services	34,941,302	77,414,622	133,857,875
8. Outpatient Hospital Services	18,593,833	40,060,913	67,180,492
9. Emergency Room Services	4,338,334	9,445,408	16,369,199
10. Dental Services	835	1,820	4,736
11. Vision Services	172,775	338,088	753,058
12. Pharmacy Services	-	-	-
13. Home Health Services	7,433,970	13,790,556	29,654,699
14. Chiropractic Services	-	-	-
15. Radiology Services	1,852,762	3,343,920	7,729,268
16. Laboratory Services	1,883,276	3,191,074	7,286,390
17. Durable Medical Equipment Services	3,635,008	6,790,208	16,773,726
18. Transportation Services	4,055,853	7,898,859	15,391,749
19. Outside Referrals	-	-	-
20. Medical Incentive Pool and Withhold Adj	90,605	344,080	684,561
21. Occupancy, Depreciation and Amortization	-	-	-
22. Nursing Facility Care	36,404,116	77,748,723	159,248,677
23. HCBS Services	10,058,241	16,866,032	38,336,135
24. Other Medical and Hospital Services - Write-Ins	3,489,316	6,711,874	14,268,851
25. **Subtotal Medical and Hospital** (Lines 5 to 24)	172,425,395	348,797,479	695,584,861
Mental Health and Substance Abuse Services			
26. Inpatient Psychiatric Facility Services	1,435,881	2,679,910	5,927,554
27. Inpatient Substance Abuse Treatment and Detox	119,316	246,715	542,485
28. Outpatient Mental Health Services	3,223,016	6,451,844	13,303,570
29. Outpatient Substance Abuse Treatment and Detox	-	-	-
30. Housing/Residential Treatment	2,269,133	4,327,907	5,657,046
31. Specialized Crisis Services	793,999	1,539,546	3,082,650
32. Psychiatric Rehab and Support Services	801,898	1,487,933	3,294,801
33. Case Management	3,565,142	6,749,166	15,017,807
34. Forensics	-	-	-
35. Other Judicial	-	-	-
36. Pharmacy	-	-	-
37. Lab Services	42,536	81,912	191,103
38. Transportation	-	-	-
39. Medical Incentive Pool and Withhold Adjustments	-	-	-
40. Occupancy, Depreciation and Amortization	-	-	-
41. Other Mental Health and Substance Abuse Services	2,428,779	4,594,509	8,871,142
42. PCP and Specialist Servcies	-	-	-
43. Other Mental Health Services - Write-Ins	-	-	-
44. **Subtotal MH & SAS** (Lines 26 to 43)	14,679,700	28,159,442	55,888,158
45. **Subtotal Hospital, Medical, MH&SAS** (Lines 25 and 44)	187,105,095	376,956,921	751,473,019
LESS:			
46. Net Reinsurance Recoveries Incurred	-	-	-
47. Copayments	21,637	48,733	120,617
48. Subrogation and Coordination of Benefits	200	200	(2,620)
49. **Subtotal Reinsurance, Copay, Subrogation** (Lines 46 to 48)	21,837	48,933	117,997
50. **Total Hospital, Medical, MH&SAS,** (Lines 45 and 49)	187,083,258	376,907,988	751,355,022
Administation:			
51. Compensation	13,405,651	25,243,847	52,871,838
52. Marketing	70,746	133,222	279,025
53. Health Insurer Fee	505,053	10,475,060	-
54. Premium Tax Expense	13,234,870	27,079,342	56,814,267
55. Occupancy, Depreciation, and Amortization	1,066,727	2,008,729	4,207,171
56. Other Administration - Write-Ins	6,608,543	12,444,378	26,064,060
57. **Total Administration Expenses** (Lines 51 to 56)	34,891,590	77,384,578	140,236,361
58. **Total Expenses** (Lines 50 and 57)	221,974,848	454,292,566	891,591,383
59. Extraordinary Item	-	-	-
60. Provision for Income Tax	7,094,481	17,447,952	17,630,270
61. **Net Income (Loss)** (Line 4 Less Lines 58, 59 and 60)	12,073,631	21,617,792	33,408,272
Write-Ins for Other Expense			
Detail of Other Revenues			
0301. Insurer Provider Revenue	822,225	17,053,412	-
0302. Pay-for-Performance Bonus	194,179	194,179	108,192
0399. Total Other Revenues	1,016,404	17,247,591	108,192
Detail of Other Medical and Hospital:			
2201. PT/OT/ST, Supplies, Prosthetics, etc.	3,182,315	6,420,866	13,437,804
2202. Bad Debt Expense	307,001	291,008	831,324
2203. Out of Area Claims Expense	-	-	(277)
2299. Total Other Medical and Hospital	3,489,316	6,711,874	14,268,851
Detail of Other MH & SAS:			
4101.	-	-	-
4102.	-	-	-
4103.	-	-	-
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5601. Equipment Rental	2,246,503	4,230,332	8,860,198
5602. Outsourced Services	1,736,623	3,270,190	6,849,230
5603. Auditing, Actuarial, and Other Consulting	1,160,397	2,185,114	4,576,599
5604. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	772,174	1,454,061	3,045,450
5605. Postage/Telephone	475,474	895,353	1,875,268
5606. Printing and Stationary	217,372	409,328	857,315
5699. Total Other Administration	6,608,543	12,444,378	26,064,060

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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	857,465,331	820,699,273	1,677,051,246
2.	Net investment income	3,844,383	3,436,127	7,119,782
3.	Miscellaneous income	0	0	0
4.	TOTAL (Lines 1 to 3)	861,309,714	824,135,400	1,684,171,028
5.	Benefit and loss related payments	669,807,710	672,060,245	1,369,439,781
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	145,221,598	121,543,993	242,775,581
8.	Dividends paid to policyholders	0	0	0
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	29,360,783	9,034,385	22,252,876
10.	TOTAL (Lines 5 through 9)	844,390,091	802,638,623	1,634,468,238
11.	Net cash from operations (Line 4 minus Line 10)	16,919,623	21,496,777	49,702,790
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	279,188,611	106,955,774	205,306,939
	12.2 Stocks	0	0	0
	12.3 Mortgage loans	0	0	0
	12.4 Real estate	0	0	0
	12.5 Other invested assets	0	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(1,310)	0	722
	12.7 Miscellaneous proceeds	1,152,957	903	0
	12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	280,340,258	106,956,677	205,307,661
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	138,473,982	200,208,476	335,873,342
	13.2 Stocks	0	0	0
	13.3 Mortgage loans	0	0	0
	13.4 Real estate	0	0	0
	13.5 Other invested assets	0	0	0
	13.6 Miscellaneous applications	0	139,096	1,182,833
	13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	138,473,982	200,347,572	337,056,175
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)	141,866,276	(93,390,895)	(131,748,514)
	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)	21,569,570	(27,071,631)	(23,524,566)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	21,569,570	(27,071,631)	(23,524,566)
	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)	180,355,469	(98,965,749)	(105,570,290)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	70,383,514	175,953,804	175,953,804
	19.2 End of period (Line 18 plus Line 19.1)	250,738,983	76,988,055	70,383,514

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		0	0	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	382,727	0	0	0	0	0	0	0	382,727	0
2. First Quarter	392,609	0	0	0	0	0	0	539	392,070	0
3. Second Quarter	405,582	0	0	0	0	0	0	1,198	404,384	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	2,372,056	0	0	0	0	0	0	3,674	2,368,382	0
Total Member Ambulatory Encounters for Period:										
7. Physician	2,240,625	0	0	0	0	0	0	7,393	2,233,232	0
8. Non-Physician	194,837	0	0	0	0	0	0	643	194,194	0
9. Total	2,435,462	0	0	0	0	0	0	8,036	2,427,426	0
10. Hospital Patient Days Incurred	164,929	0	0	0	0	0	0	771	164,158	0
11. Number of Inpatient Admissions	21,737	0	0	0	0	0	0	83	21,654	0
12. Health Premiums Written (a)	888,695,722	0	0	0	0	0	0	3,877,233	884,818,489	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	887,195,722	0	0	0	0	0	0	3,877,233	883,318,489	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	671,077,034	0	0	0	0	0	0	2,067,797	669,009,237	0
18. Amount Incurred for Provision of Health Care Services	680,767,723	0	0	0	0	0	0	3,016,726	677,750,997	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....3,877,233.

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
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0399999 Aggregate Accounts Not Individually Listed - Covered	8,809,388	11,396,301	4,220,730	2,442,150	1,215,115	28,083,684
0499999 Subtotals	8,809,388	11,396,301	4,220,730	2,442,150	1,215,115	28,083,684
0599999 Unreported claims and other claim reserves						122,714,270
0799999 Total Claims Unpaid						150,797,954
0899999 Accrued Medical Incentive Pool And Bonus Amounts						650,000

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
1. Comprehensive (hospital & medical)	0	0	0	0	0	0
2. Medicare Supplement	0	0	0	0	0	0
3. Dental only	0	0	0	0	0	0
4. Vision only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	0	2,067,797	0	948,929	0	0
7. Title XIX - Medicaid	127,258,962	541,750,275	(2,509,024)	152,358,049	124,749,938	142,357,184
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	127,258,962	543,818,072	(2,509,024)	153,306,978	124,749,938	142,357,184
10. Healthcare receivables (a)	2,000,366	400,075	0	0	2,000,366	2,968,786
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	845,074	0	0	650,000	845,074	813,500
13. Totals (Lines 9 - 10 + 11 + 12)	126,103,670	543,417,997	(2,509,024)	153,956,978	123,594,646	140,201,898

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. The accompanying financial statements of Volunteer State Health Plan, Inc. (VSHP or the Company), doing business as BlueCare Tennessee, are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (TDCI).

The TDCI recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the State of Tennessee. Prescribed accounting practices are those practices which are incorporated directly or by reference to state laws, regulations and general administrative rules applicable to all insurance enterprises domiciled in Tennessee. Permitted accounting practices include deviations from NAIC Statutory Accounting Principles (SAP) specifically requested by an insurer and granted by the TDCI. These statements have no deviations from NAIC SAP other than as described in the following paragraphs.

The Company has accepted the risk for uninsured claims overpayments for which the Company determined the State of Tennessee was not responsible. At the direction of the TDCI, the Company records the uninsured claims overpayments as claims expense rather than reporting the net gain or loss on the general administrative expense line as required by NAIC SAP.

At the direction of the TDCI, the Company does not report the receivables and associated payables related to premium taxes for Administrative Services Only (ASO) business. The rationale behind the offset of these assets and liabilities is that they have no economic impact on the Company. The offset for ASO plans became effective in 2003. This treatment has no impact on net income or surplus.

At the direction of the TDCI, the Company discloses gross transactions with the affiliates listed on Schedule Y of the Annual Statement. This treatment has no impact on net income or surplus.

There are no differences between NAIC SAP and practices prescribed and permitted by the State of Tennessee with regards to the Company's net income or capital and surplus as of June 30, 2014 or December 31, 2013.

	State of Domicile	June 30, 2014	December 31, 2013
NET INCOME			
(1) VSHP state basis (Page 4, Line 32, Columns 2&4)	TN	$ 35,704,919	$ 42,015,897
(2) State prescribed practices that (increase)/decrease NAIC SAP:	TN	0	0
(3) State permitted practices that (increase)/decrease NAIC SAP:	TN	0	0
(4) NAIC SAP (1-2-3=4)	TN	$ 35,704,919	$ 42,015,897
SURPLUS			
(5) VSHP state basis (Page 3, Line 33, Columns 3&4)	TN	$ 294,561,107	$ 256,869,320
(6) State prescribed practices that (increase)/decrease NAIC SAP:	TN	0	0
(7) State permitted practices that (increase)/decrease NAIC SAP:	TN	0	0
(8) NAIC SAP (5-6-7=8)	TN	$ 294,561,107	$ 256,869,320

B. No Change

C. No Change

2. Accounting Changes and Corrections of Errors

No Change

3. Business Combinations and Goodwill

A. No Change

B. No Change

C. No Change

D. No Change

4. Discontinued Operations

No Change

5. Investments

A. No Change

B. No Change

C. No Change

Notes to Financial Statement

D. (1) Prepayment assumptions for loan-backed securities are consistent with current market and economic conditions and were obtained from Bloomberg, bond portfolio managers, pricing services and custodians. Fair values are obtained from custodians using actual market quotes, if available, or matrix pricing of securities with similar terms.

(2)&(3) The Company has not recognized any other-than temporary impairments (OTTI) on loan-backed securities as of June 30, 2014.

(4) Aggregate unrealized losses and related fair value of loan-backed securities where fair value was less than amortized cost at June 30, 2014 and for which OTTI has not been recognized is as follows:

a.	The aggregate amount of unrealized losses:	1. Less than 12 months	$ 18,832
		2. 12 months or longer	$ 9,382
b.	The aggregate related fair value of securities with unrealized losses:	1. Less than 12 months	$ 8,301,889
		2. 12 months or longer	$ 4,050,717

(5) On a quarterly basis, management uses a variety of methods and procedures, both quantitative and qualitative, to review and analyze the Company's investment portfolio to identify securities that management believes to be other-than-temporarily impaired.

E. The Company had no repurchase agreements or securities lending transactions during the six months ended June 30, 2014.

F. No Change

G. No Change

H. No Change

I. The Company had no working capital finance investments as of June 30, 2014.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. No Change

B. No Change

7. Investment Income

A. No Change

B. No Change

8. Derivative Instruments

A. No Change

B. No Change

C. No Change

D. No Change

E. No Change

F. No Change

9. Income Taxes

A. No Change

B. No Change

C. No Change

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

	June 30, 2014	Effective Tax Rate
Provision computed at statutory rate	$ 22,772,995	35.0%
ACA Health Insurer Fee	6,441,238	9.9%
Change in net deferred income taxes	146,550	0.2%
Federal income taxes incurred	$ 29,360,783	45.1%

E. No Change

F. No Change

G. No Change

Notes to Financial Statement

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

A. The Company is a wholly owned subsidiary of Southern Diversified Business Services, Inc. (SDBS). BlueCross BlueShield of Tennessee, Inc. (BCBST) owns 100% of SDBS.

B&C. BCBST transferred $1,212,703 in capital contributions to SDBS during the year ended December 31, 2013. None of these capital contributions were passed through to VSHP. No amounts were transferred to SDBS or VSHP for the six months ended June 30, 2014.

The Company paid BCBST $76,089,094 and $134,169,231 for services performed under administrative services and tax sharing agreements during the six months ended June 30, 2014 and the year ended December 31, 2013, respectively, net of payments from BCBST.

D. No Change

E. No Change

F. No Change

G. No Change

H. No Change

I. No Change

J. No Change

K. No Change

L. No Change

11. Debt

A. No Change

B. The Company had no Federal Home Loan Bank agreements as of June 30, 2014.

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

A. All disclosures related to defined benefit plans are included in the quarterly statement of BCBST.

B. No Change

C. No Change

D. No Change

E. No Change

F. No Change

G. No Change

H. No Change

I. No Change

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

(1) No Change

(2) No Change

(3) No Change

(4) No Change

(5) No Change

(6) No Change

(7) No Change

(8) No Change

(9) No Change

(10) No Change

(11) No Change

(12) No Change

(13) No Change

Notes to Financial Statement

14. Contingencies

A. No Change

B. No Change

C. No Change

D. No Change

E. No Change

15. Leases

A. No Change

B. No Change

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

No Change

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

A. No Change

B. The Company had no transfers, servicing or extinguishment of financial assets or liabilities during the six months ended June 30, 2014.

C. The Company had no wash sales involving transactions for securities with an unrated NAIC designation or a designation of 3 or higher during the six months ended June 30, 2014.

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

A. TennCare Select and the Stabilization Plan are ASO arrangements with the State of Tennessee, effective July 1, 2001 and July 1, 2002, respectively. Cash and invested assets related to TennCare Select and the Stabilization Plan are reported in the appropriate categories on the Assets statement. Premium tax receivable from the State of Tennessee is netted against premium tax payable to the State of Tennessee for premium taxes related to ASO plans. Other assets and liabilities related to TennCare Select and the Stabilization Plan are netted and reported either on page 2, line 17, Amounts receivable relating to uninsured plans or on page 3, line 22, Liability for amounts held under uninsured plans.

The gains from operations from ASO uninsured plans and the uninsured portion of partially insured plans were as follows for the six months ended June 30, 2014:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 1,799,798	$ 0	$ 1,799,798
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain from operations	$ 1,799,798	$ 0	$ 1,799,798
d. Total claim payment volume	$ 174,979,277	$ 0	$ 174,979,277

B. No Change

C. No Change

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

No Change

20. Fair Value Measurement

A&B. As of June 30, 2014 and December 31, 2013, the Company held only investment grade bonds, bond index exchange-traded funds (ETFs) approved by the Securities Valuation Office of the NAIC for bond treatment and money-market funds. Bonds and bond index ETFs are reported at amortized cost in accordance with SSAP No. 26, *Bonds, Excluding Loan-backed and Structured Securities*. The Company is not required to report any of its assets or liabilities at fair value under SSAP No. 100, *Fair Value Measurements*.

Notes to Financial Statement

C. The following tables provide information about the fair value of the Company's financial assets as of June 30, 2014 and December 31, 2013.

	June 30, 2014					
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Type of Financial Instrument						
Bonds:						
U.S. government and government agencies and authorities	$ 43,729,641	$ 43,689,153	$ 40,492,354	$ 3,237,287	$ 0	$ 0
States, municipalities and political subdivisions	6,723,687	6,682,069	1,131,945	5,591,742	0	0
Foreign securities, including Canada	24,574,120	24,315,094	9,978,659	14,595,461	0	0
Agency mortgage-backed securities	25,629,921	25,333,744	0	25,629,921	0	0
Commercial mortgage-backed securities	20,527,829	20,468,138	0	20,527,829	0	0
Asset-backed securities	20,640,939	20,585,915	0	20,640,939	0	0
Total return bond index ETF	8,793,248	8,844,071	8,793,248	0	0	0
Investment grade corporate bonds	99,395,276	98,720,440	62,705,793	36,689,483	0	0
Total bonds	250,014,661	248,638,624	123,101,999	126,912,662	0	0
Short-term investments	240,826,002	240,826,002	240,826,002	0	0	0
Total bonds and short-term investments	$ 490,840,663	$ 489,464,626	$ 363,928,001	$ 126,912,662	$ 0	$ 0

	December 31 , 2013					
	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Type of Financial Instrument						
Bonds:						
U.S. government and government agencies and authorities	$ 78,610,434	$ 78,679,595	$ 66,982,046	$ 11,628,388	$ 0	$ 0
States, municipalities and political subdivisions	5,089,531	5,109,033	2,134,154	2,955,377	0	0
Foreign securities, including Canada	31,475,961	31,366,224	5,401,636	26,074,325	0	0
Agency mortgage-backed securities	31,769,848	31,555,830	0	31,769,848	0	0
Commercial mortgage-backed securities	19,166,605	19,156,936	0	19,166,605	0	0
Asset-backed securities	58,118,289	58,082,267	0	58,118,289	0	0
Total return bond index ETF	8,449,585	8,844,071	8,449,585	0	0	0
Investment grade corporate bonds	158,711,725	158,187,826	35,155,937	123,555,788	0	0
Total bonds	391,391,978	390,981,782	118,123,358	273,268,620	0	0
Short-term investments	31,556,473	31,556,697	30,454,647	1,101,826	0	0
Total bonds and short-term investments	$ 422,948,451	$ 422,538,479	$ 148,578,005	$ 274,370,446	$ 0	$ 0

Valuation techniques for estimating fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or similar assets. The income approach converts future amounts, such as cash flows or earnings, to a single present value. The cost approach is based on the amount that would be required to replace the asset or the service capacity of the asset. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is reasonably available. The Company applied valuation techniques on a consistent basis to similar assets at June 30, 2014 and December 31, 2013.

Fair values are based on quoted market prices when available. In instances where there is little or no market activity for the same or similar instruments, management estimates fair value using methods, models and assumptions a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve estimation and judgment which could become significant with increasingly complex instruments or pricing models. The degree of judgment utilized in measuring fair value generally correlates to the level of pricing observability. Pricing observability is generally impacted by a number of factors including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and overall market conditions. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

A description of the inputs and methods used to determine fair value for financial assets is as follows:

Level 1 assets – Fair values are determined using unadjusted quoted prices in active markets provided by independent pricing services.

Notes to Financial Statement

Level 2 assets – Fair values are determined using prices provided by independent pricing services, which may use quoted market prices of similar or identical securities or models that incorporate inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

When determining fair value, the Company obtains an understanding of the methods, models and inputs used by independent pricing services and has controls in place to validate that amounts provided represent current exit prices. In addition, management periodically reviews securities in the portfolio with the Company's investment managers. If unusual fluctuations or significant variances in the pricing provided from different sources are noted, management may obtain additional information from other pricing services, or request an investigation into the valuation of the security by the pricing service to validate the quoted price. There were no adjustments to quoted market prices obtained from independent pricing services during the periods ended June 30, 2014 and December 31, 2013.

D. The Company held no financial assets for which it was not practicable to estimate the fair value at June 30, 2014 and December 31, 2013.

21. Other Items

A. No Change

B. No Change

C. Expenses are shown on the Statement of Revenue and Expenses, net of administrative fees from ASO contracts. The following provides a comparison of expenses adjusted for ASO administrative fees, the Affordable Care Act (ACA) annual fee assessment and premium tax for the six months ended June 30, 2014 and 2013:

Line#	Administrative Expenses:	June 30, 2014	June 30, 2013	% Change
20	Claims adjustment expense	$ 46,887,516	$ 46,744,912	
21	General administrative expense	96,305,865	75,949,377	
	Total expense	143,193,381	122,694,289	
	ASO administrative fees	26,753,439	26,086,480	
	ACA annual fee assessment	(18,403,536)	0	
	Premium tax	(59,666,354)	(56,884,171)	
	Expenses, net of adjustments	$ 91,876,930	$ 91,896,598	(0.02%)

D. No Change

E. No Change

F. No Change

G. No Change

H. The Company did not offset any derivative, repurchase, reverse repurchase, securities borrowing or securities lending assets and liabilities during the six months ended June 30, 2014.

I. No Change

J. The services offered by the Company are not subject to the risk sharing provisions of the ACA as of June 30, 2014.

22. Events Subsequent

A. No Change

B. No Change

23. Reinsurance

A. No Change

B. No Change

C. No Change

D. No Change

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. No Change

B. No Change

C. No Change

D. No Change

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses

As of December 31, 2013, the reserve for unpaid insured claims, accrued medical incentive pool and unpaid claim adjustment expenses, net of gross healthcare receivables, was $146,522,055. Through June 30, 2014, $131,788,293 was paid for expenses attributable to insured events of prior years. The re-estimation of reserves for unpaid insured claims, accrued medical incentive pool and claim adjustment expenses, net of gross healthcare receivables, for 2013 and prior based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior-year development of $17,355,890. The reserve remaining for prior years is $(2,622,128) as of June 30, 2014 due to the estimation that recoveries will exceed payouts.

26. Intercompany Pooling Arrangements

A. No Change

B. No Change

C. No Change

D. No Change

E. No Change

F. No Change

G. No Change

27. Structured Settlements

No Change

28. Health Care Receivables

A. No Change

B. No Change

29. Participating Policies

No Change

30. Premium Deficiency Reserves

No Change

31. Anticipated Salvage and Subrogation

No Change

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GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]

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

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] 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[X]
3.3 If the response to 3.2 is yes, provide a brief description of those changes:

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
4.2 If yes, provide the name of 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[X]
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. 12/31/2011
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). 03/27/2013
6.4 By what department or departments?
Tennessee Department of Commerce and Insurance
6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] 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[X]
7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
9.11 If the response to 9.1 is No, please explain:
9.2 Has the code of ethics for senior managers been amended? Yes[X] No[ ]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
The annual review of the Code of Business Conduct resulted in non-substantive situation and language modifications with an updated CEO message. The updated Code was effective January 2014.
9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[ ] No[X]
14.2 If yes, please complete the following:

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

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

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
Bank of New York Mellon	One Mellon Center, Pittsburgh, PA 15258

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 and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
Exempt	Income Research and Management	Two International Place 23rd Floor, Boston, MA 02110-4106
705	Raymond James	50 Front Street, Memphis, TN 38103
102920	JP Morgan	270 Park Avenue 4th Floor, New York NY 10017
7927	Northern Trust Guaranteed Advisors	50 S. LaSalle Street, Chicago, IL 60675
Exempt	Pimco	840 Newport Center Drive, Newport Beach, CA 92660
Exempt	Wellington Management Company, LLP	280 Congress Street, Boston, MA 02210

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[ ]
18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
   1.1 A&H loss percent 79.850%
   1.2 A&H cost containment percent 3.118%
   1.3 A&H expense percent excluding cost containment expenses 13.022%

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

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N	0	0	0	0	0	0	0	0
2.	Alaska (AK)	N	0	0	0	0	0	0	0	0
3.	Arizona (AZ)	N	0	0	0	0	0	0	0	0
4.	Arkansas (AR)	N	0	0	0	0	0	0	0	0
5.	California (CA)	N	0	0	0	0	0	0	0	0
6.	Colorado (CO)	N	0	0	0	0	0	0	0	0
7.	Connecticut (CT)	N	0	0	0	0	0	0	0	0
8.	Delaware (DE)	N	0	0	0	0	0	0	0	0
9.	District of Columbia (DC)	N	0	0	0	0	0	0	0	0
10.	Florida (FL)	N	0	0	0	0	0	0	0	0
11.	Georgia (GA)	N	0	0	0	0	0	0	0	0
12.	Hawaii (HI)	N	0	0	0	0	0	0	0	0
13.	Idaho (ID)	N	0	0	0	0	0	0	0	0
14.	Illinois (IL)	N	0	0	0	0	0	0	0	0
15.	Indiana (IN)	N	0	0	0	0	0	0	0	0
16.	Iowa (IA)	N	0	0	0	0	0	0	0	0
17.	Kansas (KS)	N	0	0	0	0	0	0	0	0
18.	Kentucky (KY)	N	0	0	0	0	0	0	0	0
19.	Louisiana (LA)	N	0	0	0	0	0	0	0	0
20.	Maine (ME)	N	0	0	0	0	0	0	0	0
21.	Maryland (MD)	N	0	0	0	0	0	0	0	0
22.	Massachusetts (MA)	N	0	0	0	0	0	0	0	0
23.	Michigan (MI)	N	0	0	0	0	0	0	0	0
24.	Minnesota (MN)	N	0	0	0	0	0	0	0	0
25.	Mississippi (MS)	N	0	0	0	0	0	0	0	0
26.	Missouri (MO)	N	0	0	0	0	0	0	0	0
27.	Montana (MT)	N	0	0	0	0	0	0	0	0
28.	Nebraska (NE)	N	0	0	0	0	0	0	0	0
29.	Nevada (NV)	N	0	0	0	0	0	0	0	0
30.	New Hampshire (NH)	N	0	0	0	0	0	0	0	0
31.	New Jersey (NJ)	N	0	0	0	0	0	0	0	0
32.	New Mexico (NM)	N	0	0	0	0	0	0	0	0
33.	New York (NY)	N	0	0	0	0	0	0	0	0
34.	North Carolina (NC)	N	0	0	0	0	0	0	0	0
35.	North Dakota (ND)	N	0	0	0	0	0	0	0	0
36.	Ohio (OH)	N	0	0	0	0	0	0	0	0
37.	Oklahoma (OK)	N	0	0	0	0	0	0	0	0
38.	Oregon (OR)	N	0	0	0	0	0	0	0	0
39.	Pennsylvania (PA)	N	0	0	0	0	0	0	0	0
40.	Rhode Island (RI)	N	0	0	0	0	0	0	0	0
41.	South Carolina (SC)	N	0	0	0	0	0	0	0	0
42.	South Dakota (SD)	N	0	0	0	0	0	0	0	0
43.	Tennessee (TN)	L	0	3,877,233	884,818,489	0	0	0	888,695,722	0
44.	Texas (TX)	N	0	0	0	0	0	0	0	0
45.	Utah (UT)	N	0	0	0	0	0	0	0	0
46.	Vermont (VT)	N	0	0	0	0	0	0	0	0
47.	Virginia (VA)	N	0	0	0	0	0	0	0	0
48.	Washington (WA)	N	0	0	0	0	0	0	0	0
49.	West Virginia (WV)	N	0	0	0	0	0	0	0	0
50.	Wisconsin (WI)	N	0	0	0	0	0	0	0	0
51.	Wyoming (WY)	N	0	0	0	0	0	0	0	0
52.	American Samoa (AS)	N	0	0	0	0	0	0	0	0
53.	Guam (GU)	N	0	0	0	0	0	0	0	0
54.	Puerto Rico (PR)	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 alien (OT)	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	0	3,877,233	884,818,489	0	0	0	888,695,722	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61.	Total (Direct Business)	(a) 1	0	3,877,233	884,818,489	0	0	0	888,695,722	0
DETAILS OF WRITE-INS										
5801.		XXX	0	0	0	0	0	0	0	0
5802.		XXX	0	0	0	0	0	0	0	0
5803.		XXX	0	0	0	0	0	0	0	0
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

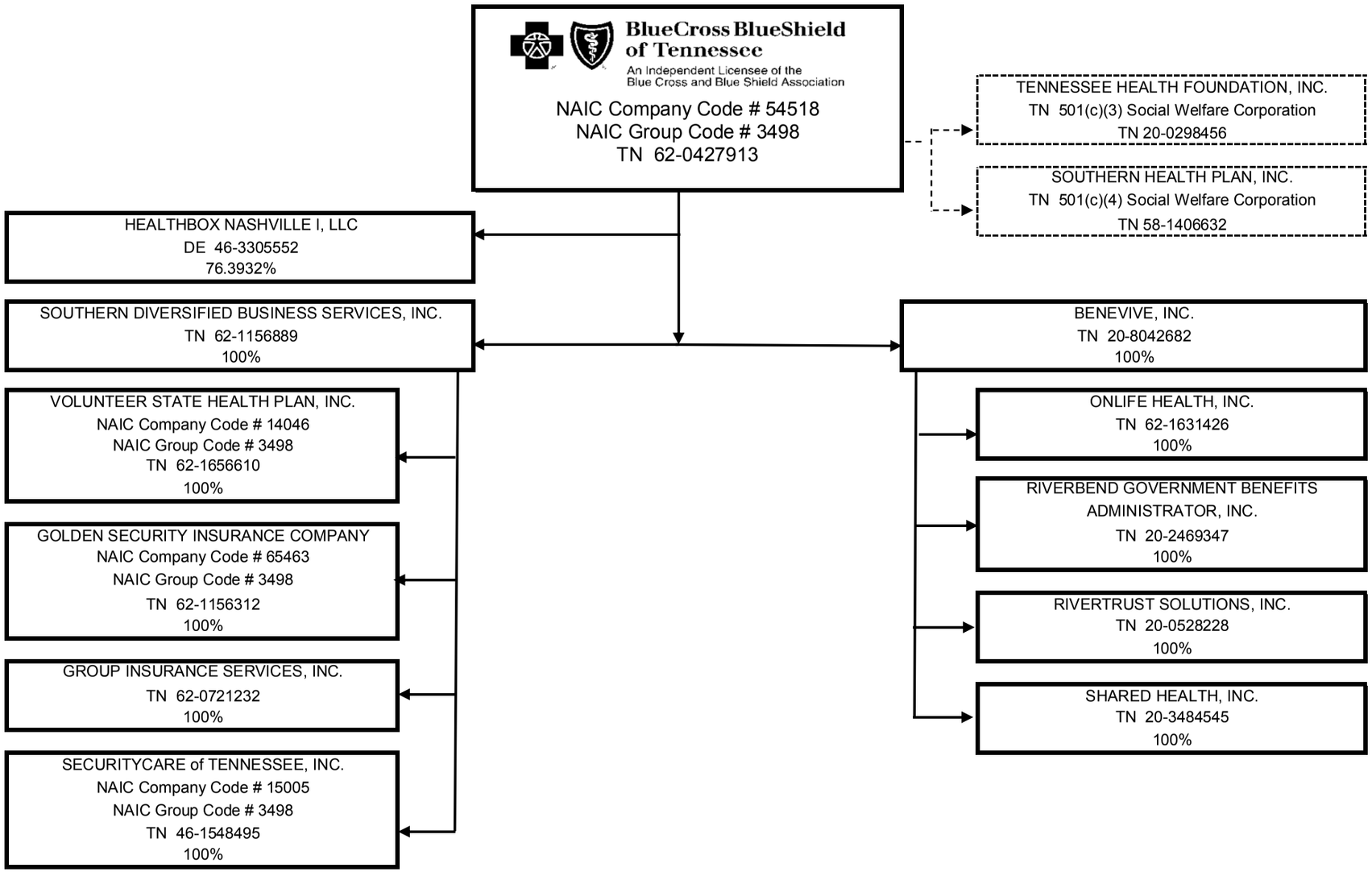
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 FEDERAL RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies) / Person(s)	15 *
3498	BlueCross BlueShield of Tennessee	54518	62-0427913				BlueCross BlueShield of Tennessee, Inc.	TN	UIP			0.0		
0000		00000	62-1156889				Southern Diversified Business Services, Inc.	TN	UDP	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee	14046	62-1656610				Volunteer State Heatlh Plan, Inc.	TN	RE	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee	65463	62-1156312				Golden Security Insurance Company	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
3498	BlueCross BlueShield of Tennessee, Inc.	15005	46-1548495				SecurityCare of Tennessee, Inc.	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	62-0721232				Group Insurance Services	TN	IA	Southern Diversified Business Services, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-8042682				BeneVive, Inc.	TN	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	62-1631426				Onlife Health, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-2469347				Riverbend Government Benefits Administrator, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-0528228				RiverTrust Solutions, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	20-3484545				Shared Heatlh, Inc.	TN	NIA	BeneVive, Inc.	Ownership	100.0	BlueCross BlueShield of Tennessee, Inc.	
0000		00000	58-1406632				Southern Health Plan	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors	0.0	BlueCross BlueShield of Tennessee, Inc.	0000002
0000		00000	20-0298456				Tennessee Health Foundation, Inc.	TN	OTH	BlueCross BlueShield of Tennessee, Inc.	Board of Directors	0.0	BlueCross BlueShield of Tennessee, Inc.	0000001
0000		00000	42-3305552				Healthbox Nashville I, Inc.	DE	NIA	BlueCross BlueShield of Tennessee, Inc.	Ownership, Influence	76.4	BlueCross BlueShield of Tennessee, Inc.	

Asterisk	Explanation
0000001	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Tennessee Health Foundation, Inc.
0000002	BlueCross BlueShield of Tennessee, Inc. appoints the Board of Southern Health Plan, Inc. doing business as BlueCross BlueShield of Tennessee Community Trust

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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

14046201436500002 2014 Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Pending Escheatment To State	395,891	0	395,891	479,300
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)	395,891	0	395,891	479,300

SCHEDULE A - VERIFICATION

Real Estate

NONE

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	0	0
2.	Cost of acquired		
	2.1 Actual cost at time of acquisition	0	0
	2.2 Additional investment made after acquisition	0	0
3.	Current year change in encumbrances	0	0
4.	Total gain (loss) on disposals	0	0
5.	Deduct amounts received on disposals	0	0
6.	Total foreign exchange change in book/adjusted carrying va	0	0
7.	Deduct current year's other than temporary impairment recognized	0	0
8.	Deduct current year's depreciation	0	0
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	0	0
10.	Deduct total nonadmitted amounts	0	0
11.	Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

		1 Year To Date	2 Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition	0	0
	2.2 Additional investment made after acquisition	0	0
3.	Capitalized deferred interest and other	0	0
4.	Accrual of discount	0	0
5.	Unrealized valuation increase (decrease)	0	0
6.	Total gain (loss) on disposals	0	0
7.	Deduct amounts received on disposals	0	0
8.	Deduct amortization of premium and mortgage interest poin	0	0
9.	Total foreign exchange change in book value/recorded inve	0	0
10.	Deduct current year's other than temporary impairment recognized	0	0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	0	0
12.	Total valuation allowance	0	0
13.	Subtotal (Line 11 plus Line 12)	0	0
14.	Deduct total nonadmitted amounts	0	0
15.	Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	390,981,782	265,079,879
2.	Cost of bonds and stocks acquired	138,473,982	335,873,342
3.	Accrual of discount	89,711	119,488
4.	Unrealized valuation increase (decrease)	0	0
5.	Total gain (loss) on disposals	287,125	(176,514)
6.	Deduct consideration for bonds and stocks disposed of	279,188,611	205,306,939
7.	Deduct amortization of premium	2,005,365	4,607,474
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)	248,638,624	390,981,782
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	248,638,624	390,981,782

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)	424,989,767	755,831,463	718,205,985	(840,639)	424,989,767	461,774,606	0	409,655,095
2. NAIC 2 (a)	24,499,675	3,776,033	507,475	(78,214)	24,499,675	27,690,019	0	12,883,384
3. NAIC 3 (a)	0	0	0	0	0	0	0	0
4. NAIC 4 (a)	0	0	0	0	0	0	0	0
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	449,489,443	759,607,496	718,713,460	(918,853)	449,489,443	489,464,626	0	422,538,479
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 & Preferred Stock	449,489,443	759,607,496	718,713,460	(918,853)	449,489,443	489,464,626	0	422,538,479

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	240,826,002	X X X	240,826,002	23,121	0

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	31,556,697	169,312,724
2.	Cost of short-term investments acquired	1,156,270,158	1,823,399,173
3.	Accrual of discount	0	1,132
4.	Unrealized valuation increase (decrease)	0	(1,132)
5.	Total gain (loss) on disposals	122	903
6.	Deduct consideration received on disposals	946,994,434	1,961,067,240
7.	Deduct amortization of premium	6,541	88,863
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)	240,826,002	31,556,697
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	240,826,002	31,556,697

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	0
2.	Cost Paid/(Consideration Received) on additions	0
3.	Unrealized Valuation increase/(decrease)	0
4.	Total gain (loss) on termination recognized	0
5.	Considerations received/(paid) on terminations	0
6.	Amortization	0
7.	Adjustment to the Book/Adjusted Carrying Value of hed	0
8.	Total foreign exchange change in Book/Adjusted Carrying value	0
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)	0
10.	Deduct nonadmitted assets	0
11.	Statement value at end of current period (Line 9 minus Line 10)	0

NONE

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31 of prior year (Line 6, prior year)				0
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)				0
3.1	Add:				
Change in variation margin on open contracts - Highly Effective Hedges					
3.11	Section 1, Column 15, current year to date minus	0			
3.12	Section 1, Column 15, prior year	0	0		
Change in variation margin on open contracts - All Other					
3.13	Section 1, Column 18, current year to date minus	0			
3.14	Section 1, Column 18, prior year	0	0	0	
3.2	Add:				
Change in adjustment to basis of hedged item					
3.21	Section 1, Column 17, current year to date minus	0			
3.22	Section 1, Column 17, prior year	0	0		
Change in amount recognized					
3.23	Section 1, Column 19, current year to date min				
3.24	Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation Margin on terminated contracts during the year		0		
4.2	Less:				
4.21	Amount used to adjust basis of hedged item	0			
4.22	Amount recognized	0	0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				0
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				0
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				0
7.	Deduct total nonadmitted amounts				0
8.	Statement value at end of current period (Line 6 minus Line 7)				0

NONE

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
						NONE									
9999999 Totals				0	0	XXX	XXX	XXX	0	0	XXX	XXX	XXX	0	0

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory	0	0	0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions	0	0	0	0	0	0	0	0	0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX	0	XXX	0	XXX	0	XXX	0	XXX	0
4. Less: Closed or Disposed of Transactions	0	0	0	0	0	0	0	0	0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria	0	0	0	0	0	0	0	0	0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX	0	XXX	0	XXX	0	XXX	0	XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value	Check
1.	Part A, Section 1, Column 14	0	
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance	0	
3.	Total (Line 1 plus Line 2)		0
4.	Part D, Section 1, Column 5	0	
5.	Part D, Section 1, Column 6	0	
6.	Total (Line 3 minus Line 4 minus Line 5)		0

		Fair Value	Check
7.	Part A, Section 1, Column 16	0	
8.	Part B, Section 1, Column 13	0	
9.	Total (Line 7 plus Line 8)		0
10.	Part D, Section 1, Column 8	0	
11.	Part D, Section 1, Column 9	0	
12.	Total (Line 9 minus Line 10 minus Line 11)		0

N O N E

		Potential Exposure	Check
13.	Part A, Section 1, Column 21	0	
14.	Part B, Section 1, Column 20	0	
15.	Part D, Section 1, Column 11	0	
16.	Total (Line 13 plus Line 14 minus Line 15)		0

SCHEDULE E - Verification

(Cash Equivalents)

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	0	2,698,693
2.	Cost of cash equivalents acquired	4,493,642	42,567,113
3.	Accrual of discount	0	570
4.	Unrealized valuation increase (decrease)	0	(570)
5.	Total gain (loss) on disposals	88	0
6.	Deduct consideration received on disposals	4,493,730	45,265,806
7.	Deduct amortization of premium	0	0
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)	0	0
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	0	0

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
NONE								
0399999 Totals					0	0	0	0

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B/A C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B/A C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
NONE																			
0399999 Totals					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
NONE								
3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999)						0	0	0

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consider-ation	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
NONE																	
0599999 Totals						0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
NONE												
4699999 TOTALS								0	0	0	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9 + 10 - 11 + 12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
NONE																			
4699999 TOTALS							0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828C73	U S TREASURY NOTE		05/29/2014	VARIOUS	XXX	11,170,996	11,148,000	9,151	1
912828VG2	U S TREASURY NOTE		04/29/2014	Morgan Stanley	XXX	1,109,177	1,109,000	2,072	1
0599999 Subtotal - Bonds - U.S. Governments					XXX	12,280,173	12,257,000	11,223	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
04057PJL3	ARIZONA ST SCH FACS BRD COPS		06/04/2014	Merrill Lynch	XXX	1,863,000	1,863,000	0	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					XXX	1,863,000	1,863,000	0	XXX
Bonds - U.S. Special Revenue, Special Assessment									
3136ADZT9	FNMA GTD REMIC P/T 13-M5 ASQ2		06/01/2014	Salomon Brothers	XXX	1,510,858	1,507,913	0	1
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					XXX	1,510,858	1,507,913	0	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
2027A0HE2	COMMONWEALTH BANK OF AUST 144A	F	05/29/2014	Salomon Brothers	XXX	1,000,000	1,000,000	0	1FE
02006TAA4	ALLY AUTO RECEIVABLES TRU 1 A2		06/10/2014	First Boston Corp	XXX	699,941	700,000	0	1FE
03064VAB4	AMERICREDIT AUTOMOBILE R 2 A2A		06/03/2014	Deutsche Banc	XXX	899,963	900,000	0	1FE
03065EAB1	AMERICREDIT AUTOMOBILE R 5 A2A		05/09/2014	Deutsche Banc	XXX	979,475	978,405	106	1FE
037833AQ3	APPLE INC		05/27/2014	Non Broker Trade	XXX	2,026,300	2,000,000	2,800	1FE
064149A64	BANK OF NOVA SCOTIA		05/16/2014	Montgomery Secs	XXX	1,200,520	1,176,000	13,217	1FE
07387JAE6	BEAR STEARNS COMMERCIA PW12 A4		05/01/2014	First Boston Corp	XXX	1,425,519	1,312,000	4,944	1FM
139742AB6	CAPITAL AUTO RECEIVABLES 2 A2		04/24/2014	Robert Baird & Co	XXX	1,153,729	1,150,000	265	1FE
14313RAB9	CARMAX AUTO OWNER TRUST 2 A2		05/07/2014	Barclays Cap	XXX	1,599,922	1,600,000	0	1FE
17305EDY8	CITIBAMK CR CARD 07-A8 CL A8		05/22/2014	Salomon Brothers	XXX	5,184,999	4,540,000	48,452	1FE
19416QEF3	COLGATE-PALMOLIVE CO		04/07/2014	VSHP - Pledged Assets	XXX	2,356,932	2,360,000	4,245	1FE
22545DAD9	COMMERCIAL MORTGAGE PASS C3 A3		06/01/2014	UBS Secs	XXX	2,852,761	2,648,631	1,299	1FM
31679KAB6	FIFTH THIRD AUTO TRUST 2 A2A		06/04/2014	Deutsche Banc	XXX	1,499,835	1,500,000	0	1FE
34528QDE1	FORD CREDIT FLOORPLAN MAS 1 A1		05/07/2014	Alex Brown & Sons	XXX	1,968,229	1,967,000	1,770	1FM
36163NAD8	GE EQUIPMENT TRANSPORTATI 1 A4		06/10/2014	Bank of America	XXX	2,027,404	2,028,000	0	1FE
36228CVU4	GS MORTGAGE SECURITIES GG4 A4A		04/25/2014	Morgan Stanley	XXX	1,040,410	1,014,338	3,882	1FM
44890VAD4	HYUNDAI AUTO LEASE S B A4 144A		06/17/2014	Montgomery Secs	XXX	1,459,755	1,460,000	0	1FE
46849LSF9	JACKSON NATIONAL LIFE GLO 144A		06/06/2014	U S Bancorp	XXX	1,921,901	1,916,000	2,236	1FE
494368BM4	KIMBERLY-CLARK CORP		05/19/2014	Barclays Cap	XXX	500,000	500,000	0	1FE
59217GBH1	MET LIFE GLOB FUNDING I 144A		04/07/2014	Deutsche Bank Secs	XXX	1,293,213	1,295,000	0	1FE
64952WBH5	NEW YORK LIFE GLOBAL FDG 144A		05/14/2014	First Union Capital	XXX	2,009,420	2,000,000	4,792	1FE
74153WCC1	PRICOA GLOBAL FUNDING 1 144A		05/13/2014	SBC Capital Mkts	XXX	300,000	300,000	0	1FE
74432QBC8	PRUDENTIAL FINANCIAL INC		04/25/2014	VARIOUS	XXX	2,070,173	1,798,000	44,132	2FE
80283NAB5	SANTANDER DRIVE AUTO REC 1 A2A		05/20/2014	Greenwich Capital Mkts	XXX	1,001,055	1,000,000	147	1FE
842400GB3	SOUTHERN CAL EDISON		05/06/2014	Bank of America	XXX	664,787	665,000	0	1FE
89231RAB0	TOYOTA AUTO RECEIVABLES O B A2		06/10/2014	Greenwich Capital Mkts	XXX	599,948	600,000	0	1FE
91159HGX2	US BANCORP		04/22/2014	Mizuho Secs	XXX	512,490	500,000	2,994	1FE
90331HMF7	US BANK NA/CINCINNATI OH		04/21/2014	U S Bancorp	XXX	1,500,000	1,500,000	0	1FE
92277GAC1	VENTAS REALTY LP		04/10/2014	Citigroup GBL	XXX	951,237	953,000	0	2FE
92343VCE2	VERIZON COMMUNICATIONS		06/04/2014	Chemical Securities	XXX	754,623	755,000	0	2FE
92867NAD0	VOLKSWAGEN AUTO LEASE TRU A A3		05/21/2014	Salomon Brothers	XXX	745,246	742,000	121	1FE
929903DT6	WACHOVIA CORP NEW SR NT		04/15/2014	Wells Fargo Securities LL	XXX	512,913	451,000	9,076	1FE
983919AG6	XILINX INC		05/27/2014	Non Broker Trade	XXX	2,022,320	2,000,000	9,208	1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX	46,735,020	45,309,374	153,686	XXX
8399997 Subtotal - Bonds - Part 3					XXX	62,389,051	60,937,286	164,909	XXX
8399999 Subtotal - Bonds					XXX	62,389,051	60,937,286	164,909	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX	0	XXX	0	XXX

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
9999999 Total - Bonds, Preferred and Common Stocks					XXX	62,389,051	XXX	164,909	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks 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 B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	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)
Bonds - U.S. Governments																					
83162CPP2	SBA GTD PARTN CTFS 2005-20F 1		06/02/2014	PRINCIPAL RECEIPT	XXX	315,029	315,029	351,060	342,775	0	(27,746)	0	(27,746)	0	315,029	0	0	0	7,376	06/01/2025	1
83162CRA3	SBA GTD PARTN CTFS 2007-20E 1		05/01/2014	PRINCIPAL RECEIPT	XXX	49,588	49,588	57,003	55,789	0	(6,201)	0	(6,201)	0	49,588	0	0	0	1,349	05/01/2027	1
912828C73	U S TREASURY NOTE		06/10/2014	VARIOUS	XXX	8,659,473	8,642,000	8,654,709	0	0	(63)	0	(63)	0	8,654,646	0	4,826	4,826	8,621	04/15/2017	1
912828RF9	U S TREASURY NOTE		06/03/2014	VARIOUS	XXX	4,459,856	4,414,000	4,474,743	4,472,393	0	(8,168)	0	(8,168)	0	4,464,226	0	(4,370)	(4,370)	31,577	08/31/2016	1
912828RQ5	U S TREASURY NOTE		06/26/2014	Montgomery Secs	XXX	1,501,758	1,500,000	1,502,930	1,501,341	0	(746)	0	(746)	0	1,500,595	0	1,163	1,163	3,470	11/15/2014	1
912828RV4	U S TREASURY NOTE		06/26/2014	First Union Capital	XXX	8,006,875	8,000,000	8,004,375	8,002,507	0	(1,271)	0	(1,271)	0	8,001,237	0	5,638	5,638	10,656	12/15/2014	1
912828UK4	U S TREASURY NOTE		06/26/2014	Montgomery Secs	XXX	2,502,637	2,500,000	2,498,926	2,499,408	0	265	0	265	0	2,499,673	0	2,964	2,964	5,663	01/31/2015	1
912828VG2	U S TREASURY NOTE		06/17/2014	VARIOUS	XXX	4,233,176	4,228,000	4,208,689	4,211,127	0	2,961	0	2,961	0	4,214,089	0	19,087	19,087	10,105	06/15/2016	1
912828RB8	U S TREASURY NOTES		06/26/2014	Montgomery Secs	XXX	3,001,992	3,000,000	3,012,070	3,004,545	0	(3,535)	0	(3,535)	0	3,001,010	0	982	982	12,970	08/15/2014	1
0599999 Subtotal - Bonds - U.S. Governments					XXX	32,730,384	32,648,616	32,764,505	24,089,885	0	(44,504)	0	(44,504)	0	32,700,093	0	30,290	30,290	91,787	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
491189FC5	KENTUCKY ASSET / LIABILITY COM		04/01/2014	Sink PMT @ 100.0000000	XXX	301,590	301,590	315,665	311,434	0	(9,844)	0	(9,844)	0	301,590	0	0	0	0	04/01/2018	1FE
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					XXX	301,590	301,590	315,665	311,434	0	(9,844)	0	(9,844)	0	301,590	0	0	0	0	XXX	XXX
Bonds - U.S. Special Revenue, Special Assessment																					
313373JR4	FEDERAL HOME LN BK CONS BD		05/28/2014	MATURITY	XXX	2,000,000	2,000,000	2,038,840	2,008,135	0	(8,135)	0	(8,135)	0	2,000,000	0	0	0	13,750	05/28/2014	1
313383Q79	FEDERAL HOME LN BK CONS BD		06/26/2014	VENDOR CODE A93 NOT IN TA	XXX	1,800,144	1,800,000	1,800,136	1,800,076	0	(65)	0	(65)	0	1,800,011	0	133	133	3,154	07/25/2014	1
313383QF1	FEDERAL HOME LN BK CONS BD		06/26/2014	VENDOR CODE A93 NOT IN TA	XXX	1,200,108	1,200,000	1,200,030	1,200,017	0	(14)	0	(14)	0	1,200,002	0	106	106	2,103	07/25/2014	1
313383V81	FEDERAL HOME LN BK CONS BD		06/26/2014	VENDOR CODE AG5 NOT IN TA	XXX	3,005,790	3,000,000	2,999,880	2,999,915	0	65	0	65	0	2,999,980	0	5,810	5,810	9,344	08/28/2015	1
3135G0BY8	FEDERAL NATL MTG ASSN		06/26/2014	Salomon Brothers	XXX	4,005,360	4,000,000	4,042,640	4,014,549	0	(10,649)	0	(10,649)	0	4,003,901	0	1,459	1,459	29,069	08/31/2014	1
3128S5LE2	FHLMC POOL #1Q-1225		06/01/2014	PRINCIPAL RECEIPT	XXX	79,478	79,478	85,166	84,436	0	(4,958)	0	(4,958)	0	79,478	0	0	0	661	11/01/2036	1
31342A5L9	FHLMC POOL #78-0851		06/01/2014	PRINCIPAL RECEIPT	XXX	9,258	9,258	9,559	9,529	0	(271)	0	(271)	0	9,258	0	0	0	84	09/01/2033	1
31300LW50	FHLMC POOL #84-8768		06/01/2014	PRINCIPAL RECEIPT	XXX	114,211	114,211	121,617	121,479	0	(7,268)	0	(7,268)	0	114,211	0	0	0	963	12/01/2035	1
31393NK24	FHLMC MULTICLASS MTG		06/16/2014	PRINCIPAL RECEIPT	XXX	134,978	134,978	145,270	138,504	0	(3,526)	0	(3,526)	0	134,978	0	0	0	2,667	03/15/2018	1
31393RRD4	FHLMC MULTICLASS MTG		06/16/2014	PRINCIPAL RECEIPT	XXX	18,368	18,368	19,303	18,368	0	0	0	0	0	18,368	0	0	0	353	01/15/2018	1
31398JG80	FHLMC MULTICLASS MTG 3563 CA		06/16/2014	PRINCIPAL RECEIPT	XXX	109,644	109,644	115,246	114,382	0	(4,738)	0	(4,738)	0	109,644	0	0	0	1,718	08/15/2019	1
3137ACK99	FHLMC MULTICLASS MTG 3876 CA		06/16/2014	PRINCIPAL RECEIPT	XXX	262,384	262,384	271,322	271,244	0	(8,860)	0	(8,860)	0	262,384	0	0	0	2,846	06/15/2026	1
3137ACT41	FHLMC MULTICLASS MTG 3902 MA		06/16/2014	PRINCIPAL RECEIPT	XXX	41,704	41,704	44,819	42,581	0	(876)	0	(876)	0	41,704	0	0	0	735	07/15/2039	1
3137AJYX6	FHLMC MULTICLASS MTG 3977 AD		06/16/2014	PRINCIPAL RECEIPT	XXX	81,963	81,963	84,953	84,022	0	(2,059)	0	(2,059)	0	81,963	0	0	0	969	09/15/2029	1
31342AZE2	FHLMC POOL #78-0741		06/01/2014	PRINCIPAL RECEIPT	XXX	20,633	20,633	21,288	21,219	0	(586)	0	(586)	0	20,633	0	0	0	161	07/01/2033	1
31403DHF9	FNMA POOL #0745530		06/25/2014	PRINCIPAL RECEIPT	XXX	14,964	14,964	16,984	16,162	0	(1,198)	0	(1,198)	0	14,964	0	0	0	265	04/01/2016	1
31418MEX6	FNMA POOL #0AD0149		06/25/2014	PRINCIPAL RECEIPT	XXX	3,319	3,319	3,916	3,801	0	(483)	0	(483)	0	3,319	0	0	0	59	06/01/2018	1
3138EJPA0	FNMA POOL #0AL2216		06/25/2014	PRINCIPAL RECEIPT	XXX	92,072	92,072	98,632	97,254	0	(5,181)	0	(5,181)	0	92,072	0	0	0	709	09/01/2039	1
31397LVK2	FNMA GTD REMIC P/T 08-51 BC		06/25/2014	PRINCIPAL RECEIPT	XXX	61,731	61,731	65,416	63,039	0	(1,308)	0	(1,308)	0	61,731	0	0	0	952	06/25/2023	1
31396QZW2	FNMA GTD REMIC P/T 09-70 NT		06/25/2014	PRINCIPAL RECEIPT	XXX	20,254	20,254	21,038	20,462	0	(208)	0	(208)	0	20,254	0	0	0	272	08/25/2019	1
3136A1HC2	FNMA GTD REMIC P/T 11-98 VC		06/25/2014	PRINCIPAL RECEIPT	XXX	21,998	21,998	23,634	23,282	0	(1,284)	0	(1,284)	0	21,998	0	0	0	259	01/25/2023	1
3136ABPT4	FNMA GTD REMIC P/T 13-M1 ASQ2		06/01/2014	PRINCIPAL RECEIPT	XXX	52,829	52,829	53,357	53,191	0	(362)	0	(362)	0	52,829	0	0	0	201	11/25/2016	1
3136ADZT9	FNMA GTD REMIC P/T 13-M5 ASQ2		06/25/2014	VARIOUS	XXX	3,122,712	3,116,850	3,117,834	2,613,009	0	0	0	0	0	3,117,834	0	4,878	4,878	9,312	08/25/2015	1
31398PF46	FNMA GTD REMIC P/T 2010-41 DK		06/25/2014	PRINCIPAL RECEIPT	XXX	104,686	104,686	107,254	0	0	(2,568)	0	(2,568)	0	104,686	0	0	0	744	10/25/2024	1
31397UXA2	FNMA GTD REMIC P/T 2011-61 MG		06/25/2014	PRINCIPAL RECEIPT	XXX	30,605	30,605	32,317	31,869	0	(1,265)	0	(1,265)	0	30,605	0	0	0	422	07/25/2026	1
3199999 Subtotal - Bonds - U.S. Special Revenue, Special Assessment					XXX	16,409,193	16,391,930	16,540,451	15,850,525	0	(65,797)	0	(65,797)	0	16,396,807	0	12,386	12,386	81,772	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
2027A0HE2	COMMONWEALTH BANK OF AUST 144A	F	06/12/2014	First Union Capital	XXX	1,000,284	1,000,000	1,000,000	0	0	0	0	0	0	1,000,000	0	284	284	166	06/03/2016	1FE
02006NAB5	ALLY AUTO RECEIVABLES SN1 A2A		06/13/2014	VENDOR CODE AKN NOT IN TA	XXX	699,781	700,000	699,970	0	0	6	0	6	0	699,976	0	(195)	(195)	1,041	10/20/2016	1FE
02006TAA4	ALLY AUTO RECEIVABLES TRU 1 A2		06/19/2014	VENDOR CODE C8Y NOT IN TA	XXX	699,535	700,000	699,941	0	0	1	0	1	0	699,942	0	(407)	(407)	56	02/15/2017	1FE
0258M0DB2	AMER EXPRESS CREDIT CO		06/24/2014	MATURITY	XXX	720,000	720,000	725,270	721,287	0	(1,287)	0	(1,287)	0	720,000	0	0	0	3,970	06/24/2014	1FE
03064VAB4	AMERICREDIT AUTOMOBILE R 2 A2A		06/19/2014	Mizuho Secs	XXX	899,648	900,000	899,963	0	0	1	0	1	0	899,964	0	(316)	(316)	162	10/10/2017	1FE
03065EAB1	AMERICREDIT AUTOMOBILE R 5 A2A		06/12/2014	VARIOUS	XXX	979,090	978,405	979,475	0	0	(158)	0	(158)	0	979,317	0	(227)	(227)	673	03/08/2017	1FE
03064LAB6	AMERICREDIT AUTOMOBILE RE 1 A2		06/18/2014	Montgomery Secs	XXX	500,000	500,000	499,981	0	0	4	0	4	0	499,985	0	15	15	736	06/08/2017	1FE
03064JAB1	AMERICREDIT AUTOMOBILE RE 2 A2		06/30/2014	VARIOUS	XXX	971,504	971,401	971,591	0	0	(85)	0	(85)	0	971,506	0	(2)	(2)	1,291	11/08/2016	1FE
03065BAB7	AMERICREDIT AUTOMOBILE RE 3 A2		06/18/2014	VARIOUS	XXX	2,337,494	2,336,370	2,336,355	2,319,714	0	6	0	6	0	2,336,362	0	1,133	1,133	8,053	10/11/2016	1FE
03065CAB5	AMERICREDIT AUTOMOBILE RE 4 A2		06/13/2014	VARIOUS	XXX	1,711,846	1,710,626	1,710,600	1,651,945	0	9	0	9	0	1,710,646	0	1,200	1,200	6,194	11/08/2016	1FE
05947U2R8	BANC AMER CMBS 2005-5		06/10/2014	PRINCIPAL RECEIPT	XXX	37,305	37,305	39,821	39,344	0	(2,038)	0	(2,038)	0	37,305	0	0	0	654	10/10/2045	1FM
06406HBL2	BANK OF NEW YORK MELLON		05/15/2014	MATURITY	XXX	1,115,000	1,115,000	1,189,183	1,127,131	0	(12,131)	0	(12,131)	0	1,115,000	0	0	0	23,973	05/15/2014	1FE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks 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 B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	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)
06406HBN8	BANK OF NEW YORK MELLON		06/13/2014	Morgan Stanley	XXX	1,270,400	1,250,000	1,311,800	1,281,135	0	(13,456)	0	(13,456)	0	1,267,679	0	2,721	2,721	35,844	01/15/2015	1FE
06406HBZ1	BANK OF NEW YORK MELLON CORP/T		06/13/2014	VENDOR CODE TIA NOT IN TA	XXX	2,864,678	2,850,000	2,888,988	2,881,816	0	(15,941)	0	(15,941)	0	2,865,875	0	(1,198)	(1,198)	27,455	11/24/2014	1FE
064149A64	BANK OF NOVA SCOTIA		06/16/2014	VENDOR CODE FDF NOT IN TA	XXX	1,197,638	1,176,000	1,200,520	0	0	(2,988)	0	(2,988)	0	1,197,532	0	107	107	16,327	01/22/2015	1FE
05531FAA1	BB&T CORP		04/30/2014	MATURITY	XXX	750,000	750,000	799,068	762,785	0	(12,785)	0	(12,785)	0	750,000	0	0	0	21,375	04/30/2014	1FE
05531FAH6	BB&T CORPORATION		04/28/2014	MATURITY	XXX	2,500,000	2,500,000	2,544,250	2,509,236	0	(9,236)	0	(9,236)	0	2,500,000	0	0	0	25,625	04/28/2014	1FE
07387JAE6	BEAR STEARNS COMMERCIA PW12 A4		05/01/2014	First Boston Corp	XXX	1,425,519	1,312,000	1,425,519	0	0	(8,923)	0	(8,923)	0	1,416,596	0	8,923	8,923	17,480	09/11/2038	1FM
084670BA5	BERKSHIRE HATHAWAY INC		06/13/2014	Goldman Sachs NY	XXX	2,187,736	2,185,000	2,207,515	2,193,898	0	(6,435)	0	(6,435)	0	2,187,463	0	272	272	12,215	08/15/2014	1FE
09657YAB8	BMW VEHICLE LEASE TRUST 1 A2		06/20/2014	VARIOUS	XXX	1,114,203	1,114,203	1,114,194	1,114,201	0	2	0	2	0	1,114,203	0	0	0	1,956	01/20/2015	1FE
097023AY1	BOEING CO/THE		06/13/2014	Morgan Stanley	XXX	3,062,880	3,000,000	3,112,770	3,100,604	0	(40,267)	0	(40,267)	0	3,060,337	0	2,543	2,543	88,375	02/15/2015	1FE
139742AB6	CAPITAL AUTO RECEIVABLES 2 A2		06/12/2014	VENDOR CODE C8Y NOT IN TA	XXX	1,153,234	1,150,000	1,153,729	0	0	(294)	0	(294)	0	1,153,434	0	(200)	(200)	1,675	09/20/2016	1FE
14041NDG3	CAPITAL ONE MULTI-ASSET A1 A1		05/29/2014	Morgan Stanley	XXX	1,221,440	1,227,000	1,216,024	1,216,767	0	2,247	0	2,247	0	1,219,015	0	2,426	2,426	1,165	11/15/2019	1FE
14041NBN0	CAPITAL ONE MULTI-ASSET A4 A4		05/15/2014	VARIOUS	XXX	1,500,000	1,500,000	1,503,281	1,500,845	0	(780)	0	(780)	0	1,500,064	0	(64)	(64)	2,361	03/15/2017	1FE
14313LAB2	CARMAX AUTO OWNER TRUST 1 A2		06/15/2014	VARIOUS	XXX	502,767	502,722	502,686	502,718	0	4	0	4	0	502,722	0	44	44	1,031	03/15/2016	1FE
14313QAB1	CARMAX AUTO OWNER TRUST 1 A2		06/12/2014	First Union Capital	XXX	1,100,086	1,100,000	1,099,982	0	0	5	0	5	0	1,099,986	0	100	100	1,795	02/15/2017	1FE
14313MAB0	CARMAX AUTO OWNER TRUST 2 A2		06/15/2014	VARIOUS	XXX	1,353,270	1,353,161	1,353,122	1,353,149	0	11	0	11	0	1,353,160	0	110	110	2,805	06/15/2016	1FE
14313RAB9	CARMAX AUTO OWNER TRUST 2 A2		06/12/2014	Greenwich Capital Mkts	XXX	1,599,875	1,600,000	1,599,922	0	0	5	0	5	0	1,599,928	0	(53)	(53)	654	04/17/2017	1FE
14912L5U1	CATERPILLAR FINANCIAL SERVICES		06/12/2014	SBC Capital Mkts	XXX	2,002,944	2,000,000	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	2,944	2,944	4,276	08/28/2015	1FE
149123BU4	CATERPILLAR INC		05/27/2014	MATURITY	XXX	1,050,000	1,050,000	1,063,100	1,054,325	0	(4,325)	0	(4,325)	0	1,050,000	0	0	0	7,219	05/27/2014	1FE
12513EAG9	CD 2005 C1 2005-C1 CL A4		06/17/2014	PRINCIPAL RECEIPT	XXX	64,720	64,720	72,491	68,830	0	(4,110)	0	(4,110)	0	64,720	0	0	0	1,442	07/15/2044	1FM
17119XAB5	CHRYSLER CAPITAL 14-AA A2 144A		06/12/2014	VENDOR CODE AKN NOT IN TA	XXX	1,000,000	1,000,000	999,995	0	0	1	0	1	0	999,995	0	5	5	1,198	02/15/2017	1FE
17275RAM4	CISCO SYSTEMS INC		06/12/2014	First Union Capital	XXX	2,001,108	2,000,000	2,000,000	0	0	0	0	0	0	2,000,000	0	1,108	1,108	1,678	09/03/2015	1FE
17275RAT9	CISCO SYSTEMS INC		05/07/2014	Morgan Stanley	XXX	1,414,174	1,410,000	1,409,915	0	0	6	0	6	0	1,409,921	0	4,253	4,253	2,844	03/03/2017	1FE
17305EFD2	CITIBANK CREDIT CARD ISS A5 A5		06/12/2014	Morgan Stanley	XXX	4,000,938	4,000,000	4,000,000	4,000,000	0	0	0	0	0	4,000,000	0	938	938	5,950	11/25/2016	1FE
17308BAN8	CITIBANK OMNI MASTER T A17 A17		04/30/2014	First Union Cap Mkts	XXX	3,250,902	3,175,000	3,464,471	3,287,735	0	(42,637)	0	(42,637)	0	3,245,098	0	5,804	5,804	71,737	11/15/2018	1FE
22545DAD9	COMMERCIAL MORTGAGE PASS C3 A3		06/01/2014	UBS Secs	XXX	1,427,322	1,325,189	1,427,322	0	0	3,450	0	3,450	0	1,430,771	0	(3,450)	(3,450)	639	06/15/2038	1FE
225458VQ8	CREDIT SUISSE FB 05-C3 CL A-A4		06/17/2014	PRINCIPAL RECEIPT	XXX	14,589	14,589	15,402	14,936	0	(347)	0	(347)	0	14,589	0	0	0	216	07/15/2037	1FM
26250GAA4	DRYROCK ISSUANCE TRUST 1 A		06/12/2014	Salomon Brothers	XXX	690,054	690,000	690,000	690,000	0	0	0	0	0	690,000	0	54	54	1,075	08/15/2017	1FE
31679JAB9	FIFTH THIRD AUTO TRUST 1 A2		06/13/2014	Morgan Stanley	XXX	1,500,234	1,500,000	1,499,960	0	0	10	0	10	0	1,499,970	0	264	264	2,262	08/15/2016	1FE
31679KAB6	FIFTH THIRD AUTO TRUST 2 A2A		06/19/2014	Dain Rauscher	XXX	1,499,121	1,500,000	1,499,835	0	0	5	0	5	0	1,499,840	0	(719)	(719)	244	04/17/2017	1FE
34530CAB7	FORD CREDIT AUTO LEASE TR A A2		06/17/2014	VARIOUS	XXX	1,140,207	1,140,145	1,140,053	1,140,130	0	16	0	16	0	1,140,145	0	61	61	2,531	05/15/2015	1FE
34530AAB1	FORD CREDIT AUTO OWNER D A2		06/16/2014	VARIOUS	XXX	94,827	94,827	94,824	94,827	0	0	0	0	0	94,827	0	0	0	167	09/15/2015	1FE
34530BAB9	FORD CREDIT AUTO OWNER TR A A2		06/15/2014	VARIOUS	XXX	538,005	538,005	537,946	537,996	0	10	0	10	0	538,005	0	0	0	977	11/15/2015	1FE
34530HAB6	FORD CREDIT AUTO OWNER TR A A2		06/17/2014	VARIOUS	XXX	600,300	600,000	599,940	0	0	19	0	19	0	599,960	0	341	341	1,168	11/15/2016	1FE
34529RAD3	FORD CREDIT AUTO OWNER TR B A4		05/29/2014	VARIOUS	XXX	387,930	386,336	386,298	386,328	0	4	0	4	0	386,331	0	1,598	1,598	2,335	12/15/2016	1FE
36962G5X8	GENERAL ELEC CAP CORP		04/24/2014	MATURITY	XXX	1,100,000	1,100,000	1,100,000	1,100,000	0	0	0	0	0	1,100,000	0	0	0	5,215	04/24/2014	1FE
36962G4C5	GENERAL ELECTRIC CAP CORP		05/13/2014	MATURITY	XXX	4,931,000	4,931,000	5,165,132	4,965,049	0	(34,049)	0	(34,049)	0	4,931,000	0	0	0	145,465	05/13/2014	1FE
36962G2Z6	GENERAL ELECTRIC CAPITAL CORP		06/04/2014	MATURITY	XXX	3,000,000	3,000,000	3,196,169	3,062,952	0	(62,952)	0	(62,952)	0	3,000,000	0	0	0	82,500	06/04/2014	1FE
36228CVU4	GS MORTGAGE SECURITIES GG4 A4A		06/12/2014	PRINCIPAL RECEIPT	XXX	12,028	12,028	12,337	0	0	(309)	0	(309)	0	12,028	0	0	0	90	07/10/2039	1FE
41283YAB3	HARLEY-DAVIDSON MOTORCYCL 1 A2		06/30/2014	VARIOUS	XXX	1,088,498	1,088,387	1,088,324	1,088,361	0	25	0	25	0	1,088,386	0	112	112	2,380	08/15/2016	1FE
41283NAD3	HARLEY-DAVIDSON MOTORCYCL 1 A3		06/16/2014	PRINCIPAL RECEIPT	XXX	94,122	94,122	94,299	94,135	0	(13)	0	(13)	0	94,122	0	0	0	384	05/15/2016	1FE
43813CAC4	HONDA AUTO RECEIVABLES 2 0 4 A3		06/18/2014	VARIOUS	XXX	2,195,096	2,194,000	2,193,057	2,193,240	0	614	0	614	0	2,193,853	0	1,243	1,243	5,704	08/18/2016	1FE
43814CAB5	HONDA AUTO RECEIVABLES OW 1 A2		06/25/2014	VARIOUS	XXX	692,201	692,201	692,159	692,193	0	7	0	7	0	692,200	0	1	1	1,097	06/22/2015	1FE
43814EAB1	HONDA AUTO RECEIVABLES OW 2 A2		06/16/2014	VARIOUS	XXX	1,957,823	1,957,774	1,957,609	1,957,720	0	51	0	51	0	1,957,770	0	53	53	3,563	10/16/2015	1FE
438516BC9	HONEYWELL INTERNATIONAL INC		06/12/2014	Goldman Sachs NY	XXX	2,251,310	2,250,000	2,250,000	2,250,000	0	0	0	0	0	2,250,000	0	1,310	1,310	3,715	11/17/2015	1FE
44890PAB1	HYUNDAI AUTO LEAS 13-B A2 144A		06/17/2014	VARIOUS	XXX	3,004,496	3,000,000	2,999,757	2,999,831	0	101	0	101	0	2,999,932	0	4,565	4,565	11,149	03/15/2016	1FE
44890TAB3	HYUNDAI AUTO LEAS 14-A A2 144A		06/18/2014	Alex Brown & Sons	XXX	800,000	800,000	799,969	0	0	6	0	6	0	799,975	0	25	25	1,086	07/15/2016	1FE
44890JAB5	HYUNDAI AUTO RECEIVABLES A A2		06/17/2014	VARIOUS	XXX	1,191,104	1,190,885	1,190,808	1,190,867	0	13	0	13	0	1,190,880	0	224	224	2,325	12/15/2015	1FE
44890LAB0	HYUNDAI AUTO RECEIVABLES B A2		06/17/2014	VARIOUS	XXX	2,062,394	2,061,569	2,061,560	2,061,564	0	3	0	3	0	2,061,567	0	827	827	5,339	03/15/2016	1FE
44890KAB2	HYUNDAI AUTO RECEIVABLES C A2		06/16/2014	PRINCIPAL RECEIPT	XXX	170,849	170,849	170,876	170,853	0	(4)	0	(4)	0	170,849	0	0	0	298	08/17/2015	1FE
459200GW5	INTERNATIONAL BUSINESS MACHINE		05/12/2014	MATURITY	XXX	3,500,000	3,500,000	3,542,261	3,512,132	0	(12,132)	0	(12,132)	0	3,500,000	0	0	0	21,875	05/12/2014	1FE
46849LSF9	JACKSON NATIONAL LIFE GLO 144A		06/12/2014	First Boston Corp	XXX	1,922,754	1,916,000	1,921,901	0	0	(75)	0	(75)	0	1,921,827	0	927	927	2,423	09/30/2015	1FE
24422ERQ4	JOHN DEERE CAPITAL CORP		06/13/2014	VARIOUS	XXX	1,633,158	1,625,000	1,637,454	1,633,503	0	(2,950)	0	(2,950)	0	1,630,553	0	2,604	2,604	9,519	04/17/2015	1FE
24422ERX9	JOHN DEERE CAPITAL CORP		06/16/2014	Goldman Sachs NY	XXX	850,238	850,000	850,000	850,000	0	0	0	0	0	850,000	0	238	238	2,026	10/08/2014	1FE
24422ESC4	JOHN DEERE CAPITAL CORP		06/13/2014	Dain Rauscher	XXX	2,002,182	2,000,000	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	2,182	2,182	3,660	06/15/2015	1FE
24422ESG5	JOHN DEERE CAPITAL CORP		06/12/2014	First Union Capital	XXX	2,251,145	2,250,000	2,250,000	2,250,000	0	0	0	0	0	2,250,000	0	1,145	1,145	4,173	12/10/2015	1FE
478160AX2	JOHNSON & JOHNSON		05/15/2014	MATURITY	XXX	711,000	711,000	719,041	713,430	0	(2,430)	0	(2,430)	0	711,000	0	0	0	4,266	05/15/2014	1FE
46630EAC4	JP MORGAN CHASE COMMER CB17 A4		04/29/2014	Chase Greenwich	XXX	1,080,977	1,000,000	1,090,891	1,089,630	0	(15,426)	0	(15,426)	0	1,074,204	0	6,773	6,773	22,470	12/12/2043	1FM
46625M2B4	JP MORGAN CHASE COMMERC CB8 A4		04/15/2014	PRINCIPAL RECEIPT	XXX	37,503	37,503	38,927	37,503	0	0	0	0	0	37,503	0	0	0	731	01/12/2039	1FM
46625M3N7	JP MORGAN CHASE COMMERCI C2 A3		04/15/2014	PRINCIPAL RECEIPT	XXX	201,245	201,245	214,302	203,072	0	(1,828)	0	(1,828)	0	201,245	0	0	0	5,729	05/15/2041	1FM
46625YSG9	JPMORGAN CHASE COMMER LDP3 A4A		06/16/2014	PRINCIPAL RECEIPT	XXX	88,990	88,990	94,205	93,713	0	(4,723)	0	(4,723)	0	88,990	0	0	0	1,937	08/15/2042	1FM

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks 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 B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	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)
494368BM4	KIMBERLY-CLARK CORP		06/12/2014	Goldman Sachs NY	XXX	500,280	500,000	500,000	0	0	0	0	0	0	500,000	0	280	280	100	05/19/2016	1FE
57629WBT6	MASSMUTUAL GLOBAL FUNDING 144A		06/12/2014	Goldman Sachs NY	XXX	2,002,338	2,000,000	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	2,338	2,338	3,597	12/11/2015	1FE
585515AH2	MELLON FUNDING CORP		05/15/2014	MATURITY	XXX	2,510,000	2,510,000	2,513,489	2,510,949	0	(949)	0	(949)	0	2,510,000	0	0	0	4,901	05/15/2014	1FE
58768VAB7	MERCEDES-BENZ AUTO LEASE A A2		06/17/2014	VARIOUS	XXX	1,757,378	1,757,076	1,757,066	1,757,072	0	3	0	3	0	1,757,075	0	303	303	4,216	06/15/2015	1FE
59217GAV1	MET LIFE GLOB FUNDING I 144A		06/16/2014	U S Bancorp	XXX	811,024	800,000	811,914	0	0	(2,056)	0	(2,056)	0	809,858	0	1,166	1,166	6,422	06/29/2015	1FE
59157BAM4	METLIFE INSTITUTIONAL FUN 144A		06/16/2014	Goldman Sachs NY	XXX	1,002,089	1,000,000	1,000,000	1,000,000	0	0	0	0	0	1,000,000	0	2,089	2,089	4,316	01/06/2015	1FE
59217GAD1	METROPOLITAN LIFE GLOBAL 144A		04/08/2014	Bank of America	XXX	1,573,043	1,510,000	1,579,143	0	0	(6,658)	0	(6,658)	0	1,572,485	0	557	557	11,666	01/11/2016	1FE
59217EBW3	METROPOLITAN LIFE GLOBAL FUNDI		06/10/2014	MATURITY	XXX	1,500,000	1,500,000	1,590,420	1,530,215	0	(30,215)	0	(30,215)	0	1,500,000	0	0	0	38,438	06/10/2014	1FE
617451CL1	MORGAN STANLEY CAPITAL HQ7 A4		06/16/2014	PRINCIPAL RECEIPT	XXX	5,034	5,034	5,594	5,264	0	(231)	0	(231)	0	5,034	0	0	0	104	11/14/2042	1FM
64952WBH5	NEW YORK LIFE GLOBAL FDG 144A		06/13/2014	Goldman Sachs NY	XXX	2,008,860	2,000,000	2,009,420	0	0	(634)	0	(634)	0	2,008,786	0	74	74	6,000	07/24/2015	1FE
653522DQ2	NIAGARA MOHAWK POWER		05/29/2014	Salomon Brothers	XXX	1,010,580	1,000,000	1,059,890	1,011,286	0	(6,161)	0	(6,161)	0	1,005,125	0	5,455	5,455	23,588	10/01/2014	1FE
65476LAB7	NISSAN AUTO LEASE TRUST B A2A		06/25/2014	VARIOUS	XXX	558,925	558,925	559,013	558,942	0	(15)	0	(15)	0	558,927	0	(2)	(2)	1,175	06/15/2015	1FE
654748AB8	NISSAN AUTO RECEIVABLES O A A2		06/16/2014	VARIOUS	XXX	682,999	682,999	682,926	682,986	0	10	0	10	0	682,997	0	2	2	1,221	09/15/2015	1FE
65477PAB7	NISSAN AUTO RECEIVABLES O A A2		06/16/2014	Dain Rauscher	XXX	1,200,094	1,200,000	1,199,953	0	0	12	0	12	0	1,199,965	0	129	129	1,680	11/15/2016	1FE
65476GAB8	NISSAN AUTO RECEIVABLES O B A2		05/15/2014	PRINCIPAL RECEIPT	XXX	188,851	188,851	188,917	188,853	0	(2)	0	(2)	0	188,851	0	0	0	337	04/15/2015	1FE
665859AK0	NORTHERN TRUST CORP		05/01/2014	MATURITY	XXX	550,000	550,000	578,408	557,480	0	(7,480)	0	(7,480)	0	550,000	0	0	0	12,719	05/01/2014	1FE
69371RK62	PACCAR FINANCIAL CORP		06/16/2014	U S Bancorp	XXX	700,907	696,000	701,930	0	0	(1,339)	0	(1,339)	0	700,591	0	316	316	3,938	06/05/2015	1FE
69371RK70	PACCAR FINANCIAL CORP		06/05/2014	MATURITY	XXX	375,000	375,000	375,977	375,320	0	(320)	0	(320)	0	375,000	0	0	0	925	06/05/2014	1FE
74153WCC1	PRICOA GLOBAL FUNDING 1 144A		06/12/2014	U S Bancorp	XXX	300,125	300,000	300,000	0	0	0	0	0	0	300,000	0	125	125	100	05/16/2016	1FE
74153WCA5	PRICOA GLOBAL FUNDING I 144A		06/12/2014	Goldman Sachs NY	XXX	1,604,008	1,600,000	1,600,000	1,600,000	0	0	0	0	0	1,600,000	0	4,008	4,008	4,715	08/19/2015	1FE
74256LAE9	PRINCIPAL LIFE GLOBAL FUN 144A		06/16/2014	Goldman Sachs NY	XXX	600,200	600,000	600,000	600,000	0	0	0	0	0	600,000	0	200	200	1,211	09/19/2014	1FE
74456QAY2	PUB SVC ELEC & GAS		06/13/2014	First Boston Corp	XXX	1,751,663	1,750,000	1,760,850	1,754,709	0	(3,404)	0	(3,404)	0	1,751,305	0	357	357	12,520	08/15/2014	1FE
80283NAB5	SANTANDER DRIVE AUTO REC 1 A2A		06/18/2014	VARIOUS	XXX	1,701,063	1,700,000	1,701,047	0	0	(77)	0	(77)	0	1,700,970	0	93	93	2,724	06/15/2017	1FE
792860AH1	ST PAUL TRAVELERS COS INC SR		06/12/2014	Stifel Nicolaus	XXX	2,033,233	1,898,000	2,079,809	2,072,533	0	(40,530)	0	(40,530)	0	2,032,003	0	1,230	1,230	56,835	12/01/2015	1FE
89231MAB1	TOYOTA AUTO RECEIVABLES A A2		06/12/2014	Salomon Brothers	XXX	600,000	600,000	599,996	0	0	1	0	1	0	599,997	0	3	3	601	08/15/2016	1FE
89231RAB0	TOYOTA AUTO RECEIVABLES O B A2		06/19/2014	Morgan Stanley	XXX	599,813	600,000	599,948	0	0	1	0	1	0	599,949	0	(137)	(137)	40	12/15/2016	1FE
91159HGX2	US BANCORP		06/12/2014	Goldman Sachs NY	XXX	2,302,965	2,250,000	2,318,630	1,803,413	0	(16,518)	0	(16,518)	0	2,299,385	0	3,580	3,580	42,875	07/27/2015	1FE
90331HME0	US BANK NA		06/12/2014	Goldman Sachs NY	XXX	1,500,362	1,500,000	1,500,000	0	0	0	0	0	0	1,500,000	0	362	362	1,332	10/01/2015	1FE
90331HMF7	US BANK NA/CINCINNATI OH		06/12/2014	U S Bancorp	XXX	1,500,630	1,500,000	1,500,000	0	0	0	0	0	0	1,500,000	0	630	630	784	04/22/2016	1FE
90290KAB1	USAA AUTO OWNER TRUST 1 A2		06/18/2014	Barclays Cap	XXX	800,000	800,000	799,969	0	0	22	0	22	0	799,991	0	9	9	954	10/17/2016	1FE
92276MAV7	VENTAS REALTY LP/CAP CRP		04/14/2014	First Union Cap Mkts	XXX	509,022	490,000	509,899	0	0	(2,424)	0	(2,424)	0	507,474	0	1,547	1,547	5,742	11/30/2015	2FE
92867QAB7	VOLKSWAGEN AUTO LEASE TR A A2A		06/17/2014	VENDOR CODE C8Y NOT IN TA	XXX	1,199,813	1,200,000	1,199,977	0	0	6	0	6	0	1,199,982	0	(170)	(170)	2,184	10/20/2016	1FE
9297667G2	WACHOVIA BANK COMMERCIA C21 A4		06/17/2014	PRINCIPAL RECEIPT	XXX	9,665	9,665	10,173	0	0	(509)	0	(509)	0	9,665	0	0	0	58	10/15/2044	1FM
25468PCY0	WALT DISNEY CO/THE		06/13/2014	Goldman Sachs NY	XXX	3,000,459	3,000,000	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	459	459	4,050	02/11/2015	1FE
94974BET3	WELLS FARGO & CO		06/13/2014	VENDOR CODE TIA NOT IN TA	XXX	3,030,120	3,000,000	3,158,370	3,072,169	0	(43,258)	0	(43,258)	0	3,028,911	0	1,209	1,209	80,313	10/01/2014	1FE
94974BFA3	WELLS FARGO & CO		06/13/2014	First Union Capital	XXX	2,766,693	2,750,000	2,782,024	2,769,242	0	(7,737)	0	(7,737)	0	2,761,505	0	5,187	5,187	29,123	02/13/2015	1FE
94980VAA6	WELLS FARGO BANK NA		04/15/2014	First Union Cap Mkts	XXX	517,315	500,000	537,894	520,374	0	(5,299)	0	(5,299)	0	515,075	0	2,240	2,240	16,625	02/09/2015	1FE
94985H5G5	WELLS FARGO BANK NA		06/13/2014	Bank of America	XXX	2,005,210	2,000,000	2,000,000	2,000,000	0	0	0	0	0	2,000,000	0	5,210	5,210	6,888	07/20/2015	1FE
064159AL0	BANK OF NOVA SCOTIA	A	06/13/2014	VENDOR CODE FDF NOT IN TA	XXX	3,026,940	3,000,000	3,071,130	3,036,569	0	(15,934)	0	(15,934)	0	3,020,634	0	6,306	6,306	51,800	01/12/2015	1FE
125094AB8	CDP FINANCIAL	A	05/29/2014	Goldman Sachs NY	XXX	1,722,542	1,700,000	1,772,335	1,737,289	0	(17,012)	0	(17,012)	0	1,720,277	0	2,265	2,265	26,208	11/25/2014	1FE
78008SVJ2	ROYAL BANK OF CANADA	A	06/13/2014	Dain Rauscher	XXX	3,004,227	3,000,000	3,000,000	3,000,000	0	0	0	0	0	3,000,000	0	4,227	4,227	9,934	01/06/2015	1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX	153,006,171	152,032,108	154,534,221	112,906,095	0	(517,179)	0	(517,179)	0	152,901,870	0	104,293	104,293	1,245,143	XXX	XXX
8399997 Subtotal - Bonds - Part 4					XXX	202,447,338	201,374,245	204,154,842	153,157,939	0	(637,324)	0	(637,324)	0	202,300,360	0	146,969	146,969	1,418,702	XXX	XXX
8399999 Subtotal - Bonds					XXX	202,447,338	201,374,245	204,154,842	153,157,939	0	(637,324)	0	(637,324)	0	202,300,360	0	146,969	146,969	1,418,702	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX	202,447,338	XXX	204,154,842	153,157,939	0	(637,324)	0	(637,324)	0	202,300,360	0	146,969	146,969	1,418,702	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

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Indexed Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Quarter end (b)
1449999 Totals										0	0	0	0	XXX	0	0	0	0	0	0	XXX	XXX

(a)

1 Code	2 Description of Hedged Risk(s)
	NONE

(b)

1 Code	2 Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000	

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			All Other		20	21	22
														15	16	17	18	19			
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point
1449999 Totals												0	0	0	0	0	0	0	0	XXX	XXX

1 Broker Name	2 Beginning Cash Balance	3 Cumulative Cash Change	4 Ending Cash Balance
9999999 Total - Net Cash Deposits	0	0	0

(a)

1 Code	

NONE

(b)

1 Code	2 Financial or Economic Impact of the Hedge at the End of the Reporting Period
0000	

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book/Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book/ Adjusted Carrying Value > 0	Contracts With Book/ Adjusted Carrying Value < 0	Exposure net of Collateral	Contracts With Fair Value > 0	Contracts With Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
NONE											
0999999 Total (Sum of 0199999, 0299999, 0399999, 0499999, 0599999, 0699999, 0799999 & 0899999)			0	0	0	0	0	0	0	0	0

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
NONE								
0199999 Total				0	0	0	XXX	XXX

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
NONE								
0299999 Total				0	0	XXX	XXX	XXX

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
9999999 Grand Totals				0	0	XXX

NONE

General Interrogatories:

1. Total activity for the year to date Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year to date Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation: NAIC 1 $.....0, NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Dates
9999999 Grand Totals				0	0	X X X

N O N E

General Interrogatories:
1. Total activity for the year to date Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year to date Fair Value $.....0 Book/Adjusted Carrying Value $.....0

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
							6	7	8	
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
open depositories										
CREDIT IND ET CM NY INSTL C/D	Pittsburgh, PA			0.510	1,700	0	1,000,000	1,000,000	0	X X X
US Bank - BlueCare Plus	Nashville, TN			0.000	0	0	772,424	1,660,667	606,491	X X X
US Bank - BlueCare Disbursing	Nashville. TN			0.000	0	0	(153,053)	(29,155,151)	(330,332)	X X X
US Bank - Stabilization	Nashville, TN			0.000	0	0	2,347,062	2,346,120	2,346,345	X X X
UB Bank - TCS	Nashville, TN			0.000	0	0	13,044,674	9,655,524	6,574,382	X X X
US Bank - VSHP Holding	Nashville, TN			0.000	0	0	684,683	684,729	684,729	X X X
0199998 Deposits in .....26 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories			X X X	X X X	86,392	0	33,809,732	33,614,603	31,366	X X X
0199999 Totals - Open Depositories			X X X	X X X	88,092	0	51,505,522	19,806,492	9,912,981	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories			X X X	X X X	0	0	0	0	0	X X X
0299999 Totals - Suspended Depositories			X X X	X X X	0	0	0	0	0	X X X
0399999 Total Cash On Deposit			X X X	X X X	88,092	0	51,505,522	19,806,492	9,912,981	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X	0	0	0	X X X
0599999 Total Cash			X X X	X X X	88,092	0	51,505,522	19,806,492	9,912,981	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total - Cash Equivalents					0	0	0

14046201436500002 2014 Document Code: 365

MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 3498 **NAIC Company Code: 14046**

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected	0	XXX	0	XXX	0
2. Earned Premiums	0	XXX	0	XXX	XXX
3. Claims Paid	0	XXX	0	XXX	0
4. Claims Incurred	0	XXX	0	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	0	XXX	0		0
6. Aggregate Policy Reserves - change			0	XXX	XXX
7. Expenses Paid			0	XXX	0
8. Expenses Incurred	0	XXX	0	XXX	XXX
9. Underwriting Gain or Loss	0	XXX	0	XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	0

NONE

(a) Uninsured Receivable/Payable with CMS at End of Quarter: $.....0 due from CMS or $.....0 due to CMS

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EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199999 Total Individuals	.....	.....	.....	.....	.....	.....
0299999 Total group	.....	.....	.....	.....	.....	.....
0399999 Premiums due and unpaid from Medicare entities	577,653	(109)	(3,963)	1,056	.....	574,637
Medicaid Entities:						
ACA Fee Premium Receivable	.....	.....	.....	29,960,984	.....	29,960,984
State of Tennessee Premium Withhold Receivable	3,653,772	.....	.....	.....	.....	3,653,772
Premium Accrual	2,002,508	310,049	189,749	(5,537,332)	.....	(3,035,026)
0499997 Subtotal - Medicaid Entities:	5,656,280	310,049	189,749	24,423,652	-	30,579,730
0499999 Premiums due and unpaid from Medicaid entities	-	-	-	-	-	-
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	6,233,933	309,940	185,786	24,424,708	-	31,154,367

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of debtor	2 1 - 30 days	3 31 - 60 days	4 61 - 90 days	5 Over 90 days	6 Nonadmitted	7 Admitted
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed	27,634	16,285	14,532	27,889	27,889	58,451
0199999 Subtotal - Pharmaceutical Rebate Receivables	27,634	16,285	14,532	27,889	27,889	58,451
Provider Receivables	-	-	-	2,314,101	2,314,101	-
0299998 Claim Overpayment Receivables - Not Individually Listed	-	-	-	2,314,101	2,314,101	-
0299999 Subtotal - Claim Overpayment Receivables						
Loans and Advances to Providers 3000001 SouthEast Transportation	-	-	-	-	-	-
0399998 Loans and Advances to Providers - Not Individually Listed						-
0399999 Subtotal - Loans and Advances to Providers	-	-	-	-	-	-
0499998 Capitation Arrangement Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangement Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed						
0699999 Subtotal - Other Receivables	-	-	-	-	-	-
0799999 Gross health care receivables	27,634	16,285	14,532	2,341,990	2,341,990	58,451

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually listed receivables							
	NONE						
0199999 Total - individually listed receivables							
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable							

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
BlueCross BlueShield of Tennessee	Administrative Expense offset and Federal Income Tax Expense	24,779,988	24,779,988	-
0199999 Total - Individually listed payables	……XXX……	24,779,988	24,779,988	-
0299999 Payables not individually listed	……XXX……	……	……	……
0399999 Total gross payables	……XXX……	24,779,988	24,779,988	-