

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **DECEMBER 31, 2015**

OF THE **Safeguard Health Plans, Inc.**
(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION 'ION / 2. DIVISION **CONSOLIDATED**

(Location)

EXHIBIT II (Filed Annually and Quarterly)
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES

Indicate Reporting Period: **Current Quarter**

| | 1. Total | 2. COMMERCIAL RISK (Omit Provider HMO Business) | 3. MEDICARE (Omit Provider HMO Business) | | | 4. MEDICAID (Omit Provider HMO Business) | 5. POINT OF SERVICE RIDER COVERAGE | 6. ASSUMED RISK (as Provider HMO) | 7. CHILDREN'S HEALTH INSURANCE PLAN | 8. OTHER |
|---|-------------|--|--|-----------|--------|--|---|--|---|-------------|
| | | | BASIC | ADVANTAGE | PART D | | | | | |
| 1. ENROLLEES AT THE END OF REPT PERIOD..... | 81,150 | 81,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 244,031 | 244,031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 2,378,208 | 2,378,208 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 2,378,208 | 2,378,208 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (16,304) | (16,304) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Fee-for-Service (gross revenues)..... | 0 | XXXXXXXX | 0 | 0 | 0 | 0 | XXXXXXXX | XXXXXXXX | XXXXXXXX | 0 |
| 7. Risk Revenue..... | 0 | XXXXXXXX | 0 | 0 | 0 | XXXXXXXX | XXXXXXXX | 0 | XXXXXXXX | 0 |
| 8. Agg write-in for Other Health Related Revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Aggregate write-ins for other non-health revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. TOTAL REVENUE (L4 to L9)..... | 2,361,904 | 2,361,904 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 1,161,744 | 1,161,744 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 1,161,744 | 1,161,744 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 46,367 | 46,367 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 803,694 | 803,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Increase in Reserves for A&H contracts..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. TOTAL UNDERWRITING DEDUCTIONS (L13 to L16)..... | 2,011,805 | 2,011,805 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | 350,099 | 350,099 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 27,823 | 27,823 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | 377,922 | 377,922 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 132,880 | 132,880 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | 245,042 | 245,042 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 48.8% | 48.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 0 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 0 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

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(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION 'ION / 2. DIVISION **CONSOLIDATED**

(Location)

EXHIBIT II (Filed Annually and Quarterly)
ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES

Indicate Reporting Period: Year-to-Date

| | 1. Total | 2. COMMERCIAL RISK (Omit Provider HMO Business) | 3. MEDICARE (Omit Provider HMO Business) | | | 4. MEDICAID (Omit Provider HMO Business) | 5. POINT OF SERVICE RIDER COVERAGE | 6. ASSUMED RISK (as Provider HMO) | 7. CHILDREN'S HEALTH INSURANCE PLAN | 8. OTHER |
|---|-------------|--|--|-----------|--------|--|---|--|---|-------------|
| | | | BASIC | ADVANTAGE | PART D | | | | | |
| 1. ENROLLEES AT THE END OF REPT PERIOD..... | 81,150 | 81,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 1,050,310 | 1,050,310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 9,952,643 | 9,952,643 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 9,952,643 | 9,952,643 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (22,010) | (22,010) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Fee-for-Service (gross revenues)..... | 0 | XXXXXXXX | 0 | 0 | 0 | 0 | XXXXXXXX | XXXXXXXX | XXXXXXXX | 0 |
| 7. Risk Revenue..... | 0 | XXXXXXXX | 0 | 0 | 0 | XXXXXXXX | XXXXXXXX | 0 | XXXXXXXX | 0 |
| 8. Agg write-in for Other Health Related Revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Aggregate write-ins for other non-health revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. TOTAL REVENUE (L4 to L9)..... | 9,930,633 | 9,930,633 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 5,208,798 | 5,208,798 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 5,208,798 | 5,208,798 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 218,439 | 218,439 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 3,846,229 | 3,846,229 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Increase in Reserves for A&H contracts..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. TOTAL UNDERWRITING DEDUCTIONS (L13 to L16)..... | 9,273,466 | 9,273,466 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | 657,167 | 657,167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 143,008 | 143,008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | 800,175 | 800,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 365,660 | 365,660 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | 434,515 | 434,515 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 52.3% | 52.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 0 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 0 | of Texas enrollees and Federal employees.) | | | 0 | | | | |