

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(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..... | 1,741,392 | 1,282,724 | 0 | 24,618 | 0 | 213,100 | 0 | 0 | 5,711 | 215,239 |
| 2. MEMBER MONTHS..... | 5,229,904 | 3,877,022 | 0 | 74,154 | 0 | 616,036 | 0 | 0 | 16,669 | 646,023 |
| 3. Direct Premium Income..... | 994,489,926 | 734,179,785 | 0 | 90,334,157 | 0 | 167,181,021 | 0 | XXXXXXXX | 2,794,963 | 0 |
| 4. Net Premium Income..... | 994,489,926 | 734,179,785 | 0 | 90,334,157 | 0 | 167,181,021 | 0 | 0 | 2,794,963 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (429,745) | (974,583) | 0 | 544,838 | 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..... | 34,901,656 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,901,656 |
| 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)..... | 1,028,961,837 | 733,205,202 | 0 | 90,878,995 | 0 | 167,181,021 | 0 | 0 | 2,794,963 | 34,901,656 |
| 11. Hospital & Medical Benefits..... | 1,218,956,130 | 979,548,870 | 0 | 79,063,473 | 0 | 157,790,906 | 0 | 0 | 2,552,881 | 0 |
| 12. Net Reins Recoveries Incurred..... | 47,225,475 | 47,225,475 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 1,171,730,655 | 932,323,395 | 0 | 79,063,473 | 0 | 157,790,906 | 0 | 0 | 2,552,881 | 0 |
| 14. Claims Adjustment Expenses..... | 66,863,172 | 30,514,573 | 0 | 11,579,112 | 0 | 19,995,414 | 0 | 0 | 416,183 | 4,357,890 |
| 15. General Administrative Expenses..... | 113,271,956 | 96,724,048 | 0 | 2,975,078 | 0 | 8,673,553 | 0 | 0 | 323,251 | 4,576,026 |
| 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)..... | 1,351,865,783 | 1,059,562,016 | 0 | 93,617,663 | 0 | 186,459,873 | 0 | 0 | 3,292,315 | 8,933,916 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (322,903,946) | (326,356,814) | 0 | (2,738,668) | 0 | (19,278,852) | 0 | 0 | (497,352) | 25,967,740 |
| 19. Net Investments Gains / (Losses)..... | 4,396,733 | 3,094,100 | 0 | 391,443 | 0 | 744,246 | 0 | 0 | 13,001 | 153,943 |
| 20. Aggregate write-ins for other expenses..... | 299,130 | 299,130 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (318,208,083) | (322,963,584) | 0 | (2,347,225) | 0 | (18,534,606) | 0 | 0 | (484,351) | 26,121,683 |
| 22. Federal and foreign income taxes incurred..... | 62,612,027 | 65,427,094 | 0 | 878,344 | 0 | (4,018,465) | 0 | 0 | (408,122) | 733,176 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (380,820,110) | (388,390,678) | 0 | (3,225,569) | 0 | (14,516,141) | 0 | 0 | (76,229) | 25,388,507 |
| 24 Medical Loss Ratio | 117.8% | 127.0% | 0.0% | 87.5% | 0.0% | 94.4% | 0.0% | 0.0% | 91.3% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 422 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 1,269 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(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..... | 1,741,392 | 1,282,724 | 0 | 24,618 | 0 | 213,100 | 0 | 0 | 5,711 | 215,239 |
| 2. MEMBER MONTHS..... | 9,931,449 | 7,415,005 | 0 | 149,071 | 0 | 1,042,022 | 0 | 0 | 32,351 | 1,293,000 |
| 3. Direct Premium Income..... | 2,183,345,633 | 1,713,650,472 | 0 | 179,975,840 | 0 | 284,162,677 | 0 | XXXXXXXX | 5,556,644 | 0 |
| 4. Net Premium Income..... | 2,183,345,633 | 1,713,650,472 | 0 | 179,975,840 | 0 | 284,162,677 | 0 | 0 | 5,556,644 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (40,099,955) | (40,099,955) | 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..... | 52,813,853 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52,813,853 |
| 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)..... | 2,196,059,531 | 1,673,550,517 | 0 | 179,975,840 | 0 | 284,162,677 | 0 | 0 | 5,556,644 | 52,813,853 |
| 11. Hospital & Medical Benefits..... | 2,227,777,647 | 1,787,333,745 | 0 | 166,735,907 | 0 | 268,713,517 | 0 | 0 | 4,994,478 | 0 |
| 12. Net Reins Recoveries Incurred..... | 69,108,475 | 69,108,475 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 2,158,669,172 | 1,718,225,270 | 0 | 166,735,907 | 0 | 268,713,517 | 0 | 0 | 4,994,478 | 0 |
| 14. Claims Adjustment Expenses..... | 121,560,525 | 61,118,831 | 0 | 16,741,281 | 0 | 33,248,821 | 0 | 0 | 917,673 | 9,533,919 |
| 15. General Administrative Expenses..... | 308,244,914 | 261,673,953 | 0 | 14,962,429 | 0 | 21,020,231 | 0 | 0 | 838,325 | 9,749,976 |
| 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)..... | 2,588,474,611 | 2,041,018,054 | 0 | 198,439,617 | 0 | 322,982,569 | 0 | 0 | 6,750,476 | 19,283,895 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (392,415,080) | (367,467,537) | 0 | (18,463,777) | 0 | (38,819,892) | 0 | 0 | (1,193,832) | 33,529,958 |
| 19. Net Investments Gains / (Losses)..... | 10,493,567 | 8,031,376 | 0 | 842,142 | 0 | 1,346,542 | 0 | 0 | 28,658 | 244,849 |
| 20. Aggregate write-ins for other expenses..... | 545,176 | 545,176 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (381,376,337) | (358,890,985) | 0 | (17,621,635) | 0 | (37,473,350) | 0 | 0 | (1,165,174) | 33,774,807 |
| 22. Federal and foreign income taxes incurred..... | 136,729,642 | 134,334,041 | 0 | (833,671) | 0 | 289,613 | 0 | 0 | 340,507 | 2,599,152 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (518,105,979) | (493,225,026) | 0 | (16,787,964) | 0 | (37,762,963) | 0 | 0 | (1,505,681) | 31,175,655 |
| 24 Medical Loss Ratio | 98.9% | 100.3% | 0.0% | 92.6% | 0.0% | 94.6% | 0.0% | 0.0% | 89.9% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 422 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 2,516 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Abilene**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 2,634 | 2,528 | 106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 5,078 | 4,922 | 156 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 27,376 | 26,539 | 837 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 10,803 | 10,439 | 364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 3,726 | 3,624 | 102 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 14,529 | 14,063 | 466 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 651 | 632 | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 160 | 154 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 4,136,344 | 3,987,354 | 148,990 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 3,817,857 | 3,668,867 | 148,990 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 6,977,825 | 6,649,774 | 328,051 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 7,135,476 | 6,816,369 | 319,107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Abilene

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 5,079 | 5,078 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2. MEMBER MONTHS..... | 15,529 | 15,526 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| 3. Direct Premium Income..... | 1,145,074 | 1,145,074 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 1,145,074 | 1,145,074 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (11,936) | (11,936) | 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)..... | 1,133,138 | 1,133,138 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 4,684,898 | 4,684,898 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 590,695 | 590,695 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 4,094,203 | 4,094,203 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 181,021 | 180,937 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 84 |
| 15. General Administrative Expenses..... | 636,630 | 636,588 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 |
| 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)..... | 4,911,854 | 4,911,728 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 126 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (3,778,716) | (3,778,590) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (126) |
| 19. Net Investments Gains / (Losses)..... | 4,500 | 4,499 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20. Aggregate write-ins for other expenses..... | 473 | 473 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (3,773,743) | (3,773,618) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (125) |
| 22. Federal and foreign income taxes incurred..... | 893,160 | 893,193 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (33) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (4,666,903) | (4,666,811) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (92) |
| 24 Medical Loss Ratio | 357.5% | 357.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 4 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Abilene

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 5,079 | 5,078 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2. MEMBER MONTHS..... | 27,382 | 27,376 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| 3. Direct Premium Income..... | 4,069,298 | 4,069,298 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 4,069,298 | 4,069,298 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (318,487) | (318,487) | 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..... | 166 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 166 |
| 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)..... | 3,750,977 | 3,750,811 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 166 |
| 11. Hospital & Medical Benefits..... | 7,135,477 | 7,135,477 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 730,917 | 730,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 6,404,560 | 6,404,560 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 326,427 | 326,254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 173 |
| 15. General Administrative Expenses..... | 1,396,538 | 1,396,452 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86 |
| 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)..... | 8,127,525 | 8,127,266 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 259 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (4,376,548) | (4,376,455) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (93) |
| 19. Net Investments Gains / (Losses)..... | 19,376 | 19,375 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20. Aggregate write-ins for other expenses..... | 1,123 | 1,123 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (4,356,049) | (4,355,957) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (92) |
| 22. Federal and foreign income taxes incurred..... | 1,533,563 | 1,533,529 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (5,889,612) | (5,889,486) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (126) |
| 24 Medical Loss Ratio | 157.4% | 157.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Amarillo, Lubbock**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 7,083 | 6,751 | 332 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 12,406 | 12,012 | 394 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 67,797 | 65,522 | 2,275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 25,003 | 24,161 | 842 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 8,624 | 8,389 | 235 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 33,627 | 32,550 | 1,077 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 2,423 | 2,354 | 69 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 477 | 459 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 10,347,304 | 9,844,358 | 502,946 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 9,560,992 | 9,058,046 | 502,946 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 16,150,907 | 15,391,600 | 759,307 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 16,515,811 | 15,777,203 | 738,608 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Amarillo,Lubbock

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 12,406 | 12,406 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 37,669 | 37,669 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 2,668,115 | 2,668,115 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 2,668,115 | 2,668,115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (10,976) | (10,976) | 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)..... | 2,657,139 | 2,657,139 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 9,982,905 | 9,982,905 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 1,317,973 | 1,317,973 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 8,664,932 | 8,664,932 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 438,511 | 438,511 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 1,526,415 | 1,526,415 | 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)..... | 10,629,858 | 10,629,858 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (7,972,719) | (7,972,719) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 10,256 | 10,256 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 1,128 | 1,128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (7,961,335) | (7,961,335) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 1,545,248 | 1,545,248 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (9,506,583) | (9,506,583) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 324.8% | 324.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Amarillo,Lubbock

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 12,406 | 12,406 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 67,797 | 67,797 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 10,181,771 | 10,181,771 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 10,181,771 | 10,181,771 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (786,312) | (786,312) | 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)..... | 9,395,459 | 9,395,459 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 16,515,810 | 16,515,810 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 1,691,784 | 1,691,784 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 14,824,026 | 14,824,026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 807,971 | 807,971 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 3,458,329 | 3,458,329 | 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)..... | 19,090,326 | 19,090,326 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (9,694,867) | (9,694,867) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 48,479 | 48,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 2,781 | 2,781 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (9,643,607) | (9,643,607) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 3,395,064 | 3,395,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (13,038,671) | (13,038,671) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 145.6% | 145.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Austin**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 49,952 | 19,050 | 1,861 | 0 | 0 | 0 | 0 | 0 | 29,041 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 62,673 | 29,622 | 2,127 | 0 | 0 | 0 | 0 | 0 | 30,924 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 361,085 | 166,998 | 12,405 | 0 | 0 | 0 | 0 | 0 | 181,682 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 120,300 | 66,543 | 2,318 | 0 | 0 | 0 | 0 | 0 | 51,439 | 0 |
| 8. Non-Physician | 81,428 | 23,104 | 648 | 0 | 0 | 0 | 0 | 0 | 57,676 | 0 |
| 9. Total | 201,728 | 89,647 | 2,966 | 0 | 0 | 0 | 0 | 0 | 109,115 | 0 |
| 10. Hospital Patient Days Incurred | 24,501 | 4,103 | 121 | 0 | 0 | 0 | 0 | 0 | 20,277 | 0 |
| 11. Number of Inpatient Admissions | 3,192 | 817 | 31 | 0 | 0 | 0 | 0 | 0 | 2,344 | 0 |
| 12. Health Premiums Written | 68,688,365 | 25,090,627 | 2,721,347 | 0 | 0 | 0 | 0 | 0 | 40,876,391 | 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 | 66,684,268 | 23,086,530 | 2,721,347 | 0 | 0 | 0 | 0 | 0 | 40,876,391 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 81,573,915 | 42,390,495 | 2,091,233 | 0 | 0 | 0 | 0 | 0 | 37,092,187 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 83,995,903 | 43,452,493 | 2,034,223 | 0 | 0 | 0 | 0 | 0 | 38,509,187 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Austin

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 63,325 | 31,749 | 0 | 0 | 0 | 25,213 | 0 | 0 | 5,711 | 652 |
| 2. MEMBER MONTHS..... | 191,705 | 97,639 | 0 | 0 | 0 | 75,393 | 0 | 0 | 16,669 | 2,004 |
| 3. Direct Premium Income..... | 27,520,154 | 6,662,698 | 0 | 0 | 0 | 18,062,493 | 0 | XXXXXXXX | 2,794,963 | 0 |
| 4. Net Premium Income..... | 27,520,054 | 6,662,698 | 0 | 0 | 0 | 18,062,393 | 0 | 0 | 2,794,963 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 20,549 | 20,549 | 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..... | (50,023) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (50,023) |
| 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)..... | 27,490,580 | 6,683,247 | 0 | 0 | 0 | 18,062,393 | 0 | 0 | 2,794,963 | (50,023) |
| 11. Hospital & Medical Benefits..... | 45,613,099 | 26,747,860 | 0 | 0 | 0 | 16,312,358 | 0 | 0 | 2,552,881 | 0 |
| 12. Net Reins Recoveries Incurred..... | 3,587,163 | 3,587,163 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 42,025,936 | 23,160,697 | 0 | 0 | 0 | 16,312,358 | 0 | 0 | 2,552,881 | 0 |
| 14. Claims Adjustment Expenses..... | 3,458,955 | 1,135,363 | 0 | 0 | 0 | 1,851,380 | 0 | 0 | 416,183 | 56,029 |
| 15. General Administrative Expenses..... | 5,764,149 | 3,908,360 | 0 | 0 | 0 | 1,504,168 | 0 | 0 | 323,251 | 28,370 |
| 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)..... | 51,249,040 | 28,204,420 | 0 | 0 | 0 | 19,667,906 | 0 | 0 | 3,292,315 | 84,399 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (23,758,460) | (21,521,173) | 0 | 0 | 0 | (1,605,513) | 0 | 0 | (497,352) | (134,422) |
| 19. Net Investments Gains / (Losses)..... | 122,592 | 24,972 | 0 | 0 | 0 | 84,319 | 0 | 0 | 13,001 | 300 |
| 20. Aggregate write-ins for other expenses..... | 2,873 | 2,873 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (23,632,995) | (21,493,328) | 0 | 0 | 0 | (1,521,194) | 0 | 0 | (484,351) | (134,122) |
| 22. Federal and foreign income taxes incurred..... | (440,097) | 3,754,619 | 0 | 0 | 0 | (3,763,832) | 0 | 0 | (408,122) | (22,762) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (23,192,898) | (25,247,947) | 0 | 0 | 0 | 2,242,638 | 0 | 0 | (76,229) | (111,360) |
| 24 Medical Loss Ratio | 152.7% | 347.6% | 0.0% | 0.0% | 0.0% | 90.3% | 0.0% | 0.0% | 91.3% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Austin

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 63,325 | 31,749 | 0 | 0 | 0 | 25,213 | 0 | 0 | 5,711 | 652 |
| 2. MEMBER MONTHS..... | 365,166 | 179,403 | 0 | 0 | 0 | 149,331 | 0 | 0 | 32,351 | 4,081 |
| 3. Direct Premium Income..... | 68,266,468 | 27,390,077 | 0 | 0 | 0 | 35,319,747 | 0 | XXXXXXXX | 5,556,644 | 0 |
| 4. Net Premium Income..... | 68,266,468 | 27,390,077 | 0 | 0 | 0 | 35,319,747 | 0 | 0 | 5,556,644 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (2,004,097) | (2,004,097) | 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..... | 113,199 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 113,199 |
| 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)..... | 66,375,570 | 25,385,980 | 0 | 0 | 0 | 35,319,747 | 0 | 0 | 5,556,644 | 113,199 |
| 11. Hospital & Medical Benefits..... | 83,995,903 | 45,486,716 | 0 | 0 | 0 | 33,514,709 | 0 | 0 | 4,994,478 | 0 |
| 12. Net Reins Recoveries Incurred..... | 4,659,396 | 4,659,396 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 79,336,507 | 40,827,320 | 0 | 0 | 0 | 33,514,709 | 0 | 0 | 4,994,478 | 0 |
| 14. Claims Adjustment Expenses..... | 7,472,959 | 2,138,037 | 0 | 0 | 0 | 4,299,343 | 0 | 0 | 917,673 | 117,906 |
| 15. General Administrative Expenses..... | 14,396,215 | 9,151,358 | 0 | 0 | 0 | 4,347,740 | 0 | 0 | 838,325 | 58,792 |
| 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)..... | 101,205,681 | 52,116,715 | 0 | 0 | 0 | 42,161,792 | 0 | 0 | 6,750,476 | 176,698 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (34,830,111) | (26,730,735) | 0 | 0 | 0 | (6,842,045) | 0 | 0 | (1,193,832) | (63,499) |
| 19. Net Investments Gains / (Losses)..... | 341,813 | 130,414 | 0 | 0 | 0 | 182,157 | 0 | 0 | 28,658 | 584 |
| 20. Aggregate write-ins for other expenses..... | 7,360 | 7,360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (34,480,938) | (26,592,961) | 0 | 0 | 0 | (6,659,888) | 0 | 0 | (1,165,174) | (62,915) |
| 22. Federal and foreign income taxes incurred..... | 11,612,704 | 9,362,142 | 0 | 0 | 0 | 1,886,643 | 0 | 0 | 340,507 | 23,412 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (46,093,642) | (35,955,103) | 0 | 0 | 0 | (8,546,531) | 0 | 0 | (1,505,681) | (86,327) |
| 24 Medical Loss Ratio | 116.2% | 149.1% | 0.0% | 0.0% | 0.0% | 94.9% | 0.0% | 0.0% | 89.9% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Beaumont, Lufkin**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 3,550 | 3,396 | 154 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 5,051 | 4,860 | 191 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 27,982 | 26,886 | 1,096 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 13,021 | 12,583 | 438 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 4,491 | 4,369 | 122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 17,512 | 16,952 | 560 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 905 | 879 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 227 | 219 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 4,346,257 | 4,039,489 | 306,768 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 4,023,606 | 3,716,838 | 306,768 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 8,411,299 | 8,015,856 | 395,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 8,601,338 | 8,216,675 | 384,663 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Beaumont,Lufkin

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 5,052 | 5,051 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2. MEMBER MONTHS..... | 14,680 | 14,674 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| 3. Direct Premium Income..... | 898,826 | 898,826 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 898,826 | 898,826 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 19,068 | 19,068 | 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)..... | 917,894 | 917,894 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 5,162,295 | 5,162,295 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 684,290 | 684,290 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 4,478,005 | 4,478,005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 170,364 | 170,280 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 84 |
| 15. General Administrative Expenses..... | 574,050 | 574,008 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 |
| 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)..... | 5,222,419 | 5,222,293 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 126 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (4,304,525) | (4,304,399) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (126) |
| 19. Net Investments Gains / (Losses)..... | 3,180 | 3,179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20. Aggregate write-ins for other expenses..... | 418 | 418 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (4,300,927) | (4,300,802) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (125) |
| 22. Federal and foreign income taxes incurred..... | 614,708 | 614,741 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (33) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (4,915,635) | (4,915,543) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (92) |
| 24 Medical Loss Ratio | 498.2% | 498.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 5 | (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 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Beaumont,Lufkin

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 5,052 | 5,051 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2. MEMBER MONTHS..... | 27,988 | 27,982 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| 3. Direct Premium Income..... | 4,278,333 | 4,278,333 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 4,278,333 | 4,278,333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (322,652) | (322,652) | 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..... | 166 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 166 |
| 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)..... | 3,955,847 | 3,955,681 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 166 |
| 11. Hospital & Medical Benefits..... | 8,601,338 | 8,601,338 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 881,071 | 881,071 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 7,720,267 | 7,720,267 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 333,649 | 333,476 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 173 |
| 15. General Administrative Expenses..... | 1,427,450 | 1,427,364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86 |
| 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)..... | 9,481,366 | 9,481,107 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 259 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (5,525,519) | (5,525,426) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (93) |
| 19. Net Investments Gains / (Losses)..... | 20,372 | 20,371 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20. Aggregate write-ins for other expenses..... | 1,148 | 1,148 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (5,503,999) | (5,503,907) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (92) |
| 22. Federal and foreign income taxes incurred..... | 1,937,702 | 1,937,668 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (7,441,701) | (7,441,575) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (126) |
| 24 Medical Loss Ratio | 180.5% | 180.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Corpus Christi**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 5,114 | 5,008 | 106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 10,548 | 10,426 | 122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 55,655 | 54,946 | 709 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 19,872 | 19,203 | 669 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 6,854 | 6,667 | 187 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 26,726 | 25,870 | 856 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 1,537 | 1,493 | 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 316 | 304 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 8,374,008 | 8,255,366 | 118,642 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 7,714,616 | 7,595,974 | 118,642 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 12,836,605 | 12,233,114 | 603,491 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 13,126,626 | 12,539,587 | 587,039 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Corpus Christi

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 10,548 | 10,548 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 32,079 | 32,079 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 2,451,856 | 2,451,856 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 2,451,856 | 2,451,856 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (38,080) | (38,080) | 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)..... | 2,413,776 | 2,413,776 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 8,013,875 | 8,013,875 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 1,052,066 | 1,052,066 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 6,961,809 | 6,961,809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 374,156 | 374,156 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 1,327,188 | 1,327,188 | 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)..... | 8,663,153 | 8,663,153 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (6,249,377) | (6,249,377) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 9,791 | 9,791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 989 | 989 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (6,238,597) | (6,238,597) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 1,128,571 | 1,128,571 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (7,367,168) | (7,367,168) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 283.9% | 283.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Corpus Christi

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 10,548 | 10,548 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 55,655 | 55,655 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 8,235,195 | 8,235,195 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 8,235,195 | 8,235,195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (659,392) | (659,392) | 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)..... | 7,575,803 | 7,575,803 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 13,126,626 | 13,126,626 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 1,344,616 | 1,344,616 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 11,782,010 | 11,782,010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 663,269 | 663,269 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 2,838,965 | 2,838,965 | 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)..... | 15,284,244 | 15,284,244 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (7,708,441) | (7,708,441) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 39,211 | 39,211 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 2,283 | 2,283 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (7,666,947) | (7,666,947) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 2,699,175 | 2,699,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (10,366,122) | (10,366,122) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 143.1% | 143.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Dallas,Ft Worth**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|-------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 112,752 | 104,791 | 7,961 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 174,688 | 167,965 | 6,723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 964,070 | 925,285 | 38,785 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 352,625 | 340,755 | 11,870 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 121,626 | 118,310 | 3,316 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 474,251 | 459,065 | 15,186 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 22,425 | 21,780 | 645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 4,241 | 4,086 | 155 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 148,624,133 | 139,019,513 | 9,604,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 137,520,042 | 127,915,422 | 9,604,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 227,782,864 | 217,074,041 | 10,708,823 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 232,929,231 | 222,512,345 | 10,416,886 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Dallas,Ft Worth

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 177,833 | 174,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,145 |
| 2. MEMBER MONTHS..... | 539,612 | 530,189 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,423 |
| 3. Direct Premium Income..... | 36,949,478 | 36,949,478 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 36,949,478 | 36,949,478 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (3,466) | (3,466) | 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)..... | 36,946,012 | 36,946,012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 137,132,936 | 137,132,936 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 18,378,479 | 18,378,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 118,754,457 | 118,754,457 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 6,432,499 | 6,168,618 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 263,881 |
| 15. General Administrative Expenses..... | 21,488,799 | 21,355,283 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133,516 |
| 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)..... | 146,675,755 | 146,278,358 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 397,397 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (109,729,743) | (109,332,346) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (397,397) |
| 19. Net Investments Gains / (Losses)..... | 141,721 | 140,313 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,408 |
| 20. Aggregate write-ins for other expenses..... | 15,737 | 15,737 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (109,572,285) | (109,176,296) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (395,989) |
| 22. Federal and foreign income taxes incurred..... | 19,916,510 | 20,015,682 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (99,172) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (129,488,795) | (129,191,978) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (296,817) |
| 24 Medical Loss Ratio | 321.4% | 321.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 5 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Dallas,Ft Worth

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 177,833 | 174,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,145 |
| 2. MEMBER MONTHS..... | 982,783 | 964,070 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,713 |
| 3. Direct Premium Income..... | 146,286,532 | 146,286,532 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 146,286,532 | 146,286,532 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (11,104,092) | (11,104,092) | 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..... | 519,060 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 519,060 |
| 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)..... | 135,701,500 | 135,182,440 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 519,060 |
| 11. Hospital & Medical Benefits..... | 232,929,232 | 232,929,232 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 23,859,922 | 23,859,922 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 209,069,310 | 209,069,310 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 12,029,955 | 11,489,311 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 540,644 |
| 15. General Administrative Expenses..... | 49,446,858 | 49,177,272 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 269,586 |
| 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)..... | 270,546,123 | 269,735,893 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 810,230 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (134,844,623) | (134,553,453) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (291,170) |
| 19. Net Investments Gains / (Losses)..... | 699,199 | 696,522 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,677 |
| 20. Aggregate write-ins for other expenses..... | 39,549 | 39,549 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (134,105,875) | (133,817,382) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (288,493) |
| 22. Federal and foreign income taxes incurred..... | 47,218,217 | 47,110,861 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 107,356 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (181,324,092) | (180,928,243) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (395,849) |
| 24 Medical Loss Ratio | 142.9% | 142.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 178 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **East Texas, Tyler**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 11,754 | 11,352 | 402 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 25,436 | 24,801 | 635 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 134,287 | 130,791 | 3,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 48,118 | 46,498 | 1,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 16,597 | 16,144 | 453 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 64,715 | 62,642 | 2,073 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 4,380 | 4,254 | 126 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 919 | 885 | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 20,341,361 | 19,650,703 | 690,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 18,771,775 | 18,081,117 | 690,658 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 31,082,211 | 29,620,934 | 1,461,277 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 31,784,462 | 30,363,021 | 1,421,441 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

East Texas, Tyler

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 25,444 | 25,436 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| 2. MEMBER MONTHS..... | 77,379 | 77,326 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 53 |
| 3. Direct Premium Income..... | 5,923,850 | 5,923,850 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 5,923,850 | 5,923,850 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (90,297) | (90,297) | 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)..... | 5,833,553 | 5,833,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 20,952,676 | 20,952,676 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 2,636,024 | 2,636,024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 18,316,652 | 18,316,652 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 903,383 | 901,852 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,531 |
| 15. General Administrative Expenses..... | 3,198,211 | 3,197,447 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 764 |
| 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)..... | 22,418,246 | 22,415,951 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,295 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (16,584,693) | (16,582,398) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,295) |
| 19. Net Investments Gains / (Losses)..... | 23,625 | 23,617 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| 20. Aggregate write-ins for other expenses..... | 2,383 | 2,383 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (16,558,685) | (16,556,398) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,287) |
| 22. Federal and foreign income taxes incurred..... | 6,160,269 | 6,159,965 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 304 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (22,718,954) | (22,716,363) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,591) |
| 24 Medical Loss Ratio | 309.2% | 309.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

East Texas, Tyler

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 25,444 | 25,436 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| 2. MEMBER MONTHS..... | 134,340 | 134,287 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 53 |
| 3. Direct Premium Income..... | 20,010,936 | 20,010,936 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 20,010,936 | 20,010,936 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (1,569,587) | (1,569,587) | 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..... | 1,470 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,470 |
| 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)..... | 18,442,819 | 18,441,349 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,470 |
| 11. Hospital & Medical Benefits..... | 31,784,461 | 31,784,461 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 3,255,816 | 3,255,816 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 28,528,645 | 28,528,645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 1,601,897 | 1,600,366 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,531 |
| 15. General Administrative Expenses..... | 6,850,752 | 6,849,988 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 764 |
| 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)..... | 36,981,294 | 36,978,999 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,295 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (18,538,475) | (18,537,650) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (825) |
| 19. Net Investments Gains / (Losses)..... | 95,287 | 95,279 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| 20. Aggregate write-ins for other expenses..... | 5,509 | 5,509 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (18,437,679) | (18,436,862) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (817) |
| 22. Federal and foreign income taxes incurred..... | 6,491,064 | 6,490,760 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 304 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (24,928,743) | (24,927,622) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,121) |
| 24 Medical Loss Ratio | 142.6% | 142.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 2 | (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 | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

El Paso

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 41,632 | 41,632 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 155,948 | 155,954 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (6) |
| 3. Direct Premium Income..... | 17,150,371 | 17,150,371 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 17,150,371 | 17,150,371 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (972,983) | (972,983) | 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)..... | 16,177,388 | 16,177,388 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 23,540,721 | 23,540,721 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 2,885,395 | 2,885,395 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 20,655,326 | 20,655,326 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 1,836,986 | 1,837,165 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (179) |
| 15. General Administrative Expenses..... | 7,142,257 | 7,142,345 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (88) |
| 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)..... | 29,634,569 | 29,634,836 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (267) |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (13,457,181) | (13,457,448) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 267 |
| 19. Net Investments Gains / (Losses)..... | 76,707 | 76,708 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1) |
| 20. Aggregate write-ins for other expenses..... | 5,539 | 5,539 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (13,374,935) | (13,375,201) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 266 |
| 22. Federal and foreign income taxes incurred..... | 4,005,323 | 4,005,456 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (133) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (17,380,258) | (17,380,657) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 399 |
| 24 Medical Loss Ratio | 120.4% | 120.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

El Paso

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 41,632 | 41,632 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 217,942 | 217,942 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 32,349,841 | 32,349,841 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 32,349,841 | 32,349,841 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (2,575,032) | (2,575,032) | 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)..... | 29,774,809 | 29,774,809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 34,024,553 | 34,024,553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 3,485,278 | 3,485,278 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 30,539,275 | 30,539,275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 2,597,325 | 2,597,325 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 11,117,235 | 11,117,235 | 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)..... | 44,253,835 | 44,253,835 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (14,479,026) | (14,479,026) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 154,029 | 154,029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 8,941 | 8,941 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (14,316,056) | (14,316,056) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 5,040,016 | 5,040,016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (19,356,072) | (19,356,072) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 94.4% | 94.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Houston**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|-------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 103,902 | 98,433 | 5,469 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 166,636 | 160,309 | 6,327 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 919,287 | 882,704 | 36,583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 305,229 | 294,954 | 10,275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 105,279 | 102,408 | 2,871 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 410,508 | 397,362 | 13,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 21,253 | 20,642 | 611 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 4,029 | 3,882 | 147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 140,790,652 | 132,621,928 | 8,168,724 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 130,197,563 | 122,028,839 | 8,168,724 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 197,166,831 | 187,897,369 | 9,269,462 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 201,621,482 | 192,604,717 | 9,016,765 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Houston

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 169,329 | 166,636 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,693 |
| 2. MEMBER MONTHS..... | 927,086 | 910,592 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,494 |
| 3. Direct Premium Income..... | 136,406,678 | 136,406,678 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 136,406,678 | 136,406,678 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (10,366,666) | (10,366,666) | 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)..... | 126,040,012 | 126,040,012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 199,927,895 | 199,927,895 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 20,556,030 | 20,556,030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 179,371,865 | 179,371,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 11,325,238 | 10,848,983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 476,255 |
| 15. General Administrative Expenses..... | 46,572,817 | 46,335,334 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 237,483 |
| 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)..... | 237,269,920 | 236,556,182 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 713,738 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (111,229,908) | (110,516,170) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (713,738) |
| 19. Net Investments Gains / (Losses)..... | 651,137 | 648,779 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,358 |
| 20. Aggregate write-ins for other expenses..... | 37,235 | 37,235 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (110,541,536) | (109,830,156) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (711,380) |
| 22. Federal and foreign income taxes incurred..... | 38,519,671 | 38,425,444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 94,227 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (149,061,207) | (148,255,600) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (805,607) |
| 24 Medical Loss Ratio | 131.5% | 131.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 244 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Houston

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 169,329 | 166,636 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,693 |
| 2. MEMBER MONTHS..... | 935,793 | 919,287 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,506 |
| 3. Direct Premium Income..... | 138,560,626 | 138,560,626 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 138,560,626 | 138,560,626 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (10,593,089) | (10,593,089) | 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..... | 457,843 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 457,843 |
| 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)..... | 128,425,380 | 127,967,537 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 457,843 |
| 11. Hospital & Medical Benefits..... | 201,621,481 | 201,621,481 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 20,652,937 | 20,652,937 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 180,968,544 | 180,968,544 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 11,432,491 | 10,955,610 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 476,881 |
| 15. General Administrative Expenses..... | 47,130,679 | 46,892,888 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 237,791 |
| 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)..... | 239,531,714 | 238,817,042 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 714,672 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (111,106,334) | (110,849,505) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (256,829) |
| 19. Net Investments Gains / (Losses)..... | 662,097 | 659,736 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,361 |
| 20. Aggregate write-ins for other expenses..... | 37,712 | 37,712 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (110,406,525) | (110,152,057) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (254,468) |
| 22. Federal and foreign income taxes incurred..... | 38,874,097 | 38,779,403 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 94,694 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (149,280,622) | (148,931,460) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (349,162) |
| 24 Medical Loss Ratio | 130.6% | 130.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 244 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Midland

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 7,271 | 7,271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | (52,166) | (52,166) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | (16,598,820) | (16,598,820) | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | (16,598,820) | (16,598,820) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 1,935,062 | 1,935,062 | 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)..... | (14,663,758) | (14,663,758) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | (6,223,016) | (6,223,016) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | (64,607) | (64,607) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | (6,158,409) | (6,158,409) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | (653,101) | (653,101) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | (3,853,190) | (3,853,190) | 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)..... | (10,664,700) | (10,664,700) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (3,999,058) | (3,999,058) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | (86,322) | (86,322) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | (3,399) | (3,399) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (4,088,779) | (4,088,779) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 2,350,402 | 2,350,402 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (6,439,181) | (6,439,181) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 37.1% | 37.1% | 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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Midland
(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 7,271 | 7,271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. MEMBER MONTHS..... | 38,748 | 38,748 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Direct Premium Income..... | 5,778,794 | 5,778,794 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 5,778,794 | 5,778,794 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (453,663) | (453,663) | 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)..... | 5,325,131 | 5,325,131 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 6,446,461 | 6,446,461 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 660,338 | 660,338 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 5,786,123 | 5,786,123 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 461,780 | 461,780 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. General Administrative Expenses..... | 1,976,538 | 1,976,538 | 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)..... | 8,224,441 | 8,224,441 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (2,899,310) | (2,899,310) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Net Investments Gains / (Losses)..... | 27,515 | 27,515 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Aggregate write-ins for other expenses..... | 1,590 | 1,590 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (2,870,205) | (2,870,205) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Federal and foreign income taxes incurred..... | 1,010,466 | 1,010,466 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (3,880,671) | (3,880,671) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Medical Loss Ratio | 100.1% | 100.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Rio Grande Valley**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 17,266 | 16,809 | 457 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 26,294 | 25,486 | 808 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 140,781 | 136,275 | 4,506 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 38,684 | 37,382 | 1,302 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 13,343 | 12,979 | 364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 52,027 | 50,361 | 1,666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 3,679 | 3,573 | 106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 739 | 712 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 21,176,441 | 20,474,647 | 701,794 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 19,541,043 | 18,839,249 | 701,794 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 24,988,483 | 23,813,692 | 1,174,791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 25,553,056 | 24,410,291 | 1,142,765 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Rio Grande Valley

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 26,296 | 26,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 2. MEMBER MONTHS..... | (275,078) | (266,708) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (8,370) |
| 3. Direct Premium Income..... | (81,179,556) | (81,179,556) | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | (81,179,556) | (81,179,556) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 8,789,810 | 8,789,810 | 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)..... | (72,389,746) | (72,389,746) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | (52,264,255) | (52,264,255) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | (1,835,182) | (1,835,182) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | (50,429,073) | (50,429,073) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | (3,568,654) | (3,319,288) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (249,366) |
| 15. General Administrative Expenses..... | (19,070,989) | (18,948,392) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (122,597) |
| 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)..... | (73,068,716) | (72,696,753) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (371,963) |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | 678,970 | 307,007 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 371,963 |
| 19. Net Investments Gains / (Losses)..... | (420,898) | (419,755) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,143) |
| 20. Aggregate write-ins for other expenses..... | (16,588) | (16,588) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | 241,484 | (129,336) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 370,820 |
| 22. Federal and foreign income taxes incurred..... | (9,382,948) | (9,196,675) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (186,273) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | 9,624,432 | 9,067,339 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 557,093 |
| 24 Medical Loss Ratio | 62.1% | 62.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | (244) | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Rio Grande Valley

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 26,296 | 26,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 2. MEMBER MONTHS..... | 140,793 | 140,781 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| 3. Direct Premium Income..... | 20,832,162 | 20,832,162 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 20,832,162 | 20,832,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (1,635,399) | (1,635,399) | 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..... | 333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 333 |
| 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)..... | 19,197,096 | 19,196,763 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 333 |
| 11. Hospital & Medical Benefits..... | 25,553,056 | 25,553,056 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 2,617,507 | 2,617,507 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 22,935,549 | 22,935,549 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 1,678,106 | 1,677,759 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 347 |
| 15. General Administrative Expenses..... | 7,181,421 | 7,181,248 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 173 |
| 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)..... | 31,795,076 | 31,794,556 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 520 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (12,597,980) | (12,597,793) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (187) |
| 19. Net Investments Gains / (Losses)..... | 99,191 | 99,189 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 20. Aggregate write-ins for other expenses..... | 5,775 | 5,775 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (12,493,014) | (12,492,829) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (185) |
| 22. Federal and foreign income taxes incurred..... | 4,398,211 | 4,398,142 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (16,891,225) | (16,890,971) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (254) |
| 24 Medical Loss Ratio | 110.1% | 110.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

San Angelo

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 3,558 | 3,554 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| 2. MEMBER MONTHS..... | 10,669 | 10,645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| 3. Direct Premium Income..... | 737,273 | 737,273 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 737,273 | 737,273 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 641 | 641 | 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..... | (289) | (289) | 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)..... | 737,625 | 737,625 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 2,376,514 | 2,376,514 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 320,010 | 320,010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 2,056,504 | 2,056,504 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 123,980 | 123,644 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 336 |
| 15. General Administrative Expenses..... | 429,587 | 429,417 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 170 |
| 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)..... | 2,610,071 | 2,609,565 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 506 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (1,872,446) | (1,871,940) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (506) |
| 19. Net Investments Gains / (Losses)..... | 2,808 | 2,807 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 20. Aggregate write-ins for other expenses..... | 317 | 317 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (1,869,321) | (1,868,816) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (505) |
| 22. Federal and foreign income taxes incurred..... | 516,979 | 517,108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (129) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (2,386,300) | (2,385,924) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (376) |
| 24 Medical Loss Ratio | 278.9% | 278.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

San Angelo

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 3,558 | 3,554 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| 2. MEMBER MONTHS..... | 19,376 | 19,352 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| 3. Direct Premium Income..... | 2,891,221 | 2,891,221 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 2,891,221 | 2,891,221 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (225,782) | (225,782) | 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..... | 666 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 666 |
| 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)..... | 2,666,105 | 2,665,439 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 666 |
| 11. Hospital & Medical Benefits..... | 4,070,100 | 4,070,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 416,917 | 416,917 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 3,653,183 | 3,653,183 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 231,321 | 230,628 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 693 |
| 15. General Administrative Expenses..... | 987,493 | 987,147 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 346 |
| 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)..... | 4,871,997 | 4,870,958 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,039 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (2,205,892) | (2,205,519) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (373) |
| 19. Net Investments Gains / (Losses)..... | 13,769 | 13,766 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| 20. Aggregate write-ins for other expenses..... | 794 | 794 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (2,191,329) | (2,190,959) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (370) |
| 22. Federal and foreign income taxes incurred..... | 771,472 | 771,334 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 138 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (2,962,801) | (2,962,293) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (508) |
| 24 Medical Loss Ratio | 126.4% | 126.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **San Antonio**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 20,913 | 20,296 | 617 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 33,443 | 32,807 | 636 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 181,982 | 178,254 | 3,728 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 62,367 | 60,268 | 2,099 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Non-Physician | 21,512 | 20,925 | 587 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Total | 83,879 | 81,193 | 2,686 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Hospital Patient Days Incurred | 5,094 | 4,948 | 146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Number of Inpatient Admissions | 978 | 942 | 36 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Health Premiums Written | 27,419,953 | 26,781,785 | 638,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 25,280,776 | 24,642,608 | 638,168 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 40,287,256 | 38,393,219 | 1,894,037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 41,197,478 | 39,355,075 | 1,842,403 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

San Antonio

(Location)

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

Indicate Reporting Period: Current Quarter X

| | 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..... | 38,539 | 38,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 96 |
| 2. MEMBER MONTHS..... | 101,694 | 101,399 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 295 |
| 3. Direct Premium Income..... | 7,168,486 | 7,168,486 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 7,168,486 | 7,168,486 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (32,424) | (32,424) | 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)..... | 7,136,062 | 7,136,062 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 24,402,392 | 24,402,392 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 3,259,020 | 3,259,020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 21,143,372 | 21,143,372 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 1,188,834 | 1,180,581 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,253 |
| 15. General Administrative Expenses..... | 4,119,823 | 4,115,645 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,178 |
| 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)..... | 26,452,029 | 26,439,598 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,431 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (19,315,967) | (19,303,536) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (12,431) |
| 19. Net Investments Gains / (Losses)..... | 27,726 | 27,682 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44 |
| 20. Aggregate write-ins for other expenses..... | 3,043 | 3,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (19,285,198) | (19,272,811) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (12,387) |
| 22. Federal and foreign income taxes incurred..... | 3,649,609 | 3,652,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,256) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (22,934,807) | (22,925,676) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (9,131) |
| 24 Medical Loss Ratio | 294.9% | 294.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (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 | | | | |

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

TEXAS HMO SUPPLEMENT

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

San Antonio

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 38,539 | 38,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 96 |
| 2. MEMBER MONTHS..... | 182,577 | 181,982 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 595 |
| 3. Direct Premium Income..... | 26,969,620 | 26,969,620 | 0 | 0 | 0 | 0 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 26,969,620 | 26,969,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (2,139,177) | (2,139,177) | 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..... | 16,504 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,504 |
| 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)..... | 24,846,947 | 24,830,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,504 |
| 11. Hospital & Medical Benefits..... | 41,197,477 | 41,197,477 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 4,220,031 | 4,220,031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 36,977,446 | 36,977,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 2,185,962 | 2,168,772 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,190 |
| 15. General Administrative Expenses..... | 9,291,485 | 9,282,913 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,572 |
| 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)..... | 48,454,893 | 48,429,131 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,762 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (23,607,946) | (23,598,688) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (9,258) |
| 19. Net Investments Gains / (Losses)..... | 128,497 | 128,412 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| 20. Aggregate write-ins for other expenses..... | 7,465 | 7,465 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (23,471,984) | (23,462,811) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (9,173) |
| 22. Federal and foreign income taxes incurred..... | 8,263,575 | 8,260,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,413 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (31,735,559) | (31,722,973) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (12,586) |
| 24 Medical Loss Ratio | 137.1% | 137.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Illinois**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|---------------|------------------------------------|---------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 822,045 | 34,295 | 645,397 | 0 | 0 | 73,762 | 655 | 18,768 | 49,168 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 951,443 | 44,387 | 621,302 | 0 | 0 | 72,501 | 748 | 24,618 | 187,887 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 5,482,105 | 254,047 | 3,749,300 | 0 | 0 | 432,604 | 4,392 | 149,071 | 892,691 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 2,915,267 | 131,186 | 2,313,605 | 0 | 0 | 0 | 3,666 | 66,798 | 400,012 | 0 |
| 8. Non-Physician | 1,542,280 | 63,159 | 1,113,880 | 0 | 0 | 0 | 1,765 | 52,366 | 311,110 | 0 |
| 9. Total | 4,457,547 | 194,345 | 3,427,485 | 0 | 0 | 0 | 5,431 | 119,164 | 711,122 | 0 |
| 10. Hospital Patient Days Incurred | 509,666 | 19,908 | 78,924 | 0 | 0 | 0 | 129 | 315,734 | 94,971 | 0 |
| 11. Number of Inpatient Admissions | 83,473 | 1,919 | 17,167 | 0 | 0 | 0 | 40 | 20,578 | 43,769 | 0 |
| 12. Health Premiums Written | 1,695,303,834 | 36,420,007 | 1,221,881,285 | 0 | 0 | 5,386,926 | 2,569,771 | 180,202,915 | 248,842,930 | 0 |
| 13. Life Premiums Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Property & Casualty Premiums Written | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Health Premiums Earned | 1,689,590,641 | 30,887,646 | 1,221,927,528 | 0 | 0 | 5,386,926 | 2,569,771 | 179,975,840 | 248,842,930 | 0 |
| 16. Property/Casualty Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 1,430,475,928 | 83,525,109 | 1,008,175,034 | 0 | 0 | 4,561,505 | 2,001,597 | 146,799,106 | 185,413,577 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 1,520,775,672 | 75,790,669 | 1,036,584,186 | 0 | 0 | 4,331,505 | 2,134,597 | 166,735,907 | 235,198,808 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Illinois

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 1,160,080 | 738,938 | 0 | 24,618 | 0 | 187,887 | 0 | 0 | 0 | 208,637 |
| 2. MEMBER MONTHS..... | 3,460,762 | 2,219,844 | 0 | 74,154 | 0 | 540,643 | 0 | 0 | 0 | 626,121 |
| 3. Direct Premium Income..... | 855,143,997 | 615,691,212 | 0 | 90,334,157 | 0 | 149,118,628 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 855,143,997 | 615,691,212 | 0 | 90,334,157 | 0 | 149,118,628 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | 132,781 | (412,057) | 0 | 544,838 | 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)..... | 855,276,778 | 615,279,155 | 0 | 90,878,995 | 0 | 149,118,628 | 0 | 0 | 0 | 0 |
| 11. Hospital & Medical Benefits..... | 796,821,095 | 576,279,074 | 0 | 79,063,473 | 0 | 141,478,548 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | (6,075,055) | (6,075,055) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 802,896,150 | 582,354,129 | 0 | 79,063,473 | 0 | 141,478,548 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 44,744,482 | 11,220,354 | 0 | 11,579,112 | 0 | 18,144,034 | 0 | 0 | 0 | 3,800,982 |
| 15. General Administrative Expenses..... | 43,906,705 | 29,468,098 | 0 | 2,975,078 | 0 | 7,169,385 | 0 | 0 | 0 | 4,294,144 |
| 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)..... | 891,547,337 | 623,042,581 | 0 | 93,617,663 | 0 | 166,791,967 | 0 | 0 | 0 | 8,095,126 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (36,270,559) | (7,763,426) | 0 | (2,738,668) | 0 | (17,673,339) | 0 | 0 | 0 | (8,095,126) |
| 19. Net Investments Gains / (Losses)..... | 3,839,553 | 2,637,217 | 0 | 391,443 | 0 | 659,927 | 0 | 0 | 0 | 150,966 |
| 20. Aggregate write-ins for other expenses..... | 249,405 | 249,405 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (32,181,601) | (4,876,804) | 0 | (2,347,225) | 0 | (17,013,412) | 0 | 0 | 0 | (7,944,160) |
| 22. Federal and foreign income taxes incurred..... | (5,051,862) | (6,626,008) | 0 | 878,344 | 0 | (254,633) | 0 | 0 | 0 | 950,435 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (27,129,739) | 1,749,204 | 0 | (3,225,569) | 0 | (16,758,779) | 0 | 0 | 0 | (8,894,595) |
| 24 Medical Loss Ratio | 93.9% | 94.6% | 0.0% | 87.5% | 0.0% | 94.9% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Illinois

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 1,160,080 | 738,938 | 0 | 24,618 | 0 | 187,887 | 0 | 0 | 0 | 208,637 |
| 2. MEMBER MONTHS..... | 6,735,109 | 4,440,343 | 0 | 149,071 | 0 | 892,691 | 0 | 0 | 0 | 1,253,004 |
| 3. Direct Premium Income..... | 1,694,634,835 | 1,265,816,065 | 0 | 179,975,840 | 0 | 248,842,930 | 0 | XXXXXXXX | 0 | 0 |
| 4. Net Premium Income..... | 1,694,634,835 | 1,265,816,065 | 0 | 179,975,840 | 0 | 248,842,930 | 0 | 0 | 0 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (5,713,195) | (5,713,195) | 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..... | 51,704,446 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 51,704,446 |
| 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)..... | 1,740,626,086 | 1,260,102,870 | 0 | 179,975,840 | 0 | 248,842,930 | 0 | 0 | 0 | 51,704,446 |
| 11. Hospital & Medical Benefits..... | 1,520,775,672 | 1,118,840,957 | 0 | 166,735,907 | 0 | 235,198,808 | 0 | 0 | 0 | 0 |
| 12. Net Reins Recoveries Incurred..... | 631,945 | 631,945 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 1,520,143,727 | 1,118,209,012 | 0 | 166,735,907 | 0 | 235,198,808 | 0 | 0 | 0 | 0 |
| 14. Claims Adjustment Expenses..... | 79,737,414 | 25,668,275 | 0 | 16,741,281 | 0 | 28,949,478 | 0 | 0 | 0 | 8,378,380 |
| 15. General Administrative Expenses..... | 150,744,954 | 109,936,255 | 0 | 14,962,429 | 0 | 16,672,491 | 0 | 0 | 0 | 9,173,779 |
| 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)..... | 1,750,626,095 | 1,253,813,542 | 0 | 198,439,617 | 0 | 280,820,777 | 0 | 0 | 0 | 17,552,159 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (10,000,009) | 6,289,328 | 0 | (18,463,777) | 0 | (31,977,847) | 0 | 0 | 0 | 34,152,287 |
| 19. Net Investments Gains / (Losses)..... | 8,144,732 | 5,899,077 | 0 | 842,142 | 0 | 1,164,385 | 0 | 0 | 0 | 239,128 |
| 20. Aggregate write-ins for other expenses..... | 423,146 | 423,146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (1,432,131) | 12,611,551 | 0 | (17,621,635) | 0 | (30,813,462) | 0 | 0 | 0 | 34,391,415 |
| 22. Federal and foreign income taxes incurred..... | 3,484,315 | 3,545,319 | 0 | (833,671) | 0 | (1,597,030) | 0 | 0 | 0 | 2,369,697 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (4,916,446) | 9,066,232 | 0 | (16,787,964) | 0 | (29,216,432) | 0 | 0 | 0 | 32,021,718 |
| 24 Medical Loss Ratio | 89.7% | 88.3% | 0.0% | 92.6% | 0.0% | 94.5% | 0.0% | 0.0% | 0.0% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (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 | | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

STATEMENT AS OF **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

REPORT FOR DIVISION: **Texas**

(Location)

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|--|-------------|------------------------------------|------------|-----------------------------|---------------------|---------------------|--|------------------------------|----------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 362,507 | 315,399 | 18,067 | 0 | 0 | 0 | 0 | 0 | 29,041 | 0 |
| 2. First Quarter | 0 | | | | | | | | | |
| 3. Second Quarter | 574,710 | 524,844 | 18,942 | 0 | 0 | 0 | 0 | 0 | 30,924 | 0 |
| 4. Third Quarter | 0 | | | | | | | | | |
| 5. Current Year | 0 | | | | | | | | | |
| 6. Current Year Member Months | 3,156,344 | 2,865,390 | 109,272 | 0 | 0 | 0 | 0 | 0 | 181,682 | 0 |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 1,063,452 | 977,946 | 34,067 | 0 | 0 | 0 | 0 | 0 | 51,439 | 0 |
| 8. Non-Physician | 406,736 | 339,542 | 9,518 | 0 | 0 | 0 | 0 | 0 | 57,676 | 0 |
| 9. Total | 1,470,188 | 1,317,488 | 43,585 | 0 | 0 | 0 | 0 | 0 | 109,115 | 0 |
| 10. Hospital Patient Days Incurred | 91,849 | 69,515 | 2,057 | 0 | 0 | 0 | 0 | 0 | 20,277 | 0 |
| 11. Number of Inpatient Admissions | 16,421 | 13,561 | 516 | 0 | 0 | 0 | 0 | 0 | 2,344 | 0 |
| 12. Health Premiums Written | 495,949,798 | 430,510,733 | 24,562,674 | 0 | 0 | 0 | 0 | 0 | 40,876,391 | 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 | 461,563,038 | 396,123,973 | 24,562,674 | 0 | 0 | 0 | 0 | 0 | 40,876,391 | 0 |
| Property/Casualty | | | | | | | | | | |
| 16. Premiums Earned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. Amount Paid for Provision of Health Care Services | 690,815,211 | 622,989,351 | 30,733,673 | 0 | 0 | 0 | 0 | 0 | 37,092,187 | 0 |
| 18. Amount Incurred for Provision of Health Care Services | 707,001,975 | 638,596,955 | 29,895,833 | 0 | 0 | 0 | 0 | 0 | 38,509,187 | 0 |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Texas

(Location)

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

Indicate Reporting Period: Current Quarter **X**

| | 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..... | 581,312 | 543,786 | 0 | 0 | 0 | 25,213 | 0 | 0 | 5,711 | 6,602 |
| 2. MEMBER MONTHS..... | 1,769,142 | 1,657,178 | 0 | 0 | 0 | 75,393 | 0 | 0 | 16,669 | 19,902 |
| 3. Direct Premium Income..... | 139,345,929 | 118,488,573 | 0 | 0 | 0 | 18,062,393 | 0 | XXXXXXXX | 2,794,963 | 0 |
| 4. Net Premium Income..... | 139,345,929 | 118,488,573 | 0 | 0 | 0 | 18,062,393 | 0 | 0 | 2,794,963 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (562,526) | (562,526) | 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)..... | 138,783,403 | 117,926,047 | 0 | 0 | 0 | 18,062,393 | 0 | 0 | 2,794,963 | 0 |
| 11. Hospital & Medical Benefits..... | 422,135,035 | 403,269,796 | 0 | 0 | 0 | 16,312,358 | 0 | 0 | 2,552,881 | 0 |
| 12. Net Reins Recoveries Incurred..... | 53,300,530 | 53,300,530 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 368,834,505 | 349,969,266 | 0 | 0 | 0 | 16,312,358 | 0 | 0 | 2,552,881 | 0 |
| 14. Claims Adjustment Expenses..... | 22,118,690 | 19,294,219 | 0 | 0 | 0 | 1,851,380 | 0 | 0 | 416,183 | 556,908 |
| 15. General Administrative Expenses..... | 69,365,251 | 67,255,950 | 0 | 0 | 0 | 1,504,168 | 0 | 0 | 323,251 | 281,882 |
| 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)..... | 460,318,446 | 436,519,435 | 0 | 0 | 0 | 19,667,906 | 0 | 0 | 3,292,315 | 838,790 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (321,535,043) | (318,593,388) | 0 | 0 | 0 | (1,605,513) | 0 | 0 | (497,352) | (838,790) |
| 19. Net Investments Gains / (Losses)..... | 557,180 | 456,883 | 0 | 0 | 0 | 84,319 | 0 | 0 | 13,001 | 2,977 |
| 20. Aggregate write-ins for other expenses..... | 49,725 | 49,725 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (320,928,138) | (318,086,780) | 0 | 0 | 0 | (1,521,194) | 0 | 0 | (484,351) | (835,813) |
| 22. Federal and foreign income taxes incurred..... | 67,663,889 | 72,053,102 | 0 | 0 | 0 | (3,763,832) | 0 | 0 | (408,122) | (217,259) |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (388,592,027) | (390,139,882) | 0 | 0 | 0 | 2,242,638 | 0 | 0 | (76,229) | (618,554) |
| 24 Medical Loss Ratio | 264.7% | 295.4% | 0.0% | 0.0% | 0.0% | 90.3% | 0.0% | 0.0% | 91.3% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 3 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 5 | of Texas enrollees and Federal employees.) | | | 0 | | | | |

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **JUNE 30, 2015**

OF THE **Health Care Service Corp.**

(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION

Texas

(Location)

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

Indicate Reporting Period: Year-to-Date X

| | 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..... | 581,312 | 543,786 | 0 | 0 | 0 | 25,213 | 0 | 0 | 5,711 | 6,602 |
| 2. MEMBER MONTHS..... | 3,196,340 | 2,974,662 | 0 | 0 | 0 | 149,331 | 0 | 0 | 32,351 | 39,996 |
| 3. Direct Premium Income..... | 488,710,798 | 447,834,407 | 0 | 0 | 0 | 35,319,747 | 0 | XXXXXXXX | 5,556,644 | 0 |
| 4. Net Premium Income..... | 488,710,798 | 447,834,407 | 0 | 0 | 0 | 35,319,747 | 0 | 0 | 5,556,644 | 0 |
| 5. Change in unearned premium reserve and reserve for rate credits..... | (34,386,760) | (34,386,760) | 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..... | 1,109,407 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,109,407 |
| 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)..... | 455,433,445 | 413,447,647 | 0 | 0 | 0 | 35,319,747 | 0 | 0 | 5,556,644 | 1,109,407 |
| 11. Hospital & Medical Benefits..... | 707,001,975 | 668,492,788 | 0 | 0 | 0 | 33,514,709 | 0 | 0 | 4,994,478 | 0 |
| 12. Net Reins Recoveries Incurred..... | 68,476,530 | 68,476,530 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. TOTAL MEDICAL & HOSP (L11 less L12)..... | 638,525,445 | 600,016,258 | 0 | 0 | 0 | 33,514,709 | 0 | 0 | 4,994,478 | 0 |
| 14. Claims Adjustment Expenses..... | 41,823,111 | 35,450,556 | 0 | 0 | 0 | 4,299,343 | 0 | 0 | 917,673 | 1,155,539 |
| 15. General Administrative Expenses..... | 157,499,960 | 151,737,698 | 0 | 0 | 0 | 4,347,740 | 0 | 0 | 838,325 | 576,197 |
| 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)..... | 837,848,516 | 787,204,512 | 0 | 0 | 0 | 42,161,792 | 0 | 0 | 6,750,476 | 1,731,736 |
| 18. NET UNDERWRITING GAIN/LOSS (L10 - L17)..... | (382,415,071) | (373,756,865) | 0 | 0 | 0 | (6,842,045) | 0 | 0 | (1,193,832) | (622,329) |
| 19. Net Investments Gains / (Losses)..... | 2,348,835 | 2,132,299 | 0 | 0 | 0 | 182,157 | 0 | 0 | 28,658 | 5,721 |
| 20. Aggregate write-ins for other expenses..... | 122,030 | 122,030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. INCOME/LOSSES after cap. gains tax before FIT Items (L18 to L20)..... | (379,944,206) | (371,502,536) | 0 | 0 | 0 | (6,659,888) | 0 | 0 | (1,165,174) | (616,608) |
| 22. Federal and foreign income taxes incurred..... | 133,245,327 | 130,788,722 | 0 | 0 | 0 | 1,886,643 | 0 | 0 | 340,507 | 229,455 |
| 23. NET INCOME/(LOSS) (L21 less L22)..... | (513,189,533) | (502,291,258) | 0 | 0 | 0 | (8,546,531) | 0 | 0 | (1,505,681) | (846,063) |
| 24 Medical Loss Ratio | 130.7% | 134.0% | 0.0% | 0.0% | 0.0% | 94.9% | 0.0% | 0.0% | 89.9% | 0.0% |
| NON-TAXABLE COMMERCIAL RISK ENROLLEES..... | | 1 | (Examples of non-taxable enrollees are State | | | * Other (identify products(s); eg Non-Risk Business, PPO): | | | | |
| NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS..... | | 422 | of Texas enrollees and Federal employees.) | | | 0 | | | | |