



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

THP Insurance Company

NAIC Group Code 1297, 1297 NAIC Company Code 60016 Employer's ID Number 55-0765726

Organized under the Laws of West Virginia, State of Domicile or Port of Entry West Virginia

Country of Domicile United States

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

Incorporated/Organized 03/01/1999 Commenced Business 03/01/1999

Statutory Home Office 52160 National Road East E, St. Clairsville, OH, US 43950-9306

Main Administrative Office 1137 Van Voorhis Road, Morgantown, WV, US 26505 740-695-3585

Mail Address 52160 National Road East E, St. Clairsville, OH, US 43950-9306

Primary Location of Books and Records 1137 Van Voorhis Road, Morgantown, WV, US 26505 740-695-3585

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Statutory Statement Contact Jeffrey Michael Knight, jeffk@healthplan.org 740-695-3585 740-695-6161

OFFICERS

Name Title Name Title
James M. Pennington President Jeffrey M. Knight Treasurer

OTHER OFFICERS

DIRECTORS OR TRUSTEES

James M. Pennington Jeffrey M. Knight John E. Wright IV Nick P. Zervos
John D. Holloway MD

State of ... ss
County of ...

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

James M. Pennington
President

Jeffrey M. Knight
Treasurer

Subscribed and sworn to before me this
day of

a. Is this an original filing? Yes [ X ] No [ ]
b. If no,
1. State the amendment number
2. Date filed 03/02/2015
3. Number of pages attached

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,806,162		2,806,162	2,790,686
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0		0	0
2.2 Common stocks .....	4,885,119		4,885,119	4,653,244
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....15,846,465 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA).....	15,846,465		15,846,465	15,247,183
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA) .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	23,537,746	0	23,537,746	22,691,113
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	19,842		19,842	19,588
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	213,143	405	212,738	170,166
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....	1,060,183		1,060,183	883,951
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	877,537		877,537	106,787
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	7,553,989		7,553,989	6,381,324
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	10,150		10,150	0
24. Health care (\$ .....1,529,697 ) and other amounts receivable.....	3,408,504	1,878,807	1,529,697	0
25. Aggregate write-ins for other than invested assets .....	10,685	10,685	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	36,691,779	1,889,897	34,801,882	30,252,929
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	36,691,779	1,889,897	34,801,882	30,252,929
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Miscellaneous A/R.....	10,685	10,685	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	10,685	10,685	0	0

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	8,828,532		8,828,532	11,584,423
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	295,775		295,775	343,050
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act	2,207,109		2,207,109	811,560
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	420,716		420,716	642,520
9. General expenses due or accrued	1,117,427		1,117,427	787,772
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	3,055,425		3,055,425	1,173,619
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	15,924,984	0	15,924,984	15,342,944
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	83,820,000	68,820,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(67,443,104)	(56,410,017)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... )	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	18,876,896	14,909,983
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	34,801,880	30,252,927
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	196,955	177,943
2. Net premium income (including \$ .....0 non-health premium income).....	XXX	51,957,800	53,054,570
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	51,957,800	53,054,570
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		44,620,267	42,590,936
10. Other professional services .....		3,038,541	2,169,028
11. Outside referrals .....		0	0
12. Emergency room and out-of-area .....		3,433,300	3,492,504
13. Prescription drugs .....		9,690,160	8,407,062
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15) .....	0	60,782,268	56,659,530
<b>Less:</b>			
17. Net reinsurance recoveries .....		873,751	225,932
18. Total hospital and medical (Lines 16 minus 17) .....	0	59,908,517	56,433,598
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ .....334,743 cost containment expenses.....		627,780	2,306,221
21. General administrative expenses.....		4,961,845	7,092,537
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	65,498,142	65,832,356
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(13,540,342)	(12,777,786)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		316,985	242,134
26. Net realized capital gains (losses) less capital gains tax of \$ .....		74,898	95,326
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	391,883	337,460
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....		0	0
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(13,148,459)	(12,440,326)
31. Federal and foreign income taxes incurred .....	XXX		0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(13,148,459)	(12,440,326)
<b>DETAILS OF WRITE-INS</b>			
0601. Miscellaneous Income.....	XXX		0
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0
2901. Miscellaneous Income.....			0
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0	0

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

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT:</b>		
33. Capital and surplus prior reporting year .....	14,909,993	18,994,901
34. Net income or (loss) from Line 32 .....	(13,148,459)	(12,440,326)
35. Change in valuation basis of aggregate policy and claim reserves .....		.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	(87,737)	420,867
37. Change in net unrealized foreign exchange capital gain or (loss) .....		.0
38. Change in net deferred income tax .....		.0
39. Change in nonadmitted assets .....	2,203,099	(4,065,449)
40. Change in unauthorized and certified reinsurance .....		.0
41. Change in treasury stock .....		.0
42. Change in surplus notes .....		.0
43. Cumulative effect of changes in accounting principles .....		.0
44. Capital Changes:		
44.1 Paid in .....	.0	.0
44.2 Transferred from surplus (Stock Dividend) .....		.0
44.3 Transferred to surplus .....		.0
45. Surplus adjustments:		
45.1 Paid in .....	15,000,000	12,000,000
45.2 Transferred to capital (Stock Dividend) .....	.0	.0
45.3 Transferred from capital .....		.0
46. Dividends to stockholders .....		.0
47. Aggregate write-ins for gains or (losses) in surplus .....	.0	.0
48. Net change in capital and surplus (Lines 34 to 47) .....	3,966,903	(4,084,908)
49. Capital and surplus end of reporting year (Line 33 plus 48)	18,876,896	14,909,993
<b>DETAILS OF WRITE-INS</b>		
4701. Prior Period Correction.....		.0
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	52,912,336	53,283,894
2. Net investment income .....	339,485	268,411
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	53,251,821	53,552,305
5. Benefit and loss related payments .....	62,752,764	55,175,925
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	6,479,911	15,468,750
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9) .....	69,232,675	70,644,675
11. Net cash from operations (Line 4 minus Line 10) .....	(15,980,854)	(17,092,370)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	465,179	587,906
12.2 Stocks .....	1,080,507	864,811
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	9,419	500
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,555,105	1,453,217
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	519,858	799,282
13.2 Stocks .....	1,318,193	856,723
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,838,051	1,656,005
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(282,946)	(202,788)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	15,000,000	12,000,000
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	1,863,082	137,174
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	16,863,082	12,137,174
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	599,282	(5,157,984)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	15,247,183	20,405,167
19.2 End of year (Line 18 plus Line 19.1) .....	15,846,465	15,247,183

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	51,957,800	38,965,627	756,831	0	0	0	11,815,703	0	419,639	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	51,957,800	38,965,627	756,831	0	0	0	11,815,703	0	419,639	0
8. Hospital/medical benefits	44,620,267	33,688,325	394,275				9,382,758		1,154,909	XXX
9. Other professional services	3,038,541	1,932,680	25,712				1,080,149		0	XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	3,433,300	3,049,788	14,653				368,859		0	XXX
12. Prescription drugs	9,690,160	4,147,654					5,542,506		0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	60,782,268	42,818,447	434,640	0	0	0	16,374,272	0	1,154,909	XXX
16. Net reinsurance recoveries	873,750	409,252					(3,786)	0	468,284	XXX
17. Total hospital and medical (Lines 15 minus 16)	59,908,518	42,409,195	434,640	0	0	0	16,378,058	0	686,625	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 334,743 cost containment expenses	627,782	355,639	6,908				261,405		3,830	
20. General administrative expenses	4,961,845	2,810,892	54,596				2,066,085		30,272	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	65,498,145	45,575,726	496,144	0	0	0	18,705,548	0	720,727	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(13,540,345)	(6,610,099)	260,687	0	0	0	(6,889,845)	0	(301,088)	0
<b>DETAILS OF WRITE-INS</b>										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....	39,191,614		225,987	38,965,627
2. Medicare Supplement .....	756,831		.0	756,831
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....	11,823,823		8,120	11,815,703
7. Title XIX - Medicaid.....				.0
8. Other health.....	527,956		108,317	419,639
9. Health subtotal (Lines 1 through 8) .....	52,300,224	.0	342,424	51,957,800
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	52,300,224	0	342,424	51,957,800

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	63,538,158	45,669,997	351,331				16,364,295		1,152,535	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	103,001						103,001			
1.4 Net .....	63,435,157	45,669,997	351,331	0	0	0	16,261,294	0	1,152,535	0
2. Paid medical incentive pools and bonuses .....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	8,828,534	4,501,072	156,643	0	0	0	4,068,107	0	102,712	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
3.4 Net .....	8,828,534	4,501,072	156,643	0	0	0	4,068,107	0	102,712	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	0									
4.2 Reinsurance assumed .....	0									
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	0									
6. Net healthcare receivables (a) .....	0									
7. Amounts recoverable from reinsurers December 31, current year .....	877,536	409,252							468,284	
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	11,584,422	7,352,621	73,334	0	0	0	4,058,129	0	100,338	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
8.4 Net .....	11,584,422	7,352,621	73,334	0	0	0	4,058,129	0	100,338	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
9.4 Net .....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	0									
11. Amounts recoverable from reinsurers December 31, prior year .....	106,787	0	0	0	0	0	106,787	0	0	0
12. Incurred benefits:										
12.1 Direct .....	60,782,270	42,818,448	434,640	0	0	0	16,374,273	0	1,154,909	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	873,750	409,252	0	0	0	0	(3,786)	0	468,284	0
12.4 Net .....	59,908,520	42,409,196	434,640	0	0	0	16,378,059	0	686,625	0
13. Incurred medical incentive pools and bonuses .....	0	0	0	0	0	0	0	0	0	0

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	4,877,630	1,968,863	36,655				2,769,400		102,712	
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	4,877,630	1,968,863	36,655	0	0	0	2,769,400	0	102,712	0
2. Incurred but Unreported:										
2.1 Direct .....	3,950,904	2,532,209	119,988				1,298,707		0	
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	0									
2.4 Net .....	3,950,904	2,532,209	119,988	0	0	0	1,298,707	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	8,828,534	4,501,072	156,643	0	0	0	4,068,107	0	102,712	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	8,828,534	4,501,072	156,643	0	0	0	4,068,107	0	102,712	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	7,454,230	38,215,767	23,740	4,477,332	7,477,970	7,352,621
2. Medicare Supplement .....	28,966	322,365	15	156,628	28,981	73,334
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	3,910,384	12,453,911	11,839	4,056,268	3,922,223	4,058,129
7. Title XIX - Medicaid.....					0	0
8. Other health .....	100,338	1,052,197		102,712	100,338	100,338
9. Health subtotal (Lines 1 to 8).....	11,493,918	52,044,240	35,594	8,792,940	11,529,512	11,584,422
10. Healthcare receivables (a).....	106,787	(3,786)		877,537	106,787	106,787
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts .....					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	11,387,131	52,048,026	35,594	7,915,403	11,422,725	11,477,635

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A – Paid Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	.91,965	.91,997	.91,997	.91,997	.91,997
2. 2010 .....	32,768	37,796	37,816	37,816	37,816
3. 2011 .....	XXX	33,445	38,059	38,099	38,099
4. 2012 .....	XXX	XXX	33,460	38,855	38,864
5. 2013 .....	XXX	XXX	XXX	34,562	42,008
6. 2014 .....	XXX	XXX	XXX	XXX	38,216

**Section B – Incurred Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	.91,940	.91,997	.91,997	.91,997	.91,997
2. 2010 .....	37,872	37,873	37,816	37,816	37,816
3. 2011 .....	XXX	38,298	38,115	38,099	38,099
4. 2012 .....	XXX	XXX	39,029	38,871	38,864
5. 2013 .....	XXX	XXX	XXX	41,900	42,032
6. 2014 .....	XXX	XXX	XXX	XXX	42,693

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2010 .....	39,853	37,816		0.0	37,816	94.9			37,816	94.9
2. 2011 .....	34,935	38,099		0.0	38,099	109.1			38,099	109.1
3. 2012 .....	39,037	38,864		0.0	38,864	99.6			38,864	99.6
4. 2013 .....	40,976	42,008		0.0	42,008	102.5	24		42,032	102.6
5. 2014 .....	38,966	38,216	461	1.2	38,677	99.3	4,477	217	43,371	111.3

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A – Paid Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	349	349	349	349	349
2. 2010 .....	61	75	75	75	75
3. 2011 .....	XXX	40	50	50	50
4. 2012 .....	XXX	XXX	20	28	28
5. 2013 .....	XXX	XXX	XXX	59	88
6. 2014 .....	XXX	XXX	XXX	XXX	322

**Section B - Incurred Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	349	349	349	349	349
2. 2010 .....	88	75	75	75	75
3. 2011 .....	XXX	77	50	50	50
4. 2012 .....	XXX	XXX	59	28	28
5. 2013 .....	XXX	XXX	XXX	132	88
6. 2014 .....	XXX	XXX	XXX	XXX	479

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare Supplement**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2010.....	104	75		0.0	75	72.1			75	72.1
2. 2011.....	83	50		0.0	50	60.4			50	60.4
3. 2012.....	73	28		0.0	28	37.8			28	37.8
4. 2013.....	145	88		0.0	88	60.7	0		88	60.8
5. 2014.....	757	322	4	1.2	326	43.1	157	2	485	64.0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A - Paid Health Claims - Medicare**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	3,909	3,909	3,909	3,909	3,909
2. 2010 .....	2,974	3,254	3,254	3,254	3,254
3. 2011 .....	XXX	3,860	4,452	4,454	4,454
4. 2012 .....	XXX	XXX	4,852	5,689	5,687
5. 2013 .....	XXX	XXX	XXX	10,357	14,267
6. 2014 .....	XXX	XXX	XXX	XXX	12,454

**Section B - Incurred Health Claims - Medicare**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	3,909	3,909	3,909	3,909	3,909
2. 2010 .....	3,389	3,256	3,254	3,254	3,254
3. 2011 .....	XXX	4,565	4,452	4,454	4,454
4. 2012 .....	XXX	XXX	5,721	5,694	5,687
5. 2013 .....	XXX	XXX	XXX	14,411	14,279
6. 2014 .....	XXX	XXX	XXX	XXX	16,510

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2010.....	3,204	3,254		0.0	3,254	101.5			3,254	101.5
2. 2011.....	4,332	4,454		0.0	4,454	102.8			4,454	102.8
3. 2012.....	6,127	5,687		0.0	5,687	92.8			5,687	92.8
4. 2013.....	11,160	14,267		0.0	14,267	127.8	12		14,279	127.9
5. 2014.....	11,018	12,454	150	1.2	12,604	114.4	4,056	71	16,731	151.9

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A - Paid Health Claims - Other**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	5,508	5,508	5,508	5,508	5,508
2. 2010 .....	359	579	579	579	579
3. 2011 .....	XXX	1,705	2,286	2,286	2,286
4. 2012 .....	XXX	XXX	2,050	2,323	2,323
5. 2013 .....	XXX	XXX	XXX	514	614
6. 2014 .....	XXX	XXX	XXX	XXX	1,052

**Section B – Incurred Health Claims - Other**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	5,508	5,508	5,508	5,508	5,508
2. 2010 .....	579	579	579	579	579
3. 2011 .....	XXX	2,289	2,286	2,286	2,286
4. 2012 .....	XXX	XXX	2,323	2,323	2,323
5. 2013 .....	XXX	XXX	XXX	614	614
6. 2014 .....	XXX	XXX	XXX	XXX	1,155

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Other**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2010.....	1,789	579		0.0	579	32.4			579	32.4
2. 2011.....	1,708	2,286		0.0	2,286	133.8			2,286	133.8
3. 2012.....	1,294	2,323		0.0	2,323	179.6			2,323	179.6
4. 2013.....	882	614		0.0	614	69.6			614	69.6
5. 2014.....	420	1,052	13	1.2	1,065	253.8	103	6	1,174	279.7

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	101,731	101,764	101,764	101,764	101,764
2. 2010.....	36,161	41,703	41,723	41,723	41,723
3. 2011.....	XXX	39,051	44,846	44,888	44,888
4. 2012.....	XXX	XXX	40,382	46,896	46,902
5. 2013.....	XXX	XXX	XXX	45,492	56,977
6. 2014.....	XXX	XXX	XXX	XXX	52,044

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	101,706	101,763	101,763	101,763	101,763
2. 2010.....	41,928	41,783	41,724	41,724	41,724
3. 2011.....	XXX	45,229	44,903	44,889	44,889
4. 2012.....	XXX	XXX	47,132	46,916	46,902
5. 2013.....	XXX	XXX	XXX	57,057	57,013
6. 2014.....	XXX	XXX	XXX	XXX	60,837

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2010.....	44,950	41,723	.0	0.0	41,723	92.8	.0	.0	41,723	92.8
2. 2011.....	41,058	44,888	.0	0.0	44,888	109.3	.0	.0	44,888	109.3
3. 2012.....	46,531	46,902	.0	0.0	46,902	100.8	.0	.0	46,902	100.8
4. 2013.....	53,162	56,977	.0	0.0	56,977	107.2	36	.0	57,013	107.2
5. 2014.....	51,160	52,044	628	1.2	52,672	103.0	8,793	296	61,761	120.7

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	.0								
2. Additional policy reserves (a) .....	2,023,365	2,023,365							
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) .....	.0								
5. Aggregate write-ins for other policy reserves .....	183,744	.0	.0	.0	.0	.0	183,744	.0	.0
6. Totals (gross) .....	2,207,109	2,023,365	.0	.0	.0	.0	183,744	.0	.0
7. Reinsurance ceded .....	.0								
<b>8. Totals (Net) (Page 3, Line 4)</b> .....	<b>2,207,109</b>	<b>2,023,365</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>183,744</b>	<b>.0</b>	<b>.0</b>
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
0501. Medicare Part D Risk Payable.....	183,744						183,744		
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	183,744	0	0	0	0	0	183,744	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$ ..... premium deficiency reserve.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ .....for occupancy of own building).....			1,449		1,449
2. Salaries, wages and other benefits.....	280,515	265,719	456,173		1,002,407
3. Commissions (less \$ .....ceded plus \$ .....assumed).....			1,053,705		1,053,705
4. Legal fees and expenses.....			110,502		110,502
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			108,824		108,824
7. Traveling expenses.....	2,881	444	5,504		8,829
8. Marketing and advertising.....	7		99,681		99,688
9. Postage, express and telephone.....			59,567		59,567
10. Printing and office supplies.....			36,530		36,530
11. Occupancy, depreciation and amortization.....			35,631		35,631
12. Equipment.....			32,280		32,280
13. Cost or depreciation of EDP equipment and software.....	5,539		42,448		47,987
14. Outsourced services including EDP, claims, and other services.....	19,558	3,882	176,742		200,182
15. Boards, bureaus and association fees.....	460	17	48,121		48,598
16. Insurance, except on real estate.....			14,771		14,771
17. Collection and bank service charges.....			55,605		55,605
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....			19,948		19,948
22. Real estate taxes.....			6,673		6,673
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			1,241,464		1,241,464
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....	16,413	14,583	25,422		56,418
23.5 Other (excluding federal income and real estate taxes).....		5,100	1,321,365		1,326,465
24. Investment expenses not included elsewhere.....			41,933		41,933
25. Aggregate write-ins for expenses.....	9,370	3,292	(32,493)	0	(19,831)
26. Total expenses incurred (Lines 1 to 25).....	334,743	293,037	4,961,845	0	(a) 5,589,625
27. Less expenses unpaid December 31, current year.....		295,775	1,117,427		1,413,202
28. Add expenses unpaid December 31, prior year.....	0	343,050	787,773	0	1,130,823
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	334,743	340,312	4,632,191	0	5,307,246
<b>DETAILS OF WRITE-INS</b>					
2501. LAE.....	2,088	1,165	(37,567)		(34,314)
2502. SMALL EQUIPMENT.....	231	1,390	832		2,453
2503. MISC PERSONNEL.....	2,364	589	2,257		5,210
2598. Summary of remaining write-ins for Line 25 from overflow page.....	4,687	148	1,985	0	6,820
2599. Totals (Line 2501 through 2503 + 2598)(Line 25 above)	9,370	3,292	(32,493)	0	(19,831)

(a) Includes management fees of \$ .....to affiliates and \$ .....to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 22,511	22,588
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 72,835	74,100
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	220,067	220,297
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 0	0
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	315,413	316,985
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		316,985
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$ ..... accrual of discount less \$ ..... 22,754 amortization of premium and less \$ ..... 2,450 paid for accrued interest on purchases.  
 (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... 0 paid for accrued dividends on purchases.  
 (c) Includes \$ ..... 0 accrual of discount less \$ ..... 0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
 (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.  
 (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
 (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
 (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(1,076)		(1,076)		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	75,537	0	75,537	(96,719)	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments			0	0	0
7. Derivative instruments			0		
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	74,461	0	74,461	(96,719)	0
<b>DETAILS OF WRITE-INS</b>					
0901. Prior Year OTT adjustment			0		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	405	0	(405)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	1,878,807	4,090,885	2,212,078
25. Aggregate write-ins for other-than-invested assets .....	10,685	2,111	(8,574)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,889,897	4,092,996	2,203,099
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	1,889,897	4,092,996	2,203,099
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous Accounts Receivable.....	10,685	2,111	(8,574)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	10,685	2,111	(8,574)

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	.0					
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	18,206	16,733	15,160	14,998	14,600	188,754
4. Point of Service.....	322	308	310	304	315	3,713
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	83	270	358	446	462	4,488
7. Total	18,611	17,311	15,828	15,748	15,377	196,955
<b>DETAILS OF WRITE-INS</b>						
0601. Medicare Select.....	83	270	358	446	462	4,488
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	83	270	358	446	462	4,488

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of THP Insurance Company are presented on the basis of accounting practices prescribed or permitted by the West Virginia Department of Insurance.

The West Virginia Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of West Virginia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the West Virginia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of West Virginia.

A reconciliation of THP Insurance Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of West Virginia is shown below:

	State of Domicile	2014	2013
NET INCOME			
Company state basis (Page 4, Line 32, Columns 2 & 3)	WV	(13,148,459)	(12,440,326)
NAIC SAP (1-2-3=4)	WV	(13,148,459)	(12,440,326)
SURPLUS			
Company state basis (Page 3, Line 33, Columns 3 & 4)	WV	18,876,896	14,909,983
NAIC SAP (5-6-7=8)	WV	18,876,896	14,909,983

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

THP Insurance Company prepares its statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the State of West Virginia Insurance Commission. The State of West Virginia requires that insurance companies domiciled in the State of West Virginia prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the State of West Virginia Insurance Commission.

The more significant variances between statutory accounting practices prescribed or permitted by the State of West Virginia Insurance Commission and accounting principles generally accepted in the United States (GAAP) are as follows:

## NOTES TO FINANCIAL STATEMENTS

- Short-term investments are stated at amortized cost.
- Investments in bonds and mandatory redeemable preferred stocks are reported at amortized cost or fair value based on their National Association of Insurance Commissioners (NAIC) rating; for GAAP, such fixed maturity investments would be designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed investments would be reported at amortized cost, and the remaining fixed maturity investments would be reported at fair value with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of other comprehensive income, net of the related deferred taxes, for those designated as available-for-sale. Fair value for statutory purposes is based on the price published by the Securities Valuation Office of the NAIC (SVO), if available, whereas fair value for GAAP is determined in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820.
- Common stocks are stated at fair market value, with the exception of investments in subsidiaries and affiliates, which are reported on an equity value basis.
- The company has no investments in mortgage loans on real estate.
- Certain types of assets are classified as “nonadmitted,” including office furniture and fixtures and related accumulated depreciation, computer software and related depreciation, accounts receivable greater than 90 days, prepaid expenses, assets capitalized under capital leases, non-income producing investments, pharmacy rebates that do not meet specific criteria, and other assets not specifically identified as an admitted asset within the NAIC’s Accounting Practices and Procedures Manual are excluded from the accompanying balance sheets and are charged directly to unassigned surplus. In accordance with GAAP, such assets are included in the balance sheet to the extent those assets are not impaired.
- Cash, cash equivalents, and short-term investments in the statement of cash flows represent cash balances and investments with initial maturities of one year or less. In accordance with GAAP, the corresponding captions of cash and cash equivalents include cash balances and investments with initial maturities of three months or less.
- Deferred Income Taxes: Deferred tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, plus 2) the lesser of the remaining gross deferred tax assets expected to be realized within one year of the balance sheet date or 10% of capital and surplus excluding any net deferred tax assets, EDP equipment and operating software, and any net positive goodwill, plus 3) the amount of remaining gross deferred tax assets that can be offset against existing gross deferred tax liabilities.

The remaining deferred tax assets are nonadmitted. Deferred taxes do not include amounts for state taxes. In accordance with GAAP, state taxes are included in the computation of deferred taxes, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years, and a valuation allowance is established for deferred tax assets not realizable.

Other significant accounting practices are as follows:

## NOTES TO FINANCIAL STATEMENTS

### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Cash, Cash Equivalents, and Short-Term Investments

Cash, cash equivalents, and short-term investments include demand deposits with financial institutions and highly liquid investments with maturities of one year or less.

### Investments

Short-term investments are stated at amortized cost.

Debt investments, which consist of government securities and corporate bonds, are recorded at amortized cost and equity securities are recorded at market value, as determined by the SVO. Premiums and discounts on debt investments are amortized on the effective yield method over the term of the investment. All mortgage-backed/asset-backed securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the undiscounted estimated future cash flows.

Realized capital gains and losses are determined on the first-in, first-out cost method. Changes in admitted asset carrying amounts of bonds and common stocks are credited or charged directly to surplus.

THP Insurance Company continually reviews investments for impairment conditions that indicate that an other-than-temporary decline in market value has occurred. In conducting this review, numerous factors are considered which, individually or in combination, indicate that a decline is other than temporary and that a reduction of the carrying value is required. These factors include specific information pertaining to an individual company or a particular industry and general market conditions that reflect prospects for the economy as a whole.

As a result of the increased credit risk and reduced liquidity in the secondary marketplace for mortgage-backed securities, these products have experienced extreme price volatility and reduced trading activity. Exposure to these securities increases the risk of significant financial losses in the future as a result of the current situation in the financial markets.

The company has no investments in joint ventures, partnerships, or limited liability companies.

All derivatives are stated at fair value.

THP Insurance utilizes anticipated investment income as a factor in the premium deficiency calculation.

## NOTES TO FINANCIAL STATEMENTS

### Revenue Recognition

Member premiums are recognized as income in the period in which enrollees are entitled to receive health care services. Premiums received or billed prior to the period of coverage are classified as unearned premiums.

Reinsurance premiums are recognized as income in the period coverage is provided.

### Medical Costs

THP Insurance Company provides medical care to its members under contracts with various health care providers. Medical costs payable includes estimates for claims reported, estimated claims costs for claims incurred but unreported, and the estimated adjustment expenses related to those claims as of the balance sheet date. Adjustments to prior period estimates of medical costs are reflected in the current period.

Medical costs payable, which include approximately \$103,000 and \$100,000 in 2014 and 2013, respectively, related to the reinsurance line of business represent management's best estimate. There is uncertainty as to whether the actual medical costs payable will conform to the assumptions inherent in the determination of the amount. Because of the uncertainties related to the recording of health care costs, the ultimate settlement of the health care cost estimates may vary significantly from the estimated amounts included in the accompanying financial statements.

### Application of New Accounting Standards

The NAIC issued Statement of Statutory Accounting Principles No. 101 (SSAP No. 101), *Income Taxes*, a replacement of SSAP No. 10R and SSAP No. 10, which supersedes current income tax guidance in SSAP No. 10R. SSAP No. 101 incorporates GAAP guidance, and it also includes changes to the three-part admissibility test, including requiring the use of current reporting period's capital and surplus as opposed to prior reporting period's capital and surplus. The Company adopted the new standard effective January 1, 2012, and it did not have a material impact on the financial statements.

### Other

THP Insurance Company has not modified its capitalization policy from the prior period.

### 2. Accounting Changes and Corrections of Errors:

A. NONE

B. Illustrative Disclosure for Insurers Upon Initial Implementation of Codification:

NONE

### 3. Business Combinations and Goodwill:

NONE

### 4. Discontinued Operations:

## NOTES TO FINANCIAL STATEMENTS

NONE

### **5. Investments:**

- A. Mortgage loans, including mezzanine real estate loans - NONE
- B. Troubled debt restructuring for creditors- NONE
- C. Reverse Mortgages - NONE
- D. Loan-Backed Securities - NONE
- E. Repurchase Agreements and/or securities lending transactions - NONE
- F. Real Estate investments- NONE
- G. Low-Income Housing Tax Credits - NONE

### **6. Joint Ventures, Partnerships and Limited Liability Companies:**

NONE

### **7. Investment Income:**

Due and accrued investment income was excluded from the financial statements on the following basis: Investment income due and accrued with amounts over 90 days past due are excluded, with the exception of mortgage loans which are admitted up to 180 days past due. No amounts were excluded at December 31, 2014 or 2013.

### **8. Derivative Instruments:**

NONE

### **9. Income Taxes:**

Through December 31, 2014, the Company has incurred net operating losses (NOL) approximating \$51,000,000 for federal income tax purposes, which are available to offset future taxable income. The NOLs expire beginning in 2025 through 2032.

The potential tax benefit of the net operating loss carryforward has not been reported as an admitted asset in the financial statements due to the uncertainty of realizing these benefits in the foreseeable future.

### **10. Information Concerning Parent, Subsidiaries and Affiliates:**

THP Insurance Company is wholly owned by, and has a management services contract (Contract) with, The Health Plan of the Upper Ohio Valley, Inc., a Health Maintenance Organization domiciled in the State of West Virginia.

The Contract requires THP Insurance Company to pay a fixed percentage of its monthly premium revenue to The Health Plan in return for executive management, administration, marketing, accounting, and claims administration services. For the years ended December 31, 2014 and 2013, THP Insurance Company paid approximately \$4,978,000 and \$6,359,000, respectively, to The Health Plan pursuant to the Contract. In addition, The Health Plan collects premiums for THP Insurance Company, which is settled on a monthly basis.

For the years ended December 31, 2014 and 2013, HPUOV made capital contributions of \$15,000,000 and \$12,000,000, respectively, to THP Insurance Company to ensure there would not be a financial violation of the operating loss being greater than 50% of the remaining surplus.

## NOTES TO FINANCIAL STATEMENTS

The Company had no investments in subsidiary, controlled, or affiliated companies during the statement period.

**11. Debt:**

A. Capital Notes

NONE

B. All Other Debt

NONE

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

NONE

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganization:**

NONE

**14. Contingencies:**

NONE

**15. Leases:**

NONE

**16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk:**

NONE

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

NONE

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

NONE

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

NONE

**20. Fair Value Measurements**

On December 5, 2009, the NAIC issued Statement of Statutory Accounting Principles No. 100 (SSAP No. 100), *Fair Value Measurements*, which established a framework for measuring fair value and required specific disclosures regarding assets and liabilities that are measured at fair value. This statement was effective December 31, 2012. THP elected to adopt SSAP No. 100 as of December 31, 2010.

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair

## NOTES TO FINANCIAL STATEMENTS

value, such as when impaired, or, for certain bonds when carried at the lower of cost or market.

As defined in SSAP No. 100, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SSAP No. 100 establishes a three-level hierarchy for valuing assets and liabilities based on how transparent (observable) the inputs are that are used to determine fair value, with the inputs considered most observable categorized as Level 1 and those that are the least observable categorized as Level 3.

For some assets, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. When this is the case, the asset is categorized in the table based on the lowest level input that is significant to the fair value measurement in its entirety. THP's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets being valued

Hierarchy levels are defined by SSAP No. 100 as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities. For THP, Level 1 inputs are generally quoted for debt or equity securities actively traded in exchange or over-the-counter markets.
- Level 2: Market data obtained from sources independent of the reporting entity (observable inputs). For THP, Level 2 inputs generally include quoted prices in markets that are not active, quoted prices for similar assets/liabilities, and other observable inputs such as interest rates and yield curves that are generally available at commonly quoted intervals.
- Level 3: The reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). For THP, Level 3 inputs are used in situations where little or no Level 1 or 2 inputs are available or are inappropriate given the particular circumstances. Level 3 inputs include results from pricing models and discounted cash flow methodologies as well as adjustments to externally quoted prices that are based on management judgment or estimation.

### A. (1) Fair Value Measurements at Reporting Date

<u>Description for each class of asset or liability</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
a. Assets at fair value				
Perpetual Preferred stock				
Industrial and Misc				
Parent, Subsidiaries and Affiliates				
Total Perpetual Preferred Stock	\$ 0			\$ 0
Bonds				

## NOTES TO FINANCIAL STATEMENTS

U.S. Governments	\$ 721,979	\$ 721,979
Industrial and Misc	2,097,956	2,097,956
Hybrid Securities		
Parent, Subsidiaries and Affiliates		
Total Bonds	<u>\$2,819,935</u>	<u>\$2,819,935</u>
Common Stock		
Industrial and Misc	\$4,885,119	\$4,885,119
Parent, Subsidiaries and Affiliates		
Total Common Stocks	<u>\$4,885,119</u>	<u>\$4,885,119</u>
Derivative assets		
Interest rate contracts		
Foreign exchange contracts		
Credit Contracts		
Commodity futures contracts		
Commodity forward contracts		
Total Derivatives	\$ 0	\$ 0
Seperate account assets		
Total assets at fair value	<u>\$7,705,054</u>	<u>\$7,705,054</u>
b. Liabilities at fair value		
Derivative liabilities		
Total liabilities at fair value	<u>\$ 0</u>	<u>\$ 0</u>

**21. Other Items:**

- A. Extraordinary Items - NONE
- B. Troubled Debt Restructuring - NONE
- C. Other Disclosures (Unusual Items) - NONE
- D. Disclose Uncollectible Assets - NONE
- E. Business Interruption Insurance Recoveries - NONE
- F. State Transferable Tax Credits - NONE
- G. Subprime-Mortgage Risk Exposure - NONE
- H. Retained Assets

**22. Events Subsequent:**

Type II. Nonrecognized Subsequent Events

Effective January 1, 2014, the Company is subject to an annual fee under section 9010 of the Patient Protection and Affordable Care Act (PPACA), which is not deductible for income tax purposes. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year.

## NOTES TO FINANCIAL STATEMENTS

A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2014, the Company has written health insurance subject to the PPACA assessment, expects to conduct health insurance business in 2015, and estimates its portion of the annual health insurance industry fee payable in 2015 to be approximately \$568,000, which has been recorded and admitted.

Management of THP evaluated events and transactions occurring subsequent to December 31, 2014 through February 28, 2015. No other subsequent events requiring disclosure in the financial statements were identified.

### 23. Reinsurance:

THP Insurance Company purchases reinsurance, which provides coverage for catastrophic inpatient hospital claims. Effective November 1, 2014, the deductible is \$400,000, of allowable expenses subject to a 20% coinsurance, depending on whether the reinsurer's claim audit review services are utilized, for each member for each contract year, with a maximum lifetime reinsurance indemnity for each member of \$2,000,000. THP Insurance Group and HPUOV share a combined reinsurance risk with the reinsurance carrier through a layered risk arrangement in which the layers of risk are assessed on a per-member per-month calculation.

THP Insurance Company also purchases reinsurance for stop-loss insurance sold to self-insured groups administered by The Health Plan of the Upper Ohio Valley, Inc. The reinsurer is liable for up to 100% of claims and claim expenses per covered person per policy year in excess of the greater of \$600,000 above the employer group's specific deductible, or \$300,000 above the specific deductible for an employer group's named covered person up to \$2,000,000 per covered person's lifetime. THP Insurance Company is contingently liable for reinsured losses to the extent that the reinsurance company cannot meet its obligations under the reinsurance contract.

Reinsurance expenses of \$342,000 and \$309,000 in 2014 and 2013, respectively, are included in the statements of operations and changes in surplus as a reduction of member premiums. Reinsurance recoveries of \$874,000 and \$226,000 for 2014 and 2013, respectively, are included in the statements of operations and changes in surplus as a reduction of medical cost expenses.

Neither THP Insurance Company nor any of its related parties control, directly or indirectly, any direct reinsurers with whom THP Insurance Company conducts business. No policies issued by THP Insurance Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The THP Insurance Company does not have any reinsurance agreements in effect, under which the reinsurer may unilaterally cancel the agreement.

### 24. Retrospectively Rated Contracts:

NONE

### 25. Change in Incurred Claims and Claim Adjustment Expenses:

The following table provides a reconciliation of the beginning and ending reserve balances for medical costs payable for the years ended December 31, 2014 and 2013:

	2014	2013

**NOTES TO FINANCIAL STATEMENTS**

Medical costs payable at beginning of year, net of reinsurance	11,477,640	6,293,812
Add provision for medical costs occurring in:		
Current year	59,963,432	56,665,527
Prior years	(54,911)	(231,932)
Net incurred medical costs during the current year	59,908,520	56,433,595
Deduct payments for medical costs occurring in:		
Current year	52,048,036	48,620,635
Prior years	11,387,127	6,555,287
Net medical cost payments during the current year	63,435,163	55,175,922
Medical costs payable, net of reinsurance and nonadmitted pharmacy rebates receivable	7,950,997	7,551,485
Reinsurance receivable	877,537	106,787
Nonadmitted pharmacy rebates receivable	1,878,807	3,926,151
Reserve for medical costs at end of year	10,707,341	11,584,423

**26. Intercompany Pooling Arrangements:**

NONE

**27. Structured Settlements:**

NONE

**28. Healthcare Receivables:**

NONE

**29. Participating Policies:**

NONE

**30. Premium Deficiency:**

Premium deficiency reserves are established for the amount of anticipated losses, loss adjustment expenses, commissions and other acquisition costs, and maintenance costs that have not previously been expensed in excess of the recorded unearned premium reserve and future installment premiums on existing policies. THP does not consider anticipated investment income when calculating its premium deficiency. Premium deficiency reserves were \$2,207,000 and \$812,000 at December 31, 2014 and 2013, respectively.

**31. Anticipated Salvage and Subrogation:**

NONE

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] NA [ ]
- 1.3 State Regulating? West Virginia.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....03/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....04/17/2014
- 3.4 By what department or departments? West Virginia Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] NA [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] NA [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control .....
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**GENERAL INTERROGATORIES**

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Dixon Hughes Goodman LLP, 1829 Eastchester Drive, High Point, NC 27265
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] NA [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? .....  
Dave Bond, FSA, MAAA, CCRC Actuaries, 415 Main St., Reisterstown, MD 21136
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved.....0
- 12.13 Total book/adjusted carrying value..... \$ .....0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- a. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- b. Compliance with applicable governmental laws, rules and regulations;
- c. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- d. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

## GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers .. \$.....0
  - 20.12 To stockholders not officers ... \$.....0
  - 20.13 Trustees, supreme or grand (Fraternal only) ..... \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers ... \$.....0
  - 20.22 To stockholders not officers ... \$.....0
  - 20.23 Trustees, supreme or grand (Fraternal only) ..... \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others ..... \$.....0
  - 21.22 Borrowed from others ..... \$.....0
  - 21.23 Leased from others ..... \$.....0
  - 21.24 Other ..... \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment ..... \$.....0
  - 22.22 Amount paid as expenses ..... \$.....0
  - 22.23 Other amounts paid ..... \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....10,150

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
N/A
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ X ]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] NA [ X ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....0
  - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$.....0
  - 24.103 Total payable for securities lending reported on the liability page..... \$.....0

## GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ ] No [ X ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements.....	\$.....	0
25.22 Subject to reverse repurchase agreements.....	\$.....	0
25.23 Subject to dollar repurchase agreements.....	\$.....	0
25.24 Subject to reverse dollar repurchase agreements.....	\$.....	0
25.25 Placed under option agreements.....	\$.....	0
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock.....	\$.....	0
25.27 FHLB Capital Stock.....	\$.....	0
25.28 On deposit with states.....	\$.....	0
25.29 On deposit with other regulatory bodies.....	\$.....	0
25.30 Pledged as collateral – excluding collateral pledged to an FHLB.....	\$.....	0
25.31 Pledged as collateral to FHLB – including assets backing funding agreements.....	\$.....	0
25.32 Other.....	\$.....	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] NA [ X ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. \$.....0

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase.....	Wheeling, WV.....
US Bank.....	Cincinnati OH.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ X ] No [ ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
JP Morgan Chase.....	US Bank.....	12/01/2014..	Service/Cost.....

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

1 Central Registration Depository Number(s)	2 Name	3 Address

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**GENERAL INTERROGATORIES**

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
30.1 Bonds.....	2,806,162	.....	(2,806,162)
30.2 Preferred Stocks.....	0	.....	0
30.3 Totals	2,806,162	0	(2,806,162)

30.4 Describe the sources or methods utilized in determining the fair values:

.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:

.....

## GENERAL INTERROGATORIES

### OTHER

33.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any?.....\$ .....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

34.1 Amount of payments for legal expenses, if any?.....\$ .....0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ X ] No [ ]  
 1.2 If yes, indicate premium earned on U. S. business only. .... \$ .....756,831  
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....0  
     1.31 Reason for excluding .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ .....0  
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ .....454,776  
 1.6 Individual policies:

Most current three years:  
 1.61 Total premium earned ..... \$ .....756,831  
 1.62 Total incurred claims ..... \$ .....454,776  
 1.63 Number of covered lives .....4,412  
 All years prior to most current three years:  
 1.64 Total premium earned ..... \$ .....0  
 1.65 Total incurred claims ..... \$ .....0  
 1.66 Number of covered lives .....0

1.7 Group policies:

Most current three years:  
 1.71 Total premium earned ..... \$ .....0  
 1.72 Total incurred claims ..... \$ .....0  
 1.73 Number of covered lives .....0  
 All years prior to most current three years:  
 1.74 Total premium earned ..... \$ .....0  
 1.75 Total incurred claims ..... \$ .....0  
 1.76 Number of covered lives .....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....51,957,800	\$	.....52,173,032
2.2	Premium Denominator	\$ .....51,957,800	\$	.....53,054,570
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....0.983
2.4	Reserve Numerator	\$ .....11,035,641	\$	.....12,395,983
2.5	Reserve Denominator	\$ .....11,035,641	\$	.....12,395,983
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... Yes [ ] No [ X ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ X ] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ .....400,000  
 5.32 Medical Only ..... \$ .....  
 5.33 Medicare Supplement ..... \$ .....  
 5.34 Dental and Vision ..... \$ .....  
 5.35 Other Limited Benefit Plan ..... \$ .....  
 5.36 Other ..... \$ .....

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 THP Insurance has agreements with Star-Line Group/American Insurance, our reinsurer, so that in the event of insolvency the reinsurer will provide continuation of coverage.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? ..... Yes [ X ] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year .....16,644  
 8.2 Number of providers at end of reporting year .....18,449

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months .....  
 9.22 Business with rate guarantees over 36 months .....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?..... Yes [ ] No [ X ]
- 10.2 If yes:
- |  |   |          |  |
|--|---|----------|--|
|  | 10.21 Maximum amount payable bonuses .....          | \$ ..... |  |
|  | 10.22 Amount actually paid for year bonuses .....   | \$ ..... |  |
|  | 10.23 Maximum amount payable withholds .....        | \$ ..... |  |
|  | 10.24 Amount actually paid for year withholds ..... | \$ ..... |  |
- 11.1 Is the reporting entity organized as:
- |  |   |                  |  |
|--|---|------------------|--|
|  | 11.12 A Medical Group/Staff Model, .....                  | Yes [ ] No [ X ] |  |
|  | 11.13 An Individual Practice Association (IPA), or, ..... | Yes [ ] No [ X ] |  |
|  | 11.14 A Mixed Model (combination of above)?.....          | Yes [ ] No [ X ] |  |
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? ..... Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such net worth.  
     West Virginia
- 11.4 If yes, show the amount required. .... \$ ..... 2,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

1 Name of Service Area
BARBOUR, WV.....
BERKELEY, WV.....
BOONE, WV.....
BRAXTON, WV.....
BROOKE, WV.....
CABELL, WV.....
CALHOUN, WV.....
CLAY, WV.....
DODDRIDGE, WV.....
FAYETTE, WV.....
GILMER, WV.....
GRANT, WV.....
GREENBRIER, WV.....
HAMPSHIRE, WV.....
HANCOCK, WV.....
HARDY, WV.....
HARRISON, WV.....
JACKSON, WV.....
JEFFERSON, WV.....
KANAWHA, WV.....
LEWIS, WV.....
LINCOLN, WV.....
LOGAN, WV.....
MARION, WV.....
MARSHALL, WV.....
MASON, WV.....
MERCER, WV.....
MINERAL, WV.....
MINGO, WV.....
MONONGALIA, WV.....
MONROE, WV.....
MORGAN, WV.....
MCDOWELL, WV.....
NICHOLAS, WV.....
OHIO, WV.....
PENDLETON, WV.....
PLEASANTS, WV.....
POCAHONTAS, WV.....
PRESTON, WV.....
PUTNAM, WV.....
RALEIGH, WV.....
RANDOLPH, WV.....
RITCHIE, WV.....
ROANE, WV.....
SUMMERS, WV.....
TAYLOR, WV.....
TUCKER, WV.....
TYLER, WV.....
UPSHER, WV.....
WAYNE, WV.....
WEBSTER, WV.....
WETZEL, WV.....
WIRT, WV.....
WOOD, WV.....
WYOMING, WV.....
ASHLAND, OH.....
BELMONT, OH.....
CARROLL, OH.....
COLUMBIANA, OH.....
COSHOCTON, OH.....
CUYAHOGA, OH.....
GEAUGA, OH.....
GUERNSEY, OH.....
HARRISON, OH.....
HOLMES, OH.....
JEFFERSON, OH.....
KNOX, OH.....
LORAIN, OH.....
MAHONING, OH.....
MEDINA, OH.....
MONROE, OH.....
MUSKINGHAM, OH.....
NOBLE, OH.....
PORTAGE, OH.....
RICHLAND, OH.....
STARK, OH.....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

1 Name of Service Area
SUMMIT, OH.....
TRUMBULL, OH.....
TUSCARAWAS, OH.....
WASHINGTON, OH.....
WAYNE, OH.....

- 13.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....
- 13.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [ X ]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?..... Yes [ ] No [ X ] NA [ ]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for Individual ordinary life insurance\* policies (U.S. business Only) for the current year (prior to reinsurance assumed or ceded).
- 15.1 Direct Premium Written ..... \$ .....52,300,224
- 15.2 Total Incurred Claims..... \$ .....59,963,429
- 15.3 Number of Covered Lives..... 196,955

\*Ordinary Life Insurance Includes

- Term (whether full underwriting, limited underwriting, jet issue, "short form app")
- Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
- Variable Life (with or without secondary guarantee)
- Universal Life (with or without secondary guarantee)
- Variable Universal Life (with or without secondary guarantee)

**FIVE-YEAR HISTORICAL DATA**

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28) .....	34,801,882	30,252,929	28,214,659	30,915,726	25,757,506
2. Total liabilities (Page 3, Line 24) .....	15,924,984	15,342,944	9,219,757	9,861,578	8,872,531
3. Statutory surplus .....	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
4. Total capital and surplus (Page 3, Line 33) .....	18,876,896	14,909,983	18,994,904	21,054,148	16,884,975
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8) .....	51,957,800	53,054,570	46,530,747	41,058,459	44,950,953
6. Total medical and hospital expenses (Line 18) .....	59,908,517	56,433,598	46,750,160	45,101,484	41,811,367
7. Claims adjustment expenses (Line 20) .....	627,780	2,306,221	1,635,322	1,364,172	1,466,232
8. Total administrative expenses (Line 21) .....	4,961,845	7,092,537	5,768,191	5,430,852	5,693,787
9. Net underwriting gain (loss) (Line 24) .....	(13,540,342)	(12,777,786)	(7,622,926)	(10,838,049)	(4,020,433)
10. Net investment gain (loss) (Line 27) .....	391,883	337,460	256,244	443,541	169,686
11. Total other income (Lines 28 plus 29) .....	0	0	0	201	0
12. Net income or (loss) (Line 32) .....	(13,148,459)	(12,440,326)	(7,366,682)	(10,394,307)	(3,850,747)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(15,980,854)	(17,092,370)	(8,387,928)	(10,011,539)	(4,236,598)
<b>Risk - Based Capital Analysis</b>					
14. Total adjusted capital .....	18,876,896	14,909,983	18,994,904	21,054,148	16,884,975
15. Authorized control level risk-based capital .....	3,193,812	3,256,075	2,440,114	2,628,338	2,534,034
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	15,377	18,611	10,492	11,172	11,882
17. Total members months (Column 6, Line 7) .....	196,955	177,943	135,819	128,307	160,406
<b>Operating Percentage (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	115.3	106.4	100.5	109.8	93.0
20. Cost containment expenses .....	0.6	2.2	1.7	1.6	1.6
21. Other claims adjustment expenses .....	0.6	2.1	1.8	1.7	1.7
22. Total underwriting deductions (Line 23) .....	126.1	124.1	116.4	126.4	108.9
23. Total underwriting gain (loss) (Line 24) .....	(26.1)	(24.1)	(16.4)	(26.4)	(8.9)
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	11,422,725	6,061,879	6,855,578	5,799,469	5,774,207
25. Estimated liability of unpaid claims—[prior year (Line 13, Col. 6)] .....	11,477,635	6,293,811	6,254,980	5,778,680	5,891,493
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [ ] No [ ]

If no, please explain

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE THP Insurance Company**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	0
2. Alaska	AK	N							0	0
3. Arizona	AZ	N							0	0
4. Arkansas	AR	N							0	0
5. California	CA	N							0	0
6. Colorado	CO	N							0	0
7. Connecticut	CT	N							0	0
8. Delaware	DE	N							0	0
9. Dist. Columbia	DC	N							0	0
10. Florida	FL	N							0	0
11. Georgia	GA	N							0	0
12. Hawaii	HI	N							0	0
13. Idaho	ID	N							0	0
14. Illinois	IL	N							0	0
15. Indiana	IN	N							0	0
16. Iowa	IA	N							0	0
17. Kansas	KS	N							0	0
18. Kentucky	KY	N							0	0
19. Louisiana	LA	N							0	0
20. Maine	ME	N							0	0
21. Maryland	MD	N							0	0
22. Massachusetts	MA	N							0	0
23. Michigan	MI	N							0	0
24. Minnesota	MN	N							0	0
25. Mississippi	MS	N							0	0
26. Missouri	MO	N							0	0
27. Montana	MT	N							0	0
28. Nebraska	NE	N							0	0
29. Nevada	NV	N							0	0
30. New Hampshire	NH	N							0	0
31. New Jersey	NJ	N							0	0
32. New Mexico	NM	N							0	0
33. New York	NY	N							0	0
34. North Carolina	NC	N							0	0
35. North Dakota	ND	N							0	0
36. Ohio	OH	L	23,237,665	5,590,731					28,828,396	0
37. Oklahoma	OK	N							0	0
38. Oregon	OR	N							0	0
39. Pennsylvania	PA	L		1,011,417					1,011,417	0
40. Rhode Island	RI	N							0	0
41. South Carolina	SC	N							0	0
42. South Dakota	SD	N							0	0
43. Tennessee	TN	N							0	0
44. Texas	TX	N							0	0
45. Utah	UT	N							0	0
46. Vermont	VT	N							0	0
47. Virginia	VA	N							0	0
48. Washington	WA	N							0	0
49. West Virginia	WV	L	17,238,736	5,221,674					22,460,410	0
50. Wisconsin	WI	N							0	0
51. Wyoming	WY	N							0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	N							0	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CAN	N							0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		40,476,401	11,823,822	0	0	0	0	52,300,223	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	0
61. Total (Direct Business)	(a) 3		40,476,401	11,823,822	0	0	0	0	52,300,223	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		0	0	0	0	0	0	0	0

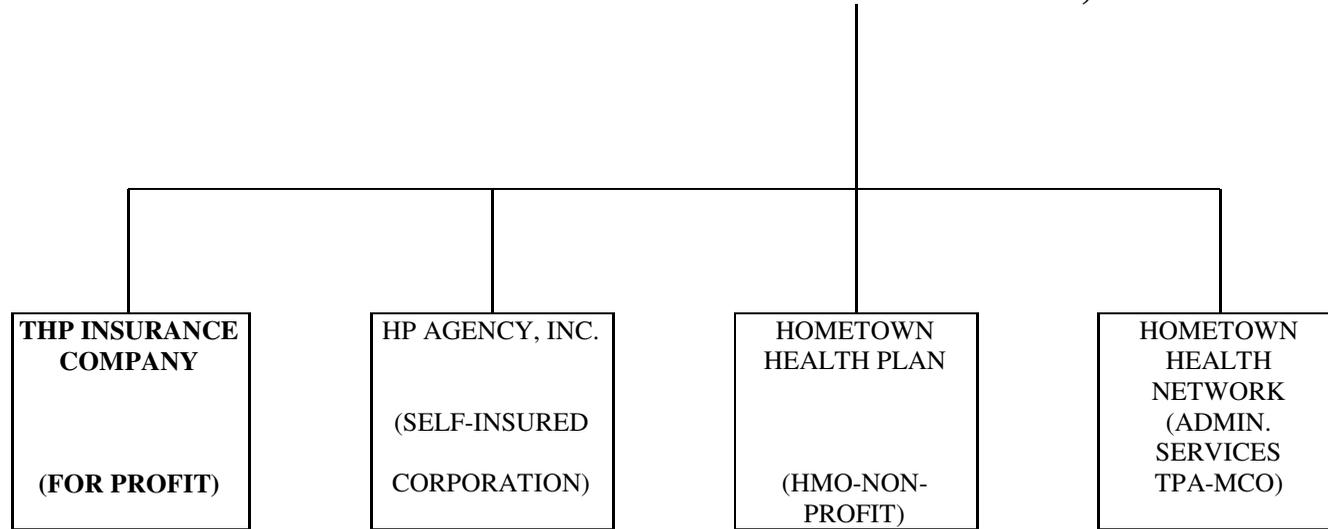
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

**Explanation of basis of allocation by states, premiums by state, etc.**

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

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

**THE HEALTH PLAN OF  
THE UPPER OHIO VALLEY, INC.**



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