QUARTERLY STATEMENT

OF THE

Gundersen Health Plan Minnesota

of La Crosse

in the state of Wisconsin

TO THE

Insurance Department

OF THE

STATE OF

Minnesota

FOR THE QUARTER ENDED

September 30, 2015

HEALTH

2015

14202201520100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2015
OF THE CONDITION AND AFFAIRS OF THE

Gundersen Health Plan Minnesota

NAIC Group Code 4751 (Current Period), 4751 (Prior Period) **NAIC Company Code** 14202 **Employer's ID Number** 45-2633920

Organized under the Laws of Minnesota, **State of Domicile or Port of Entry** Minnesota

Country of Domicile US

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

Incorporated/Organized June 27, 2011 **Commenced Business** February 15, 2012

Statutory Home Office 1900 South Avenue (Street and Number), La Crosse, WI US 54601 (City or Town, State, Country and Zip Code)

Main Administrative Office 1900 South Avenue (Street and Number)
La Crosse, WI US 54601 (City or Town, State, Country and Zip Code) 608-782-7300 (Area Code) (Telephone Number)

Mail Address 1900 South Avenue (Street and Number or P.O. Box), La Crosse, WI US 54601 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3190 Gundersen Drive (Street and Number) Onalaska, WI US 54650 (City or Town, State, Country and Zip Code) 608-775-8000 (Area Code) (Telephone Number)

Internet Website Address www.gundersenhealthplan.org

Statutory Statement Contact Barbara J. Wolff (Name) 608-775-4443 (Area Code) (Telephone Number) (Extension)
bjwolff@gundersenhealth.org (E-Mail Address) 608-775-4432 (Fax Number)

OFFICERS

	Name	Title
1.	Gary J. Lenth M.D.	CEO
2.	Scott L. Kniprath	President of the Board
3.	Joseph W. Caron M.D.	Secretary of the Board

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

Scott L. Kniprath	Joseph W. Caron M.D.	Gary J. Lenth M.D.	
Eric Bartleson	Douglas Hubbard		

State of

County of ss

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.

(Signature)	(Signature)	(Signature)
Gary J. Lenth M.D.	Scott L. Kniprath	Joseph W. Caron M.D.
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
CEO	President of the Board	Secretary of the Board
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
_____ day of ____________________, 2015

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	550,063		550,063	550,461
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $ 0 encumbrances)				
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ 689,835), cash equivalents ($ 0), and short-term investments ($ 2,534)	692,369		692,369	961,387
6. Contract loans (including $ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,242,432		1,242,432	1,511,848
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	779		779	268
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	17,156		17,156	5,728
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums	16,774		16,774	3,751
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	117,217		117,217	60,918
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	169,187		169,187	78,083
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				25,208
24. Health care ($ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	14,214	14,100	114	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,577,759	14,100	1,563,659	1,685,804
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,577,759	14,100	1,563,659	1,685,804

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Drug Rebate	14,100	14,100		
2502. HRA Funding	114		114	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	14,214	14,100	114	

NONE

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	Current Period 2 Uncovered	Current Period 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 0 reinsurance ceded)	113,876		113,876	16,994
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	35,229		35,229	
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	121,033		121,033	67,927
9. General expenses due or accrued	115,370		115,370	26,655
10.1 Current federal and foreign income tax payable and interest thereon (including $ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including $ 0 current) and interest thereon $ 0 (including $ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	109,478		109,478	27,500
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with $ 0 authorized reinsurers, $ 0 unauthorized reinsurers, and $ 0 certified reinsurers)				
20. Reinsurance in unauthorized and certified ($ 0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				144
23. Aggregate write-ins for other liabilities (including $ 0 current)				
24. Total liabilities (Lines 1 to 23)	494,986		494,986	139,220
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	1,550,000	1,550,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	(481,327)	(3,416)
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 $ 0)	XXX	XXX		
32.2 0 shares preferred (value included in Line 27 $ 0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,068,673	1,546,584
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,563,659	1,685,804

DETAILS OF WRITE-IN LINES				
2301. CMS overpayment				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

NONE

NONE

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1. Member Months	XXX	8,024	5,757	8,055
2. Net premium income (including $ 0 non-health premium income)	XXX	3,968,948	2,921,942	4,069,997
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $ 0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX			
7. Aggregate write-ins for other non-health revenues	XXX			
8. Total revenues (Lines 2 to 7)	XXX	3,968,948	2,921,942	4,069,997
Hospital and Medical:				
9. Hospital/medical benefits		3,264,564	2,376,531	3,196,719
10. Other professional services				
11. Outside referrals		66,907	48,579	53,069
12. Emergency room and out-of-area		112,956	83,905	102,881
13. Prescription drugs		348,336	204,099	298,599
14. Aggregate write-ins for other hospital and medical		422,649	113,879	169,483
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		4,215,412	2,826,993	3,820,751
Less:				
17. Net reinsurance recoveries		125,184		60,918
18. Total hospital and medical (Lines 16 minus 17)		4,090,228	2,826,993	3,759,833
19. Non-health claims (net)				
20. Claims adjustment expenses, including $ 0 cost containment expenses		173,128	68,172	103,518
21. General administrative expenses		189,221	92,090	143,064
22. Increase in reserves for life and accident and health contracts (including $ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		4,452,577	2,987,255	4,006,415
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(483,629)	(65,313)	63,582
25. Net investment income earned		545	523	708
26. Net realized capital gains (losses) less capital gains tax of $ 0				
27. Net investment gains (losses) (Lines 25 plus 26)		545	523	708
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 0) (amount charged off $ 0)]				
29. Aggregate write-ins for other income or expenses				
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	(483,084)	(64,790)	64,290
31. Federal and foreign income taxes incurred	XXX			
32. Net income (loss) (Lines 30 minus 31)	XXX	(483,084)	(64,790)	64,290

DETAILS OF WRITE-IN LINES				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 06 from overflow page	XXX			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	XXX			
NONE				
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 07 from overflow page	XXX			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	XXX			
NONE				
1401. Other Services		418,671	111,143	165,721
1402. Medical Advisory Hotline		3,978	2,736	3,762
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		422,649	113,879	169,483
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				
NONE				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	1,546,584	1,501,567	1,501,567
34. Net income or (loss) from Line 32	(483,084)	(64,790)	64,290
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of $ 0			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	5,173	(24,620)	(19,273)
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	(477,911)	(89,410)	45,017
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,068,673	1,412,157	1,546,584

DETAILS OF WRITE-IN LINES			
4701. Change in basis			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	4,010,899	2,918,512	4,113,618
2. Net investment income	432	419	1,249
3. Miscellaneous income			
4. Total (Lines 1 to 3)	4,011,331	2,918,931	4,114,867
5. Benefit and loss related payments	4,093,479	2,826,302	3,964,466
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	273,635	166,727	230,889
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	4,367,114	2,993,029	4,195,355
11. Net cash from operations (Line 4 minus Line 10)	(355,783)	(74,098)	(80,488)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	86,765	6,112	(30,497)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	86,765	6,112	(30,497)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(269,018)	(67,986)	(110,985)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	961,387	1,072,372	1,072,372
19.2 End of period (Line 18 plus Line 19.1)	692,369	1,004,386	961,387

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	795	8	193					594		
2. First Quarter	877	8	228					641		
3. Second Quarter	912	8	252					652		
4. Third Quarter	935	10	261					664		
5. Current Year										
6. Current Year Member Months	8,024	81	2,144					5,799		
Total Member Ambulatory Encounters for Period:										
7. Physician	3,270	27	110					3,133		
8. Non-Physician	1,854	46	63					1,745		
9. Totals	5,124	73	173					4,878		
10. Hospital Patient Days Incurred	297	2	8					287		
11. Number of Inpatient Admissions	68	1	4					63		
12. Health Premiums Written (a)	3,982,893	119,644	659,696					3,203,553		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	3,968,948	119,243	647,611					3,202,094		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	4,118,531	270,842	862,581					2,985,108		
18. Amount Incurred for Provision of Health Care Services	4,215,413	271,213	944,625					2,999,575		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 3,203,553

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
0199999 Individually listed claims unpaid						
0299999 Aggregate accounts not individually listed - uncovered						
0399999 Aggregate accounts not individually listed - covered						
0499999 Subtotals						
0599999 Unreported claims and other claim reserves						113,876
0699999 Total amounts withheld						
0799999 Total claims unpaid						113,876
0899999 Accrued medical incentive pool and bonus amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date 1 On Claims Incurred Prior to January 1 of Current Year	Claims Paid Year to Date 2 On Claims Incurred During the Year	Liability End of Current Quarter 3 On Claims Unpaid Dec. 31 of Prior Year	Liability End of Current Quarter 4 On Claims Incurred During the Year	5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital and medical)	13,106	995,133		95,521	13,106	
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	3,888	2,981,220		18,355	3,888	
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	16,994	3,976,353		113,876	16,994	
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	16,994	3,976,353		113,876	16,994	

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Practices

A Accounting Practices

Gundersen Health Plan Minnesota, Inc.'s (the Plan's) statutory-basis financial statements are prepared in accordance with statutory accounting practices (SAP) prescribed or permitted by the Minnesota Department of Commerce (DOC). Currently, "prescribed" statutory accounting practices are interspersed throughout the state insurance laws and regulations, the NAIC's *Accounting Practices and Procedures Manual* and a variety of other NAIC publications. "Permitted" statutory accounting practices encompass all accounting practices that are not prescribed; such practices may differ from state to state, may differ from company to company within a state, and may change in the future.

Statutory accounting principles vary from generally accepted accounting principles in the United States in that certain assets designated as "non-admitted assets" are excluded from the balance sheet, investments are recorded at amortized cost without regard to the ability and intent of management to hold such investments to maturity, surplus notes are treated as a component of net worth instead of as a long-term liability, and health benefit liabilities are presented net of the effects of reinsurance.

			State of Domicile	9/2015	12/2014
NET INCOME					
(1)	state basis (Page 4, Line 32, Columns 2 & 3)		MN	($483,085)	$64,290
(2)	State Prescribed Practices NONE:			0	0
(3)	State Permitted Practices NONE:				
(4)	NAIC SAP	(1-2-3=4)	MN	($483,085)	$64,290
SURPLUS					
(5)	state basis (Page 3, Line 33, Columns 3 & 4)		MN	$1,068,673	$1,546,584
(6)	State Prescribed Practices NONE:			0	0
(7)	State Permitted Practices NONE:			0	0
(8)	NAIC SAP	(5-6-7=8)	MN	$1,068,673	$1,546,584

B Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates.

C Accounting Policy

1) Cash and short-term investments

Cash and cash equivalents consist of all highly liquid instruments which mature within three months from the date of purchase and certificates of deposit. Short-term investments consist primarily of investments purchased with an original maturity of 91 days to one year. The carrying amounts of cash, cash equivalents and short-term investments reported in the Plan's balance sheets approximate fair value.

2-4) Bonds, common and preferred stock

Bonds, which include special deposits, are carried at amortized cost using the scientific (constant yield) interest method. Bond premiums and discounts are amortized over terms. Realized gains and losses on sales of investments are determined based on the specific identification method and are included in net realized capital gains or losses. Declines in the fair value of any investments below cost that are deemed other than temporary, are recorded as realized losses resulting in a new cost basis for the investment. Fair values are based on quoted market prices from brokers/dealers. Bonds include all investments whose maturity is greater than one year when purchased. The Plan has no common or preferred stock

5-10) Not Applicable to the Plan.

NOTES TO FINANCIAL STATEMENTS

(6) The Plan has no loan-backed securities.

11) Premiums and amounts due and unpaid

Premiums are recognized as revenue in the period to which health care coverage relates. Premiums received in advance represent premiums received prior to the period of coverage.

Nonadmitted amounts consist of all premiums receivable greater than 90 days due, with the exception of amounts due under government insured plans, which may be admitted assets. Uncollectible amounts are generally written off and charged to revenue in the period in which reconciliations are completed or when the account is determined to be uncollectible.

Premium received from CMS for the risk portion of the Medicare Advantage Part D prescription drug coverage are included in premium earned, and claims are included in medical and hospital expenses in the statements of revenues and expenses. The Plan also receives reinsurance and low income cost subsidy (LICS) payments from CMS. Premiums and claims associated with the reinsurance and LIS are accounted for similar to amounts received or paid under an uninsured health plan. In addition, a risk corridor payment may be owed to or from CMS based on how actual benefit costs vary from the costs anticipated in the bid for the Part D contract. Any receivable or payable related to the risk corridor is continually reviewed and adjusted as experience develops or new information becomes known. Such adjustments are included in current operations. Amounts outstanding at September 30, 2015 and December 31, 2014 include $(16,774) and $(3,751) for a risk corridor (asset) liability; and ($153,343) and ($74,258) related to settlements with CMS for reinsurance and the LICS, included in other (assets) /liabilities. As a result of Affordable Care Act, CMS narrowed the gap on the Part D prescription drug coverage by offering Coverage Gap Discount Payment (CGDP). The Plan received prepayments from CMS monthly to pay the CGDP discounts at point of sale, and offset them quarterly with CMS after manufacturers' reimbursements. As of September 30, 2015 and December 31, 2014, amounts outstanding related to settlements with CMS for CGDP were ($15,844) and ($3,681) respectively included in other (assets) liabilities.

Medical and hospital costs and claims adjustment expenses and related reserves

Medical and hospital costs consist principally of capitation costs and other medical claims. Claims payable of $18,355 and $3,888 represents the estimated net cost of all reported and unreported claims incurred during the year related to the Medicare Advantage Part D product as of September 30, 2015 and December 31, 2014 respectively. Claim reserves for incurred but not reported claims for other Fee-For-Service products are estimated at $95,521 and $13,106 as of September 30, 2015 and December 31, 2014 respectively. The reserves for unpaid claims are estimated primarily by the use of completion factors developed from historical lag patterns. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. These estimates are continually reviewed and adjusted as experience develops or new information becomes known, and such adjustments are included in current operations.

Claims adjustment expenses represent costs incurred related to the claim settlement process such as costs to record, process and adjust claims.

Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Plan. The Plan has Hold-harmless Agreements with the providers to protect its members. Uncovered expenses and related liabilities represent costs to the Plan for health care services that are the obligation of the Plan and for which a member may also be liable in the event of the Plan's insolvency.

12) Capitalization policy

N/A - Assets are carried on parent's book.

13) Method used to estimate pharmaceutical rebate receivable

NOTES TO FINANCIAL STATEMENTS

Estimated rebates receivable based upon the historical payment trends, actual utilization and other variables provided by our Pharmacy Benefit Manager.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

Not Applicable

A. The Plan has not participated in any statutory purchase during the current reporting period.

B The Plan has not been a party to a statutory merger during the current reporting period.

C. The Plan does not participate in assumption reinsurance.

D. The Plan did not recognize an impairment loss on any of the transactions described above.

4. Discontinued Operations

(1) - (5) Not Applicable

5. Investments

A-K The Plan has no mortgage loans, debt restructuring, reverse mortgages, loan-back securities, repurchase agreements, real estate or low income housing tax credits, Working Capital Finance Investments or structured notes.

J The Plan does not offset or net 'assets' with 'liabilities'.

H A US Treasury Note of $550,000 is restricted as to sale.

Cash is invested mostly in U.S. Government Treasury and Agency instruments with varying maturities no more than five years with NAIC rating of 1.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable: A-B The Plan has no joint ventures, partnerships or limited liability companies.

7. Investment Income

A-B No investment income was excluded; investment income is accrued and recorded.

8. Derivative Instruments

A-F Not Applicable

9. Income Taxes

A-G Not Applicable

The Plan is exempt from federal income tax pursuant to Section 501(c)(4) of the Internal Revenue Code. The Plan is subject to Minnesota HMO Premium tax. During 2015 and 2014, the Plan incurred $3,663 and $4,883 respectively of tax expense, which are included in general administrative expenses.

10. Information Concerning Parent, Subsidiaries and Affiliates

A GHS (Gundersen Health System) is the holding company and UIP of the Plan.

NOTES TO FINANCIAL STATEMENTS

GHP (Gundersen Health Plan) is the UDP of the Plan.
B-F:
The Plan has the following significant transactions with affiliates:

The Plan has a provider services agreement with its affiliates, Gundersen Clinic, Ltd. and Gundersen Lutheran Medial Center (collectively, Gundersen Lutheran) for its Commercial Large Group and Medicare Advantage products. Gundersen Lutheran provides health care services directly to the Plan enrollees or through subcontracts with other individuals or entities. Payment for the services provided by Gundersen Lutheran is on a fully-capitated basis except for Small Group and Individual products which are Fee-For-Service. The capitation amount is based on a percentage of the gross premium the Plan receives from its enrollees adjusted for agent and broker commissions, chiropractic claims, amounts paid to other health care providers for covered services, pharmaceutical rebates, reinsurance premiums, and claim recoveries. During 2015 and 2014, the Plan incurred $2,464,000 and $2,720,000, respectively, of capitation expense relating to health care services provided directly by Gundersen Lutheran. This capitation expense is included in medical and hospital expense in the statements of revenue and expenses. Amounts due to (from) Gundersen Lutheran as of September 30, 2015 and December 31, 2014 related to the capitation agreement is $76,194 and $(25,208), respectively.

Under terms of an administrative services agreement with its affiliates, Gundersen Administrative Services, Inc. (GAS) and Gundersen Lutheran, substantially all general and administrative services necessary for the Plan's operations are provided by GAS and Gundersen Lutheran at amounts that are intended to approximate cost. The Plan was charged approximately $295,000 and $240,000 in 2015 and 2014, respectively, for those services. Amounts due to GAS and Gundersen Lutheran as of September 30, 2015 and December 31, 2014, related to the administrative services agreement are $82,413 and $62,920. Amounts due from GHP were ($49,129) and ($35,420) as of September 30, 2015 and December 31, 2014. Net amounts due to (from) affiliates as of September 30, 2015 and December 31, 2014 were $33,284 and $27,500, respectively.

E GHP has a parental guarantee related to Medicare product with GHS.

G GHS is the ultimate controlling parent whereas GHP is the direct controlling parent which owns 100% of the Plan.

H-I The Plan is carried at the equity basis on the book of its parent, GHP. $483,085 was adjusted down in investment in the Plan (subsidiary) by GHP as of September 30, 2015 since December 31, 2014.

J-L N/A

11. Debt

A-B Not Applicable
B FHLB agreements - none

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated absences, and Other Postretirement Benefit Plans

A-I Not Applicable to the Plan

E. The Plan participates in a plan sponsored by the parent and has no legal obligation for benefits under plan.

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

(1) - (13) Not Applicable

14. Contingencies

NOTES TO FINANCIAL STATEMENTS

A-F Not Applicable

F. In the ordinary course of business, the Plan is involved in and is subject to claims, contractual disputes with providers and other uncertainties. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Plan's financial condition or results of operations.

15. Leases
None

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

(1)-(4) The Plan does not have financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk.

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

A. Transfer of Receivables Reported as Sales - Not Applicable
B. Transfers and Servicing of Financial Assets - Not Applicable
C. Wash Sales - Not Applicable

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

None

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

Not Applicable

20. Fair Value Measurements

A-D Not Applicable. The Plan has no common or preferred stock and only has Class 1 Bonds carried at amortized cost.

	Level 1
Bond: US Government	$550,063

21. Other Items

A. Extraordinary Items - Not Applicable.
B. Troubled Debt Restructuring: Debtors - Not Applicable.
C. Other Disclosures – Not Applicable
D – G Not Applicable

22. Events Subsequent

The Plan does not have any Type I or II material subsequent events.

As a result of the ACA (America Affordable Act), US Treasury is imposing a Federal Insurer Fee on insurers. However, the fee does not apply to entities with less than $25 million of net premiums. Therefore, the Plan is not subject to the ACA Section 9010 fee as of September 30, 2015.

23. Reinsurance

NOTES TO FINANCIAL STATEMENTS

During 2015 and 2014, the Plan paid $5,795 and $4,381 in reinsurance premiums, and accrued $8,150 and $7,292 contribution payable for the transitional ACA reinsurance program. These have been reported as a reduction of premiums earned. Reinsurance contracts do not relieve the Plan from its obligations to policyholders. The Plan remains primarily liable to its policyholders for the portion reinsured to the extent that the reinsurer does not meet the obligations assumed under the reinsurance contract. To minimize its exposure to significant losses from reinsurer insolvencies, the Plan evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurer. As of September 30, 2015 and September 30, 2015, the Plan determined that it had no significant concentrations of credit risks.

The Plan ceded reinsurance to allow management to control exposure to potential losses arising from large risks. For each member, the Plan retains the first $650,000 of medical and hospital expenses per member for the contract year. The Plan also retains 50% of losses incurred during the agreement in excess of the specific retention amount noted above. The reinsurance contract is subject to a limit of $2 million or $5 million for each member.

Through its provider services agreement with Gundersen Lutheran, the Plan is reimbursed for all reinsurance premiums and pays to Gundersen Lutheran all reinsurance recoverables, therefore, having no impact to the statements of revenue and expenses.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Plan or by any representative, officer, trustee, or director of the Plan?

Yes ( ) No (X)

(2) Have any policies issued by the Plan been reinsured with a Plan chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the Plan have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?

Yes ( ) No (X)

(2) Does the HMO have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Plan may consider the current or anticipated experience of the business reinsured in making this estimate. N/A

NOTES TO FINANCIAL STATEMENTS

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year 2014 of this statement, to include policies or contracts that were in force or which had existing reserves established by the Plan as of the effective date of the agreement?

Yes ( ) No (X)

B-D Not Applicable to the Plan.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination
A-C
Through annual contracts with the Centers for Medicare and Medicaid Services ("CMS"), the Plan offers HMO plans for Medicare-eligible individuals through the Medicare Advantage program. Members typically receive enhanced benefits over standard Medicare fee-for-service coverage, including reduced cost-sharing for preventative care, vision and other non-Medicare services. Under this agreement the Plan and CMS share in amounts above and below agreed upon target medical loss ratios. Additionally, the Plan was selected by CMS to be a provider of the Medicare Part D Prescription Drug Program ("PDP"). All Medicare eligible individuals are eligible to participate in this voluntary prescription drug plan. Members typically receive coverage for certain prescription drugs, usually subject to a deductible, co-insurance and/or co-payment.

The Plan recognizes premiums received from, or on behalf of, members or CMS and capitated fees as premium revenue rated over the contract period. The Plan expenses the cost of covered prescription drugs as incurred. Costs associated with low-income Medicare beneficiaries (deductible, coinsurance, etc.) and the catastrophic drug costs paid in advance by CMS are recorded as a liability and offset health care costs when incurred. In addition, a risk sharing arrangement provides a risk corridor whereby the target amount (what we received in premiums from members and CMS based on our annual bid amount less administrative expenses) is compared to our actual drug costs incurred during the contract year. Based on the risk corridor provision and PDP activity to date, an estimated risk sharing receivable or payable is recorded on a monthly basis as an adjustment to premium revenue. The Plan performs a reconciliation of the final risk sharing, low-income subsidy and catastrophic amounts after the end of the contract year. Any receivable or payable related to the risk corridor is continually reviewed and adjusted as experience develops or new information becomes known.

As a result of the terms of these agreements with CMS, the Plan has recorded amounts due from CMS. Amount outstanding at September 30, 2015 and December 31, 2014 included ($16,774) and ($3,751) for a risk corridor (asset) liability included in other (assets) liabilities. When an asset is recognized relating to the risk-sharing with CMS, the receivable is reported as an accrued retrospective premium per SSAP 66.

D MLR rebates N/A

E Risk Sharing Provisions of the Affordable Care Act
(1) Permanent ACA Risk Adjustment Program
Premium adjustments receivable due to ACA Risk Adjustment - $0
Risk adjustment user fees payable for ACA Risk Adjustment - $0
Premium adjustments payable due to ACA Risk Adjustment - $35,229
Reported as revenue in premium for accident and health contractions due to ACA Risk Adjustment – ($35,229)
Reported in expenses as ACA risk adjustment user fees – $0

(2) Transitional ACA Reinsurance Program
Amounts recoverable for claims paid due to ACA Reinsurance - $111,792 for 2015 and $13,392 for 2014
Amounts recoverable for claims unpaid due to ACA Reinsurance - $0
Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance - $0
Claims unpaid – ceded due to ACA Reinsurance - $0
Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium – $0

NOTES TO FINANCIAL STATEMENTS

Ceded reinsurance premiums payable due to ACA Reinsurance - $8,150
Liabilities for amounts held under uninsured plans contributions for ACA reinsurance - $0
Ceded reinsurance premiums due to ACA Reinsurance - $(8,150)
Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments – $(111,792) for 2015 and $(13,392) for 2014
ACA Reinsurance contributions – not reported as ceded premium - $0

(3) Temporary ACA Risk Corridors Program
Accrued retrospective premiums due to ACA Risk Corridors - $0
Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors - $0
Effect of ACA Risk Corridors on net premium income – $0
Effect of ACA Risk Corridors on change in reserves for rate credits - $0
The Plan does not participate in the Federal Exchange.

25. Change in Incurred Claims and Unpaid Claim Adjustment Expenses

Reserves as of December 31, 2014 were $13,106. As of September 30, 2015, $33,788 has been paid for incurred claims attributable to insured events of prior years on small group and individual lines of business. Reserves remaining for prior years are now $220. The Plan experienced $$20,902 unfavorable prior year claim development. Reserves as of September 30, 2015 are $95,521; most of which are for current year.

	Small Grp	Individual	Total
Reserves @ 12/31/14	10548	2558	13106
Paid prior year claims	-31450	-2338	-33788
Reserves remaining for prior years	-20902	220	-20682
Accrue for prior years	20902	0	20902
Accrue for current year	92592	2709	95301
Reserves @ 9/30/15	92592	2929	95521

26. Intercompany Pooling Arrangements

A-G Not Applicable

27. Structured Settlements

Not Applicable

28. Health Care Receivables

A. Pharmacy Rebates
The Plan recorded a Pharmaceutical Rebate Receivable of $14,100 as of September 30, 2015, which was recorded as a reduction to medical expense. Rebates receivable estimated on prior quarterly financial statements are as follows:

Rebate Receivable	Rebates Booked	Rebates Received
12/31/14 - $19,000		$17,360
03/31/15 - $6,440	$4,800	$0
06/30/15 - $0		$6,440
09/30/15 - $14,100	$14,100	$28,874

B. Risk Sharing Receivables
Not applicable

29. Participating Policies

NOTES TO FINANCIAL STATEMENTS

Not Applicable

30. Premium Deficiency Reserves

Not Applicable

31. Anticipated Salvage and Subrogation

Not Applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [X]

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

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

6.4 By what department or departments?

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

GENERAL INTERROGATORIES

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules, and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes [X] No [ ]

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ ____________

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

GENERAL INTERROGATORIES

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

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

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

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $
16.3 Total payable for securities lending reported on the liability page $

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

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

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Bank National Association	NAC: N9310-060, 801 Nicollet Mall, Ste 700, Minneapolis, MN

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

GENERAL INTERROGATORIES

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1	A&H loss percent	103.06 %
1.2	A&H cost containment percent	%
1.3	A&H expense percent excluding cost containment expenses	4.77 %

2.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.	$
2.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
2.4	If yes, please provide the balance of the funds administered as of the reporting date.	$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			Accident and Health - Non-Affiliates					
10227	13-4924125	01/01/2015	Munich Reinsurance America, Inc.	NJ	ASL/L/G	Authorized	1	01/01/2013
00000	AA-9990032	01/01/2015	CMS ACA Transitional Reinsurance Program	DC	OTH/I	Authorized	1	01/01/2014

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	N								
15. Indiana IN	N								
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	L	779,340	3,203,553					3,982,893	
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	N								
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	N								
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate other alien OT	XXX								
59. Subtotal	XXX	779,340	3,203,553					3,982,893	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Totals (Direct Business)	(a) 1	779,340	3,203,553					3,982,893	

DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

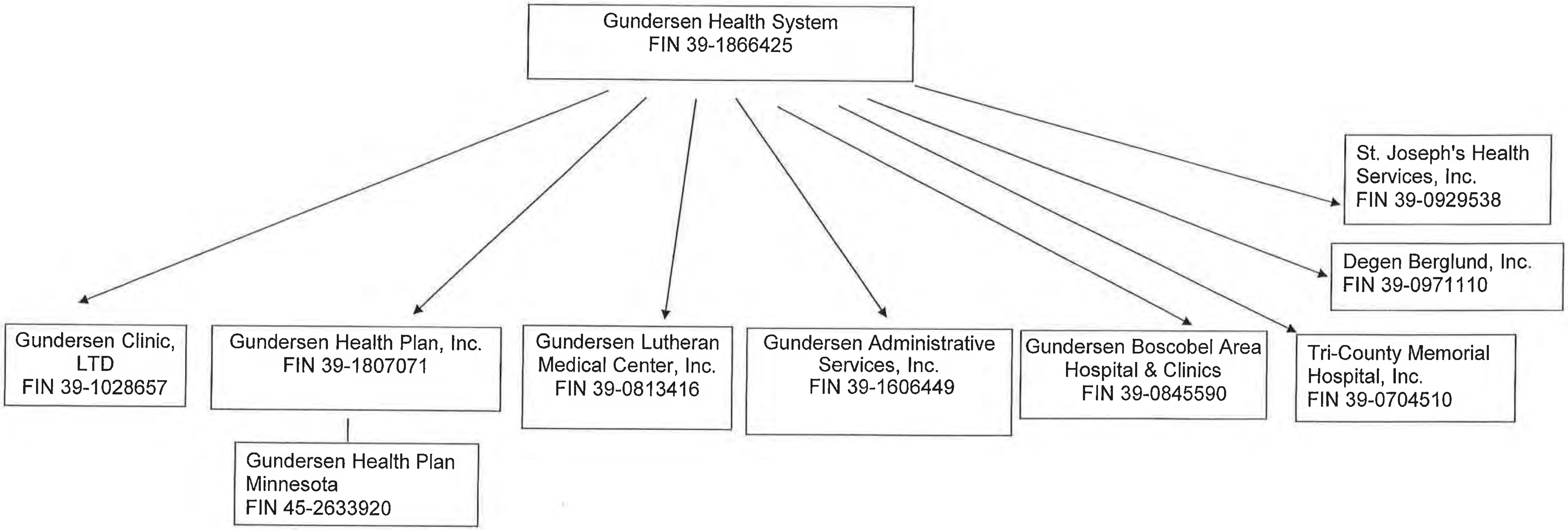
NONE

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
		00000	39-1866425				Gundersen Health System	WI	UIP	Gundersen Lutheran Board	Board		Gundersen Lutheran Board	0
		00000	39-1028657				Gundersen Clinic, Ltd.	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		00000	39-0813416				Gundersen Lutheran Medical Center, Inc.	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		00000	39-1606449				Gundersen Administrative Services, Inc	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		00000	39-1249705				Gundersen Medical Foundation, Inc.	WI	NIA	GMF Board	Board		GMF Board	0
		00000	39-0704510				Tri-County Memorial Hospital, Inc.	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		00000	39-0971110				Degen Berglund, Inc.	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		00000	39-0929538				St. Joseph's Health Services, Inc.	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
		0000	39-0845590				Gundersen Boscobel Area Hospital & Clinics	WI	NIA	Gundersen Health System	Board		Gundersen Health System	0
4751	Gundersen Health Plan, Inc.	95101	39-1807071				Gundersen Health Plan, Inc.	WI	UDP	Gundersen Health System	Board		Gundersen Health System	0
4751	Gundersen Health Plan Minnesota	14202	45-2633920				Gundersen Health Plan Minnesota	MN		Gundersen Health Plan	Board		Gundersen Health System	0

Asterik	Explanation
	NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

Question 1: Not stand alone; N/A

Bar Code:

14202201536500103

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION
Real Estate

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

NONE

SCHEDULE B - VERIFICATION
Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	550,461	550,994
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of		
7. Deduct amortization of premium	398	533
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	550,063	550,461
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	550,063	550,461

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	552,930	1	200	(134)	552,232	552,930	552,597	552,563
2. NAIC 2 (a)								
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	552,930	1	200	(134)	552,232	552,930	552,597	552,563
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	552,930	1	200	(134)	552,232	552,930	552,597	552,563

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	2,534	XXX	2,534	2	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,102	851
2. Cost of short-term investments acquired	1,033	1,251
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	601	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,534	2,102
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,534	2,102

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	
2.	Cost Paid/(Consideration Received) on additions	
3.	Unrealized Valuation increase/(decrease)	
4.	Total gain (loss) on termination recognized	
5.	Considerations received/(paid) on terminations	NONE
6.	Amortization	
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item	
8.	Total foreign exchange change in Book/Adjusted Carrying Value	
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)	
10.	Deduct nonadmitted assets	
11.	Statement value at end of current period (Line 9 minus Line 10)	

SCHEDULE DB - PART B - VERIFICATION

Future Contracts

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)				
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)				
3.1	Add:				
	Change in variation margin on open contracts - Highly Effective Hedges				
3.11	Section 1, Column 15, current year to date minus				
3.12	Section 1, Column 15, prior year				
	Change in variation margin on open contracts - All Other				
3.13	Section 1, Column 18, current year to date minus				
3.14	Section 1, Column 18, prior year				
3.2	Add:				
	Change in adjustment to basis of hedged item				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year				
	Change in amount recognized				
3.23	Section 1, Column 19, current year to date minus	NONE			
3.24	Section 1, Column 19, prior year				
3.3	Subtotal (Line 3.1 minus Line 3.2)				
4.1	Cumulative variation margin on terminated contracts during the year				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item				
4.22	Amount recognized				
4.3	Subtotal (Line 4.1 minus Line 4.2)				
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				
7.	Deduct total nonadmitted amounts				
8.	Statement value at end of current period (Line 6 minus Line 7)				

SCHEDULE DB - PART C - SECTION 1

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

Replicated (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
9999999	Totals					XXX	XXX	XXX			XXX	XXX	XXX		

NONE

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

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

NONE

SCHEDULE DB VERIFICATION

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

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance
3. Total (Line 1 plus Line 2)
4. Part D, Section 1, Column 5
5. Part D, Section 1, Column 6
6. Total (Line 3 minus Line 4 minus Line 5)

NONE

Fair Value Check

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

Potential Exposure Check

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

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE

SCHEDULE A - PART 2

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

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

SCHEDULE A - PART 3

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

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

SCHEDULE B - PART 2

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

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisitions	Value of Land and Buildings
NONE								
3399999 Totals				XXX	XXX			

SCHEDULE B - PART 3

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

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

SCHEDULE BA - PART 2

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

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

SCHEDULE BA - PART 3

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

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

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
				NONE					
9999999	Totals				XXX		XXX		XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Desig-nation or Market Indicator (a)
NONE																					
9999999	Totals						XXX													XXX	XXX

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

SCHEDULE DB - PART A - SECTION 1

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

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule/ Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate or Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/ Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase/ (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization)/ Accretion	20 Adjustment to Carrying Value of Hedged Item	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Quarter-end (b)
NONE																						
1449999 Total						XXX	XXX	XXX	XXX					XXX							XXX	XXX

(a)

Code	Description of Hedged Risk(s)
	NONE

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
	NONE

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

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

NONE

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
Total Net Cash Deposits			

NONE

(a)

Code	Description of Hedged Risk(s)

NONE

(b)

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

NONE

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book/Adjusted Carrying Value			Fair Value			11	12
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	5 Contracts With Book/ Adjusted Carrying Value >0	6 Contracts With Book/ Adjusted Carrying Value <0	7 Exposure net of Collateral	8 Contracts With Fair Value >0	9 Contracts With Fair Value <0	10 Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
NONE											
0999999 Gross Totals											
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64											

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

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

Collateral Pledged to Reporting Entity

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

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Desig-nation/ Market Indicator	5 Fair Value	6 Book / Adjusted Carrying Value	7 Maturity Dates
	NONE					
9999999 Totals						XXX

General Interrogatories:

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

NAIC 1 $ 0; NAIC 2 $ 0; NAIC 3 $ 0; NAIC 4 $ 0; NAIC 5 $ 0; NAIC 6 $ 0.

SCHEDULE DL - PART 2

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Desig-nation/ Market Indicator	5 Fair Value	6 Book / Adjusted Carrying Value	7 Maturity Dates
NONE						
9999999 Totals						XXX

General Interrogatories:

1. Total activity for the year Fair Value $ 0 Book/Adjusted Carrying Value $ 0
2. Average balance for the year Fair Value $ 0 Book/Adjusted Carrying Value $ 0

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 6 First Month	7 Second Month	8 Third Month	9 *
Open Depositories								
Wells Fargo St. Paul, MN					1,136,661	644,975	689,836	
0199998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX			1,136,661	644,975	689,836	XXX
Suspended Depositories								
0299998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX			1,136,661	644,975	689,836	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX			1,136,661	644,975	689,836	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

14202201536500103

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 4751 NAIC Company Code 14202

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

NONE

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

Statutory-Basis Financial Statements and Supplementary Information

Gundersen Health Plan Minnesota, Inc.
Years Ended December 31, 2014 and 2013
With Reports of Independent Auditors

Ernst & Young LLP

EY
Building a better working world

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Financial Statements and Supplementary Information

Years Ended December 31, 2014 and 2013

Contents

Ernst & Young LLP
875 East Wisconsin Avenue
Milwaukee, WI 53202

Tel: +1 414 273 5900
Fax: +1 414 223 7200
ey.com

Building a better working world

Report of Independent Auditors

The Board of Directors
Gundersen Health Plan Minnesota, Inc.

We have audited the accompanying statutory-basis financial statements of Gundersen Health Plan Minnesota, Inc., which comprise the statutory-basis balance sheets as of December 31, 2014 and 2013, and the related statutory-basis statements of revenue and expenses, changes in net worth, and cash flow for the years then ended, and the related notes to the statutory-basis financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EY
Building a better working world

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the requirements of the state of Minnesota, the financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce, which practices differ from U.S. generally accepted accounting principles. The variances between such practices and U.S. generally accepted accounting principles and the effects on the accompanying financial statements are described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matter described in the preceding paragraph, the statutory-basis financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the statutory-basis financial position of Gundersen Health Plan Minnesota, Inc. at December 31, 2014 and 2013, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory-Basis of Accounting

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the statutory-basis financial position of Gundersen Health Plan Minnesota, Inc. at December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce.

Ernst + Young LLP

March 31, 2015

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Balance Sheets

	December 31 2014	December 31 2013
Assets		
Investments:		
Bonds	**$ 550,461**	$ 550,995
Cash and short-term investments	**961,387**	1,072,372
Total investments	**1,511,848**	1,623,367
Premiums receivable	**9,479**	1,161
Receivable from uninsured plans	**78,083**	–
Capitation receivable – affiliates	**25,208**	–
Other assets	**61,186**	276
Total admitted assets	**$ 1,685,804**	$ 1,624,804
Liabilities and net worth		
Liabilities:		
Capitation payable – affiliates	**$ –**	$ 3,083
Due to affiliates	**27,500**	35,915
Claims payable	**16,994**	3,168
Accounts payable	**26,655**	10,962
Premiums received in advance	**67,927**	19,466
Other liabilities	**144**	50,643
Total liabilities	**139,220**	123,237
Net worth:		
Contributed capital	**1,550,000**	1,550,000
Retained earnings deficit	**(3,416)**	(48,433)
Total net worth	**1,546,584**	1,501,567
Total liabilities and net worth	**$ 1,685,804**	$ 1,624,804

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Revenue and Expenses

	Year Ended December 31 2014	2013
Revenue:		
Premiums	**$ 4,069,997**	$ 2,171,834
Net investment income	**708**	260
Total revenue	**4,070,705**	2,172,094
Expenses:		
Medical and hospital:		
Physician services	**752,544**	419,158
Outside referrals	**53,069**	21,887
Emergency room and out of area	**102,881**	73,977
Inpatient care	**2,444,175**	1,157,957
Other medical	**468,082**	346,695
	3,820,751	2,019,674
Net reinsurance recoveries	**(60,918)**	–
Total medical and hospital	**3,759,833**	2,019,674
Claim adjustment expenses	**103,518**	76,292
General administrative expenses	**143,064**	107,359
Total expenses	**4,006,415**	2,203,325
Net income (loss)	**$ 64,290**	$ (31,231)

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Changes in Net Worth

Years Ended December 31, 2014 and 2013

Balance at January 1, 2014	$ 1,532,798
Net loss	(31,231)
Balance at December 31, 2013	1,501,567
Net income	**64,290**
Change in nonadmitted assets	**(19,273)**
Balance at December 31, 2014	**$ 1,546,584**

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Cash Flows

	Year Ended December 31	
	2014	**2013**
Operating activities		
Premiums collected, net of reinsurance	**$ 4,113,618**	$ 2,166,734
Claims paid	**(3,964,466)**	(1,956,819)
Administrative expenses paid	**(230,889)**	(172,690)
Net investment income	**1,249**	691
Net cash (used in) provided by operating activities	**(80,488)**	37,916
Investing activities		
Proceeds from maturities of investments	**–**	550,000
Cost of investments acquired	**–**	(551,032)
Net cash used in investing activities	**–**	(1,032)
Financing and other activities		
Net transfers (to) from affiliates	**(30,497)**	32,348
Net cash (used in) provided by financing and other activities	**(30,497)**	32,348
Net change in cash and short-term investments	**(110,985)**	69,232
Cash and short-term investments at beginning of year	**1,072,372**	1,003,140
Cash and short-term investments at end of year	**$ 961,387**	$ 1,072,372

See accompanying notes.

1. Organization, Basis of Presentation, and Significant Accounting Policies

Organization

Gundersen Health Plan Minnesota, Inc. (the Plan) is organized as a nonprofit health maintenance organization pursuant to Minnesota Statutes Chapter 62D. The organization was established in 2011 to provide comprehensive health care insurance for Minnesota insureds. The health care services covered by the Plan are primarily paid for on a capitated basis, which transfers the majority of insurance risk to Gundersen Clinic, Ltd. and Gundersen Lutheran Medical Center (collectively, Gundersen Lutheran) under a provider services agreement. The Plan is directly controlled by its parent, Gundersen Health Plan (GHP). The Plan is also a member of a holding company system, Gundersen Health System, which is the ultimate controlling parent of GHP and the Plan.

The Plan offered a commercial insurance product in 2012 and added Medicare Advantage products in 2013, including Part D prescription drug coverage, claims for which are paid on a fee-for-service basis. In 2014, an individual fee-for-service product was added and the Commercial Small Group product changed from a capitated basis to fee-for-service. The Commercial, Medicare, and Individual products represent 11%, 88%, and 1%, respectively, of 2014 premiums earned.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statutory-basis financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates.

Basis of Presentation and Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices (SAP) prescribed or permitted by the Minnesota Department of Commerce (DOC).

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Such practices vary from U.S. generally accepted accounting principles (GAAP). The more significant differences are as follows:

Investments – Investments in bonds are reported at amortized cost or fair value based on their National Association of Insurance Commissioners (NAIC) rating; for GAAP, such fixed-maturity investments are designated at purchase as available for sale. These fixed-maturity investments are reported at fair value, with unrealized holding gains and losses reported as a separate component of net worth.

Nonadmitted Assets – Certain assets designated as nonadmitted, principally past-due premium and health care receivables, net affiliated receivables, and other assets not specifically identified as an admitted asset, are excluded from the accompanying statutory-basis balance sheets. Under GAAP, such assets are included in the statutory-basis balance sheets.

Statements of Cash Flow – Cash and short-term investments in the statutory-basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

A reconciliation of net income (loss) and net worth of the Plan as determined in accordance with SAP to amounts determined in accordance with GAAP is as follows:

	Net Income (Loss)		**Net Worth**	
	Year Ended December 31		**December 31**	
	2014	**2013**	**2014**	**2013**
Statutory-basis amounts	**$ 64,290**	$ (31,231)	**$ 1,546,584**	$ 1,501,567
Add adjustments –				
Nonadmitted assets	**–**	–	**19,273**	–
Investments	**–**	–	**56**	(670)
GAAP-basis amounts	**$ 64,290**	$ (31,231)	**$ 1,565,913**	$ 1,500,897

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Bonds

The Plan's investments in bonds consist primarily of U.S. Treasury securities. At December 31, 2014, $550,000 was held by the Plan but restricted by the state of Minnesota. Investments in bonds are carried at amortized cost. Premiums and discounts are amortized over the contractual lives of those bonds. The method of amortization results in a constant effective yield on those bonds (the scientific-interest method). Interest on bonds is recognized in net investment income as earned.

Realized capital gains and losses are determined using the specific-identification basis. Changes in admitted asset carrying amounts of bonds are credited or charged directly to net worth.

The Plan periodically reviews its bond investments to determine whether a decline in fair value below the carrying value is other than temporary. If a decline in fair value is considered other than temporary, the cost basis/carrying amount of the security is written down to fair value and the amount of the write-down is reported as a realized loss. The Plan does not accrue interest on debt securities when management believes the collection of interest is unlikely.

Premiums Receivable

Premiums receivable are reported net of allowances, based on management's best estimate of their ultimate collectability.

Premiums

Premiums are recognized as revenue in the period to which health care coverage relates. Premiums received in advance represent premiums received prior to the period of coverage.

Medicare Advantage

Beginning in 2013, the Plan has contracted with the Centers for Medicare and Medicaid Services (CMS) to provide Medicare Advantage and Part D prescription drug coverage. Under this contract, premiums received from CMS for the risk portion of the contract are included in premium earned, and claims are included in medical and hospital expenses in the statutory-basis statements of revenue and expenses. The Plan also receives reinsurance and low-income cost

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

subsidy (LICS) payments from CMS. Premiums and claims associated with the reinsurance and LICS are accounted for similarly to amounts received or paid under an uninsured health plan. In addition, a risk corridor payment may be owed to or from CMS based on how actual benefit costs vary from the costs anticipated in the bid for the Medicare Advantage Part D contract. Any receivable or payable related to the risk corridor is continually reviewed and adjusted as experience develops or new information becomes known. Such adjustments are included in current operations. Amounts outstanding at December 31, 2014 and 2013, include $(3,751) and $16,000 for a risk corridor (receivable) liability, which are included in premiums receivable and other liabilities in the statutory-basis balance sheets, respectively. Related to settlements with CMS for reinsurance and the LICS, amounts outstanding at December 31, 2014 and 2013, were $(74,258) and $31,000, which are included in receivable from uninsured plans and other liabilities in the statutory-basis balance sheets, respectively. As a result of the Affordable Care Act (ACA), CMS narrowed the gap on the Medicare Advantage Part D prescription drug coverage by offering a Coverage Gap Discount Payment (CGDP). The Plan received prepayments from CMS monthly to pay the CGDP discounts at the point of sale, and offset them quarterly with CMS after manufacturers' reimbursements. As of December 31, 2014, amounts outstanding related to settlements with CMS for CGDP were $(3,681) and $3,000, which are included in other (assets) liabilities in the statutory-basis balance sheets, respectively.

Claims Payable

Claims payable represent the estimated ultimate net cost of all reported and unreported claims incurred during the year related to the Medicare Advantage Part D, Individual and Commercial Small Group fee-for-service products. The reserves for unpaid claims are estimated primarily by the use of completion factors developed from historical lag patterns. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. These estimates are continually reviewed and adjusted as experience develops or new information becomes known, and such adjustments are included in current operations.

Reinsurance

The Plan uses reinsurance to control exposure to potential losses arising from large risks. The Plan retains the first $650,000 of medical and hospital expenses per member for the contract year. The Plan also retains 50% of losses incurred during the agreement in excess of the specific retention amount noted above. The reinsurance contract is subject to a limit of $2 million or $5 million for each member.

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

The ACA Transitional Reinsurance Program was effective in 2014. The program is designed to help stabilize premiums in the Individual market. Individual line of business claims over $45,000, after cost share reduction and maximum out-of-pocket adjustments, are eligible for reimbursement from CMS up to $250,000 per member.

Taxes

The Plan is exempt from federal income tax pursuant to Section 501(c)(4) of the Internal Revenue Code. The Plan is subject to Minnesota premium tax. During 2014 and 2013, the Plan incurred $4,883 and $1,721, respectively, of premium tax expense, which are included in general administrative expenses on the statutory-basis statements of revenue and expenses.

Subsequent Events

The Plan has evaluated subsequent events through March 31, 2015, the date on which the statutory-basis financial statements were available to be issued, for potential recognition or disclosure. No such events were identified, except as disclosed in Note 8.

2. Cash and Short-Term Investments and Bonds

As of December 31, 2014 and 2013, cash and short-term investments consisted of the following:

	2014	2013
Cash	$ 959,285	$ 1,071,521
Money market fund	2,102	851
	$ 961,387	$ 1,072,372

The amortized cost and fair value of bonds as of December 31, 2014 and 2013, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
At December 31, 2014 –				
U.S. Treasury bond	$ 550,461	$ 56	$ –	$ 550,517
Total	$ 550,461	$ 56	$ –	$ 550,517

2. Cash and Short-Term Investments and Bonds (continued)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
At December 31, 2013 –				
U.S. Treasury bond	$ 550,995	$ –	$ (670)	$ 550,325
Total	$ 550,995	$ –	$ (670)	$ 550,325

The contractual maturity of the bond as of December 31, 2014, is due in less than one year.

The Plan does not have any investments that are carried at fair value.

The sources of net investment income for the years ended December 31, 2014 and 2013, are summarized as follows:

	2014	2013
Cash and short-term investments	**$ –**	$ 22
U.S. Treasury and agency bonds	**1,529**	1,079
Investment fees	**(821)**	(841)
	$ 708	$ 260

3. Reinsurance

During 2014 and 2013, the Plan paid $4,381 and $2,278 in reinsurance premiums, respectively, and accrued $7,292 for the ACA Transitional Reinsurance Program in 2014, which have been reported as a reduction of premiums earned on the statutory-basis statements of revenue and expenses.

Reinsurance contracts do not relieve the Plan from its obligations to policyholders. The Plan remains primarily liable to its policyholders for the portion reinsured to the extent that the reinsurer does not meet the obligations assumed under the reinsurance contract. To minimize its exposure to significant losses from reinsurer insolvencies, the Plan evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurer. At December 31, 2014, the Plan determined that it had no significant concentrations of credit risks.

4. Related-Party Transactions

The Plan has provider services agreements for its Commercial Large Group, Medicare Advantage, Medicaid and Medicare Supplement products with Gundersen Lutheran, whereby Gundersen Lutheran provides health care services directly to the Plan's enrollees or through subcontracts with other individuals or entities. Payment for the services provided by Gundersen Lutheran is on a fully capitated basis. The capitation amount is based on a percentage of the gross premium the Plan receives from its enrollees, adjusted for agent and broker commissions, chiropractic claims, amounts paid to other health care providers for covered services, pharmaceutical rebates, reinsurance premiums, and claim recoveries. During 2014 and 2013, the Plan incurred $2,720,000 and $1,606,000, respectively, of capitation expense relating to health care services provided directly by Gundersen Lutheran. This capitation expense is included in medical and hospital expense in the statutory-basis statements of revenue and expenses. Amounts due (from) to Gundersen Lutheran as of December 31, 2014 and 2013, related to the capitation arrangement are $(25,208) and $3,083, respectively.

Under terms of an administrative services agreement with its affiliates, Gundersen Administrative Services, Inc. (GAS) and Gundersen Lutheran, substantially all general and administrative services necessary for the Plan's operations are provided by GAS and Gundersen Lutheran at amounts that are intended to approximate cost. The Plan was charged approximately $240,000 and $180,000 in 2014 and 2013, respectively, for those services. Amounts due to GAS and Gundersen Lutheran as of December 31, 2014 and 2013, related to the administrative services agreement are $62,920 and $27,250, respectively. Amounts due from GHP were $(35,420) and $(9,396) as of December 31, 2014 and 2013, respectively. Net amounts due to affiliates as of December 31, 2014 and 2013, were $27,500 and $17,854, respectively.

5. Statutory Net Worth Requirement

Minnesota insurance regulations require the maintenance of a minimum initial net worth requirement of $1,500,000. At December 31, 2014, the Plan was in compliance with this requirement.

6. Fair Value Measurement

Statement of Statutory Accounting Principles (SSAP) 100, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value, and expands disclosures of fair value measurements, all of which apply to all assets measured on a fair value basis. The standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Basis of Fair Value Measurement

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2 – Quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity)

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Bonds and short-term investments are categorized as Level 1.

Cash and Short-Term Investments

The carrying amount reported in the statutory-basis balance sheets approximates fair value due to its short maturity.

Bonds

Fair values are based on values published by market prices when available. For bonds not actively traded, fair values are estimated using values obtained from a third-party pricing vendor.

7. ACA 3R Provisions (Risk Adjustment, Reinsurance, Risk Corridor)

Risk Adjustment is a permanent program designed to transfer premiums between health insurers in the Individual and Small Group markets on and off the Exchange based on relative risk scores of the insurers. Due to insufficient data available to make reasonable estimates of Risk Adjustment for the Minnesota Individual and Small Group products, the Plan did not make such estimates.

The ACA Transitional Reinsurance Program is a three-year program designed to help stabilize premiums in the Individual market both on and off the Exchange. The Plan launched the Individual line of business off the Exchange in 2014 for its Minnesota insureds. Individual line of business claims over $45,000, after cost share reduction and maximum out-of-pocket adjustments, are eligible for reimbursement from CMS up to $250,000 per member. As of December 31, 2014, the Plan has recorded a reinsurance recoverable of $60,918 in other assets in the statutory-basis balance sheet as a result of the ACA Transitional Reinsurance Program.

The ACA Risk Corridor program is also a three-year program designed to protect against pricing uncertainty by sharing gains and losses between the insurers and the federal government. The Risk Corridor program applies only to Individual and Small Group plans on the Exchange. Therefore, the Risk Corridor provision is not available for the Plan's off-Exchange-only Individual and Small Group businesses.

The 90-day admission rule for the above programs begins when the governmental disbursement is due, not from the date of the initial accrual. Therefore, the ACA reinsurance receivable as of December 31, 2014, is treated as an admitted asset.

8. Subsequent Event

As a result of the Affordable Care Act, the U.S. Treasury began imposing a Federal Health Insurer Fee starting January 2014. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premium 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. 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. However, the fee does not apply to entities with less than $25 million of net premiums. Therefore, the Plan is not subject to the ACA Section 9010 fee as of December 31, 2014.

Supplementary Information

Building a better
working world

Ernst & Young LLP
875 East Wisconsin Avenue
Milwaukee, WI 53202

Tel: +1 414 273 5900
Fax: +1 414 223 7200
ey.com

Report of Independent Auditors on Supplementary Information

The Board of Directors
Gundersen Health Plan Minnesota, Inc.

We have audited the statutory-basis financial statements of Gundersen Health Plan Minnesota, Inc. (the Plan) as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon dated March 31, 2015, which contains an unmodified opinion on those financial statements with regard to their conformity with the accounting practices prescribed or permitted by the Minnesota Department of Commerce. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of investment risks interrogatories and summary investment schedule are presented to comply with the National Association of Insurance Commissioners' *Annual Statement Instructions* and the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the statutory-basis financial statements as a whole.

This report is intended solely for the information and use of the Plan and state insurance departments to whose jurisdiction the Plan is subject and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

March 31, 2015

Gundersen Health Plan Minnesota, Inc.

Supplementary Schedule of Investment Risks Interrogatories

December 31, 2014

1. The Plan's total admitted assets as reported on page 2 of the Plan's annual statement for the year ended December 31, 2014, are $1,685,804.
2. The Plan's investments are primarily held in U.S. government and agency securities.
3. The Plan's total admitted assets held in bonds at December 31, 2014, held an NAIC rating of 1.
4. There are no assets held in foreign investments.
5. There are no assets held in unhedged foreign currency exposure.
6. There are no assets held in nonsovereign foreign issues.
7. There are no assets held in Canadian investments.
8. There are no assets held in investments with contractual sales restrictions.
9. There are no assets held in equity interests.
10. There are no assets held in nonaffiliated, privately placed equities.
11. There are no assets held in general partnership interests.
12. There are no assets held in mortgage loans reported in Schedule B.
13. There are no assets held in mortgage loans.
14. There are no assets held in real estate.
15. There are no assets held in investments held in mezzanine real estate loans.
16. There are no assets subject to securities lending agreements.
17. There are no assets held in warrants attached to other financial instruments, options, caps, and floors.

Gundersen Health Plan Minnesota, Inc.

Summary Investment Schedule

December 31, 2014

Investment Categories	Gross Investment Holdings*	Percent	Admitted Assets as Reported in the Annual Statement	Percent
U.S. Treasury and agency bond	$ 550,461	36.41%	$ 550,461	36.41%
Cash and short-term investments	961,387	63.59	961,387	63.59
Total invested assets	$ 1,511,848	100.00%	$ 1,511,848	100.00%

*Gross investment holdings as valued in compliance with the NAIC's *Accounting Practices and Procedures Manual.*

Gundersen Health Plan Minnesota, Inc.

Note to Supplementary Information

December 31, 2014

Note 1. Basis of Presentation

The accompanying supplementary schedule of investment risk interrogatories and summary investment schedule present selected statutory-basis financial data as of December 31, 2014, for purposes of complying with paragraph 9 of the Annual Audited Financial Reports in the Annual Audit Report section of the National Association of Insurance Commissioners' *Annual Statement Instructions* and the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and agree to amounts reported in the Gundersen Health Plan Minnesota, Inc. 2014 Statutory Annual Statement filed with the Minnesota Department of Commerce.

Only those captions that are applicable to the Plan have been presented in the accompanying supplementary information.

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

ey.com

Statutory-Basis Financial Statements and Supplementary Information

Gundersen Health Plan Minnesota, Inc.
Years Ended December 31, 2013 and 2012
With Reports of Independent Auditors

Ernst & Young LLP

Building a better
working world

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Financial Statements and Supplementary Information

Years Ended December 31, 2013 and 2012

Contents

EY
Building a better
working world

Ernst & Young LLP
875 East Wisconsin Avenue
Milwaukee, WI 53202

Tel: +1 414 273 5900
Fax: +1 414 223 7200
ey.com

Report of Independent Auditors

The Board of Directors
Gundersen Health Plan Minnesota, Inc.

We have audited the accompanying statutory-basis financial statements of Gundersen Health Plan Minnesota, Inc., which comprise the statutory-basis balance sheets as of December 31, 2013 and 2012, and the related statutory-basis statements of revenue and expenses, changes in net worth, and cash flows for the years then ended, and the related notes to the statutory-basis financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EY
Building a better working world

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the requirements of the state of Minnesota, the financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce, which practices differ from U.S. generally accepted accounting principles. The variances between such practices and U.S. generally accepted accounting principles and the effects on the accompanying financial statements are described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matter described in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the statutory-basis financial position of Gundersen Health Plan Minnesota, Inc. at December 31, 2013 and 2012, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory-Basis of Accounting

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the statutory-basis financial position of Gundersen Health Plan Minnesota, Inc. at December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce.

Ernst + Young LLP

March 28, 2014

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Balance Sheets

	December 31	
	2013	2012
Assets		
Investments:		
Bonds	**$ 550,995**	$ 550,469
Cash and short-term investments	**1,072,372**	1,003,140
Total investments	**1,623,367**	1,553,609
Premiums receivable	**1,161**	–
Capitation receivable – affiliates	–	9,045
Other assets	**276**	197
Total admitted assets	**$ 1,624,804**	$ 1,562,851
Liabilities and net worth		
Liabilities:		
Capitation payable – affiliates	**$ 3,083**	$ 6,649
Due to affiliates	**35,915**	–
Claims payable	**3,168**	–
Accounts payable	**10,962**	–
Premiums received in advance	**19,466**	23,404
Risk share liability	**16,284**	–
Liabilities under uninsured plans	**34,359**	–
Total liabilities	**123,237**	30,053
Net worth:		
Contributed capital	**1,550,000**	1,550,000
Retained earnings	**(48,433)**	(17,202)
Total net worth	**1,501,567**	1,532,798
Total liabilities and net worth	**$ 1,624,804**	$ 1,562,851

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Revenue and Expenses

	Year Ended December 31	
	2013	**2012**
Revenue:		
Premiums	**$ 2,171,834**	$ 22,313
Net investment income	**260**	678
Total revenue	**2,172,094**	22,991
Expenses:		
Medical and hospital:		
Physician services	**419,158**	17,728
Outside referrals	**21,887**	–
Emergency room and out of area	**73,977**	420
Inpatient care	**1,157,957**	–
Other medical	**346,695**	2,213
Total medical and hospital	**2,019,674**	20,361
Claim adjustment expenses	**76,292**	–
General administrative expenses	**107,359**	19,832
Total expenses	**2,203,325**	40,193
Net loss	**$ (31,231)**	$ (17,202)

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Changes in Net Worth

Years Ended December 31, 2013 and 2012

Balance at January 1, 2012	$ 1,550,312
Net loss	(17,202)
Aggregate write-ins for loss in surplus	(312)
Balance at December 31, 2012	1,532,798
Net loss	**(31,231)**
Balance at December 31, 2013	**$ 1,501,567**

See accompanying notes.

Gundersen Health Plan Minnesota, Inc.

Statutory-Basis Statements of Cash Flows

	Year Ended December 31	
	2013	**2012**
Operating activities		
Premiums collected, net of reinsurance	**$ 2,166,734**	$ 45,717
Claims paid	**(1,956,819)**	(20,361)
Administrative expenses paid	**(172,690)**	(19,833)
Net investment income	**691**	240
Net cash provided by operating activities	**37,916**	5,763
Investing activities		
Proceeds from maturities of investments	**550,000**	–
Cost of investments acquired	**(551,032)**	(550,539)
Net cash used in investing activities	**(1,032)**	(550,539)
Financing and other activities		
Net transfers from affiliates	**32,348**	–
Other cash applied	**–**	(2,396)
Net cash provided by (used in) financing and other activities	**32,348**	(2,396)
Net change in cash and short-term investments	**69,232**	(547,172)
Cash and short-term investments at beginning of year	**1,003,140**	1,550,312
Cash and short-term investments at end of year	**$ 1,072,372**	$ 1,003,140

See accompanying notes.

1. Organization, Basis of Presentation, and Significant Accounting Policies

Organization

Gundersen Health Plan Minnesota, Inc. (the Plan) is a nonprofit health maintenance organization pursuant to Minnesota Statues Chapter 62D. The organization was established in 2011 to provide comprehensive health care insurance for Minnesota insureds and was formerly known as Gundersen Lutheran Health Plan Minnesota, Inc. The health care services covered by the Plan are primarily paid for on a capitated basis, which transfers the majority of insurance risk to Gundersen Clinic, Ltd. and Gundersen Lutheran Medical Center (collectively, Gundersen Lutheran) under a provider services agreement. The Plan is directly controlled by its parent, Gundersen Health Plan (GHP). The Plan is also a member of a holding company system, Gundersen Health System, which is the ultimate controlling parent of GHP and the Plan.

The Plan offered a commercial insurance product in 2012 and added Medicare Advantage products in 2013, including Part D prescription drug coverage, claims for which are paid on a fee-for-service basis. The commercial and Medicare Advantage products represent 7% and 93%, respectively, of 2013 premiums earned.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statutory-basis financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ from those estimates.

Basis of Presentation and Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices (SAP) prescribed or permitted by the Minnesota Department of Commerce (DOC).

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Such practices vary from U.S. generally accepted accounting principles (GAAP). The more significant differences are as follows:

Investments – Investments in bonds are reported at amortized cost or fair value based on their National Association of Insurance Commissioners (NAIC) rating; for GAAP, such fixed-maturity investments are designated at purchase as available for sale. These fixed-maturity investments are reported at fair value, with unrealized holding gains and losses reported as a separate component of net worth.

Nonadmitted Assets – Certain assets designated as nonadmitted, principally past-due premium and health care receivables, net affiliated receivables, and other assets not specifically identified as an admitted asset, are excluded from the accompanying statutory-basis balance sheets. Under GAAP, such assets are included in the statutory-basis balance sheets.

Statements of Cash Flow – Cash and short-term investments in the statutory-basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

A reconciliation of net loss and net worth of the Plan as determined in accordance with SAP to amounts determined in accordance with GAAP is as follows:

	Net Loss Year Ended December 31		Net Worth December 31	
	2013	**2012**	**2013**	**2012**
Statutory-basis amounts	**$ (31,231)**	$ (17,202)	**$ 1,501,567**	$ 1,532,798
Add adjustments–				
Investments	**–**	–	**(670)**	108
GAAP-basis amounts	**$ (31,231)**	$ (17,202)	**$ 1,500,897**	$ 1,532,906

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Bonds

The Plan's investments in bonds consist primarily of U.S. Treasury securities. At December 31, 2013, $550,000 was held by the Plan but restricted by the state of Minnesota. Investments in bonds are carried at amortized cost. Premiums and discounts are amortized over the contractual lives of those bonds. The method of amortization results in a constant effective yield on those bonds (the scientific-interest method). Interest on bonds is recognized in net investment income as earned.

Realized capital gains and losses are determined using the specific-identification basis. Changes in admitted asset carrying amounts of bonds are credited or charged directly to net worth.

The Plan periodically reviews its bond investments to determine whether a decline in fair value below the carrying value is other than temporary. If a decline in fair value is considered other than temporary, the cost basis/carrying amount of the security is written down to fair value and the amount of the write-down is reported as a realized loss. The Plan does not accrue interest on debt securities when management believes the collection of interest is unlikely.

Premiums Receivable

Premiums receivable are reported net of allowances, based on management's best estimate of their ultimate collectability.

Premiums

Premiums are recognized as revenue in the period to which health care coverage relates. Premiums received in advance represent premiums received prior to the period of coverage.

Medicare Advantage

Beginning in 2013, the Plan has contracted with CMS to provide Medicare Advantage and Part D prescription drug coverage. Under this contract, premiums received from CMS for the risk portion of the contract are included in premium earned, and claims are included in medical and hospital expenses in the statutory-basis statements of revenue and expenses. The Plan also receives reinsurance and low-income cost subsidy (LICS) payments from CMS. Premiums and claims associated with the reinsurance and LICS are accounted for similarly to amounts received

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

or paid under an uninsured health plan. In addition, a risk corridor payment may be owed to or from CMS based on how actual benefit costs vary from the costs anticipated in the bid for the Medicare Advantage Part D contract. Any receivable or payable related to the risk corridor is continually reviewed and adjusted as experience develops or new information becomes known. Such adjustments are included in current operations. Amounts outstanding at December 31, 2013, include $16,000 for a risk corridor liability, which is included in other liabilities. Related to settlements with CMS for reinsurance and the LICS, amounts outstanding at December 31, 2013, were $31,000, which are included in other liabilities. As a result of the Affordable Care Act (ACA), CMS narrowed the gap on the Medicare Advantage Part D prescription drug coverage by offering a Coverage Gap Discount Payment (CGDP). The Plan received prepayments from CMS monthly to pay the CGDP discounts at the point of sale, and offset them quarterly with CMS after manufacturers' reimbursements. As of December 31, 2013, the amount outstanding related to settlements with CMS for CGDP was $3,478, which is included in other liabilities.

Claims Payable

Claims payable represent the estimated ultimate net cost of all reported and unreported claims incurred during the year related to the Medicare Advantage Part D product. The reserves for unpaid claims are estimated primarily by the use of completion factors developed from historical lag patterns. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. These estimates are continually reviewed and adjusted as experience develops or new information becomes known, and such adjustments are included in current operations.

Reinsurance

The Plan uses reinsurance to control exposure to potential losses arising from large risks. The Plan retains the first $650,000 of medical and hospital expenses per member for the contract year. The Plan also retains 50% of losses incurred during the agreement in excess of the specific retention amount noted above. The reinsurance contract is subject to a limit of $2 million or $5 million for each member.

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Taxes

The Plan believes it meets the provisions of Internal Revenue Code Section 501(c)(4) and is in the process of applying to the Internal Revenue Service for its recognition of such tax exemption. The Plan is subject to Minnesota premium tax. During 2013, the Plan incurred $1,721 of tax expense, which is included in general administrative expense. The Plan did not incur any premium tax in 2012.

Subsequent Events

The Plan has evaluated subsequent events through March 28, 2014, the date on which the statutory-basis financial statements were available to be issued, for potential recognition or disclosure. No such events were identified, except as disclosed in Note 7.

2. Cash and Short-Term Investments and Bonds

As of December 31, 2013 and 2012, cash and short-term investments consisted of the following:

	2013	2012
Cash	**$ 1,071,521**	$ 1,002,287
Money market fund	**851**	853
	$ 1,072,372	$ 1,003,140

The amortized cost and fair value of bonds as of December 31, 2013 and 2012, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
At December 31, 2013–				
U.S. Treasury bond	$ 550,995	$ –	$ (670)	$ 550,325
Total	$ 550,995	$ –	$ (670)	$ 550,325

2. Cash and Short-Term Investments and Bonds (continued)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
At December 31, 2012–				
U.S. government-sponsored bond	$ 550,469	$ 108	$ –	$ 550,577
Total	$ 550,469	$ 108	$ –	$ 550,577

The contractual maturity of the bond as of December 31, 2013, is due after one year through five years.

The Plan does not have any investments that are carried at fair value.

The sources of net investment income for the years ended December 31, 2013 and 2012, are summarized as follows:

	2013	2012
Cash and short-term investments	**$ 22**	$ 753
U.S. Treasury and agency bonds	**1,101**	150
Investment fees	**(841)**	(225)
	$ 282	$ 678

3. Reinsurance

During 2013 and 2012, the Plan paid $2,278 and $177 in reinsurance premiums, respectively, which have been reported as a reduction of premiums earned.

3. Reinsurance (continued)

Reinsurance contracts do not relieve the Plan from its obligations to policyholders. The Plan remains primarily liable to its policyholders for the portion reinsured to the extent that the reinsurer does not meet the obligations assumed under the reinsurance contract. To minimize its exposure to significant losses from reinsurer insolvencies, the Plan evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurer. At December 31, 2013, the Plan determined that it had no significant concentrations of credit risks.

4. Related-Party Transactions

The Plan has a provider services agreement with Gundersen Lutheran, whereby Gundersen Lutheran provides health care services directly to the Plan's enrollees or through subcontracts with other individuals or entities. Payment for the services provided by Gundersen Lutheran is on a fully capitated basis. The capitation amount is based on a percentage of the gross premium the Plan receives from its enrollees, adjusted for agent and broker commissions, chiropractic claims, amounts paid to other health care providers for covered services, pharmaceutical rebates, reinsurance premiums, and claim recoveries. During 2013 and 2012, the Plan incurred $1,606,000 and $18,871, respectively, of capitation expense relating to health care services provided directly by Gundersen Lutheran. This capitation expense is included in medical and hospital expense in the statutory-basis statements of revenue and expenses. Amounts due to Gundersen Lutheran as of December 31, 2013 and 2012, related to the capitation arrangement are $3,083 and $6,649, respectively.

Under terms of an administrative services agreement with its affiliates, Gundersen Administrative Services, Inc. (GAS) and Gundersen Lutheran, substantially all general and administrative services necessary for the Plan's operations are provided by GAS and Gundersen Lutheran at amounts that are intended to approximate cost. The Plan was charged approximately $180,000 and $20,000 in 2013 and 2012, respectively, for those services. Amounts due to GAS and Gundersen Lutheran as of December 31, 2013 and 2012, related to the administrative services agreement are $27,000 and $5,398, respectively. Amounts due from GHP were $(9,396) and $(14,443) as of December 31, 2013 and 2012, respectively. Net amounts due to (from) affiliates as of December 31, 2013 and 2012, were $17,854 and $(9,045), respectively.

5. Statutory Net Worth Requirement

Minnesota insurance regulations require the maintenance of a minimum initial net worth requirement of $1,500,000. At December 31, 2013, the Plan was in compliance with this requirement.

6. Fair Value Measurement

SSAP 100, *Fair Value Measurements,* defines fair value, establishes a framework for measuring fair value, and expands disclosures of fair value measurements, all of which apply to all assets measured on a fair value basis. The standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Basis of Fair Value Measurement

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2 – Quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity)

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Bonds and short-term investments are categorized as Level 1.

Cash and Short-Term Investments

The carrying amount reported in the statutory-basis balance sheets approximates fair value due to its short maturity.

Bonds

Fair values are based on values published by market prices when available. For bonds not actively traded, fair values are estimated using values obtained from a third-party pricing vendor.

7. Subsequent Event

On January 1, 2014, the Plan will be subject to an annual fee under the ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premium 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. 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, 2013, the Plan has written health insurance subject to the ACA assessment, is conducting health insurance business in 2013, and estimates its portion of the annual health insurance industry fee payable on September 30, 2014, to be $30,000. The assessment is estimated to impact risk-based capital by a decrease of five points.

Supplementary Information

EY
Building a better working world

Ernst & Young LLP
875 East Wisconsin Avenue
Milwaukee, WI 53202

Tel: +1 414 273 5900
Fax: +1 414 223 7200
ey.com

Report of Independent Auditors on Supplementary Information

The Board of Directors
Gundersen Health Plan Minnesota, Inc.

We have audited the statutory-basis financial statements of Gundersen Health Plan Minnesota, Inc. (the Plan) as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon dated March 28, 2014, which contains an unmodified opinion on those financial statements with regard to their conformity with the accounting practices prescribed or permitted by the Minnesota Department of Commerce. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of investment risks interrogatories and summary investment schedule are presented to comply with the National Association of Insurance Commissioners' *Annual Statement Instructions* and the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the statutory-basis financial statements as a whole.

This report is intended solely for the information and use of the Plan and state insurance departments to whose jurisdiction the Plan is subject and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

March 28, 2014

Gundersen Health Plan Minnesota, Inc.

Supplementary Schedule of Investment Risks Interrogatories

December 31, 2013

1. The Plan's total admitted assets as reported on page 2 of the Plan's annual statement for the year ended December 31, 2013, are $1,624,804.
2. The Plan's investments are primarily held in U.S. government and agency securities.
3. The Plan's total admitted assets held in bonds at December 31, 2013, held an NAIC rating of 1.
4. There are no assets held in foreign investments.
5. There are no assets held in unhedged foreign currency exposure.
6. There are no assets held in nonsovereign foreign issues.
7. There are no assets held in Canadian investments.
8. There are no assets held in investments with contractual sales restrictions.
9. There are no assets held in equity interests.
10. There are no assets held in nonaffiliated, privately placed equities.
11. There are no assets held in general partnership interests.
12. There are no assets held in mortgage loans reported in Schedule B.
13. There are no assets held in mortgage loans.
14. There are no assets held in real estate.
15. There are no assets held in investments held in mezzanine real estate loans.
16. There are no assets subject to securities lending agreements.
17. There are no assets held in warrants attached to other financial instruments, options, caps, and floors.

Gundersen Health Plan Minnesota, Inc.

Summary Investment Schedule

December 31, 2013

Investment Categories	Gross Investment Holdings*	Percent	Admitted Assets as Reported in the Annual Statement	Percent
U.S. Treasury and agency bond	$ 550,995	33.94%	$ 550,995	33.94%
Cash and short-term investments	1,072,372	66.06%	1,072,372	66.06%
Total invested assets	$ 1,623,367	100%	$ 1,623,367	100%

*Gross investment holdings as valued in compliance with the NAIC's *Accounting Practices and Procedures Manual.*

Gundersen Health Plan Minnesota, Inc.

Note to Supplementary Information

December 31, 2013

Note 1. Basis of Presentation

The accompanying schedules and interrogatories present selected statutory-basis financial data as of December 31, 2013, for purposes of complying with paragraph 9 of the Annual Audited Financial Reports in the Annual Audit Report section of the National Association of Insurance Commissioners' *Annual Statement Instructions* and the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and agree to amounts reported in the Gundersen Health Plan Minnesota, Inc. 2013 Statutory Annual Statement filed with the Minnesota Department of Commerce.

Only those captions that are applicable to the Plan have been presented in the accompanying supplementary information.

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

ey.com

STATUTORY-BASIS FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Gundersen Lutheran Health Plan Minnesota, Inc.
Year Ended December 31, 2012
With Reports of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Gundersen Lutheran Health Plan Minnesota, Inc.

Statutory-Basis Financial Statements and Supplementary Information

Years Ended December 31, 2012

Contents

1303-1049495

ERNST & YOUNG

Ernst & Young LLP
Suite 1400
220 South Sixth Street
Minneapolis, MN 55402-4509

Tel: +1 612 343 1000
Fax: +1 612 339 1726
www.ey.com

Report of Independent Auditors

The Board of Directors
Gundersen Lutheran Health Plan Minnesota, Inc.

We have audited the accompanying statutory-basis financial statements of Gundersen Lutheran Health Plan Minnesota, Inc. (the Plan), which comprise the balance sheet as of December 31, 2012, and the related statements of revenue and expenses, changes in net worth, and cash flow for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the requirements of Minnesota, the financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce, which practices differ from U.S. generally accepted accounting principles. The variances between such practices and U.S. generally accepted accounting principles and the effects on the accompanying financial statements are described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matter described in the preceding paragraph, the statutory-basis financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Plan at December 31, 2012, or the results of its operations or its cash flows for the year then ended.

Opinion on Statutory-Basis of Accounting

However, in our opinion, the statutory-basis financial statements referred to above present fairly, in all material respects, the financial position of the Plan at December 31, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce.

Ernst + Young LLP

March 27, 2013

Gundersen Lutheran Health Plan Minnesota, Inc.

Statutory-Basis Balance Sheet

December 31, 2012

Assets		
Cash and invested assets:		
Bonds	$	550,469
Cash and short-term investments		1,003,140
Total cash and invested assets		1,553,609
Due from affiliates		9,045
Other assets		197
Total admitted assets	$	1,562,851
Liabilities and net worth		
Liabilities:		
Capitation payable – affiliates	$	6,649
Premiums received in advance		23,404
Total liabilities		30,053
Net worth:		
Contributed capital		1,550,000
Retained earnings deficit		(17,202)
Total net worth		1,532,798
Total liabilities and net worth	$	1,562,851

See accompanying notes.

Gundersen Lutheran Health Plan Minnesota, Inc.

Statutory-Basis Statement of Revenue and Expenses

Year Ended December 31, 2012

Revenues:		
Premiums	$	22,313
Net investment income		678
Total revenues		22,991
Expenses:		
Medical and hospital:		
Physician services		17,728
Emergency room and out of area		420
Other medical		2,213
General administrative expenses		19,832
Total expenses		40,193
Net loss	$	(17,202)

See accompanying notes.

Gundersen Lutheran Health Plan Minnesota, Inc.

Statutory-Basis Statement of Changes in Net Worth

Year Ended December 31, 2012

Balance at January 1, 2012	$	1,550,312
Net loss		(17,202)
Aggregate write-ins for (loss) in surplus		(312)
Balance at December 31, 2012	$	1,532,798

See accompanying notes.

Gundersen Lutheran Health Plan Minnesota, Inc.

Statutory-Basis Statement of Cash Flow

Year Ended December 31, 2012

Operating activities		
Premiums collected, net of reinsurance	$	45,717
Claims paid		20,361
Administrative expenses paid		19,833
Net investment income		240
Net cash provided by operating activities		5,763
Investing activities		
Cost of investments acquired		(550,539)
Net cash used in investing activities		(550,539)
Financing and other activities		
Other cash applied		(2,396)
Net cash used in financing and other activities		(2,396)
Net change in cash and short-term investments		(547,172)
Cash and short-term investments at beginning of year		1,550,312
Cash and short-term investments at end of year	$	1,003,140

See accompanying notes.

1. Organization, Basis of Presentation, and Significant Accounting Policies

Organization

Gundersen Lutheran Health Plan Minnesota, Inc. (the Plan) is a nonprofit health maintenance organization pursuant to Minnesota Status Chapter 62D. The organization was established in 2011 to provide comprehensive health care insurance for Minnesota insureds. The health care services covered by the Plan are primarily paid for on a capitated basis, which transfers most insurance risk to Gundersen Clinic, Ltd. and Gundersen Lutheran Medical Center (collectively, Gundersen Lutheran) under a provider services agreement. The Plan is directly controlled by its parent, Gundersen Lutheran Health Plan (GLHP). The Plan is also a member of a holding company system, Gundersen Lutheran Health System, which is the ultimate controlling parent of GLHP and the Plan.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statutory-basis financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered by management to be fairly stated at the time the estimates are made, actual results could differ from those estimates.

Basis of Presentation and Significant Accounting Policies

The accompanying statutory-basis financial statements have been prepared in accordance with statutory accounting practices (SAP) prescribed or permitted by the Minnesota Department of Commerce (DOC).

Such practices vary from U.S. generally accepted accounting principles (GAAP). The more significant differences are as follows:

Investments – Investments in bonds 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 available for sale. These fixed-maturity investments would be reported at fair value, with unrealized holding gains and losses reported as a separate component of net worth.

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Nonadmitted Assets – Certain assets designated as nonadmitted, principally past-due premium and health care receivables, and other assets not specifically identified as an admitted asset, are excluded from the accompanying statutory-basis balance sheet. Under GAAP, such assets are included in the balance sheet.

Statement of Cash Flow – Cash and short-term investments in the statutory-basis statement of cash flow represent cash balances and investments with initial maturities of less than one year. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

Cash and Short-Term Investments

Cash and short-term investments consist of a money market account carried at cost.

Bonds

The Plan's investments in bonds consist primarily of U.S. government-sponsored organizations. At December 31, 2012, $550,000 was held by the Plan but restricted by the state of Minnesota. Investments in bonds are carried at amortized cost. Premiums and discounts are amortized over the contractual lives of those bonds. The method of amortization results in a constant effective yield on those bonds (the scientific interest method). Interest on bonds is recognized in net investment income as earned.

Realized capital gains and losses are determined using the specific-identification basis. Changes in the admitted asset carrying amounts of bonds are credited or charged directly to net worth.

The Plan periodically reviews its bond investments to determine whether a decline in fair value below the carrying value is other than temporary. If a decline in fair value is considered other than temporary, the cost basis/carrying amount of the security is written down to fair value, and the amount of the write-down is reported as a realized loss. The Plan does not accrue interest on debt securities when management believes the collection of interest is unlikely.

1. Organization, Basis of Presentation, and Significant Accounting Policies (continued)

Premiums

Premiums are recognized as revenue in the period to which health care coverage relates. Premiums received in advance represent premiums received prior to the period of coverage.

Reinsurance

The Plan uses reinsurance to control exposure to potential losses arising from large risks. The Plan retains the first $600,000 of medical and hospital expenses per member for the contract year. The Plan also retains 50% of losses incurred during the agreement in excess of the specific retention amount noted above. The reinsurance contract is subject to a limit of $2 million or $5 million for each member.

Taxes

The Plan believes it meets the provisions of Internal Revenue Code Section 501(c)(4) and is in the process of applying to the Internal Revenue Service for its recognition of such tax exemption. The Plan is subject to Minnesota premium tax. During 2012, the Plan incurred no tax expense, which would normally be included in general administrative expenses.

Subsequent Events

The Plan has evaluated subsequent events through March 27, 2013, the date on which the statutory-basis financial statements were available to be issued, for potential recognition or disclosure. No such events were identified.

2. Cash and Short-Term Investments and Bonds

As of December 31, 2012, cash and short-term investments consisted of the following:

Cash	$ 1,002,287
Money market fund	853
	$ 1,003,140

The amortized cost and fair value of bonds as of December 31, 2012, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government-sponsored bond	$ 550,469	$ 108	$ –	$ 550,577
Total	$ 550,469	$ 108	$ –	$ 550,577

The contractual maturity of the bond as of December 31, 2012, is due in less than one year.

The Plan does not have any investments that are carried at fair value.

The sources of net investment income for the year ended December 31, 2012, are summarized as follows:

Cash and short-term investments	$ 753
U.S. government-sponsored organization bonds	150
Investment fees	(225)
	$ 678

3. Reinsurance

During 2012, the Plan paid $177 in reinsurance premiums, which have been reported as a reduction of premiums earned.

Reinsurance contracts do not relieve the Plan from its obligations to policyholders. The Plan remains primarily liable to its policyholders for the portion reinsured to the extent that the reinsurer does not meet the obligations assumed under the reinsurance contract. To minimize its exposure to significant losses from reinsurer insolvencies, the Plan evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurer. At December 31, 2012, the Plan determined that it had no significant concentrations of credit risks.

4. Related-Party Transactions

The Plan has a provider services agreement with Gundersen Lutheran, whereby Gundersen Lutheran provides health care services directly to the Plan's enrollees or through subcontracts with other individuals or entities. Payment for the services provided by Gundersen Lutheran is on a fully capitated basis. The capitation amount is based on a percentage of the gross premium the Plan receives from its enrollees, adjusted for agent and broker commissions, chiropractic claims, amounts paid to other health care providers for covered services, pharmaceutical rebates, reinsurance premiums, and claim recoveries. During 2012, the Plan incurred $18,871 of capitation expense relating to health care services provided directly by Gundersen Lutheran. This capitation expense is included in medical and hospital expense in the statutory-basis statement of revenue and expenses. Amounts due to Gundersen Lutheran as of December 31, 2012, related to the capitation arrangement is $6,649.

Under terms of an administrative services agreement with its affiliates, Gundersen Lutheran Administrative Services, Inc. (GLAS) and Gundersen Lutheran, substantially all general and administrative services necessary for the Plan's operations are provided by GLAS and Gundersen Lutheran at amounts that are intended to approximate cost. The Plan was charged approximately $20,000 in 2012 for those services. Amounts due to GLAS and GLHP as of December 31, 2012, related to the administrative services agreement are $5,398. Netted with a $14,443 receivable from GLHP for premiums in transit resulted in $9,045 due from affiliates as of December 31, 2012.

4. Related-Party Transactions (continued)

In 2011, the Plan's upstream direct parent, GLHP, made a $1,550,000 capital contribution to the Plan.

5. Statutory Net Worth Requirement

Minnesota insurance regulations require the maintenance of a minimum initial net worth requirement of $1,500,000. At December 31, 2012, the Plan was in compliance with this requirement.

6. Fair Value Measurement

SSAP 100, *Fair Value Measurements,* defines fair value, establishes a framework for measuring fair value, and expands disclosures of fair value measurements, which applies to all assets measured on a fair value basis. The standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Basis of Fair Value Measurement

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Bonds and short-term investments are categorized as Level 1.

6. Fair Value Measurement (continued)

Cash and Short-Term Investments

The carrying amount reported in the statutory-basis balance sheet approximates fair value due to its short maturity.

Bonds

Fair values are based on values published by market prices, when available. For bonds not actively traded, fair values are estimated using values obtained from a third-party pricing vendor.

Supplementary Information

Ernst & Young

Ernst & Young LLP
Suite 1400
220 South Sixth Street
Minneapolis, MN 55402-4509

Tel: +1 612 343 1000
Fax: +1 612 339 1726
www.ey.com

Report of Independent Auditors on Supplementary Information

The Board of Directors
Gundersen Lutheran Health Plan Minnesota, Inc.

We have audited the statutory-basis financial statements of Gundersen Lutheran Health Plan Minnesota, Inc. (the Plan) as of and for the year ended December 31, 2012, and have issued our report thereon dated March 27, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of investment risks interrogatories and summary investment schedule are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Plan and state insurance departments to whose jurisdiction the Plan is subject and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

March 27, 2013

Gundersen Lutheran Health Plan Minnesota, Inc.

Supplementary Schedule of Investment Risks Interrogatories

December 31, 2012

1. The Plan's total admitted assets as reported on page two of the Plan's annual statement for the year ended December 31, 2012, are $1,562,851.
2. The Plan's investments are held in U.S. government and agency securities.
3. The Plan's total admitted assets held in bonds at December 31, 2012, held an NAIC rating of 1.
4. There are no assets held in foreign investments.
5. There are no assets held in unhedged foreign currency exposure.
6. There are no assets held in nonsovereign foreign issues.
7. There are no assets held in Canadian investments.
8. There are no assets held in investments with contractual sales restrictions.
9. There are no assets held in equity interests.
10. There are no assets held in nonaffiliated, privately placed equities.
11. There are no assets held in general partnership interests.
12. There are no assets held in mortgage loans reported in Schedule B.
13. There are no assets held in mortgage loans.
14. There are no assets held in real estate.
15. There are no assets held in investments held in mezzanine real estate loans.
16. There are no assets subject to securities lending agreements.
17. There are no assets held in warrants attached to other financial instruments, options, caps, and floors.

Gundersen Lutheran Health Plan Minnesota, Inc.

Summary Investment Schedule

December 31, 2012

Investment Categories		**Gross Investment Holdings***	**Percent**		**Admitted as Reported in the Annual Statement**	**Percent**
U.S. government-sponsored bond	$	550,469	35.43%	$	550,469	35.43%
Cash and short-term investments		1,003,140	64.57		1,003,140	64.57
Total invested assets	$	1,553,609	100%	$	1,553,609	100%

*Gross investment holdings as valued in compliance with the NAIC's *Accounting Practices and Procedures Manual.*

Gundersen Lutheran Health Plan Minnesota, Inc.

Note to Supplementary Information

December 31, 2012

Note – Basis of Presentation

The accompanying supplementary schedule presents selected statutory-basis financial data as of December 31, 2012, and for the year then ended, for the purpose of complying with the NAICs' *Accounting Practices and Procedures Manual*, and such data agrees to, or is included in, the amounts reported in the Plan's 2012 Statutory Annual Statement as filed with the Minnesota Department of Commerce.

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young
Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com