



MOLINA HEALTHCARE OF NEW MEXICO  
ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	34,059,663		34,059,663	34,249,604
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....32,235,670, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....4,869,277, Sch. DA).....	37,104,947		37,104,947	29,003,665
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	71,164,610	0	71,164,610	63,253,269
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	176,101		176,101	124,307
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	1,276,961	41,429	1,235,532	7,767,238
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	(4,003)
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	1,241,571
18.2 Net deferred tax asset.....	1,129,509	222,137	907,372	848,467
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	804,602	804,602	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....2,560,321) and other amounts receivable.....	8,074,284	218,014	7,856,270	10,115,448
25. Aggregate write-ins for other than invested assets.....	970,113	970,113	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	83,596,180	2,256,295	81,339,885	83,346,297
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	83,596,180	2,256,295	81,339,885	83,346,297
DETAILS OF WRITE-INS				
1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	970,113	970,113	0	
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	970,113	970,113	0	0

MOLINA HEALTHCARE OF NEW MEXICO  
LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	19,731,531	2,192,392	21,923,923	32,259,715
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	387,610	43,068	430,678	724,683
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	21,047		21,047	16,834
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	1,072,122		1,072,122	1,935,665
9. General expenses due or accrued.....	5,810,351		5,810,351	3,067,507
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	4,749,629		4,749,629	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	108,378		108,378	39,420
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
20. Reinsurance in unauthorized companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	59,953		59,953	62,835
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	405,185	0	405,185	6,138,973
24. Total liabilities (Lines 1 to 23).....	32,345,806	2,235,460	34,581,266	44,245,631
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	14,561	14,561
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	19,380,665	19,380,665
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	27,363,393	19,705,440
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	46,758,619	39,100,666
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	81,339,885	83,346,297

DETAILS OF WRITE-INS

2301. Reserved for HSD MCR Contract Compliance.....			0	5,620,713
2302. Prepaid Rent.....	405,185		405,185	518,260
2303. ....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	405,185	0	405,185	6,138,973
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

MOLINA HEALTHCARE OF NEW MEXICO  
STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	1,073,909	1,104,713
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	336,293,854	359,129,529
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	(64,166)	26,664
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.....	7,741,826	7,143,920
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	343,971,514	366,300,113
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	14,328,563	203,295,747	216,753,631
10. Other professional services.....	1,631,531	16,315,313	15,278,436
11. Outside referrals.....			
12. Emergency room and out-of-area.....		21,030,847	30,683,462
13. Prescription drugs.....		30,442,112	30,151,954
14. Aggregate write-ins for other hospital and medical.....0		0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	15,960,094	271,084,019	292,867,483
<b>Less:</b>			
17. Net reinsurance recoveries.....		40,626	1,154,602
18. Total hospital and medical (Lines 16 minus 17).....	15,960,094	271,043,393	291,712,881
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$....6,240,735 cost containment expenses.....		8,199,760	10,533,309
21. General administrative expenses.....		45,332,002	42,086,760
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).....	15,960,094	324,575,155	344,332,950
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	19,396,359	21,967,163
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		144,700	346,200
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....		97,999	71,808
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	242,699	418,008
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.....	0	(135,512)	(223,048)
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.....	19,503,546	22,162,123
31. Federal and foreign income taxes incurred.....	XXX.....	6,879,199	7,816,084
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	12,624,347	14,346,039

DETAILS OF WRITE-INS			
0601. TPA Income.....	XXX.....	7,741,061	7,138,120
0602. Network Fees.....	XXX.....	765	5,800
0603. ....	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	7,741,826	7,143,920
0701. ....	XXX.....		
0702. ....	XXX.....		
0703. ....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Penalties on Late Payment of Claims.....		(136,212)	(223,648)
2902. Gain On Sales Of Assets.....		700	600
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	(135,512)	(223,048)

MOLINA HEALTHCARE OF NEW MEXICO  
STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	39,100,666	44,020,085
34. Net income or (loss) from Line 32.....	12,624,347	14,346,039
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (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.....	56,826	211,037
39. Change in nonadmitted assets.....	(23,220)	(476,495)
40. Change in unauthorized 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.....	(5,000,000)	(19,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	7,657,953	(4,919,419)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	46,758,619	39,100,666

DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0

MOLINA HEALTHCARE OF NEW MEXICO  
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	341,937,796	353,229,296
2. Net investment income.....	308,665	509,224
3. Miscellaneous income.....	7,741,826	7,143,920
4. Total (Lines 1 through 3).....	349,988,287	360,882,440
5. Benefit and loss related payments.....	281,383,188	288,558,182
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	57,019,271	50,748,447
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	887,999	9,008,000
10. Total (Lines 5 through 9).....	339,290,458	348,314,629
11. Net cash from operations (Line 4 minus Line 10).....	10,697,829	12,567,811
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	32,390,101	40,925,534
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.....	1,033	4,529
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	32,391,134	40,930,063
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	32,318,953	40,044,047
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).....	32,318,953	40,044,047
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	72,181	886,016
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.....	5,000,000	19,000,000
16.6 Other cash provided (applied).....	2,331,272	(1,473,521)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(2,668,728)	(20,473,521)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	8,101,283	(7,019,694)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	29,003,665	36,023,359
19.2 End of year (Line 18 plus Line 19.1).....	37,104,947	29,003,665
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....		



UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....				0
2.	Medicare supplement.....				0
3.	Dental only.....				0
4.	Vision only.....				0
5.	Federal employees health benefits plan.....				0
6.	Title XVIII - Medicare.....	6,922,281		20,518	6,901,763
7.	Title XIX - Medicaid.....	331,132,407		1,740,316	329,392,091
8.	Other health.....				0
9.	Health subtotal (Lines 1 through 8).....	338,054,688	0	1,760,834	336,293,854
10.	Life.....				0
11.	Property/casualty.....				0
12.	Totals (Lines 9 to 11).....	338,054,688	0	1,760,834	336,293,854

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	282,688,924						6,231,556	276,457,368		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	36,623							36,623		
1.4 Net.....	282,652,301	0	0	0	0	0	6,231,556	276,420,745	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	21,923,923						940,492	20,983,431		
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	21,923,923	0	0	0	0	0	940,492	20,983,431	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	1,269,113							1,269,113		
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	32,259,715						686,767	31,572,948		
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	32,259,715	0	0	0	0	0	686,767	31,572,948	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	4,003							4,003		
12. Incurred benefits:										
12.1 Direct.....	271,084,019	0	0	0	0	0	6,485,281	264,598,738	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	32,620	0	0	0	0	0	0	32,620	0	0
12.4 Net.....	271,051,399	0	0	0	0	0	6,485,281	264,566,118	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	3,208,135							3,208,135		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	3,208,135	0	0	0	0	0	0	3,208,135	0	0
2. Incurred but unreported:										
2.1 Direct.....	18,715,788						940,492	17,775,296		
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	18,715,788	0	0	0	0	0	940,492	17,775,296	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	21,923,923	0	0	0	0	0	940,492	20,983,431	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	21,923,923	0	0	0	0	0	940,492	20,983,431	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....					.....0	.....
2. Medicare supplement.....					.....0	.....
3. Dental only.....					.....0	.....
4. Vision only.....					.....0	.....
5. Federal employees health benefits plan.....					.....0	.....
6. Title XVIII - Medicare.....	.....557,579	.....5,673,977		.....940,492	.....557,579	.....666,164
7. Title XIX - Medicaid.....	.....23,780,993	.....251,366,633		.....20,983,431	.....23,780,993	.....31,593,551
8. Other health.....					.....0	.....
9. Health subtotal (Lines 1 to 8).....	.....24,338,572	.....257,040,610	.....0	.....21,923,923	.....24,338,572	.....32,259,715
10. Healthcare receivables (a).....	.....1,718,362	.....2,329,083			.....1,718,362	.....4,047,448
11. Other non-health.....					.....0	.....
12. Medical incentive pools and bonus amounts.....					.....0	.....
13. Totals (Lines 9 - 10 + 11 + 12).....	.....22,620,210	.....254,711,527	.....0	.....21,923,923	.....22,620,210	.....28,212,267

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	25,095	25,095	25,095	25,095	181,697
2. 2007.....	195,405	222,211	222,211	222,211	222,211
3. 2008.....	XXX	257,510	279,612	279,612	279,612
4. 2009.....	XXX	XXX	322,304	339,849	339,849
5. 2010.....	XXX	XXX	XXX	272,101	298,884
6. 2011.....	XXX	XXX	XXX	XXX	257,041

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					181,697
2. 2007.....	229,332	222,211	222,211	222,211	222,211
3. 2008.....	XXX	289,537	279,612	279,612	279,612
4. 2009.....	XXX	XXX	352,496	339,849	339,849
5. 2010.....	XXX	XXX	XXX	304,361	298,884
6. 2011.....	XXX	XXX	XXX	XXX	278,965

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expense	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2007.....	267,809	222,211	5,269	2.4	227,480	84.9			227,480	84.9
2. 2008.....	348,361	279,612	6,926	2.5	286,538	82.3			286,538	82.3
3. 2009.....	400,407	339,849	9,432	2.8	349,281	87.2			349,281	87.2
4. 2010.....	359,156	295,884	10,533	3.6	306,417	85.3			306,417	85.3
5. 2011.....	336,294	257,041	8,200	3.2	265,241	78.9	21,923	431	287,595	85.5

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health  
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....					
3. 2008.....	XXX	1,077	1,460	1,460	1,460
4. 2009.....	XXX	XXX	2,935	3,353	3,353
5. 2010.....	XXX	XXX	XXX	3,836	4,394
6. 2011.....	XXX	XXX	XXX	XXX	5,674

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					
2. 2007.....					
3. 2008.....	XXX	1,523	1,460	1,460	1,460
4. 2009.....	XXX	XXX	3,796	3,353	3,353
5. 2010.....	XXX	XXX	XXX	4,502	4,394
6. 2011.....	XXX	XXX	XXX	XXX	6,615

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2007.....				0.0	0	0.0			0	0.0
2. 2008.....	1,706	1,460	35	2.4	1,495	87.6			1,495	87.6
3. 2009.....	3,792	3,353	76	2.3	3,429	90.4			3,429	90.4
4. 2010.....	5,346	1,394	102	7.3	1,496	28.0			1,496	28.0
5. 2011.....	6,902	5,674		0.0	5,674	82.2	940	19	6,633	96.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	25,095	25,095	25,095	25,095	181,697
2. 2007.....	195,405	222,211	222,211	222,211	222,211
3. 2008.....	XXX	256,433	278,152	278,152	278,152
4. 2009.....	XXX	XXX	319,369	336,496	336,496
5. 2010.....	XXX	XXX	XXX	268,265	294,490
6. 2011.....	XXX	XXX	XXX	XXX	251,367

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....					181,697
2. 2007.....	229,332	222,211	222,211	222,211	222,211
3. 2008.....	XXX	288,014	278,152	278,152	278,152
4. 2009.....	XXX	XXX	348,700	336,496	336,496
5. 2010.....	XXX	XXX	XXX	299,859	294,490
6. 2011.....	XXX	XXX	XXX	XXX	272,350

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2007.....	267,809	222,211	5,269	2.4	227,480	84.9			227,480	84.9
2. 2008.....	346,655	278,152	6,891	2.5	285,043	82.2			285,043	82.2
3. 2009.....	396,615	336,496	9,356	2.8	345,852	87.2			345,852	87.2
4. 2010.....	353,810	294,490	10,431	3.5	304,921	86.2			304,921	86.2
5. 2011.....	329,392	251,367	8,200	3.3	259,567	78.8	20,983	412	280,962	85.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	NONE				
2. 2007.....					
3. 2008.....		XXX			
4. 2009.....		XXX	XXX		
5. 2010.....		XXX	XXX	XXX	
6. 2011.....		XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	NONE				
2. 2007.....					
3. 2008.....		XXX			
4. 2009.....		XXX	XXX		
5. 2010.....		XXX	XXX	XXX	
6. 2011.....		XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2007.....					0	0.0			0	0.0
2. 2008.....				0.0	0	0.0			0	0.0
3. 2009.....				0.0	0	0.0			0	0.0
4. 2010.....				0.0	0	0.0			0	0.0
5. 2011.....				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
2. Additional policy reserves (a).....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
3. Reserve for future contingent benefits.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
5. Aggregate write-ins for other policy reserves.....	.....21,047	.....0	.....0	.....0	.....0	.....0	.....21,047	.....0	.....0
6. Totals (gross).....	.....21,047	.....0	.....0	.....0	.....0	.....0	.....21,047	.....0	.....0
7. Reinsurance ceded.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
8. Totals (net) (Page 3, Line 4).....	.....21,047	.....0	.....0	.....0	.....0	.....0	.....21,047	.....0	.....0
CLAIM RESERVE									
9. Present value of amounts not yet due on claims.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
10. Reserve for future contingent benefits.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
11. Aggregate write-ins for other claim reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12. Totals (gross).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13. Reinsurance ceded.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
14. Totals (net) (Page 3, Line 7).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
DETAILS OF WRITE-INS									
0501. Medicare Part D Risk Reserve.....	.....21,047	.....	.....	.....	.....	.....	.....21,047	.....	.....
0502. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
0503. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.....21,047	.....0	.....0	.....0	.....0	.....0	.....21,047	.....0	.....0
1101. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1102. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1103. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Includes \$.....0 premium deficiency reserve.

MOLINA HEALTHCARE OF NEW MEXICO  
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
			General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....	.....16,004	.....	.....1,185,738	.....	.....1,201,742
2. Salaries, wages and other benefits.....	.....3,512,797	.....860,209	.....14,490,995	.....	.....18,864,001
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	.....	.....	.....	.....	.....0
4. Legal fees and expenses.....	.....	.....	.....519,871	.....	.....519,871
5. Certifications and accreditation fees.....	.....	.....	.....	.....	.....0
6. Auditing, actuarial and other consulting services.....	.....231,371	.....15,148	.....1,660,899	.....	.....1,907,418
7. Traveling expenses.....	.....53,828	.....5,326	.....402,584	.....	.....461,738
8. Marketing and advertising.....	.....179,242	.....44	.....166,173	.....	.....345,459
9. Postage, express and telephone.....	.....99,062	.....843	.....784,014	.....	.....883,919
10. Printing and office supplies.....	.....142,928	.....4,526	.....550,896	.....	.....698,350
11. Occupancy, depreciation and amortization.....	.....	.....	.....2,259,877	.....	.....2,259,877
12. Equipment.....	.....1,226	.....134	.....346,198	.....	.....347,558
13. Cost or depreciation of EDP equipment and software.....	.....249,362	.....	.....1,593,891	.....	.....1,843,253
14. Outsourced services including EDP, claims, and other services.....	.....919,063	.....931,675	.....1,720,749	.....	.....3,571,487
15. Boards, bureaus and association fees.....	.....10,057	.....2,256	.....44,583	.....	.....56,896
16. Insurance, except on real estate.....	.....530,122	.....99,311	.....1,732,115	.....	.....2,361,548
17. Collection and bank service charges.....	.....	.....	.....	.....169,495	.....169,495
18. Group service and administration fees.....	.....	.....	.....	.....	.....0
19. Reimbursements by uninsured plans.....	.....	.....	.....	.....	.....0
20. Reimbursements from fiscal intermediaries.....	.....	.....	.....	.....	.....0
21. Real estate expenses.....	.....	.....	.....	.....	.....0
22. Real estate taxes.....	.....24	.....3	.....40,752	.....	.....40,779
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	.....	.....	.....7,237,228	.....	.....7,237,228
23.2 State premium taxes.....	.....	.....	.....9,284,837	.....	.....9,284,837
23.3 Regulatory authority licenses and fees.....	.....7,565	.....	.....121,016	.....	.....128,581
23.4 Payroll taxes.....	.....270,484	.....39,342	.....943,716	.....	.....1,253,542
23.5 Other (excluding federal income and real estate taxes).....	.....	.....	.....(6,364)	.....	.....(6,364)
24. Investment expenses not included elsewhere.....	.....	.....	.....	.....	.....0
25. Aggregate write-ins for expenses.....	.....17,600	.....208	.....252,234	.....0	.....270,042
26. Total expenses incurred (Lines 1 to 25).....	.....6,240,735	.....1,959,025	.....45,332,002	.....169,495	(a).....53,701,257
27. Less expenses unpaid December 31, current year.....	.....	.....430,678	.....5,810,351	.....	.....6,241,029
28. Add expenses unpaid December 31, prior year.....	.....	.....26,664	.....3,067,507	.....	.....3,094,171
29. Amounts receivable relating to uninsured plans, prior year.....	.....	.....	.....	.....	.....0
30. Amounts receivable relating to uninsured plans, current year.....	.....	.....	.....	.....	.....0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	.....6,240,735	.....1,555,011	.....42,589,158	.....169,495	.....50,554,399

DETAILS OF WRITE-INS

2501. Contributions - Political.....	.....8,195	.....	.....9,761	.....	.....17,956
2502. Contributions - Charitable.....	.....	.....	.....185,702	.....	.....185,702
2503. Continting Educ/User Training.....	.....1,645	.....29	.....14,395	.....	.....16,069
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....7,760	.....179	.....42,376	.....0	.....50,315
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....17,600	.....208	.....252,234	.....0	.....270,042

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....195,909	.....157,881
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....26,744	.....81,396
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....49,379	.....74,918
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....272,032	.....314,195
11. Investment expenses.....		(g).....169,495
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i).....0
15. Aggregate write-ins for deductions from investment income.....		.....0
16. Total deductions (Lines 11 through 15).....		.....169,495
17. Net investment income (Line 10 minus Line 16).....		.....144,700

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....17,954 accrual of discount less \$.....233,714 amortization of premium and less \$.....124,081 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....16,333 accrual of discount less \$.....42,057 amortization of premium and less \$.....4,398 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....41,652 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....94,865	.....	.....94,865	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....2,101	.....	.....2,101	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....1,033	.....	.....1,033	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....97,999	.....0	.....97,999	.....0	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

MOLINA HEALTHCARE OF NEW MEXICO  
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	41,429	12,994	(28,435)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	222,137	224,216	2,079
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	804,602	866,735	62,133
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	218,014	418,064	200,050
25. Aggregate write-ins for other than invested assets.....	970,113	711,066	(259,047)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,256,295	2,233,075	(23,220)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	2,256,295	2,233,075	(23,220)

DETAILS OF WRITE-INS

1101. ....			0
1102. ....			0
1103. ....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid Expenses.....	970,113	711,066	(259,047)
2502. ....			0
2503. ....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	970,113	711,066	(259,047)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	90,536	90,078	89,455	88,581	87,821	1,073,909
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	90,536	90,078	89,455	88,581	87,821	1,073,909

DETAILS OF WRITE-INS

0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Molina Healthcare of New Mexico, Inc. (MHNM) are presented on the basis of accounting practices prescribed or permitted by the Department of Insurance (DOI) of the New Mexico Public Regulation Commission pursuant to the New Mexico Insurance Code.

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

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically:

- Limitations on the eligibility of certain securities and investments.
- Alternate admissibility and depreciation rules for EDP equipment.

Such prescribed accounting practices have no significant effect on the Company's statutory-basis financial statements for the period ended December 31, 2011.

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

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

C. Accounting Policy

Revenue Recognition: The Company arranges for the provision of health care services to Medicaid and Medicare recipients under contracts with the state of New Mexico, and the Centers for Medicare and Medicaid Services (CMS). Premium revenue is fixed in advance of the periods covered and, except as described below, is not generally subject to significant accounting estimates.

Premiums are recognized in the month that members are entitled to health care services. Any premiums collected in advance are recorded as unearned premiums.

The State of New Mexico Human Services Department (HSD) has required that a percentage (.75%) of the Company's premium revenue for Salud and SCI lines of business be recognized "at-risk", contingent upon the Company's performance against the Health Plan Performance Measures.

Coordination of benefits, claim overpayments, and subrogation receivables are recognized in the period such amounts are determined to be recoverable from other health care providers.

During the fourth quarter of 2011, the Company entered into a contract amendment with the state of New Mexico that more closely aligned the calculation of revenue with the methodology adopted under the Affordable Care Act. The contract amendment changed the calculation of the amount of revenue that may be recognized relative to medical costs. During the fourth quarter of 2011, the Company entered into a contract amendment with the state of New Mexico that more closely aligned the calculation of revenue with the methodology adopted under the Affordable Care Act. The contract amendment changed the calculation of the amount of revenue that may be recognized relative to medical costs. Premium income increased \$16.5 million due to this amendment, of which \$5.6 million related to periods prior to January 1, 2011. The increase in revenue was partially offset by \$0.6 million of premium tax expense associated with the adjustment (as reported in general administrative expense).

Recognition of Health Care Costs: Medical and hospital expenses related to both capitation and fee-for-service programs are recorded in the period in which the related services are dispensed or the member is entitled to service. Medical and hospital expenses include payments to primary care physicians, specialists, hospitals, pharmacies and other health care providers. In general, primary care physicians are paid on either a fee-for-service basis or a capitated basis (a fixed amount per-member per-month regardless of actual utilization of medical services), while specialists and hospitals are paid on a fee-for-service basis. Under capitated contracts, the Plan is liable for the provision of certain health care services, while under fee-for-service arrangements, the Plan retains the financial responsibility for medical care provided at discounted payments rates.

NOTES TO FINANCIAL STATEMENTS

In addition, the Company applies the following accounting policies:

- (1) Short-term investments consist of money market funds and bonds with maturity dates of less than one year from the date of issuance and are stated at fair value. Realized capital gains and losses are determined using the specific-identification method.
- (2) Bonds are principally stated at amortized cost using the interest method. Changes in admitted asset carrying amounts of bonds are credited or charged directly to unassigned surplus.
- (3) Investments in common stock:

None
- (4) Investments in preferred stock:

None
- (5) Investments in mortgage loans:

None
- (6) Investments in loan-backed securities:

None
- (7) Investments in subsidiaries, controlled or affiliated companies:

None
- (8) Investments in joint ventures, partnerships and limited liability companies:

None
- (9) Investments in derivatives:

None
- (10) The Company assesses the profitability of its contracts for providing health care services to its members when current operating results or forecasts indicate probable future losses. The Company compares anticipated premiums and investment income to health care related costs, including estimated payments for providers, commissions and costs of collecting premiums and processing claims. If the anticipated future costs exceed the premiums, a loss contract accrual is recognized. No premium deficiency reserves were deemed necessary as of December 31, 2011.
- (11) Claims unpaid and claims adjustment expenses represent management’s best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Such estimates are based on many

NOTES TO FINANCIAL STATEMENTS

variables, including estimates of unreported claims using historical and statistical information and other factors. Such estimates are subject to the effects of trends in claims severity and frequency, changes in the regulatory environment and economic conditions. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. The methods for making such estimates and the resulting reserves are continually reviewed and updated as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

(12) There was no change in the capitalization policy from prior periods.

(13) Amounts receivable for pharmacy rebates are estimated based on a per-claim guarantee calculation. Rebates are typically collected on a quarterly basis 180 days after the end of each quarter.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans:

None

B. Debt Restructuring:

None

C. Reverse Mortgages:

None

D. Loan-Backed Securities:

None

E. Repurchase Agreements and/or Securities Lending Transactions:

None

F. Real Estate:

None

G. Low-Income Housing Tax Credits:

**NOTES TO FINANCIAL STATEMENTS**

None

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

None

**7. Investment Income**

The Company had no investment income that was excluded in 2011 or 2010. All of the Company’s investments and the income derived from such investments meet the criteria for admitted receivables.

**8. Derivative Instruments**

None

**9. Income Taxes**

A. (1) The Company’s net deferred tax asset (all Ordinary) at December 31, 2011 were as follows:

	12/31/11 Ordinary	12/31/10 Ordinary
(a) Total of all deferred tax assets (DTAs)	\$ 1,187,346	\$ 1,188,356
(b) Statutory valuation allowance	0.00	0.00
(c) Adjusted gross deferred tax assets	1,187,346	1,188,336
(d) Deferred tax liabilities	(57,837)	(115,673)
(e) Net admitted deferred tax assets before admissibility test	\$ 1,129,509	\$ 1,072,683
(f) Total deferred tax assets non-admitted	222,137	246,216
(g) Net admitted DTA	\$907,372	\$848,467

(2) The Company has not elected to admit DTAs pursuant to paragraph 10.e. The current period election does not differ from the prior reporting period.

(3) Not applicable

(4) Admission calculations components are as follows:

	12/31/11 Ordinary	12/31/10 Ordinary
(a) Admitted pursuant to par 10.a	\$ 907,372	\$ 848,467
(b) Admitted pursuant to par. 10.b.	0.00	0.00
(c) Par. 10.b.i	0.00	0.00
(d) Par. 10.b.ii	4,064,401	4,541,169
(e) Admitted pursuant to 10.c	57,837	115,673
(f) Total	965,209	964,140
(g) Additional admitted pursuant to par.10.e.i	n/a	n/a
(h) Admitted deferred tax assets	965,209	964,140

(5) Not applicable

(6) SSAP No. 10R Paragraphs 10.a, 10b. and 10c.:

	12/31/11 Ordinary	12/31/10 Ordinary

NOTES TO FINANCIAL STATEMENTS

(a)	Admitted DTAs	965,209	964,140
(b)	Admitted Assets	81,339,885	83,346,297
(c)	Adjusted Statutory Surplus	40,644,007	45,411,690
(d)	Total Adjusted Capitatl from DTAs	9,824,234	10,562,550
(e)	Admitted DTAs		
(f)	Admitted Assets		
(g)	Adjusted Statutory Surplus		

B. All deferred federal tax liabilities were recognized as an offset to deferred tax assets.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

	12/31/11	12/31/10
Current income tax expense (benefit)	\$6,722,410	\$ 7,770,108
Tax on Capital Gains	34,300	25,133
Prior year under accrual (over accrual)	122,489	20,843
Federal income tax expense (benefit)	\$6,879,199	\$7,816,084

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2)	Deferred tax assets:	12/31/11	12/31/10	Change
	Ordinary			
(1)	Discounting of unpaid losses	\$138,951	\$ 230,141	\$(91,190)
(2)	Unearned premium revenue	80,719	8,975	71,744
(3)	Policyholder reserves	-	-	-
(4)	Investments	-	-	-
(5)	Deferred acquisition costs	-	-	-
(6)	Policyholder dividends accrual	-	-	-
(7)	Fixed assets	161,790	173,741	(11,951)
(8)	Compensation and benefits accrual	96,674	88,014	8,660
(9)	Pension accrual	-	-	-
(10)	Receivables – non-admitted	90,805	150,870	(60,065)
(11)	Net operating loss carry-forward	-	-	-
(12)	Tax credit carry-forward	-	-	-
(13)	Other	618,407	536,615	81,792
	Total deferred tax assets	1,187,346	1,188,356	(1,010)
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Non-admitted	(222,137)	(224,216)	2,079
(d)	Admitted ordinary deferred tax assets	965,209	964,140	1,069
(e)	Capital			
(1)	Investments	-	-	-
(2)	Net capital loss carry-forward	-	-	-
(3)	Real estate	-	-	-
(4)	Other	-	-	-
(99)	Subtotal	-	-	-
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Non-admitted	-	-	-
(h)	Admitted capital deferred tax assets	-	-	-
(i)	Admitted deferred tax assets	-	-	-
(3)	Deferred tax liabilities:			
(a)	Ordinary			

**NOTES TO FINANCIAL STATEMENTS**

(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	(57,837)	(115,673)	57,836
Total deferred tax liabilities	(57,837)	(115,673)	57,836
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities	-	-	-
(4) Net admitted deferred tax assets	\$907,372	\$848,467	\$58,905

The Change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Deferred Income Taxes in the surplus section of the Annual Statement):

	<b>12/31/11</b>	<b>12/31/10</b>	<b>Change</b>
Total deferred tax assets	\$1,187,346	\$1,188,356	\$(1,010)
Total deferred tax liabilities	(57,837)	(115,673)	57,836
Net deferred tax asset (liability)	1,129,509	1,072,683	56,826
Tax effect of unrealized gains/losses	-	-	-
Change in net deferred income tax assets-increase (decrease)			58,826

The company is subject to taxation in the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examination for tax years before 2008.

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

	<b>Amount</b>	<b>Tax Effect</b>	<b>Effective Tax Rate</b>
Taxes on income at federal Statutory tax rate	\$19,503,547	\$6,826,241	35.00%
Changes in non-admitted assets	(25,300)	(8,855)	-0.05%
Meals and entertainment	14,249	4,987	0.03%
Reported tax expense	19,492,496	6,822,373	34.98%
Federal and foreign income taxes incurred		6,879,199	35.27%
Change in net deferred income taxes		(56,826)	-0.29%
Total statutory income taxes		6,822,373	34.98%

E. There were no loss carry forwards.

The amount of federal income taxes incurred that will be available for recoupment in the event of future net losses is approximately:

2011 \$6,756,710

2010 \$7,917,730

Deposits admitted under IRC Section 6603:

None

**NOTES TO FINANCIAL STATEMENTS**

F. Federal income tax return consolidation

(1) The Company’s Federal income tax return is consolidated with the following entities:

- Molina Healthcare, Inc.
- Molina Healthcare of Arizona, Inc.
- Molina Healthcare of California
- Molina Healthcare of California Partner Plan
- Molina Healthcare of Utah, Inc.
- Molina Healthcare of Michigan, Inc.
- Molina Healthcare of New Mexico, Inc.
- Molina Healthcare of Ohio, Inc.
- Molina Healthcare of Washington, Inc.
- Molina Healthcare of Texas, Inc.
- Molina Healthcare of Georgia, Inc.
- Molina Healthcare of Nevada, Inc.
- Molina Healthcare Insurance Company
- Molina Healthcare of Florida, Inc.
- Molina Healthcare of Missouri, Inc.
- Alliance for Community Health, LLC (dba Molina Healthcare of Missouri)
- Molina Healthcare of Virginia, Inc.
- Molina Healthcare of Mississippi, Inc.
- Molina Healthcare Services
- Molina Healthcare of Illinois, Inc.
- Molina Healthcare of Texas Insurance Company
- Molina Healthcare of Wisconsin, Inc.
- Molina Information Systems, LLC
- Molina Center, LLC
- Molina Pathways, LLC
- Molina Healthcare Data Center, Inc.
- American Family Care, Inc.

(2) Molina Healthcare, Inc. (“Molina”) and its subsidiaries, including the Company, file a consolidated federal income tax return. Under a written intercompany tax-sharing agreement with Molina, approved by the Company’s board of directors, the combined federal income tax is allocated to each entity which is a party to the consolidation. Molina collects from, or refunds to, the subsidiaries the amount of taxes or benefits determined as if each entity filed separate tax returns. Under the tax-sharing agreement, the Company has an enforceable right to recoup federal income taxes paid in prior years in the event of future net losses or to recoup net losses carried forward as an offset to future net income subject to federal income taxes. Income tax recoverable under the tax-sharing agreement, if any, is included in federal income tax recoverable. Intercompany balances relating to income taxes are settled annually, on or before the date the tax return is filed.

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

- A. The Company is a wholly owned subsidiary of Molina. Molina is a multi-state managed care organization that arranges for the delivery of health care services to persons eligible for Medicaid, Medicare, and other government-sponsored health care programs for low-income families and individuals. Molina also assists state agencies in their administration of the Medicaid program. Molina has wholly owned operating subsidiaries in various states as indicated in Note 9 above.
- B. The Company paid dividends totaling \$5,000,000 to Molina in 2011.
- C. The Company has an agreement with Molina whereby Molina provides certain management services to the Company. Expenses incurred relating to this agreement amounted to \$22.7 and \$21.1 million for the years ended December 31, 2011 and 2010, respectively.
- D. As of December 31, 2011, there were no amounts due to the Company, and amounts due to Molina totaled \$108,378.00. Intercompany receivables and payables are generally settled on a monthly basis.
- E. On September 9, 2011, Molina entered into a credit agreement for a \$170 million revolving Credit Facility with various lenders to be used for general corporate purposes. The Credit Facility is collateralized by the Company’s common stock, as well as the common stock of other subsidiaries of Molina. Nothing was outstanding under this credit facility as of December 31, 2011. As of December 31, 2011, Molina was in compliance with all financial covenants under the Credit Facility.

On September 9, 2011, Molina terminated its existing credit agreement dated March 9, 2005 as amended to date, which had provided Molina with a \$150 million revolving credit facility.

- F. The Company has a services agreement with Molina, as described in 10.C. above. Additionally, the Company has a contract with a business that provides certain vision services to the Company’s enrollees, and enrollees of Molina’s other subsidiaries. Molina holds an equity investment in this business. Under the Company’s contract

NOTES TO FINANCIAL STATEMENTS

with this related party, the Company paid \$2,206,862 and \$2,219,337 for vision services for the years ended December 31, 2011 and 2010, respectively.

- G. As indicated in 10.A. above, the Company is a wholly owned subsidiary of Molina. The entities under common ownership of Molina are indicated in Note 9.F. above.
- H. Amount deducted from the value of an upstream intermediate entity or ultimate parent owned: None
- I. Investment in subsidiary controlled or affiliated (SCA) entity that exceeds 10% of the admitted assets of the insurer:  
None
- J. Investment in impaired SCA:  
None
- K. Investment in foreign subsidiary:  
None
- L. Investment in downstream noninsurance holding company:  
None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

- A. Defined Benefit Plan:  
  
None
- B. Defined Contribution Plan: see 12.D. below
- C. Multiemployer Plans:  
  
None
- D. Consolidated/Holding Company Plans: The Company’s employees participate in a defined contribution 401(k) plan sponsored by Molina that covers substantially all full-time salaried and clerical employees. Eligible employees are allowed to contribute up to the maximum allowed by law. The Company matches up to the first 4% of compensation contributed by the employees. The Company has no legal obligation to provide benefits under the plan. The Company’s expense recognized in connection with the 401(k) plan was \$218,141 and \$189,535 for the years ended December 31, 2011 and 2010, respectively.
- E. Postemployment Benefits and Compensated Absences:  
  
None
- F. Impact of Medicare Modernization Act on Post Retirement Benefits:  
  
None

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

- (1) The Company has 50,000 shares of \$1.00 par value common stock authorized, 14,561 shares issued and outstanding.
- (2) Preferred stock:  
  
None
- (3) Dividend restrictions: Molina Healthcare of New Mexico must get approval from the New Mexico Public Regulation commission, Insurance Division for distribution of dividends.

NOTES TO FINANCIAL STATEMENTS

- (4) Dividends paid by the Company to Molina during 2011 were as follows:  

\$5,000,000 Paid in October, 2011
- (5) Subject to the limitations of (3) above, no restrictions have been placed on the portion of the Company’s profits that may be paid as ordinary dividends to Molina.
- (6) Restrictions placed on unassigned funds (surplus):  

None
- (7) Advances to surplus not repaid:  

None
- (8) Stock held for special purposes:  

None
- (9) Changes in balances of special surplus funds from the prior period:  

None
- (10) Unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses:  

None
- (11) Surplus Notes:  

None
- (12) Impact of the restatement in a quasi-reorganization:  

None
- (13) The effective date of quasi-reorganization:  

None

14. Contingencies

A. Contingent Commitments

- (1) Pledging of stock: As described in Note 10.E. above, Molina has entered into a credit facility, which is collateralized by the Company’s common stock, as well as the common stock of other subsidiaries of Molina. Noting was outstanding under this credit facility as of December 31, 2011.
- (2) The Company is not a guarantor.
- (3) Not applicable.

B. Assessments:

MHNM participated in the New Mexico Insurance Pool (NMMIP), which is funded through a combination of member premium, state fun, and assessments of Health Insurance companies within the state of New Mexico. The Company’s net assessments paid were \$7.2 million and \$8.9 million at December 31, 2011 and December 31, 2010 respectively.

C. Gain Contingencies:

None

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits:

None

E. Product Warranties:

None

F. All Other Contingencies:

MHNM maintains general liability and managed care professional liability, directors and officers, and other

**NOTES TO FINANCIAL STATEMENTS**

insurance coverage in amounts MHNM believes to be adequate. MHNM requires contracting health care providers to maintain malpractice insurance coverage in amounts customary in the industry.

The company has no commitments or guarantees outstanding other than its recorded liabilities as reflected in the financial statements.

In the ordinary course of business, MHNM is a party to claims and legal actions by enrollees, providers, and others. MHNM also undergoes governmental audits and investigations with respect to its operations.

Molina Healthcare of New Mexico is named as a defendant in a class action lawsuit brought by New Mexico pharmacies and pharmacists, Starko, Inc., et al. v. NMHSD, et al., Case No. CV-97-06599, Second Judicial District Court, State of New Mexico. The lawsuit was originally filed in August 1997 against the New Mexico Human Services Department (“NMHSD”). In February 2001, the plaintiffs named health maintenance organizations participating in the New Mexico Medicaid program as defendants (the “HMOs”), including Cimarron Health Plan, the predecessor of Molina Healthcare of New Mexico. The plaintiffs assert that NMHSD and the HMOs failed to pay pharmacy dispensing fees under an alleged New Mexico statutory mandate. On July 10, 2007, the court dismissed all damages claims against Molina Healthcare of New Mexico, leaving only a pending action for injunctive and declaratory relief. On August 15, 2007, the court held a hearing on the motion of Molina Healthcare of New Mexico to dismiss the plaintiffs’ claims for injunctive and declaratory relief. At that hearing, the court dismissed all remaining claims against Molina Healthcare of New Mexico. The plaintiffs appealed to the New Mexico Court of Appeals with respect to the District Court’s dismissal orders. On December 15, 2011, the Court of Appeals reversed the District Court’s rulings, holding, among other things, that the statute in question did confer a private right of action on the complaining pharmacists, and that plaintiffs could proceed under their breach of contract and unjust enrichment claims. MHNM, along with other defendants, has filed with the New Mexico Supreme Court a petition for a writ of certiorari seeking review of the opinion of the Court of Appeals. On February 13, 2012, the New Mexico Supreme Court issued a writ of certiorari ordering the Court of Appeals to proceed no further with the case, and indicating that a briefing schedule before the Supreme Court will be established for further hearing. Under the terms of the stock purchase agreement pursuant to which Molina Healthcare, Inc. acquired Health Care Horizons, Inc., the parent company to Molina Healthcare of New Mexico, in July 2004, an indemnification escrow account was established and funded with \$6,000,000 in order to indemnify Molina Healthcare of New Mexico against the costs of such litigation and any eventual liability or settlement costs. Currently, approximately \$4,200,000 remains in the indemnification escrow fund.

Under the terms of the stock purchase agreement pursuant to which Molina Healthcare Inc. acquired Health Care Horizons, Inc., the parent company to Molina Healthcare of New Mexico at the time, an indemnification escrow account was established and funded with \$6,000,000 in order to indemnify Molina Healthcare of New Mexico against the costs of such litigation and any eventual liability or settlement costs. Currently, approximately \$4,100,000 remains in the indemnification escrow fund. Without conceding any liability, and although significant proceedings potentially remain, it is our opinion that the potential range of loss to Molina Healthcare of New Mexico is not likely to exceed the amount remaining in the indemnification escrow fund.

In addition to the above mentioned case, after consulting with legal counsel, MHNM is of the opinion that any liability that may ultimately be incurred as a result of claims, legal actions, examinations, or investigation will not have a material adverse effect on the financial position or results of operations of MHNM.

MHNM has not been directed to restate any assets or liabilities as a result of examinations.

**15. Leases**

A. Lessee lease arrangements

- (1) Operating leases: The Company leases office facilities and equipment under noncancelable long-term operating leases. Some of the leases contain escalation clauses and renewal options. Rental expense relating to these leases totaled \$836,405 and \$684,984 for the years ended December 31, 2011 and 2010, respectively.
- (2) Future minimum lease payments for years ending December 31 are as follows:

2012	836,166
2013	856,491
2014	879,932
2015	578,080
2016	71,033
Thereafter	
Total	3,221,702

NOTES TO FINANCIAL STATEMENTS

(3) Sale-leaseback transactions:

None

B. Lessor lease arrangements:

None

16. Information About Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, short-term investments, bonds and receivables. The Company invests a substantial portion of its cash in the PFM Fund Prime Series – Government Class, a portfolio of highly liquid money market securities that are managed by PFM Asset Management LLC (PFM), a Virginia business trust registered as a open-end management investment fund. This PFM investment totaled \$38,928,938 as of December 31, 2011. The Company’s investments are managed by professional portfolio managers operating under documented investment guidelines. Concentrations of credit risk with respect to receivables are limited because the Company’s only payers’ are the state of New Mexico and the Centers for Medicare and Medicaid Services, or CMS.

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

None

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

A. ASO Plans:

None

B. ASC Plans:

None

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract:

None

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

None

20. Fair Value Measurements

A.

(1) Assets Measured at Fair Value on a Recurring Basis

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a.Assets at fair value				
Long Term Bonds	\$34,059,662			
Short Term Bonds	\$4,869,277			
Total assets at fair value	\$38,928,938			
b.Liabilities at fair value				
None (see (3) below)				

(2) None

---

**NOTES TO FINANCIAL STATEMENTS**

---

(3) The Company’s statutory-basis balance sheets include the following financial instruments: cash, short-term investments, bonds, investment income due and accrued, receivables, federal income taxes recoverable, claims liabilities, accounts payable, and other current liabilities. The Company believes the carrying amounts of current assets and current liabilities in the statutory-basis financial statements approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment. The Company’s assets measured at fair value on a recurring basis include primarily short-term money market funds, which are classified as short-term investments. The Plan receives monthly statements from investment brokers that provide market pricing.

(4) None

(5) None

B. See A. (3) above

C. Not applicable.

**21. Other Items**

A. Extraordinary Items:

None

B. Troubled Debt Restructuring:

None

C. Other Disclosures:

Assets in the amount of at least \$325,000 were on deposit with trustees as required by law.

D. Uncollectible Amounts:

It is anticipated that at December 31, 2011, any uncollectible premium or provider receivables are covered by appropriate allowances for uncollectible accounts.

E. Business Interruption Insurance Recoveries:

None

F. State Transferable and Non-transferable Tax Credits:

None

G. Subprime-Mortgage-Related Risk Exposure:

None

H. Retained Assets:

None

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

There were no recognized or unrecognized events occurring subsequent to the close of the books that would have a material effect on the Company’s financial condition.

Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) No
- (2) No

Section 2 – Ceded Reinsurance Report – Part A

- (1) No
- (2) No

Section 3 – Ceded Reinsurance Report – Part B

- (1) \$ 0
- (2) No

B. Uncollectible Reinsurance:

None

C. Commutation of Ceded Reinsurance:

None

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Medicare revenue paid to the Company is subject to retroactive adjustment for both member risk scores and member pharmacy cost experience. Based on member encounter data the Company submits to CMS, the Company’s Medicare revenue is subject to adjustment for up to two years after the original year of service. This adjustment takes into account the acuity of each member’s medical needs relative to what was anticipated when premiums were originally set for that member. In the event the Company’s membership (measured on an individual by individual basis) requires less acute medical care than was anticipated by the original premium amount, CMS may recover premiums from the Company. In the event the membership requires more acute medical care than was anticipated by the original premium amount, CMS may pay the Company additional retroactive premiums. A similar retroactive reconciliation is undertaken by CMS for the Company’s Medicare members’ pharmacy utilization. That analysis is similar to the process for the adjustment of member risk scores, but is further complicated by member pharmacy cost-sharing provisions attached to the Medicare pharmacy benefit that do not apply to the services measured by the member risk adjustment process. The Company estimates the amount of Medicare revenue that will ultimately be realized for the periods presented based on the Company’s knowledge of its members’ heath care utilization patterns and CMS practices. To the extent that the premium revenue ultimately received from CMS differs from recorded amounts, the Company will adjust reported Medicare revenue.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company for the year ended December 31, 2011 that were subject to retrospective rating features was \$4.5 million, which represented 1.3% of the total net premiums written by the Company in 2011.
- D. Medical Loss Ratio Rebates Required:  
  
None

**NOTES TO FINANCIAL STATEMENTS**

**24. Change in Incurred Claims and Claim Adjustment Expenses**

The change in prior year estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims.

Claims unpaid activity as of December 31, and for the year then ended, is summarized as follows:

	2011
Unpaid claims liabilities and claims adjustment expenses, beginning of year	\$ 32,984,398
Add provision for claims, net of reinsurance:	
Current year	263,351,984
Prior years	(7,691,409)
Net incurred claims during the current year	271,043,393
Deduct paid claims, net of reinsurance:	
Current year	257,040,610
Prior year	24,338,572
Net paid claims during the current year	281,379,185
Current year change in claims adjustment expenses	(294,105)
Current year change in health care receivables	(2,259,178)
Current year change in amounts due from reinsurers	0.00
Unpaid claims liabilities and claims adjustment expenses, end of year	\$ 22,354,601

**25. Intercompany Pooling Arrangements**

None

**26. Structured Settlements**

None

**27. Health Care Receivables**

A. Pharmaceutical Rebate Receivables: At December 31, 2011, the Company had recorded \$218,014 of pharmacy rebate receivables, of which \$218,014 were non-admitted.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2011	\$76,032	\$	\$	\$	\$
09/30/2011	73,335				
06/30/2011	134,326				65,679
03/31/2011	184,995				78,806
12/31/2010	171,237				131,130
09/30/2010	159,923				246,140
06/30/2010	181,449			94,545	184,813
03/31/2010	323,081				183,100
12/31/2009	90,000				220,384
09/30/2009	90,000				173,279
06/30/2009	82,000				86,935
03/31/2009	70,000				87,355

A. Risk-Sharing Receivables:

NOTES TO FINANCIAL STATEMENTS

None

28. Participating Policies

None

29. Premium Deficiency Reserves

None

30. Anticipated Salvage and Subrogation

None

31. Minimum Net Worth

The State of New Mexico imposes a minimum net worth requirement on health insurance companies licensed in and conducting business within the state. Calculated in accordance with New Mexico regulation, the minimum net worth requirement as of December 31, 2011 is indicated below.

Net Worth per Statutory Financial Statement		\$46,758,619
59A-46-13 (A)(2)		Requirement is:
(a) Minimum Net Worth Required	\$ 1,000,000	Satisfied
(b) Annual premium revenues as reported on the most recently filed <b>annual</b> statement	\$ 336,229,688	
2% of first \$150,000,000	\$3,000,000	
1% of premiums greater than \$150,000,000	<u>1,862,297</u>	
Total Requirement	<u>\$4,862,279</u>	\$ 4,862,279 Satisfied
(c) The sum of three months uncovered health care expenditures as reported on most recently filed financial statement	\$ 3,990,024	Satisfied
(d) The sum of:		
(1) Annual health care expenditures for enrollees under prepaid contracts (except those paid on a capitated basis or managed hospital basis) as reported on the most recent financial statement.		
Total expenditures per financial statement	\$ 271,043,393	
Less capitation expense	\$ (58,630,740)	
Less managed care hospital expense	<u>\$(142,535,680)</u>	
Total	\$ 69,876,973	
8% of total	\$ 5,590,158	
(2) Annual hospital expenditures for enrollees under prepaid contracts paid on a capitated basis and a managed hospital payment basis as reported on most recently filed financial statement.		
Annual hospital expenditures - capitated	\$ 58,630,740	
Annual hospital expenditures - FFS	<u>\$142,535,680</u>	
Total	\$201,166,420	
4% of total	\$ 8,146,657	
Combined (1) and (2)	\$13,736,815	Satisfied
Largest Requirement of (a), (b), (c), or (d)		\$13,736,815
All requirements are satisfied.		
Net worth greater (less) than requirement		\$33,021,804

MOLINA HEALTHCARE OF NEW MEXICO  
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [ X ]      No [   ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [ X ]      No [   ]      N/A [   ]

1.3

State regulating?

New Mexico

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:

12/31/2008

3.1

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

12/31/2008

3.2

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

12/31/2008

3.3

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

01/07/2010

3.4

By what department or departments?

New Mexico Public Regulation Commission- Insurance Division

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [ X ]      No [   ]      N/A [   ]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [ X ]      No [   ]      N/A [   ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [   ]      No [ X ]

4.12

renewals?

Yes [   ]      No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [   ]      No [ X ]

4.22

renewals?

Yes [   ]      No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [   ]      No [ X ]

5.2

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

1

Name of Entity

2

NAIC Co. Code

3

State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [   ]      No [ X ]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [   ]      No [ X ]

7.2

If yes,

7.21

State the percentage of foreign control

.....%

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1

Nationality

2

Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [   ]      No [ X ]

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [   ]      No [ X ]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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

OTS

6

FDIC

7

SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young, 725 South Figueroa Street, Los Angeles, CA 90017

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [   ]      No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [   ]      No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [   ]      No [ X ]      N/A [   ]

10.6

If the answer to 10.5 is no or n/a, please explain.  
The Company is a direct wholly owned subsidiary of a SOX compliant entity, Molina Healthcare, Inc.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Brian F. Goebel, FSA, MAAA, Chief Actuary, Molina Healthcare, Inc., 200 Oceangate, Suite 100, Long Beach, CA 90802

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [   ]      No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

MOLINA HEALTHCARE OF NEW MEXICO  
GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes [ ]	No [ ]
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes [ ]	No [ ]
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes [ ]	No [ ] N/A [ ]
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes [ X ]	No [ ]
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.		

14.11 If the response to 14.1 is no, please explain:

14.2	Has the code of ethics for senior managers been amended?	Yes [ ]	No [ X ]
14.21	If the response to 14.2 is yes, provide information related to amendment(s).		

14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes [ ]	No [ X ]
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).		

15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?	Yes [ ]	No [ X ]
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.		

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes [ ]	No [ X ]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
20.11	To directors or other officers	\$.....	0
20.12	To stockholders not officers	\$.....	0
20.13	Trustees, supreme or grand (Fraternal only)	\$.....	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
20.21	To directors or other officers	\$.....	0
20.22	To stockholders not officers	\$.....	0
20.23	Trustees, supreme or grand (Fraternal only)	\$.....	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes [ ]	No [ X ]
21.2	If yes, state the amount thereof at December 31 of the current year:		
21.21	Rented from others	.....	
21.22	Borrowed from others	.....	
21.23	Leased from others	.....	
21.24	Other	.....	
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?	Yes [ X ]	No [ ]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	\$.....	7,237,228
22.22	Amount paid as expenses	\$.....	0
22.23	Other amounts paid	\$.....	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [ ]	No [ X ]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount.	.....	

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)?	Yes [ X ]	No [ ]
24.2	If no, give full and complete information relating thereto.		
24.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).		
24.4	Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes [ ]	No [ ] N/A [ X ]
24.5	If answer to 24.4 is yes, report amount of collateral for conforming programs.	.....	
24.6	If answer to 24.4 is no, report amount of collateral for other programs.	.....	

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.7

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ ]
- 24.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ ]
- 24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☒ ]
- 25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3)

Yes [ ☒ ]

No [ ☐ ]
- 25.2

If yes, state the amount thereof at December 31 of the current year:
- 25.21

Subject to repurchase agreements

\$.....0
- 25.22

Subject to reverse repurchase agreements

\$.....0
- 25.23

Subject to dollar repurchase agreements

\$.....0
- 25.24

Subject to reverse dollar repurchase agreements

\$.....0
- 25.25

Pledged as collateral

\$.....0
- 25.26

Placed under option agreements

\$.....0
- 25.27

Letter stock or securities restricted as to sale

\$.....0
- 25.28

On deposit with state or other regulatory body

\$.....328,011
- 25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ☐ ]

No [ ☒ ]
- 26.2

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

Yes [ ☐ ]

No [ ☐ ]

N/A [ ☐ ]

- 27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ☐ ]

No [ ☒ ]
- 27.2

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

.....
28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ ☒ ]

No [ ☐ ]

- 28.01

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- 1

Name of Custodian(s)

Bank of Albuquerque
- 2

Custodian's Address

706 A St. Michaels Dr., Santa Fe, NM 87505

28.02

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

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

- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [ ☐ ]

No [ ☒ ]
- 28.04

If yes, give full and complete information relating thereto:

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

28.05

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

1	2	3
Central Registration Depository Number(s)	Name	Address
114474	PFM Fund Distributors, Inc.	One Keystone Plaza, Ste. 300, Harrisburg, PA 1

29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [ ☐ ]

No [ ☒ ]

29.2

If yes, complete the following schedule:

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

29.3

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

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

30.

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....38,928,940	.....39,007,284	.....78,344
30.2 Preferred stocks.....			.....0
30.3 Totals.....	.....38,928,940	.....39,007,284	.....78,344

30.4

Describe the sources or methods utilized in determining the fair values:  
Fair Value of bonds is based on unit prices published by the Securities Valuation Office of the NAIC (SVO) when available. For securities not priced by the SVO or when amotized cost is

- 31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [ ☒ ]

No [ ☐ ]
- 31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [ ☒ ]

No [ ☐ ]
- 31.3

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

- 32.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [ ☒ ]

No [ ☐ ]
- 32.2

If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.
- \$.....0

1	2
Name	Amount Paid

- 34.1 Amount of payments for legal expenses, if any?
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.
- \$.....519,871

1	2
Name	Amount Paid

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.
- \$.....0

1	2
Name	Amount Paid

MOLINA HEALTHCARE OF NEW MEXICO  
GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ]

No [ X ]

1.2

If yes, indicate premium earned on U.S. business only

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	336,293,854	359,129,529
2.2 Premium Denominator.....	336,293,854	359,129,529
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	21,944,970	32,276,549
2.5 Reserve Denominator.....	21,944,970	32,276,549
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits?

Yes [ ]

No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ]

No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ X ]

No [ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ X ]

No [ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....1,000,000

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental and vision

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
Federal regulation prohibits the balance billing of Medicaid members by providers. Such members constitute the vast majority of our enrollment. In addition, in the event of the Company's threatened insolvency, the state Medicaid agency would promptly transfer our subscribers to other carriers.

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [ X ]

No [ ]

7.2

If no, give details:

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

.....11,002

8.2

Number of providers at end of reporting year

.....10,877

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ]

No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts?

Yes [ ]

No [ X ]

10.2

If yes:

10.21

Maximum amount payable bonuses

10.22

Amount actually paid for year bonuses

10.23

Maximum amount payable withholds

10.24

Amount actually paid for year withholds

MOLINA HEALTHCARE OF NEW MEXICO  
GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes [ ]

No [X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X]

No [ ]
- 11.3 If yes, show the name of the state requiring such net worth.

New Mexico
- 11.4 If yes, show the amount required.

\$.....13,736,815
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ]

No [X]
- 11.6 If the amount is calculated, show the calculation:

See footnote #31, page 25.14
12. List service areas in which reporting entity is licensed to operate:

1

Name of Service Area

New Mexico
- 13.1 Do you act as a custodian for health savings account?

Yes [ ]

No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

.....
- 13.3 Do you act as an administrator for health savings accounts?

Yes [ ]

No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date.

.....

MOLINA HEALTHCARE OF NEW MEXICO  
FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	81,339,885	83,346,297	83,753,162	82,825,210	94,540,090
2. Total liabilities (Page 3, Line 24).....	34,581,266	44,245,631	39,733,077	39,894,103	53,480,706
3. Statutory surplus.....	13,736,815	14,698,906	17,125,369	14,476,026	11,426,099
4. Total capital and surplus (Page 3, Line 33).....	46,758,619	39,100,666	44,020,085	42,931,107	41,059,384
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	343,971,514	366,300,113	403,714,914	348,360,848	267,809,193
6. Total medical and hospital expenses (Line 18).....	271,043,393	291,712,881	342,571,491	282,415,790	218,348,685
7. Claims adjustment expenses (Line 20).....	8,199,760	10,570,027	9,431,794	6,925,830	6,355,250
8. Total administrative expenses (Line 21).....	45,332,002	42,086,760	44,251,785	34,690,210	24,439,427
9. Net underwriting gain (loss) (Line 24).....	19,396,359	21,966,192	7,459,844	24,329,018	18,665,831
10. Net investment gain (loss) (Line 27).....	242,699	418,008	777,238	2,170,872	4,060,262
11. Total other income (Lines 28 plus 29).....	(135,512)	(223,048)	(537,006)	(202,930)	(502,893)
12. Net income or (loss) (Line 32).....	12,624,347	14,346,038	5,364,010	16,912,982	13,936,242
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	10,697,829	12,567,811	4,746,497	3,839,509	20,045,965
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	46,758,619	39,100,666	44,020,085	42,931,107	41,059,348
15. Authorized control level risk-based capital.....	9,824,234	10,562,550	12,223,851	10,573,921	8,453,618
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	87,821	90,536	94,287	83,915	73,329
17. Total member months (Column 6, Line 7).....	1,073,909	1,104,713	1,042,201	969,760	802,872
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0</b>					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	80.6	81.2	85.6	81.1	82.0
20. Cost containment expenses.....	1.9	0.5	1.6	1.0	1.0
21. Other claims adjustment expenses.....	0.6	1.1	0.8	1.0	1.0
22. Total underwriting deductions (Line 23).....	96.5	95.9	99.0	93.0	93.0
23. Total underwriting gain (loss) (Line 24).....	5.8	6.1	1.9	7.0	7.0
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13 Col. 5).....	22,620,210	17,545,128	22,686,791	30,805,329	25,295,506
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	28,212,267	28,588,227	32,026,487	33,927,286	36,078,975
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0

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

Yes [ ☐ ]      No [ ☐ ]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....	AL...N.....							0	
2.	Alaska.....	AK...N.....							0	
3.	Arizona.....	AZ...N.....							0	
4.	Arkansas.....	AR...N.....							0	
5.	California.....	CA...N.....							0	
6.	Colorado.....	CO...N.....							0	
7.	Connecticut.....	CT...N.....							0	
8.	Delaware.....	DE...N.....							0	
9.	District of Columbia.....	DC...N.....							0	
10.	Florida.....	FL...N.....							0	
11.	Georgia.....	GA...N.....							0	
12.	Hawaii.....	HI...N.....							0	
13.	Idaho.....	ID...N.....							0	
14.	Illinois.....	IL...N.....							0	
15.	Indiana.....	IN...N.....							0	
16.	Iowa.....	IA...N.....							0	
17.	Kansas.....	KS...N.....							0	
18.	Kentucky.....	KY...N.....							0	
19.	Louisiana.....	LA...N.....							0	
20.	Maine.....	ME...N.....							0	
21.	Maryland.....	MD...N.....							0	
22.	Massachusetts.....	MA...N.....							0	
23.	Michigan.....	MI...N.....							0	
24.	Minnesota.....	MN...N.....							0	
25.	Mississippi.....	MS...N.....							0	
26.	Missouri.....	MO...N.....							0	
27.	Montana.....	MT...N.....							0	
28.	Nebraska.....	NE...N.....							0	
29.	Nevada.....	NV...N.....							0	
30.	New Hampshire.....	NH...N.....							0	
31.	New Jersey.....	NJ...N.....							0	
32.	New Mexico.....	NM...L.....		6,922,281	331,132,407				338,054,688	
33.	New York.....	NY...N.....							0	
34.	North Carolina.....	NC...N.....							0	
35.	North Dakota.....	ND...N.....							0	
36.	Ohio.....	OH...N.....							0	
37.	Oklahoma.....	OK...N.....							0	
38.	Oregon.....	OR...N.....							0	
39.	Pennsylvania.....	PA...N.....							0	
40.	Rhode Island.....	RI...N.....							0	
41.	South Carolina.....	SC...N.....							0	
42.	South Dakota.....	SD...N.....							0	
43.	Tennessee.....	TN...N.....							0	
44.	Texas.....	TX...N.....							0	
45.	Utah.....	UT...N.....							0	
46.	Vermont.....	VT...N.....							0	
47.	Virginia.....	VA...N.....							0	
48.	Washington.....	WA...N.....							0	
49.	West Virginia.....	WV...N.....							0	
50.	Wisconsin.....	WI...N.....							0	
51.	Wyoming.....	WY...N.....							0	
52.	American Samoa.....	AS...N.....							0	
53.	Guam.....	GU...N.....							0	
54.	Puerto Rico.....	PR...N.....							0	
55.	U.S. Virgin Islands.....	VI...N.....							0	
56.	Northern Mariana Islands.....	MP...N.....							0	
57.	Canada.....	CN...N.....							0	
58.	Aggregate Other alien.....	OT...XXX.....	0	0	0	0	0	0	0	0
59.	Subtotal.....	XXX.....	0	6,922,281	331,132,407	0	0	0	338,054,688	0
60.	Reporting entity contributions for Employee Benefit Plans.....	XXX.....							0	
61.	Total (Direct Business).....	(a).....1	0	6,922,281	331,132,407	0	0	0	338,054,688	0

DETAILS OF WRITE-INS

5801.								0	
5802.								0	
5803.								0	
5898.	Summary of remaining write-ins for line 58.....	0	0	0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....	0	0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc.  
All premiums written within the state of New Mexico.

(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

38

01531	DE	13-4204626	Molina Healthcare, Inc.
-00000	CA	33-0342719	Molina Healthcare of California
-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
-95739	NM	85-0408506	Molina Healthcare of New Mexico, Inc.
-10757	TX	20-1494502	Molina Healthcare of Texas, Inc.
-13778	TX	27-0522725	Molina Healthcare of Texas Insurance Company
-12334	OH	20-0750134	Molina Healthcare of Ohio, Inc.
-00000	CA	20-2714545	Molina Healthcare of California Partner Plan, Inc.
-69647	OH	31-0628424	Molina Healthcare Insurance Company
-95609	MO	43-1743902	Alliance for Community Health, LLC (dba Molina Healthcare of Missouri)
-13128	FL	26-0155137	Molina Healthcare of Florida, Inc.
-00000	VA	26-1769086	Molina Healthcare of Virginia, Inc.
-00000	CA	27-1510177	Molina Information Systems, LLC (dba Molina Medicaid Solutions)
-12007	WI	20-0813104	Molina Healthcare of Wisconsin, Inc.
-14104	IL	27-1823188	Molina Healthcare of Illinois, Inc.
-00000	DE	45-2854547	Molina Pathways, LLC
-00000	DE	27-4034065	Molina Center LLC
-00000	NM	45-2634351	Molina Healthcare Data Center, Inc.
-00000	CA	37-1652282	American Family Care, Inc.
-00000	AZ	26-1938644	Molina Healthcare of Arizona, Inc.
-00000	GA	20-3372390	Molina Healthcare of Georgia, Inc.
-12905	NV	20-3567602	Molina Healthcare of Nevada, Inc.
-00000	MO	26-3342852	Molina Healthcare of Missouri, Inc.
-00000	MS	26-4390042	Molina Healthcare of Mississippi, Inc.
-00000	CA	27-0941584	Molina Healthcare Services

2011 ALPHABETICAL INDEX  
HEALTH ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7	Schedule D – Part 6 – Section 2	E16
Assets	2	Schedule D – Summary By Country	SI04
Cash Flow	6	Schedule D – Verification Between Years	SI03
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DA – Part 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DA – Verification Between Years	SI10
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part A – Section 1	E18
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20	Schedule DB – Part A – Section 2	E19
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21	Schedule DB – Part A – Verification Between Years	SI11
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22	Schedule DB – Part B – Section 1	E20
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 8 – Furniture, Equipment and Supplies Owned	24	Schedule DB – Part C – Section 1	SI12
Exhibit of Capital Gains (Losses)	15	Schedule DB – Part C – Section 2	SI13
Exhibit of Net Investment Income	15	Schedule DB – Part D	E22
Exhibit of Nonadmitted Assets	16	Schedule DB – Verification	SI14
Exhibit of Premiums, Enrollment and Utilization (State Page)	29	Schedule DL – Part 1	E23
Five-Year Historical Data	28	Schedule DL – Part 2	E24
General Interrogatories	26	Schedule E – Part 1 – Cash	E25
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E26
Liabilities, Capital and Surplus	3	Schedule E – Part 3 – Special Deposits	E27
Notes To Financial Statements	25	Schedule E – Verification Between Years	SI15
Overflow Page For Write-ins	42	Schedule S – Part 1 – Section 2	30
Schedule A – Part 1	E01	Schedule S – Part 2	31
Schedule A – Part 2	E02	Schedule S – Part 3 – Section 2	32
Schedule A – Part 3	E03	Schedule S – Part 4	33
Schedule A – Verification Between Years	SI02	Schedule S – Part 5	34
Schedule B – Part 1	E04	Schedule S – Part 6	35
Schedule B – Part 2	E05	Schedule T – Part 2 – Interstate Compact	37
Schedule B – Part 3	E06	Schedule T – Premiums and Other Considerations	36
Schedule B – Verification Between Years	SI02	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule BA – Part 1	E07	Schedule Y – Part 1A – Detail of Insurance Holding Company System	39
Schedule BA – Part 2	E08	Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	40
Schedule BA – Part 3	E09	Statement of Revenue and Expenses	4
Schedule BA – Verification Between Years	SI03	Summary Investment Schedule	SI01
Schedule D – Part 1	E10	Supplemental Exhibits and Schedules Interrogatories	41
Schedule D – Part 1A – Section 1	SI05	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 1A – Section 2	SI08	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 2 – Section 1	E11	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 2 – Section 2	E12	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 3	E13	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 4	E14	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Part 5	E15	Underwriting and Investment Exhibit – Part 3	14
Schedule D – Part 6 – Section 1	E16		