

**UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**  
**(In thousands)**

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Investments:		
Fixed maturities available for sale, at fair value (amortized cost: 2016, \$215,761; 2015, \$279,277)	\$ 221,009	\$ 281,776
Other invested assets	9,717	9,734
Total investments	230,726	291,510
Cash and cash equivalents	264,046	70,546
Accrued investment income	2,147	2,307
Reinsurance recoverables	279	406
Due and unpaid premiums	14,816	25,518
Goodwill and intangible assets	71,078	71,423
Deferred income tax asset	21,840	48,704
Income taxes receivable	10,220	5,885
Other healthcare receivables	27,355	34,127
Other assets	34,434	29,866
Assets of discontinued operations	238,246	1,150,570
Total assets	\$ 915,187	\$ 1,730,862
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Policy and contract claims	\$ 82,904	\$ 86,976
Premiums received in advance	113,183	953
Convertible Senior Notes due 2021, net of fees	91,645	-
Series A mandatorily redeemable preferred shares, net of fees	39,893	39,755
Net amounts payable to discontinued operations	37	44,289
Accounts payable and other liabilities	59,994	60,455
Liabilities of discontinued operations	236,072	1,116,039
Total liabilities	623,728	1,348,467
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock (Authorized: 40 million shares)	-	-
Common stock - voting (Authorized: 400 million shares; issued and outstanding: 2016, 58.8 million shares; 2015, 81.3 million shares)	588	813
Common stock - non-voting (Authorized: 60 million shares; issued and outstanding: 2015, 3.3 million shares)	-	33
Additional paid-in capital	443,323	608,804
Accumulated other comprehensive income	3,671	2,748
Retained deficit	(156,123)	(230,003)
Total stockholders' equity	291,459	382,395
Total liabilities and stockholders' equity	\$ 915,187	\$ 1,730,862

**UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

*(In thousands, per share amounts in dollars)*

	<b>Nine months ended September 30,</b>		<b>Change</b>	<b>%</b>
	<b>2016</b>	<b>2015</b>	<b>\$</b>	
<b>Revenues:</b>				
Net premiums	\$ 1,029,158	\$ 924,242	\$ 104,916	11.4%
Net investment income	6,289	9,754	(3,465)	-35.5%
Fee and other income	1,932	4,204	(2,272)	-54.0%
Net realized gains	1,385	33,625	(32,240)	-95.9%
<b>Total revenues</b>	<b>1,038,764</b>	<b>971,825</b>	<b>66,939</b>	<b>6.9%</b>
<b>Benefits, claims and expenses:</b>				
Claims and other benefits	868,148	801,848	(66,300)	-8.3%
Amortization of intangible assets	696	1,583	887	56.0%
Commissions	14,593	13,131	(1,462)	-11.1%
Interest expense	4,825	3,849	(976)	-25.4%
Affordable Care Act fee	16,293	19,117	2,824	14.8%
Other operating costs and expenses	122,086	117,657	(4,429)	-3.8%
<b>Total benefits, claims and expenses</b>	<b>1,026,641</b>	<b>957,185</b>	<b>(69,456)</b>	<b>-7.3%</b>
Income before equity in earnings of unconsolidated subsidiaries	12,123	14,640	(2,517)	-17.2%
Equity in earnings (losses) of unconsolidated subsidiaries	14,504	(1,134)	15,638	-1379.0%
Income from continuing operations before income taxes	26,627	13,506	13,121	97.1%
Provision for income taxes	15,473	7,618	7,855	103.1%
Income from continuing operations	11,154	5,888	5,266	89.4%
<b>Discontinued operations:</b>				
Income (loss) from discontinued operations before income taxes	68,024	(15,097)	83,121	-550.6%
Provision for (benefit from) income taxes	5,298	(6,796)	12,094	-178.0%
Income (loss) from discontinued operations	62,726	(8,301)	71,027	-855.6%
<b>Net income (loss)</b>	<b>\$ 73,880</b>	<b>\$ (2,413)</b>	<b>\$ 76,293</b>	<b>-3161.7%</b>
<b>Income (loss) per common share:</b>				
<b>Basic:</b>				
Continuing operations	\$ 0.15	\$ 0.07	\$ 0.08	
Discontinued operations	0.83	(0.10)	0.93	
<b>Net Income (loss)</b>	<b>\$ 0.98</b>	<b>\$ (0.03)</b>	<b>\$ 1.01</b>	
<b>Diluted:</b>				
Continuing operations	\$ 0.15	\$ 0.07	\$ 0.08	
Discontinued operations	0.82	(0.10)	0.92	
<b>Net Income (loss)</b>	<b>\$ 0.97</b>	<b>\$ (0.03)</b>	<b>\$ 1.00</b>	
Basic weighted average shares outstanding	75,400	82,337	(6,937)	
Effect of dilutive securities	739	1,199	(460)	
<b>Diluted weighted average shares outstanding</b>	<b>76,139</b>	<b>83,536</b>	<b>(7,397)</b>	
Effective Tax Rate - Continuing Operations	58.1%	56.4%		

**UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

*(In thousands, per share amounts in dollars)*

	<b>Three months ended September 30,</b>		<b>Change</b>	
	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>
<b>Revenues:</b>				
Net premium and policyholder fees earned	\$ 340,643	\$ 304,178	\$ 36,465	12.0%
Net investment income	1,926	4,112	(2,186)	-53.2%
Fee and other income	963	1,749	(786)	-44.9%
Net realized gains	(143)	29,751	(29,894)	-100.5%
<b>Total revenues</b>	<b>343,389</b>	<b>339,790</b>	<b>3,599</b>	<b>1.1%</b>
<b>Benefits, claims and expenses:</b>				
Claims and other benefits	290,982	267,652	(23,330)	-8.7%
Amortization of intangible assets	237	537	300	55.9%
Commissions	5,265	4,826	(439)	-9.1%
Interest expense	3,046	1,142	(1,904)	-166.7%
Affordable Care Act fee	5,513	6,419	906	14.1%
Other operating costs and expenses	42,437	38,772	(3,665)	-9.5%
<b>Total benefits, claims and expenses</b>	<b>347,480</b>	<b>319,348</b>	<b>(28,132)</b>	<b>-8.8%</b>
(Loss) income before equity in losses of unconsolidated subsidiaries	(4,091)	20,442	(24,533)	-120.0%
Equity in losses of unconsolidated subsidiaries	(5,170)	(7,446)	2,276	-30.6%
(Loss) income from continuing operations before income taxes	(9,261)	12,996	(22,257)	-171.3%
(Benefit from) provision for income taxes	(504)	13,045	(13,549)	-103.9%
Loss from continuing operations	(8,757)	(49)	(8,708)	17771.4%
<b>Discontinued operations:</b>				
Income from discontinued operations before income taxes	56,959	3,514	53,445	1520.9%
(Benefit from) provision for income taxes	(2,679)	657	(3,336)	-507.8%
Income from discontinued operations	59,638	2,857	56,781	1987.4%
<b>Net income</b>	<b>\$ 50,881</b>	<b>\$ 2,808</b>	<b>\$ 48,073</b>	<b>1712.0%</b>
<b>Income per common share:</b>				
<b>Basic:</b>				
Continuing operations	\$ (0.14)	\$ -	\$ (0.14)	
Discontinued operations	0.97	0.03	0.94	
<b>Net income</b>	<b>\$ 0.83</b>	<b>\$ 0.03</b>	<b>\$ 0.80</b>	
<b>Diluted:</b>				
Continuing operations	\$ (0.14)	\$ -	\$ (0.14)	
Discontinued operations	0.97	0.03	0.94	
<b>Net income</b>	<b>\$ 0.83</b>	<b>\$ 0.03</b>	<b>\$ 0.80</b>	
Basic weighted average shares outstanding	61,329	82,516	(21,187)	
Effect of dilutive securities	-	-	-	
<b>Diluted weighted average shares outstanding</b>	<b>61,329</b>	<b>82,516</b>	<b>(21,187)</b>	
Effective Tax Rate - Continuing Operations	5.4%	100.4%		

Universal American Corp  
MD&A - Segment Trends  
September 30, 2016

Consolidated Results - Unaudited  
For the period ended September 30, 2016  
In thousands

	<u>Total 2016</u>	<u>Q3 2016</u>	<u>Q2 2016</u>	<u>Q1 2016</u>	<u>Total 2015</u>	<u>Q4 2015</u>	<u>Q3 2015</u>	<u>Q2 2015</u>	<u>Q1 2015</u>
<b>Continuing Operations:</b>									
Medicare Advantage	\$ 47,664	\$ 7,625	\$ 17,850	\$ 22,188	\$ 21,480	\$ 2,852	\$ (72)	\$ 9,165	\$ 9,534
MSOs	4,072	(8,594)	21,123	(8,456)	(20,057)	(10,648)	(9,320)	11,621	(11,710)
Corporate & Other	(26,494)	(8,149)	(9,495)	(8,851)	(40,288)	(10,950)	(7,363)	(11,388)	(10,588)
Realized gains (losses)	<u>1,384</u>	<u>(143)</u>	<u>1,144</u>	<u>384</u>	<u>38,954</u>	<u>5,329</u>	<u>29,751</u>	<u>3,376</u>	<u>498</u>
Income (loss) from continuing operations before income taxes	26,627	(9,262)	30,622	5,266	89	(13,416)	12,996	12,774	(12,265)
Provision for (benefit from) income taxes	<u>15,473</u>	<u>(505)</u>	<u>12,241</u>	<u>3,737</u>	<u>3,785</u>	<u>(3,833)</u>	<u>13,046</u>	<u>6,887</u>	<u>(12,314)</u>
Income (loss) from continuing operations	<u>\$ 11,154</u>	<u>\$ (8,757)</u>	<u>\$ 18,382</u>	<u>\$ 1,529</u>	<u>\$ (3,695)</u>	<u>\$ (9,583)</u>	<u>\$ (49)</u>	<u>\$ 5,888</u>	<u>\$ 49</u>
<b>Discontinued Operations:</b>									
Income (loss) from discontinued operations before income taxes	\$ 68,024	\$ 56,958	\$ 11,713	\$ (648)	\$ (188,371)	\$ (173,275)	\$ 3,515	\$ (23,953)	\$ 5,342
Provision for (benefit from) income taxes	<u>5,297</u>	<u>(2,680)</u>	<u>7,289</u>	<u>688</u>	<u>(28,098)</u>	<u>(21,302)</u>	<u>657</u>	<u>(10,688)</u>	<u>3,236</u>
Income (loss) from discontinued operations	<u>62,726</u>	<u>59,638</u>	<u>4,424</u>	<u>(1,336)</u>	<u>(160,273)</u>	<u>(151,972)</u>	<u>2,858</u>	<u>(13,265)</u>	<u>2,106</u>
Net income (loss)	<u>73,880</u>	<u>50,881</u>	<u>22,805</u>	<u>193</u>	<u>(163,969)</u>	<u>(161,555)</u>	<u>2,809</u>	<u>(7,378)</u>	<u>2,155</u>
<b>Per Share Data (Diluted)</b>									
Income (loss) from continuing operations	\$ 0.15	\$ (0.14)	\$ 0.22	\$ 0.02	\$ (0.04)	\$ (0.12)	\$ (0.00)	\$ 0.07	\$ 0.00
Income (loss) from discontinued operations	<u>\$ 0.82</u>	<u>\$ 0.97</u>	<u>\$ 0.05</u>	<u>\$ (0.02)</u>	<u>\$ (1.95)</u>	<u>\$ (1.84)</u>	<u>\$ 0.03</u>	<u>\$ (0.16)</u>	<u>\$ 0.03</u>
Net income (loss)	<u>\$ 0.97</u>	<u>\$ 0.83</u>	<u>\$ 0.27</u>	<u>\$ 0.00</u>	<u>\$ (1.99)</u>	<u>\$ (1.96)</u>	<u>\$ 0.03</u>	<u>\$ (0.09)</u>	<u>\$ 0.03</u>
Weighted Average shares O/S - Diluted	76,139,091	61,329,485	83,045,213	83,438,278	82,402,056	82,573,098	82,516,201	83,800,456	82,019,403
Effective Tax Rate for continuing operations	58.1%	5.5%	40.0%	71.0%	4239.1%	28.6%	100.4%	53.9%	100.4%
Effective Tax Rate for discontinued operations	7.8%	-4.7%	62.2%	-106.1%	14.9%	12.3%	18.7%	44.6%	60.6%
Overall Effective Tax Rate	21.9%	-6.7%	46.1%	95.8%	12.9%	13.5%	83.0%	34.0%	131.1%

Note: Amounts may not foot due to rounding

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*  
**Consolidated Segments**

**Continuing Operations:**

	<u>Total</u> <u>2016</u>	<u>Q3</u> <u>2016</u>	<u>Q2</u> <u>2016</u>	<u>Q1</u> <u>2016</u>	<u>Total</u> <u>2015</u>	<u>Q4</u> <u>2015</u>	<u>Q3</u> <u>2015</u>	<u>Q2</u> <u>2015</u>	<u>Q1</u> <u>2015</u>
Gross premiums	\$ 1,030,193	\$ 341,161	\$ 342,468	\$ 346,565	\$ 1,247,900	\$ 322,211	\$ 304,663	\$ 315,299	\$ 305,727
Assumed premiums	11	11	-	-	-	-	-	-	-
Ceded premiums	(1,047)	(529)	(84)	(434)	(1,929)	(481)	(485)	(482)	(481)
Net premiums	<u>1,029,158</u>	<u>340,644</u>	<u>342,383</u>	<u>346,131</u>	<u>1,245,971</u>	<u>321,730</u>	<u>304,178</u>	<u>314,817</u>	<u>305,246</u>
Net investment income	6,289	1,926	2,100	2,263	11,957	2,204	4,112	2,612	3,029
Fee and other income	1,932	963	455	514	4,523	319	1,749	2,140	315
Total revenue	<u>1,037,379</u>	<u>343,532</u>	<u>344,938</u>	<u>348,908</u>	<u>1,262,452</u>	<u>324,253</u>	<u>310,039</u>	<u>319,569</u>	<u>308,590</u>
Claims and other benefits	84.4% 868,148	85.4% 290,982	84.3% 288,472	83.4% 288,694	86.2% 1,074,474	84.7% 272,626	88.0% 267,652	86.1% 271,122	86.2% 263,074
Amortization of intangible assets	0.1% 696	0.1% 237	0.1% 231	0.1% 228	0.2% 2,110	0.2% 528	0.2% 537	0.2% 537	0.2% 509
Interest expense	0.5% 4,825	0.9% 3,047	0.3% 929	0.2% 850	0.4% 4,743	0.3% 894	0.4% 1,142	0.4% 1,145	0.5% 1,562
Asset impairment charge	0.0% 126	0.0% 126	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -
ACA fee	1.6% 16,293	1.6% 5,513	1.6% 5,423	1.5% 5,357	2.0% 25,489	2.0% 6,372	2.1% 6,419	2.0% 6,430	2.1% 6,268
Commissions	1.4% 14,593	1.5% 5,265	1.4% 4,861	1.3% 4,467	1.5% 18,529	1.7% 5,397	1.6% 4,826	1.5% 4,624	1.2% 3,681
Reinsurance commissions and expense allowances	0.0% -	0.0% -	0.0% -	0.0% -	-0.1% (1,273)	-0.1% (438)	-0.3% (837)	0.0% 1	0.0% 1
Other operating costs and expenses	11.9% 121,960	12.4% 42,311	11.8% 40,467	11.3% 39,182	13.5% 167,618	15.3% 49,127	13.0% 39,609	12.7% 40,058	12.7% 38,824
Commissions and general expenses, net of allowances	<u>13.3% 136,552</u>	<u>14.0% 47,576</u>	<u>13.2% 45,327</u>	<u>12.6% 43,649</u>	<u>14.8% 184,874</u>	<u>16.8% 54,087</u>	<u>14.3% 43,598</u>	<u>14.2% 44,683</u>	<u>13.9% 42,505</u>
Total benefits, claims and expenses	1,026,641	347,480	340,383	338,778	1,291,690	334,507	319,348	323,918	313,918
Equity in (losses) earnings of unconsolidated subsidiaries	<u>14,504</u>	<u>(5,170)</u>	<u>24,923</u>	<u>(5,249)</u>	<u>(9,626)</u>	<u>(8,492)</u>	<u>(7,446)</u>	<u>13,747</u>	<u>(7,435)</u>
Segment income (loss)	25,242	(9,118)	29,479	4,881	(38,865)	(18,745)	(16,755)	9,398	(12,763)
Realized gains (losses)	<u>1,384</u>	<u>(143)</u>	<u>1,144</u>	<u>384</u>	<u>38,954</u>	<u>5,329</u>	<u>29,751</u>	<u>3,376</u>	<u>498</u>
Pre-tax income (loss) from continuing operations	<u>\$ 26,627</u>	<u>\$ (9,262)</u>	<u>\$ 30,622</u>	<u>\$ 5,266</u>	<u>\$ 89</u>	<u>\$ (13,416)</u>	<u>\$ 12,996</u>	<u>\$ 12,774</u>	<u>\$ (12,265)</u>

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*  
**Medicare Advantage**

	<b>Total 2016</b>	<b>Q3 2016</b>	<b>Q2 2016</b>	<b>Q1 2016</b>	<b>Total 2015</b>	<b>Q4 2015</b>	<b>Q3 2015</b>	<b>Q2 2015</b>	<b>Q1 2015</b>
Gross premiums	\$ 1,030,193	\$ 341,161	\$ 342,468	\$ 346,565	\$ 1,247,584	\$ 322,211	\$ 304,796	\$ 314,850	\$ 305,727
Assumed premiums	11	11	-	-	-	-	-	-	-
Ceded premiums	(1,047)	(529)	(84)	(434)	(1,929)	(481)	(485)	(482)	(481)
Net premiums	1,029,158	340,644	342,383	346,131	1,245,655	321,730	304,311	314,368	305,246
Net investment income	6,342	1,919	2,130	2,294	9,435	2,221	2,256	2,419	2,539
Fee and other income	990	326	216	448	944	177	240	218	309
Total revenue	1,036,489	342,888	344,728	348,873	1,256,035	324,129	306,808	317,005	308,094
Quality initiatives	1.7%	1.8%	1.6%	1.6%	2.0%	2.0%	1.9%	2.2%	2.0%
Medical benefits	82.7%	83.7%	82.6%	81.8%	84.2%	82.7%	86.1%	84.1%	84.2%
Claims and other benefits	84.4%	85.4%	84.3%	83.4%	86.3%	84.8%	88.0%	86.3%	86.2%
	17,250	6,011	5,611	5,628	25,341	6,564	5,791	6,935	6,052
	850,900	284,971	282,863	283,066	1,049,318	266,114	261,861	264,323	257,020
	868,150	290,982	288,474	288,694	1,074,658	272,677	267,652	271,257	263,072
Amortization of intangible assets	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Asset impairment charge	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ACA fee	1.6%	1.6%	1.6%	1.5%	2.0%	2.0%	2.1%	2.0%	2.1%
	696	237	231	228	2,110	528	537	537	509
	126	126	-	-	-	-	-	-	-
	16,293	5,516	5,421	5,357	25,464	6,366	6,412	6,424	6,262
Commissions	1.4%	1.6%	1.4%	1.3%	1.5%	1.7%	1.6%	1.4%	1.3%
Reinsurance commissions and expense allowances	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.3%	0.0%	0.0%
Other operating costs and expenses	8.6%	9.7%	8.1%	8.1%	9.2%	11.4%	9.3%	8.0%	8.1%
Commissions and general expenses, net of allowances	10.1%	11.3%	9.6%	9.4%	10.6%	13.0%	10.6%	9.4%	9.4%
	14,735	5,388	4,873	4,475	18,659	5,433	4,861	4,499	3,867
	-	-	-	-	(1,273)	(438)	(837)	1	1
	88,825	33,014	27,879	27,931	114,937	36,710	28,254	25,123	24,850
	103,561	38,402	32,752	32,406	132,323	41,706	32,278	29,622	28,717
Total benefits, claims and expenses	988,826	335,263	326,878	326,685	1,234,555	321,276	306,879	307,840	298,559
Segment income (loss)	\$ 47,664	\$ 7,625	\$ 17,850	\$ 22,188	\$ 21,480	\$ 2,852	\$ (72)	\$ 9,165	\$ 9,534

**Management Services Organizations**

Total revenue	-	-	-	-	-	-	-	-	-
Other operating costs and expenses	10,431	3,424	3,800	3,207	10,431	2,156	1,874	2,126	4,274
Total benefits, claims and expenses	10,431	3,424	3,800	3,207	10,431	2,156	1,874	2,126	4,274
Equity in income (losses) of unconsolidated subsidiaries	14,504	(5,170)	24,923	(5,249)	(9,626)	(8,492)	(7,446)	13,747	(7,435)
Segment income (loss)	\$ 4,072	\$ (8,594)	\$ 21,123	\$ (8,456)	\$ (20,057)	\$ (10,648)	\$ (9,320)	\$ 11,621	\$ (11,710)

**Corporate & Other**

Gross premiums	\$ (0)	\$ -	\$ (0)	\$ (0)	\$ 316	\$ (0)	\$ (133)	\$ 449	\$ (0)
Ceded premiums	-	-	-	-	-	-	-	-	-
Net premiums	(0)	-	(0)	(0)	316	(0)	(133)	449	(0)
Net investment income	216	49	84	83	3,067	100	1,974	312	681
Fee and other income	1,194	792	288	115	3,809	197	1,566	1,829	217
Total revenue	1,410	840	372	198	7,192	297	3,406	2,590	898
Claims and other benefits	(2)	-	(2)	0	(184)	(52)	0	(135)	2
Interest expense	5,093	3,088	1,042	963	5,289	1,012	1,260	1,264	1,752
ACA fee	(0)	(3)	3	-	25	6	6	6	6
Commissions	109	32	36	41	99	19	22	33	26
Other operating costs and expenses	22,703	5,872	8,787	8,044	42,251	10,261	9,480	12,810	9,700
Commissions and general expenses, net of allowances	22,812	5,904	8,823	8,085	42,350	10,281	9,502	12,842	9,725
Total benefits, claims and expenses	27,904	8,989	9,866	9,048	47,480	11,247	10,769	13,978	11,486
Segment loss	\$ (26,494)	\$ (8,149)	\$ (9,495)	\$ (8,851)	\$ (40,288)	\$ (10,950)	\$ (7,363)	\$ (11,388)	\$ (10,588)

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*

	<u>Total</u> <u>2016</u>	<u>Q3</u> <u>2016</u>	<u>Q2</u> <u>2016</u>	<u>Q1</u> <u>2016</u>	<u>Total</u> <u>2015</u>	<u>Q4</u> <u>2015</u>	<u>Q3</u> <u>2015</u>	<u>Q2</u> <u>2015</u>	<u>Q1</u> <u>2015</u>
<b>Continuing - Eliminations</b>									
Gross premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumed premiums	-	-	-	-	-	-	-	-	-
Ceded premiums	-	-	-	-	-	-	-	-	-
Net premiums	-	-	-	-	-	-	-	-	-
Net investment income	(268)	(41)	(113)	(113)	(546)	(118)	(118)	(119)	(191)
Fee and other income	(252)	(155)	(48)	(49)	(230)	(55)	(57)	93	(211)
Total revenue	<u>(520)</u>	<u>(196)</u>	<u>(162)</u>	<u>(162)</u>	<u>(775)</u>	<u>(173)</u>	<u>(175)</u>	<u>(26)</u>	<u>(402)</u>
Claims and other benefits	-	-	-	-	-	-	-	-	-
Change in deferred policy acquisition costs	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	-	-	-	-	-	-	-	-	-
Interest expense	(268)	(41)	(113)	(113)	(546)	(118)	(118)	(119)	(191)
Loss on reinsurance and other related costs	-	-	-	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-	-	-
Intangible asset impairment	-	-	-	-	-	-	-	-	-
ACA fee	-	-	-	-	-	-	-	-	-
Commissions	(252)	(155)	(48)	(49)	(230)	(55)	(57)	93	(211)
Reinsurance commissions and expense allowances	-	-	-	-	-	-	-	-	-
Other operating costs and expenses	-	-	-	-	-	-	-	-	-
Commissions and general expenses, net of allowances	<u>(252)</u>	<u>(155)</u>	<u>(48)</u>	<u>(49)</u>	<u>(230)</u>	<u>(55)</u>	<u>(57)</u>	<u>93</u>	<u>(211)</u>
Total benefits, claims and expenses	<u>(520)</u>	<u>(196)</u>	<u>(162)</u>	<u>(162)</u>	<u>(775)</u>	<u>(173)</u>	<u>(175)</u>	<u>(26)</u>	<u>(402)</u>
Segment income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ -</u>

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*

	<u>Total</u> <u>2016</u>	<u>Q3</u> <u>2016</u>	<u>Q2</u> <u>2016</u>	<u>Q1</u> <u>2016</u>	<u>Total</u> <u>2015</u>	<u>Q4</u> <u>2015</u>	<u>Q3</u> <u>2015</u>	<u>Q2</u> <u>2015</u>	<u>Q1</u> <u>2015</u>
<b>Discontinued Operations - Total</b>									
Gross premiums	\$ 213,001	\$ 34,510	\$ 88,075	\$ 90,415	\$ 393,538	\$ 92,088	\$ 94,302	\$ 94,023	\$ 113,125
Assumed premiums	24,423	3,468	10,132	10,823	44,428	10,628	11,198	10,844	11,757
Ceded premiums	<u>(39,230)</u>	<u>(9,403)</u>	<u>(14,616)</u>	<u>(15,211)</u>	<u>(65,443)</u>	<u>(15,821)</u>	<u>(15,975)</u>	<u>(16,381)</u>	<u>(17,266)</u>
Net premiums	198,194	28,576	83,591	86,027	372,523	86,895	89,525	88,486	107,617
Net investment income	9,145	1,324	3,876	3,945	17,497	3,965	4,038	4,441	5,053
Fee and other income	<u>914</u>	<u>140</u>	<u>389</u>	<u>384</u>	<u>32,484</u>	<u>357</u>	<u>403</u>	<u>7,658</u>	<u>24,066</u>
Total revenue	<u>208,253</u>	<u>30,040</u>	<u>87,857</u>	<u>90,356</u>	<u>422,503</u>	<u>91,217</u>	<u>93,965</u>	<u>100,585</u>	<u>136,735</u>
Claims and other benefits	172,427	25,323	70,678	76,425	328,948	86,678	75,977	75,208	91,084
Change in deferred policy acquisition costs	-	-	-	-	23,442	14,953	2,621	2,585	3,283
Amortization of intangible assets	470	67	201	201	1,449	258	268	355	569
Interest expense	65	4	30	31	756	(1)	(7)	117	646
ACA fee	1,919	279	820	820	3,385	833	892	834	825
Commissions	3,250	642	1,250	1,359	6,265	1,318	1,561	1,675	1,710
Reinsurance commissions and expense allowances	2,113	(421)	1,095	1,439	4,996	1,040	1,190	1,080	1,686
Other operating costs and expenses	<u>25,090</u>	<u>4,426</u>	<u>10,688</u>	<u>9,976</u>	<u>75,107</u>	<u>10,145</u>	<u>9,290</u>	<u>24,432</u>	<u>31,240</u>
Commissions and general expenses, net of allowances	<u>30,454</u>	<u>4,647</u>	<u>13,033</u>	<u>12,774</u>	<u>86,368</u>	<u>12,504</u>	<u>12,041</u>	<u>27,188</u>	<u>34,636</u>
Total benefits, claims and expenses	<u>205,334</u>	<u>30,321</u>	<u>84,762</u>	<u>90,251</u>	<u>444,347</u>	<u>115,226</u>	<u>91,791</u>	<u>106,287</u>	<u>131,043</u>
Income (loss) from operations of discontinued operations	2,920	(281)	3,096	105	(21,844)	(24,008)	2,175	(5,702)	5,692
Net realized gains (losses) from operations	160	(11)	43	128	44	2	(26)	59	9
Non Operating Results:									
APS Healthcare	41,745	34,068	6,500	1,177	(17,418)	(115)	1,366	(18,310)	(360)
Medicaid	20,407	20,407	-	-	-	-	-	-	-
Traditional Insurance	<u>2,791</u>	<u>2,775</u>	<u>2,074</u>	<u>(2,058)</u>	<u>(149,153)</u>	<u>(149,153)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) from discontinued operations	<u>\$ 68,024</u>	<u>\$ 56,958</u>	<u>\$ 11,713</u>	<u>\$ (648)</u>	<u>\$ (188,371)</u>	<u>\$ (173,275)</u>	<u>\$ 3,515</u>	<u>\$ (23,953)</u>	<u>\$ 5,342</u>

**Note: Amounts may not foot due to rounding**



**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*  
**Discontinued Operations - APS**

	<u>Total</u> <u>2016</u>	<u>Q3</u> <u>2016</u>	<u>Q2</u> <u>2016</u>	<u>Q1</u> <u>2016</u>	<u>Total</u> <u>2015</u>	<u>Q4</u> <u>2015</u>	<u>Q3</u> <u>2015</u>	<u>Q2</u> <u>2015</u>	<u>Q1</u> <u>2015</u>
Gross premiums	\$ -	\$ -	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ 46	\$ 17,404
Assumed premiums	-	-	-	-	-	-	-	-	-
Ceded premiums	-	-	-	-	-	-	-	-	-
Net premiums	-	-	-	-	17,450	-	-	46	17,404
Net investment income	-	-	-	-	0	-	0	-	-
Fee and other income	-	-	-	-	30,920	-	16	7,264	23,640
Total revenue	-	-	-	-	48,370	-	16	7,309	41,044
Claims and other benefits	(1)	(0)	(1)	-	14,533	-	10	(0)	14,523
Change in deferred policy acquisition costs	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	-	-	-	-	375	-	-	94	281
Interest expense	-	-	-	-	775	-	-	124	651
Other operating costs and expenses	2,230	572	1,057	601	38,358	1,294	156	15,560	21,349
Total benefits, claims and expenses	2,229	572	1,055	601	54,041	1,294	166	15,778	36,803
Income (loss) from operations of APS Healthcare	(2,229)	(572)	(1,055)	(601)	(5,671)	(1,294)	(150)	(8,469)	4,241
Non Operating Results - APS Healthcare	41,745	34,068	6,500	1,177	(17,418)	(115)	1,366	(18,310)	(360)
Income (loss) from APS Healthcare	\$ 39,516	\$ 33,496	\$ 5,445	\$ 575	\$ (23,089)	\$ (1,409)	\$ 1,216	\$ (26,778)	\$ 3,882

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*

**Discontinued Operations - Traditional**

	<u>Total 2016</u>	<u>Q3 2016</u>	<u>Q2 2016</u>	<u>Q1 2016</u>	<u>Total 2015</u>	<u>Q4 2015</u>	<u>Q3 2015</u>	<u>Q2 2015</u>	<u>Q1 2015</u>									
Gross premiums	\$ 102,843	\$ 18,159	\$ 41,173	\$ 43,511	\$ 185,826	\$ 44,280	\$ 45,393	\$ 46,833	\$ 49,320									
Assumed premiums	24,423	3,468	10,132	10,823	44,428	10,628	11,198	10,844	11,757									
Ceded premiums	<u>(39,192)</u>	<u>(9,397)</u>	<u>(14,600)</u>	<u>(15,194)</u>	<u>(65,374)</u>	<u>(15,790)</u>	<u>(15,971)</u>	<u>(16,360)</u>	<u>(17,254)</u>									
Net premiums	88,075	12,231	36,704	39,140	164,879	39,119	40,620	41,317	43,823									
Net investment income	9,076	1,318	3,849	3,908	17,355	3,951	3,995	4,399	5,011									
Fee and other income	914	140	389	384	1,564	357	387	394	426									
Total revenue	<u>98,065</u>	<u>13,689</u>	<u>40,943</u>	<u>43,433</u>	<u>183,798</u>	<u>43,427</u>	<u>45,002</u>	<u>46,111</u>	<u>49,259</u>									
Claims and other benefits	80.9%	71,230	91.6%	11,203	74.8%	27,459	83.2%	32,568	87.5%	144,295	114.8%	44,926	80.5%	32,714	76.0%	31,409	80.4%	35,245
Change in deferred policy acquisition costs	0.0%	-	0.0%	-	0.0%	-	14.2%	23,442	38.2%	14,953	6.5%	2,621	6.3%	2,585	7.5%	3,283		
Amortization of intangible assets	0.0%	-	0.0%	-	0.0%	-	0.2%	269	0.1%	57	0.2%	66	0.1%	60	0.2%	86		
Interest expense	0.0%	(15)	0.0%	4	0.0%	(10)	0.0%	(9)	0.0%	(24)	0.0%	(4)	0.0%	(7)	0.0%	(7)	0.0%	(6)
ACA fee	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	53	0.0%	-	0.0%	53	0.0%	-	0.0%	-
Commissions	3.7%	3,250	5.2%	642	3.4%	1,250	3.5%	1,359	3.8%	6,265	3.4%	1,318	3.8%	1,561	4.1%	1,675	3.9%	1,710
Reinsurance commissions and expense allowances	2.4%	2,113	-3.4%	(421)	3.0%	1,095	3.7%	1,439	3.0%	4,996	2.7%	1,040	2.9%	1,190	2.6%	1,080	3.8%	1,686
Other operating costs and expenses	13.9%	12,204	17.5%	2,139	12.8%	4,686	13.7%	5,379	12.6%	20,780	12.4%	4,862	12.3%	4,989	12.1%	4,984	13.6%	5,945
Commissions and general expenses, net of allowances	19.9%	17,568	19.3%	2,360	19.2%	7,031	20.9%	8,177	19.4%	32,041	18.5%	7,220	19.1%	7,740	18.7%	7,739	21.3%	9,341
Total benefits, claims and expenses	<u>88,782</u>	<u>13,567</u>	<u>34,480</u>	<u>40,735</u>	<u>200,076</u>	<u>67,152</u>	<u>43,187</u>	<u>41,786</u>	<u>47,950</u>									
Income (loss) from operations of Traditional Insurance	9,282	122	6,463	2,698	(16,278)	(23,726)	1,815	4,324	1,309									
Net realized gains (losses) from operations	160	(11)	43	128	44	2	(26)	59	9									
Non Operating Results - Traditional Insurance	<u>2,791</u>	<u>2,775</u>	<u>2,074</u>	<u>(2,058)</u>	<u>(149,153)</u>	<u>(149,153)</u>	<u>-</u>	<u>-</u>	<u>-</u>									
Income (loss) from Traditional Insurance	<u>\$ 12,234</u>	<u>\$ 2,886</u>	<u>\$ 8,580</u>	<u>\$ 768</u>	<u>\$ (165,387)</u>	<u>\$ (172,877)</u>	<u>\$ 1,789</u>	<u>\$ 4,383</u>	<u>\$ 1,318</u>									

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the period ended September 30, 2016**  
*In thousands*

**Discontinued Operations - Medicaid**

	<u>Total</u> <u>2016</u>	<u>Q3</u> <u>2016</u>	<u>Q2</u> <u>2016</u>	<u>Q1</u> <u>2016</u>	<u>Total</u> <u>2015</u>	<u>Q4</u> <u>2015</u>	<u>Q3</u> <u>2015</u>	<u>Q2</u> <u>2015</u>	<u>Q1</u> <u>2015</u>
Gross premiums	\$ 110,157	\$ 16,351	\$ 46,903	\$ 46,904	\$ 190,262	\$ 47,808	\$ 48,909	\$ 47,144	\$ 46,401
Ceded premiums	(38)	(6)	(15)	(17)	(68)	(31)	(4)	(21)	(12)
Net premiums	<u>110,119</u>	<u>16,345</u>	<u>46,887</u>	<u>46,887</u>	<u>190,194</u>	<u>47,777</u>	<u>48,905</u>	<u>47,123</u>	<u>46,389</u>
Net investment income	69	6	27	36	141	14	43	42	42
Total revenue	<u>110,189</u>	<u>16,351</u>	<u>46,915</u>	<u>46,923</u>	<u>190,335</u>	<u>47,791</u>	<u>48,948</u>	<u>47,165</u>	<u>46,432</u>
Claims and other benefits	91.9% 101,198	86.4% 14,120	92.2% 43,221	93.5% 43,857	89.4% 170,120	87.4% 41,752	88.4% 43,252	92.9% 43,799	89.1% 41,317
Amortization of intangible assets	0.4% 470	0.4% 67	0.4% 201	0.4% 201	0.4% 805	0.4% 201	0.4% 201	0.4% 201	0.4% 201
Interest expense	0.1% 80	0.0% -	0.1% 40	0.1% 40	0.0% 4	0.0% 3	0.0% 0	0.0% 0	0.0% 1
ACA fee	1.7% 1,919	1.7% 279	1.7% 820	1.7% 820	1.8% 3,332	1.7% 833	1.7% 839	1.8% 834	1.8% 825
Other operating costs and expenses	9.7% <u>10,655</u>	10.5% <u>1,714</u>	10.5% <u>4,945</u>	8.5% <u>3,996</u>	8.4% <u>15,970</u>	8.4% <u>3,990</u>	8.5% <u>4,146</u>	8.3% <u>3,889</u>	8.5% <u>3,946</u>
Total benefits, claims and expenses	<u>114,322</u>	<u>16,181</u>	<u>49,227</u>	<u>48,914</u>	<u>190,230</u>	<u>46,780</u>	<u>48,438</u>	<u>48,723</u>	<u>46,289</u>
(Loss) income from operations of Medicaid	(4,134)	169	(2,312)	(1,991)	105	1,011	510	(1,558)	142
Non Operating Results - Medicaid	\$ 20,407	\$ 20,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) from Medicaid	<u>\$ 16,273</u>	<u>\$ 20,576</u>	<u>\$ (2,312)</u>	<u>\$ (1,991)</u>	<u>\$ 105</u>	<u>\$ 1,011</u>	<u>\$ 510</u>	<u>\$ (1,558)</u>	<u>\$ 142</u>

**Note: Amounts may not foot due to rounding**

Universal American Corp  
MD&A - Segment Trends  
September 30, 2016

Consolidated Results - Unaudited  
For the year ended September 30, 2016  
In thousands

	Q3 YTD 2015	Q3 YTD 2016	YTD Variance		Q3 QTD 2015	Q3 QTD 2016	QTD Variance		Q2 QTD 2016	Q3 QTD 2016	QTD Variance	
<b>Continuing Operations:</b>												
Medicare Advantage	\$ 18,628	\$ 47,664	\$ 29,036	155.9%	\$ (72)	\$ 7,625	\$ 7,697	-10718.0%	\$ 17,850	\$ 7,625	\$ (10,225)	-57.3%
MSOs	(9,409)	4,072	13,482	-143.3%	(9,320)	(8,594)	726	-7.8%	21,123	(8,594)	(29,717)	-140.7%
Corporate & Other	(29,338)	(26,494)	2,844	-9.7%	(7,363)	(8,149)	(786)	10.7%	(9,495)	(8,149)	1,346	-14.2%
Realized gains (losses)	<u>33,625</u>	<u>1,384</u>	<u>(32,241)</u>	-95.9%	<u>29,751</u>	<u>(143)</u>	<u>(29,895)</u>	-100.5%	<u>1,144</u>	<u>(143)</u>	<u>(1,287)</u>	-112.5%
Income (loss) from continuing operations before income taxes	13,505	26,627	13,121	97.2%	12,996	(9,262)	(22,258)	-171.3%	30,622	(9,262)	(39,884)	-130.2%
Provision for (benefit from) income taxes	<u>7,618</u>	<u>15,473</u>	<u>7,855</u>	103.1%	<u>13,046</u>	<u>(505)</u>	<u>(13,550)</u>	-103.9%	<u>12,241</u>	<u>(505)</u>	<u>(12,746)</u>	-104.1%
Income (loss) from continuing operations	<u>\$ 5,888</u>	<u>\$ 11,154</u>	<u>\$ 5,266</u>	89.4%	<u>\$ (49)</u>	<u>\$ (8,757)</u>	<u>\$ (8,708)</u>	17698.4%	<u>\$ 18,382</u>	<u>\$ (8,757)</u>	<u>\$ (27,138)</u>	-147.6%
<b>Discontinued Operations:</b>												
(Loss) income from discontinued operations before income taxes	\$ (15,097)	\$ 68,024	\$ 83,120	-550.6%	\$ 3,515	\$ 56,958	\$ 53,444	1520.5%	\$ 11,713	\$ 56,958	\$ 45,245	386.3%
(Benefit from) provision for income taxes	<u>(6,796)</u>	<u>5,297</u>	<u>12,093</u>	-178.0%	<u>657</u>	<u>(2,680)</u>	<u>(3,337)</u>	-507.9%	<u>7,289</u>	<u>(2,680)</u>	<u>(9,969)</u>	-136.8%
(Loss) income from discontinued operations	<u>(8,301)</u>	<u>62,726</u>	<u>71,027</u>	-855.6%	<u>2,858</u>	<u>59,638</u>	<u>56,780</u>	1986.7%	<u>4,424</u>	<u>59,638</u>	<u>55,214</u>	1248.1%
Net (loss) income	<u>\$ (2,414)</u>	<u>\$ 73,880</u>	<u>\$ 76,293</u>	-3161.1%	<u>\$ 2,809</u>	<u>\$ 50,881</u>	<u>\$ 48,073</u>	1711.5%	<u>\$ 22,805</u>	<u>\$ 50,881</u>	<u>\$ 28,076</u>	123.1%
<b>Per Share Data (Diluted)</b>												
Income (loss) from continuing operations	\$ 0.07	\$ 0.15	\$ 0.08	108.5%	\$ (0.00)	\$ (0.14)	\$ (0.14)	23847.0%	\$ 0.22	\$ (0.14)	\$ (0.36)	-164.5%
(Loss) income from discontinued operations	<u>(0.10)</u>	<u>0.82</u>	<u>0.92</u>	-940.8%	<u>0.03</u>	<u>0.97</u>	<u>0.94</u>	2707.6%	<u>0.05</u>	<u>0.97</u>	<u>0.92</u>	1725.5%
Net (loss) income	<u>\$ (0.03)</u>	<u>\$ 0.97</u>	<u>\$ 1.00</u>	-3600.4%	<u>\$ 0.03</u>	<u>\$ 0.83</u>	<u>\$ 0.80</u>	2337.3%	<u>\$ 0.27</u>	<u>\$ 0.83</u>	<u>\$ 0.56</u>	202.1%
Weighted Average shares O/S - Diluted	83,536,313	76,139,091			82,516,201	61,329,485			83,045,213	61,329,485		
Effective Tax Rate for continuing operations	254.7%	58.1%			100.4%	5.5%			40.0%	5.5%		
Effective Tax Rate for discontinued operations	123.9%	7.8%			18.7%	-4.7%			62.2%	-4.7%		
Overall Effective Tax Rate	248.1%	21.9%			83.0%	-6.7%			46.1%	-6.7%		

Note: Amounts may not foot due to rounding

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*  
**Consolidated Segments**

**Continuing Operations:**

	<u>Q3 YTD</u> <u>2015</u>	<u>Q3 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2015</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q2 QTD</u> <u>2016</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums	\$ 925,689	\$ 1,030,193	\$ 104,505	11.3%	\$ 304,663	\$ 341,161	\$ 36,498	12.0%	\$ 342,468	\$ 341,161	\$ (1,307)	-0.4%
Assumed premiums	-	11	11	N/a	-	11	11	N/a	-	11	11	N/a
Ceded premiums	(1,448)	(1,047)	401	-27.7%	(485)	(529)	(44)	9.0%	(84)	(529)	(444)	526.2%
Net premiums	<u>924,241</u>	<u>1,029,158</u>	<u>104,917</u>	11.4%	<u>304,178</u>	<u>340,644</u>	<u>36,466</u>	12.0%	<u>342,383</u>	<u>340,644</u>	<u>(1,739)</u>	-0.5%
Net investment income	9,753	6,289	(3,464)	-35.5%	4,112	1,926	(2,186)	-53.2%	2,100	1,926	(174)	-8.3%
Fee and other income	4,204	1,932	(2,272)	-54.0%	1,749	963	(786)	-45.0%	455	963	507	111.4%
Total revenue	<u>938,198</u>	<u>1,037,379</u>	<u>99,181</u>	10.6%	<u>310,039</u>	<u>343,532</u>	<u>33,493</u>	10.8%	<u>344,938</u>	<u>343,532</u>	<u>(1,406)</u>	-0.4%
Claims and other benefits	801,848	868,148	66,300	8.3%	267,652	290,982	23,330	8.7%	288,472	290,982	2,509	0.9%
Amortization of intangible assets	1,583	696	(887)	-56.0%	537	237	(300)	-55.8%	231	237	6	2.7%
Interest expense	3,849	4,825	976	25.4%	1,142	3,047	1,904	166.7%	929	3,047	2,118	228.1%
Asset impairment charge	-	126	126	N/a	-	126	126	N/a	-	126	126	N/a
ACA fee	19,117	16,293	(2,823)	-14.8%	6,419	5,513	(905)	-14.1%	5,423	5,513	90	1.7%
Commissions	13,131	14,593	1,461	11.1%	4,826	5,265	439	9.1%	4,861	5,265	404	8.3%
Reinsurance commissions and expense allowances	(835)	-	835	-100.0%	(837)	-	837	-100.0%	-	-	-	N/a
Other operating costs and expenses	118,491	121,960	3,469	2.9%	39,609	42,311	2,702	6.8%	40,467	42,311	1,844	4.6%
Commissions and general expenses, net of allowances	<u>130,787</u>	<u>136,552</u>	<u>5,766</u>	4.4%	<u>43,598</u>	<u>47,576</u>	<u>3,978</u>	9.1%	<u>45,327</u>	<u>47,576</u>	<u>2,248</u>	5.0%
Total benefits, claims and expenses	957,184	1,026,641	69,457	7.3%	319,348	347,480	28,133	8.8%	340,383	347,480	7,098	2.1%
Equity in (losses) earnings of unconsolidated subsidiaries	(1,134)	14,504	15,638	-1378.7%	(7,446)	(5,170)	2,276	-30.6%	24,923	(5,170)	(30,093)	-120.7%
Segment (loss) income	(20,120)	25,242	45,362	-225.5%	(16,755)	(9,118)	7,637	-45.6%	29,479	(9,118)	(38,597)	-130.9%
Realized gains (losses)	<u>33,625</u>	<u>1,384</u>	<u>(32,241)</u>	-95.9%	<u>29,751</u>	<u>(143)</u>	<u>(29,895)</u>	-100.5%	<u>1,144</u>	<u>(143)</u>	<u>(1,287)</u>	-112.5%
Pre-tax income (loss) from continuing operations	<u>\$ 13,505</u>	<u>\$ 26,627</u>	<u>\$ 13,121</u>	97.2%	<u>\$ 12,996</u>	<u>\$ (9,262)</u>	<u>\$ (22,258)</u>	-171.3%	<u>\$ 30,622</u>	<u>\$ (9,262)</u>	<u>\$ (39,884)</u>	-130.2%

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Medicare Advantage**

	<b>Q3 YTD 2015</b>	<b>Q3 YTD 2016</b>	<b>YTD Variance</b>		<b>Q3 QTD 2015</b>	<b>Q3 QTD 2016</b>	<b>QTD Variance</b>		<b>Q2 QTD 2016</b>	<b>Q3 QTD 2016</b>	<b>QTD Variance</b>	
Gross premiums	\$ 925,373	\$ 1,030,193	\$ 104,820	11.3%	\$ 304,796	\$ 341,161	\$ 36,365	11.9%	\$ 342,468	\$ 341,161	\$ (1,307)	-0.4%
Assumed premiums	-	11	11	N/a	-	11	11	N/a	-	11	11	N/a
Ceded premiums	(1,448)	(1,047)	401	-27.7%	(485)	(529)	(44)	9.0%	(84)	(529)	(444)	526.2%
Net premiums	923,925	1,029,158	105,233	11.4%	304,311	340,644	36,332	11.9%	342,383	340,644	(1,739)	-0.5%
Net investment income	7,214	6,342	(872)	-12.1%	2,256	1,919	(338)	-15.0%	2,130	1,919	(211)	-9.9%
Fee and other income	767	990	223	29.1%	240	326	86	35.9%	216	326	110	50.9%
Total revenue	931,906	1,036,489	104,583	11.2%	306,808	342,888	36,080	11.8%	344,728	342,888	(1,840)	-0.5%
Quality initiatives	18,777	17,250	(1,527)	-8.1%	5,791	6,011	220	3.8%	5,611	6,011	399	7.1%
Medical benefits	783,204	850,900	67,696	8.6%	261,861	284,971	23,110	8.8%	282,863	284,971	2,108	0.7%
Claims and other benefits	801,981	868,150	66,169	8.3%	267,652	290,982	23,330	8.7%	288,474	290,982	2,508	0.9%
Amortization of intangible assets	1,583	696	(887)	-56.0%	537	237	(300)	-55.8%	231	237	6	2.7%
Asset impairment charge	-	126	126	N/a	-	126	126	N/a	-	126	126	N/a
ACA fee	19,098	16,293	(2,804)	-14.7%	6,412	5,516	(896)	-14.0%	5,421	5,516	95	1.8%
Commissions	13,226	14,735	1,509	11.4%	4,861	5,388	527	10.8%	4,873	5,388	515	10.6%
Reinsurance commissions and expense allowances	(835)	-	835	-100.0%	(837)	-	837	-100.0%	-	-	-	N/a
Other operating costs and expenses	78,226	88,825	10,599	13.5%	28,254	33,014	4,760	16.8%	27,879	33,014	5,135	18.4%
Commissions and general expenses, net of allowances	90,617	103,561	12,943	14.3%	32,278	38,402	6,124	19.0%	32,752	38,402	5,650	17.2%
Total benefits, claims and expenses	913,278	988,826	75,547	8.3%	306,879	335,263	28,384	9.2%	326,878	335,263	8,385	2.6%
Segment income (loss)	\$ 18,628	\$ 47,664	\$ 29,036	155.9%	\$ (72)	\$ 7,625	\$ 7,697	-10718.0%	\$ 17,850	\$ 7,625	\$ (10,225)	-57.3%

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Management Services Organizations**

	<u>Q3 YTD 2015</u>	<u>Q3 YTD 2016</u>	<u>YTD Variance</u>		<u>Q3 QTD 2015</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>		<u>Q2 QTD 2016</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>	
Total revenue	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Other operating costs and expenses	8,275	10,431	2,156	26.1%	1,874	3,424	1,550	82.7%	3,800	3,424	(376)	-9.9%
Total benefits, claims and expenses	8,275	10,431	2,156	26.1%	1,874	3,424	1,550	82.7%	3,800	3,424	(376)	-9.9%
Equity in (losses) income of unconsolidated subsidiaries	(1,134)	14,504	15,638	-1378.7%	(7,446)	(5,170)	2,276	-30.6%	24,923	(5,170)	(30,093)	-120.7%
Segment (loss) income	<u>\$ (9,409)</u>	<u>\$ 4,072</u>	<u>\$ 13,482</u>	-143.3%	<u>\$ (9,320)</u>	<u>\$ (8,594)</u>	<u>\$ 726</u>	-7.8%	<u>\$ 21,123</u>	<u>\$ (8,594)</u>	<u>\$ (29,717)</u>	-140.7%
<b>Corporate &amp; Other</b>												
Gross premiums	\$ 316	\$ (0)	\$ (316)	-100.0%	\$ (133)	\$ -	\$ 133	-100.0%	\$ (0)	\$ -	\$ 0	-100.0%
Ceded premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net premiums	316	(0)	(316)	-100.0%	(133)	-	133	-100.0%	(0)	-	0	-100.0%
Net investment income	2,967	216	(2,751)	-92.7%	1,974	49	(1,925)	-97.5%	84	49	(35)	-42.1%
Fee and other income	3,612	1,194	(2,418)	-66.9%	1,566	792	(775)	-49.5%	288	792	504	175.3%
Total revenue	<u>6,895</u>	<u>1,410</u>	<u>(5,485)</u>	-79.6%	<u>3,406</u>	<u>840</u>	<u>(2,566)</u>	-75.3%	<u>372</u>	<u>840</u>	<u>469</u>	126.1%
Claims and other benefits	(133)	(2)	131	-98.7%	0	-	(0)	-100.0%	(2)	-	2	-100.0%
Interest expense	4,277	5,093	816	19.1%	1,260	3,088	1,827	145.0%	1,042	3,088	2,046	196.3%
ACA fee	19	(0)	(19)	-100.0%	6	(3)	(9)	-142.9%	3	(3)	(5)	-200.0%
Commissions	80	109	29	36.0%	22	32	10	46.8%	36	32	(4)	-11.3%
Other operating costs and expenses	31,990	22,703	(9,286)	-29.0%	9,480	5,872	(3,608)	-38.1%	8,787	5,872	(2,915)	-33.2%
Commissions and general expenses, net of allowances	<u>32,070</u>	<u>22,812</u>	<u>(9,258)</u>	-28.9%	<u>9,502</u>	<u>5,904</u>	<u>(3,598)</u>	-37.9%	<u>8,823</u>	<u>5,904</u>	<u>(2,919)</u>	-33.1%
Total benefits, claims and expenses	36,233	27,904	(8,330)	-23.0%	10,769	8,989	(1,780)	-16.5%	9,866	8,989	(877)	-8.9%
Segment loss	<u>\$ (29,338)</u>	<u>\$ (26,494)</u>	<u>\$ 2,844</u>	-9.7%	<u>\$ (7,363)</u>	<u>\$ (8,149)</u>	<u>\$ (786)</u>	10.7%	<u>\$ (9,495)</u>	<u>\$ (8,149)</u>	<u>\$ 1,346</u>	-14.2%

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Continuing - Eliminations**

	<u>Q3 YTD</u> <u>2015</u>	<u>Q3 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2015</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q2 QTD</u> <u>2016</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a
Assumed premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Ceded premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net investment income	(428)	(268)	160	-37.3%	(118)	(41)	77	-65.1%	(113)	(41)	72	-63.7%
Fee and other income	(175)	(252)	(77)	43.8%	(57)	(155)	(98)	171.2%	(48)	(155)	(107)	221.3%
Total revenue	<u>(603)</u>	<u>(520)</u>	<u>83</u>	-13.8%	<u>(175)</u>	<u>(196)</u>	<u>(21)</u>	12.0%	<u>(162)</u>	<u>(196)</u>	<u>(34)</u>	21.3%
Claims and other benefits	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Change in deferred policy acquisition costs	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Amortization of intangible assets	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Interest expense	(428)	(268)	160	-37.3%	(118)	(41)	77	-65.1%	(113)	(41)	72	-63.7%
Loss on reinsurance and other related costs	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Restructuring costs	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Intangible asset impairment	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
ACA fee	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Commissions	(175)	(252)	(77)	43.8%	(57)	(155)	(98)	171.2%	(48)	(155)	(107)	221.3%
Reinsurance commissions and expense allowances	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Other operating costs and expenses	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Commissions and general expenses, net of allowances	<u>(175)</u>	<u>(252)</u>	<u>(77)</u>	43.8%	<u>(57)</u>	<u>(155)</u>	<u>(98)</u>	171.2%	<u>(48)</u>	<u>(155)</u>	<u>(107)</u>	221.3%
Total benefits, claims and expenses	<u>(603)</u>	<u>(520)</u>	<u>83</u>	-13.8%	<u>(175)</u>	<u>(196)</u>	<u>(21)</u>	12.0%	<u>(162)</u>	<u>(196)</u>	<u>(34)</u>	21.3%
Segment income	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ 0</u>	-100.0%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	N/a	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	N/a

**Note: Amounts may not foot due to rounding**



**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Discontinued Operations - Total**

	<u>Q3 YTD 2015</u>	<u>Q3 YTD 2016</u>	<u>YTD Variance</u>		<u>Q3 QTD 2015</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>		<u>Q2 QTD 2016</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>	
Gross premiums	\$ 301,450	\$ 213,001	\$ (88,449)	-29.3%	\$ 94,302	\$ 34,510	\$ (59,792)	-63.4%	\$ 88,075	\$ 34,510	\$ (53,565)	-60.8%
Assumed premiums	33,799	24,423	(9,376)	-27.7%	11,198	3,468	(7,730)	-69.0%	10,132	3,468	(6,663)	-65.8%
Ceded premiums	<u>(49,622)</u>	<u>(39,230)</u>	<u>10,392</u>	-20.9%	<u>(15,975)</u>	<u>(9,403)</u>	<u>6,573</u>	-41.1%	<u>(14,616)</u>	<u>(9,403)</u>	<u>5,213</u>	-35.7%
Net premiums	285,627	198,194	(87,433)	-30.6%	89,525	28,576	(60,949)	-68.1%	83,591	28,576	(55,015)	-65.8%
Net investment income	13,532	9,145	(4,387)	-32.4%	4,038	1,324	(2,714)	-67.2%	3,876	1,324	(2,552)	-65.8%
Fee and other income	<u>32,127</u>	<u>914</u>	<u>(31,213)</u>	-97.2%	<u>403</u>	<u>140</u>	<u>(262)</u>	-65.2%	<u>389</u>	<u>140</u>	<u>(249)</u>	-64.0%
Total revenue	<u>331,286</u>	<u>208,253</u>	<u>(123,032)</u>	-37.1%	<u>93,965</u>	<u>30,040</u>	<u>(63,925)</u>	-68.0%	<u>87,857</u>	<u>30,040</u>	<u>(57,817)</u>	-65.8%
Claims and other benefits	242,269	172,427	(69,843)	-28.8%	75,977	25,323	(50,653)	-66.7%	70,678	25,323	(45,355)	-64.2%
Change in deferred policy acquisition costs	8,489	-	(8,489)	-100.0%	2,621	-	(2,621)	-100.0%	-	-	-	N/a
Amortization of intangible assets	1,191	470	(721)	-60.6%	268	67	(200)	-74.9%	201	67	(134)	-66.7%
Interest expense	756	65	(691)	-91.4%	(7)	4	11	-158.4%	30	4	(26)	-86.0%
ACA fee	2,551	1,919	(632)	-24.8%	892	279	(612)	-68.7%	820	279	(540)	-65.9%
Commissions	4,946	3,250	(1,696)	-34.3%	1,561	642	(920)	-58.9%	1,250	642	(608)	-48.7%
Reinsurance commissions and expense allowances	3,956	2,113	(1,843)	-46.6%	1,190	(421)	(1,611)	-135.4%	1,095	(421)	(1,516)	-138.4%
Other operating costs and expenses	<u>64,962</u>	<u>25,090</u>	<u>(39,872)</u>	-61.4%	<u>9,290</u>	<u>4,426</u>	<u>(4,864)</u>	-52.4%	<u>10,688</u>	<u>4,426</u>	<u>(6,262)</u>	-58.6%
Commissions and general expenses, net of allowances	<u>73,864</u>	<u>30,454</u>	<u>(43,411)</u>	-58.8%	<u>12,041</u>	<u>4,647</u>	<u>(7,394)</u>	-61.4%	<u>13,033</u>	<u>4,647</u>	<u>(8,386)</u>	-64.3%
Total benefits, claims and expenses	<u>329,121</u>	<u>205,334</u>	<u>(123,787)</u>	-37.6%	<u>91,791</u>	<u>30,321</u>	<u>(61,470)</u>	-67.0%	<u>84,762</u>	<u>30,321</u>	<u>(54,440)</u>	-64.2%
Income (loss) from operations of discontinued operations	2,165	2,920	755	34.9%	2,175	(281)	(2,456)	-112.9%	3,096	(281)	(3,376)	-109.1%
Net realized gains (losses) from operations	41	160	119	288.8%	(26)	(11)	16	-59.7%	43	(11)	(54)	-124.6%
Non Operating Results:												
APS Healthcare	(17,303)	41,745	59,048	-341.3%	1,366	34,068	32,702	2393.4%	6,500	34,068	27,568	424.1%
Medicaid	-	20,407	20,407	N/a	-	20,407	20,407	N/a	-	20,407	20,407	N/a
Traditional Insurance	<u>-</u>	<u>2,791</u>	<u>2,791</u>	N/a	<u>-</u>	<u>2,775</u>	<u>2,775</u>	N/a	<u>2,074</u>	<u>2,775</u>	<u>701</u>	33.8%
Loss (income) from discontinued operations	<u>\$ (15,097)</u>	<u>\$ 68,024</u>	<u>\$ 83,120</u>	-550.6%	<u>\$ 3,515</u>	<u>\$ 56,958</u>	<u>\$ 53,444</u>	1520.5%	<u>\$ 11,713</u>	<u>\$ 56,958</u>	<u>\$ 45,245</u>	386.3%

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Discontinued Operations - APS**

	<u>Q3 YTD 2015</u>	<u>Q3 YTD 2016</u>	<u>YTD Variance</u>		<u>Q3 QTD 2015</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>		<u>Q2 QTD 2016</u>	<u>Q3 QTD 2016</u>	<u>QTD Variance</u>	
Gross premiums	\$ 17,450	\$ -	\$ (17,450)	-100.0%	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a
Assumed premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Ceded premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net premiums	<u>17,450</u>	<u>-</u>	<u>(17,450)</u>	-100.0%	<u>-</u>	<u>-</u>	<u>-</u>	N/a	<u>-</u>	<u>-</u>	<u>-</u>	N/a
Net investment income	0	-	(0)	-100.0%	0	-	(0)	-100.0%	-	-	-	N/a
Fee and other income	<u>30,920</u>	<u>-</u>	<u>(30,920)</u>	-100.0%	<u>16</u>	<u>-</u>	<u>(16)</u>	-100.0%	<u>-</u>	<u>-</u>	<u>-</u>	N/a
Total revenue	<u>48,370</u>	<u>-</u>	<u>(48,370)</u>	-100.0%	<u>16</u>	<u>-</u>	<u>(16)</u>	-100.0%	<u>-</u>	<u>-</u>	<u>-</u>	N/a
Claims and other benefits	14,533	(1)	(14,534)	-100.0%	10	(0)	(11)	-101.5%	(1)	(0)	1	-88.0%
Change in deferred policy acquisition costs	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Amortization of intangible assets	375	-	(375)	-100.0%	-	-	-	N/a	-	-	-	N/a
Interest expense	775	-	(775)	-100.0%	-	-	-	N/a	-	-	-	N/a
Other operating costs and expenses	<u>37,064</u>	<u>2,230</u>	<u>(34,834)</u>	-94.0%	<u>156</u>	<u>572</u>	<u>417</u>	267.3%	<u>1,057</u>	<u>572</u>	<u>(484)</u>	-45.8%
Total benefits, claims and expenses	<u>52,747</u>	<u>2,229</u>	<u>(50,518)</u>	-95.8%	<u>166</u>	<u>572</u>	<u>406</u>	244.3%	<u>1,055</u>	<u>572</u>	<u>(483)</u>	-45.8%
(Loss) income from operations of discontinued operations	(4,377)	(2,229)	2,148	-49.1%	(150)	(572)	(422)	281.4%	(1,055)	(572)	483	-45.8%
Non Operating Results - APS Healthcare	<u>(17,303)</u>	<u>41,745</u>	<u>59,048</u>	-341.3%	<u>1,366</u>	<u>34,068</u>	<u>32,702</u>	2393.4%	<u>6,500</u>	<u>34,068</u>	<u>27,568</u>	424.1%
Loss (income) from discontinued operations	<u>\$ (21,680)</u>	<u>\$ 39,516</u>	<u>\$ 61,196</u>	-282.3%	<u>\$ 1,216</u>	<u>\$ 33,496</u>	<u>\$ 32,279</u>	2653.9%	<u>\$ 5,445</u>	<u>\$ 33,496</u>	<u>\$ 28,051</u>	515.1%

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

	<u>Q3 YTD</u> <u>2015</u>	<u>Q3 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2015</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q2 QTD</u> <u>2016</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
<b>Discontinued Operations - Traditional</b>												
Gross premiums	\$ 141,545	\$ 102,843	\$ (38,702)	-27.3%	\$ 45,393	\$ 18,159	\$ (27,234)	-60.0%	\$ 41,173	\$ 18,159	\$ (23,013)	-55.9%
Assumed premiums	33,799	24,423	(9,376)	-27.7%	11,198	3,468	(7,730)	-69.0%	10,132	3,468	(6,663)	-65.8%
Ceded premiums	(49,585)	(39,192)	10,393	-21.0%	(15,971)	(9,397)	6,574	-41.2%	(14,600)	(9,397)	5,203	-35.6%
Net premiums	125,760	88,075	(37,685)	-30.0%	40,620	12,231	(28,389)	-69.9%	36,704	12,231	(24,473)	-66.7%
Net investment income	13,404	9,076	(4,328)	-32.3%	3,995	1,318	(2,676)	-67.0%	3,849	1,318	(2,531)	-65.7%
Fee and other income	1,207	914	(293)	-24.3%	387	140	(247)	-63.7%	389	140	(249)	-64.0%
Total revenue	140,371	98,065	(42,307)	-30.1%	45,002	13,689	(31,312)	-69.6%	40,943	13,689	(27,253)	-66.6%
Claims and other benefits	99,369	71,230	(28,140)	-28.3%	32,714	11,203	(21,511)	-65.8%	27,459	11,203	(16,256)	-59.2%
Change in deferred policy acquisition costs	8,489	-	(8,489)	-100.0%	2,621	-	(2,621)	-100.0%	-	-	-	N/a
Amortization of intangible assets	212	-	(212)	-100.0%	66	-	(66)	-100.0%	-	-	-	N/a
Interest expense	(20)	(15)	5	-24.9%	(7)	4	11	-156.4%	(10)	4	14	-140.0%
ACA fee	53	-	(53)	-100.0%	53	-	(53)	-100.0%	-	-	-	N/a
Commissions	4,946	3,250	(1,696)	-34.3%	1,561	642	(920)	-58.9%	1,250	642	(608)	-48.7%
Reinsurance commissions and expense allowances	3,956	2,113	(1,843)	-46.6%	1,190	(421)	(1,611)	-135.4%	1,095	(421)	(1,516)	-138.4%
Other operating costs and expenses	15,918	12,204	(3,714)	-23.3%	4,989	2,139	(2,850)	-57.1%	4,686	2,139	(2,547)	-54.4%
Commissions and general expenses, net of allowances	24,821	17,568	(7,253)	-29.2%	7,740	2,360	(5,380)	-69.5%	7,031	2,360	(4,671)	-66.4%
Total benefits, claims and expenses	132,923	88,782	(44,141)	-33.2%	43,187	13,567	(29,619)	-68.6%	34,480	13,567	(20,912)	-60.7%
Income (loss) from operations of discontinued operations	7,448	9,282	1,835	24.6%	1,815	122	(1,693)	-93.3%	6,463	122	(6,341)	-98.1%
Net realized gains (losses) from operations	41	160	119	288.8%	(26)	(11)	16	-59.7%	43	(11)	(54)	-124.6%
Non Operating Results - Traditional Insurance	-	2,791	2,791	N/a	-	2,775	2,775	N/a	2,074	2,775	701	33.8%
Income (loss) from discontinued operations	\$ 7,489	\$ 12,234	\$ 4,745	63.4%	\$ 1,789	\$ 2,886	\$ 1,097	61.4%	\$ 8,580	\$ 2,886	\$ (5,694)	-66.4%

**Note: Amounts may not foot due to rounding**

**Consolidated Results - Unaudited**  
**For the year ended September 30, 2016**  
*In thousands*

**Discontinued Operations - Medicaid**

	<u>Q3 YTD</u> <u>2015</u>	<u>Q3 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2015</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q2 QTD</u> <u>2016</u>	<u>Q3 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums	\$ 142,454	\$ 110,157	\$ (32,297)	-22.7%	\$ 48,909	\$ 16,351	\$ (32,558)	-66.6%	\$ 46,903	\$ 16,351	\$ (30,552)	-65.1%
Ceded premiums	(37)	(38)	(1)	2.2%	(4)	(6)	(2)	47.1%	(15)	(6)	10	-63.6%
Net premiums	<u>142,417</u>	<u>110,119</u>	<u>(32,298)</u>	-22.7%	<u>48,905</u>	<u>16,345</u>	<u>(32,560)</u>	-66.6%	<u>46,887</u>	<u>16,345</u>	<u>(30,542)</u>	-65.1%
Net investment income	<u>127</u>	<u>69</u>	<u>(58)</u>	-45.6%	<u>43</u>	<u>6</u>	<u>(37)</u>	-86.8%	<u>27</u>	<u>6</u>	<u>(21)</u>	-79.1%
Total revenue	<u>142,544</u>	<u>110,189</u>	<u>(32,356)</u>	-22.7%	<u>48,948</u>	<u>16,351</u>	<u>(32,597)</u>	-66.6%	<u>46,915</u>	<u>16,351</u>	<u>(30,564)</u>	-65.1%
Claims and other benefits	128,367	101,198	(27,169)	-21.2%	43,252	14,120	(29,132)	-67.4%	43,221	14,120	(29,100)	-67.3%
Amortization of intangible assets	604	470	(134)	-22.2%	201	67	(134)	-66.7%	201	67	(134)	-66.7%
Interest expense	1	80	79	7164.3%	0	-	(0)	-100.0%	40	-	(40)	-100.0%
ACA fee	2,498	1,919	(579)	-23.2%	839	279	(559)	-66.7%	820	279	(540)	-65.9%
Other operating costs and expenses	<u>11,980</u>	<u>10,655</u>	<u>(1,324)</u>	-11.1%	<u>4,146</u>	<u>1,714</u>	<u>(2,431)</u>	-58.6%	<u>4,945</u>	<u>1,714</u>	<u>(3,230)</u>	-65.3%
Total benefits, claims and expenses	<u>143,450</u>	<u>114,322</u>	<u>(29,128)</u>	-20.3%	<u>48,438</u>	<u>16,181</u>	<u>(32,257)</u>	-66.6%	<u>49,227</u>	<u>16,181</u>	<u>(33,045)</u>	-67.1%
(Loss) income from operations of Medicaid	<u>\$ (906)</u>	<u>\$ (4,134)</u>	<u>\$ (3,228)</u>	356.3%	<u>\$ 510</u>	<u>\$ 169</u>	<u>\$ (340)</u>	-66.8%	<u>\$ (2,312)</u>	<u>\$ 169</u>	<u>\$ 2,481</u>	-107.3%
Non Operating Results - Medicaid	-	20,407	20,407	N/a	-	20,407	20,407	N/a	-	20,407	20,407	N/a
(Loss) income from Medicaid	<u>\$ (906)</u>	<u>\$ 16,273</u>	<u>\$ 17,179</u>	-1896.2%	<u>\$ 510</u>	<u>\$ 20,576</u>	<u>\$ 20,067</u>	3936.6%	<u>\$ (2,312)</u>	<u>\$ 20,576</u>	<u>\$ 22,888</u>	-989.9%

**Note: Amounts may not foot due to rounding**

Universal American Corp.  
Investment Portfolio - Credit Quality Summary  
Continuing Operations  
(\$ in thousands)

	3Q 2016		2Q 2016		1Q 2016		4Q 2015	
	Fair Value	%	Fair Value	%	Fair Value	%	Fair Value	%
<b><u>Fixed Maturity Securities</u></b>								
AAA	72,302	32.7%	64,505	26.9%	74,122	26.2%	74,232	26.3%
AA	24,070	10.9%	23,751	9.9%	29,608	10.5%	28,218	10.0%
A	48,697	22.0%	48,051	20.0%	66,731	23.6%	63,966	22.7%
BBB	74,777	33.8%	102,219	42.6%	110,930	39.3%	114,332	40.6%
BB	99	0.0%	98	0.0%	89	0.0%	-	0.0%
B	-	0.0%	-	0.0%	-	0.0%	-	0.0%
CCC	-	0.0%	-	0.0%	-	0.0%	-	0.0%
CC	-	0.0%	-	0.0%	-	0.0%	-	0.0%
C	-	0.0%	-	0.0%	-	0.0%	-	0.0%
D	110	0.0%	126	0.1%	142	0.1%	136	0.0%
NR	955	0.4%	981	0.4%	891	0.3%	893	0.3%
<b>TOTAL - Fixed Maturity</b>	<b>221,009</b>	100.0%	<b>239,732</b>	100.0%	<b>282,513</b>	100.0%	<b>281,776</b>	100.0%
Policy loans and other invested assets	9,717		9,874		9,712		9,734	
Cash and cash equivalents	264,046		40,451		55,802		70,546	
<b>TOTAL - Cash and Investments</b>	<b>494,772</b>		<b>290,057</b>		<b>348,026</b>		<b>362,056</b>	
<b><u>Summary</u></b>								
<b><u>Fixed Maturity Securities</u></b>								
Inv Grade	219,846	99.5%	238,527	99.5%	281,391	99.6%	280,748	99.6%
Non Inv Grade	1,164	0.5%	1,205	0.5%	1,122	0.4%	1,029	0.4%
<b>TOTAL</b>	<b>221,009</b>	100.0%	<b>239,732</b>	100.0%	<b>282,513</b>	100.0%	<b>281,776</b>	100.0%



CUSIP		Description	GAAP Categories	Stated Coupon	Mat	September 30, 2016			Unr G/(L)	Credit Rating		
						Par Value	Book Value	Market Value		Moody	S&P	Fitch
3138A1RM5	FNMA	MBS	4.00	12/1/40	15	15	16	2	Aaa	AA+	AAA	
3138A2DN6	FNMA	MBS	4.00	12/1/40	13	13	14	1	Aaa	AA+	AAA	
3138A2GJ2	FNMA	MBS	4.50	12/1/40	520	533	571	38	Aaa	AA+	AAA	
3138A2PX1	FNMA	MBS	4.00	12/1/40	27	27	29	3	Aaa	AA+	AAA	
3138A2U72	FNMA	MBS	4.00	12/1/40	13	13	14	1	Aaa	AA+	AAA	
3138A3AE7	FNMA	MBS	4.00	12/1/40	21	20	22	2	Aaa	AA+	AAA	
3138A7HY7	FNMA	MBS	3.50	2/1/41	121	116	129	13	Aaa	AA+	AAA	
3138ANCX9	FNMA	MBS	4.00	8/1/41	1,047	1,094	1,142	48	Aaa	AA+	AAA	
3138AW3K7	FNMA	MBS	4.00	11/1/41	347	361	376	15	Aaa	AA+	AAA	
3138E1ND5	FNMA	MBS	4.00	12/1/41	2,757	2,908	2,979	71	Aaa	AA+	AAA	
3138EGEV2	FNMA	MBS	4.00	4/1/41	750	745	823	78	Aaa	AA+	AAA	
3138EJRP5	FNMA	MBS	4.38	6/1/21	89	97	99	2	Aaa	AA+	AAA	
3138EKW35	FNMA	MBS	6.00	5/1/41	160	176	184	8	Aaa	AA+	AAA	
3138MR9Y6	FNMA	MBS	3.50	1/1/43	728	774	776	2	Aaa	AA+	AAA	
3138W1U70	FNMA	MBS	3.50	2/1/43	481	511	509	(2)	Aaa	AA+	AAA	
313920XA3	FANNIE MAE	CMO	6.50	9/25/31	33	32	37	5	Aaa	AA+	AAA	
31393YML4	FANNIE MAE	CMO	5.00	7/25/24	97	96	105	9	Aaa	AA+	AAA	
31398CY93	FREDDIE MAC	CMO	4.00	5/15/24	792	823	831	8	Aaa	AA+	AAA	
31400R2W4	FNMA	MBS	5.00	3/1/18	21	21	22	1	Aaa	AA+	AAA	
31402EQ35	FNMA	MBS	4.50	7/1/33	1	1	1	0	Aaa	AA+	AAA	
31402TJW6	FNMA	MBS	5.50	9/1/33	57	57	65	8	Aaa	AA+	AAA	
31402UR87	FNMA	MBS	4.50	10/1/33	49	53	54	1	Aaa	AA+	AAA	
31403FPC2	FNMA	MBS	4.50	10/1/33	25	26	27	1	Aaa	AA+	AAA	
31405QUE6	FNMA	MBS	5.50	12/1/34	108	108	122	14	Aaa	AA+	AAA	
31406Y4L1	FNMA	MBS	5.50	5/1/35	175	175	199	24	Aaa	AA+	AAA	
31410KME1	FNMA	MBS	4.50	9/1/37	183	197	202	5	Aaa	AA+	AAA	
31410XQL3	FNMA	MBS	6.00	9/1/36	88	88	102	14	Aaa	AA+	AAA	
31412X2Q6	FNMA	MBS	6.00	7/1/37	999	995	1,162	166	Aaa	AA+	AAA	
31416WTT9	FNMA	MBS	4.00	9/1/40	25	25	27	2	Aaa	AA+	AAA	
31417F5B0	FNMA	MBS	3.50	4/1/43	424	452	452	0	Aaa	AA+	AAA	
31417LUG8	FNMA	MBS	4.50	6/1/34	305	327	335	8	Aaa	AA+	AAA	
31417MS61	FNMA	MBS	5.00	9/1/39	247	254	281	28	Aaa	AA+	AAA	
31417TL55	FNMA	MBS	4.50	12/1/39	79	82	88	6	Aaa	AA+	AAA	
31417WSM4	FNMA	MBS	4.50	1/1/40	324	338	363	24	Aaa	AA+	AAA	
31418AR26	FNMA	MBS	3.50	4/1/43	396	420	422	2	Aaa	AA+	AAA	
31418MFF4	FNMA	MBS	4.50	9/1/35	408	437	449	12	Aaa	AA+	AAA	
31418PCP8	FNMA	MBS	5.00	9/1/40	56	59	62	3	Aaa	AA+	AAA	
31418W6Y1	FNMA	MBS	5.00	9/1/40	68	72	76	4	Aaa	AA+	AAA	
31418W7J3	FNMA	MBS	5.00	9/1/40	26	28	29	1	Aaa	AA+	AAA	
31419D9Y9	FNMA	MBS	4.00	10/1/40	75	75	82	7	Aaa	AA+	AAA	
31419EU80	FNMA	MBS	5.00	9/1/40	50	53	57	4	Aaa	AA+	AAA	
31419GGF5	FNMA	MBS	4.00	11/1/40	48	48	53	5	Aaa	AA+	AAA	
31419GP57	FNMA	MBS	4.50	10/1/40	110	114	123	9	Aaa	AA+	AAA	
31419JA65	FNMA	MBS	4.00	12/1/40	18	18	20	2	Aaa	AA+	AAA	
31419K3D5	FNMA	MBS	4.00	12/1/40	25	25	27	2	Aaa	AA+	AAA	
31419K5J0	FNMA	MBS	4.00	11/1/40	64	64	70	6	Aaa	AA+	AAA	
31419KP66	FNMA	MBS	4.00	11/1/40	12	12	13	1	Aaa	AA+	AAA	
31419KP74	FNMA	MBS	4.00	11/1/40	12	12	13	1	Aaa	AA+	AAA	
31620MAS5	FIDELITY NATIONAL INFORM	Corporate Bonds	2.25	8/15/21	275	275	277	2	Baa3	BBB	BBB	
337738AL2	FISERV INC	Corporate Bonds	4.75	6/15/21	475	474	532	58	Baa2	BBB	NR	
345370BN9	FORD MOTOR COMPANY	Corporate Bonds	7.13	11/15/25	275	320	343	23	Baa2	BBB	BBB	
349553AJ6	FORTIS INC	Foreign Corporate Bonds	2.10	10/4/21	1,150	1,147	1,146	(1)	Baa3	BBB+	NR	
35671DBD6	FREEMPORT-MCMORAN C & G	Corporate Bonds	2.38	3/15/18	100	100	99	(1)	B1	BB-	BBB-	
3599002F3	FULTON COUNTY GA	Muni Bonds Non-Taxable	4.00	6/1/18	1,000	1,026	1,050	24	A1	NR	NR	
36179RTA7	GNMA	MBS	4.00	11/20/45	475	505	509	5	Aaa	AA+	AAA	
36200KKH9	GNMA	MBS	5.50	1/15/33	105	105	119	14	Aaa	AA+	AAA	
3620AQ7C1	GNMA	MBS	5.00	4/15/40	99	106	112	6	Aaa	AA+	AAA	
36210A3B1	GNMA	MBS	7.00	2/15/29	22	22	25	3	Aaa	AA+	AAA	
36241LL38	GNMA	MBS	4.00	8/15/40	113	117	123	6	Aaa	AA+	AAA	
36242DCA9	GSR MORTGAGE LOAN TRUST	CMO	3.05	8/25/34	339	30	110	80	NR	NR	D	
369604BQ5	GENERAL ELECTRIC CO	Corporate Bonds	5.00	12/29/49	592	568	630	62	A3	A	-	
38144LAB6	GOLDMAN SACHS GROUP INC	Corporate Bonds	6.25	9/1/17	650	660	678	18	A3	BBB+	A	
39101#AA0	WALGREEN CO	MBS	7.49	8/15/17	29	29	31	2	-	-	-	
39102#AA9	WALGREEN CO	MBS	7.49	5/15/17	19	19	21	1	-	-	-	
40414LAD1	HCP INC	Corporate Bonds	5.38	2/1/21	1,000	1,006	1,120	114	Baa2	BBB	BBB	
404280AN9	HSBC HOLDINGS PLC	Foreign Corporate Bonds	4.00	3/30/22	225	236	240	4	A1	A	AA-	
40429CGD8	HSBC FINANCE CORP	Corporate Bonds	6.68	1/15/21	1,300	1,473	1,495	22	Baa2	A-	A	
423012AB9	HEINEKEN NV	Foreign Corporate Bonds	1.40	10/1/17	200	200	200	0	Baa1	BBB+	NR	
42624CAP4	HP ENTERPRISE CO	Corporate Bonds	4.90	10/15/25	1,300	1,279	1,387	109	Baa2	BBB	A-	
437076BL5	HOME DEPOT INC	Corporate Bonds	2.00	4/1/21	100	100	102	2	A2	A	A	
44107TAT3	HOST HOTELS & RESORTS	Corporate Bonds	4.75	3/1/23	450	463	481	18	Baa2	BBB	BBB	
442435YD9	HOUSTON TEX UTIL SYS	Muni Bonds Non-Taxable	4.00	11/15/16	400	401	401	0	Aa2	AA	AA	
449786AY8	ING BANK NV	Foreign Corporate Bonds	5.80	9/25/23	1,500	1,495	1,677	182	Baa2	BBB+	A	
44987CAJ7	ING BANK NV	Foreign Corporate Bonds	2.00	11/26/18	800	808	805	(2)	A1	A	A+	
452151LF8	ILLINOIS ST	Muni Bonds Non-Taxable	5.10	6/1/33	1,600	1,579	1,536	(43)	Baa2	BBB	BBB+	
457187AA0	INGREDION INC	Corporate Bonds	1.80	9/25/17	200	200	200	0	Baa2	BBB	BBB	





**Universal American Corp.**  
**Annualized Premium In Force**  
**As of September 30, 2016**

*(\$ in millions, Policies in thousands)*

	Current Quarter		Prior Quarter End				Prior Year Quarter			
	Sep-16		Jun-16		Change vs Jun-16		Sep-15		Change vs Sep-15	
	\$	Policies	\$	Policies	\$	Policies	\$	Policies	\$	Policies
Medicare Advantage	\$ 1,336.7	114.4	\$ 1,328.7	113.9	\$ 8.0	0.5	\$ 1,198.3	106.6	\$ 138.4	7.8
Total	\$ 1,336.7	114.4	\$ 1,328.7	113.9	\$ 8.0	0.5	\$ 1,198.3	106.6	\$ 138.4	7.8

**Universal American Corp.**  
**Medicare Advantage Membership**  
**As of September 30, 2016**

(in thousands)

	<u>September 30,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>September 30,</u> <u>2015</u>	<u>September 30,</u> <u>2015</u>	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
<i>Southwest HMO's</i>	68.8	68.6	68.6	66.6	66.4	66.5	66.9	61.8
<i>Upstate New York/Maine</i>	45.6	45.3	45.2	40.5	40.2	39.2	37.9	29.7
<b>Core Markets</b>	<b>114.3</b>	<b>113.9</b>	<b>113.8</b>	<b>107.1</b>	<b>106.6</b>	<b>105.7</b>	<b>104.8</b>	<b>91.5</b>
<i>Non-Core Network (1)</i>	-	-	-	-	-	-	-	20.7
<i>Rural (1)</i>	-	-	-	-	-	-	-	1.9
<b>Total Membership</b>	<b>114.3</b>	<b>113.9</b>	<b>113.8</b>	<b>107.1</b>	<b>106.6</b>	<b>105.7</b>	<b>104.8</b>	<b>114.1</b>

(1) - The Company did not renew its non-core network and rural markets for 2015.