

UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2016	December 31, 2015
ASSETS		
Investments:		
Fixed maturities available for sale, at fair value (amortized cost: 2016, \$246,087; 2015, \$279,277)	\$ 245,191	\$ 281,776
Other invested assets	6,303	9,734
Total investments	251,494	291,510
Cash and cash equivalents	104,462	70,546
Accrued investment income	1,817	2,307
Reinsurance recoverables	1,092	406
Due and unpaid premiums	39,894	25,518
Goodwill and intangible assets	70,840	71,423
Deferred income tax asset	28,596	48,704
Income taxes receivable	12,845	5,885
Other healthcare receivables	19,819	34,127
Other assets	24,910	29,866
Assets of discontinued operations	229,814	1,150,570
Total assets	\$ 785,583	\$ 1,730,862
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Policy and contract claims	\$ 82,898	\$ 86,976
Premiums received in advance	599	953
Convertible Senior Notes due 2021, net of fees	92,897	-
Series A mandatorily redeemable preferred shares, net of fees	39,939	39,755
Net amounts payable to discontinued operations	-	44,289
Accounts payable and other liabilities	62,075	60,455
Liabilities of discontinued operations	237,762	1,116,039
Total liabilities	516,170	1,348,467
STOCKHOLDERS' EQUITY		
Preferred stock (Authorized: 40 million shares)	-	-
Common stock - voting (Authorized: 400 million shares; issued and outstanding: 2016, 58.9 million shares; 2015, 81.3 million shares)	589	813
Common stock - non-voting (Authorized: 60 million shares; issued and outstanding: 2015, 3.3 million shares)	-	33
Additional paid-in capital	443,838	608,804
Accumulated other comprehensive income	(387)	2,748
Retained deficit	(174,627)	(230,003)
Total stockholders' equity	269,413	382,395
Total liabilities and stockholders' equity	\$ 785,583	\$ 1,730,862

**UNIVERSAL AMERICAN CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, per share amounts in dollars)

	Twelve months ended December 31,		Change	
	2016	2015	\$	%
Revenues:				
Net premiums	\$ 1,366,716	\$ 1,245,971	\$ 120,745	9.7%
Net investment income	8,594	11,957	(3,363)	-28.1%
Fee and other income	2,907	4,524	(1,617)	-35.7%
Net realized gains	1,429	38,954	(37,525)	-96.3%
Total revenues	<u>1,379,646</u>	<u>1,301,406</u>	<u>78,240</u>	6.0%
Benefits, claims and expenses:				
Claims and other benefits	1,153,827	1,074,474	(79,353)	-7.4%
Amortization of intangible assets	933	2,110	1,177	55.8%
Commissions	20,132	18,529	(1,603)	-8.7%
Interest expense	7,872	4,743	(3,129)	-66.0%
Affordable Care Act fee	21,731	25,489	3,758	14.7%
Other operating costs and expenses	177,095	166,346	(10,749)	-6.5%
Total benefits, claims and expenses	<u>1,381,590</u>	<u>1,291,691</u>	<u>(89,899)</u>	-7.0%
(Loss) income before equity in earnings (losses) of unconsolidated subsidiaries	(1,944)	9,715	(11,659)	-120.0%
Equity in earnings (losses) of unconsolidated subsidiaries	<u>4,998</u>	<u>(9,626)</u>	<u>14,624</u>	-151.9%
Income from continuing operations before income taxes	3,054	89	2,965	3331.5%
Provision for income taxes	9,344	3,785	5,559	146.9%
Loss from continuing operations	<u>(6,290)</u>	<u>(3,696)</u>	<u>(2,594)</u>	70.2%
Discontinued operations:				
Income (loss) from discontinued operations before income taxes	67,663	(188,371)	256,034	-135.9%
Provision for (benefit from) income taxes	5,997	(28,098)	34,095	-121.3%
Income (loss) from discontinued operations	<u>61,666</u>	<u>(160,273)</u>	<u>221,939</u>	-138.5%
Net income (loss)	<u>\$ 55,376</u>	<u>\$ (163,969)</u>	<u>\$ 219,345</u>	-133.8%
Income (loss) per common share:				
Basic:				
Continuing operations	\$ (0.09)	\$ (0.04)	\$ (0.05)	125.0%
Discontinued operations	0.87	(1.95)	2.82	-144.6%
Net Income (loss)	<u>\$ 0.78</u>	<u>\$ (1.99)</u>	<u>\$ 2.77</u>	-139.2%
Diluted:				
Continuing operations	\$ (0.09)	\$ (0.04)	\$ (0.05)	125.0%
Discontinued operations	0.87	(1.95)	2.82	-144.6%
Net Income (loss)	<u>\$ 0.78</u>	<u>\$ (1.99)</u>	<u>\$ 2.77</u>	-139.2%
Basic and diluted weighted average shares outstanding	<u>70,671</u>	<u>82,402</u>	<u>(11,731)</u>	-14.2%

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

(In thousands, per share amounts in dollars)

	Three months ended December 31,		Change	
	2016	2015	\$	%
Revenues:				
Net premiums	\$ 337,558	\$ 321,730	\$ 15,828	4.9%
Net investment income	2,305	2,204	101	4.6%
Fee and other income	975	319	656	205.6%
Net realized gains	44	5,329	(5,285)	-99.2%
Total revenues	<u>340,882</u>	<u>329,582</u>	<u>11,300</u>	<u>3.4%</u>
Benefits, claims and expenses:				
Claims and other benefits	285,679	272,626	(13,053)	-4.8%
Amortization of intangible assets	237	528	291	55.1%
Commissions	5,539	5,397	(142)	-2.6%
Interest expense	3,047	894	(2,153)	-240.8%
Affordable Care Act fee	5,438	6,372	934	14.7%
Other operating costs and expenses	55,009	48,690	(6,319)	-13.0%
Total benefits, claims and expenses	<u>354,949</u>	<u>334,507</u>	<u>(20,442)</u>	<u>-6.1%</u>
Loss before equity in losses of unconsolidated subsidiaries	(14,067)	(4,925)	(9,142)	185.6%
Equity in losses of unconsolidated subsidiaries	(9,506)	(8,492)	(1,014)	11.9%
Loss from continuing operations before income taxes	(23,573)	(13,417)	(10,156)	75.7%
Benefit from income taxes	(6,129)	(3,833)	(2,296)	59.9%
Loss from continuing operations	(17,444)	(9,584)	(7,860)	82.0%
Discontinued operations:				
Loss from discontinued operations before income taxes	(361)	(173,275)	172,914	-99.8%
Provision for (benefit from) income taxes	699	(21,303)	22,002	-103.3%
Loss from discontinued operations	(1,060)	(151,972)	150,912	-99.3%
Net loss	<u>\$ (18,504)</u>	<u>\$ (161,556)</u>	<u>\$ 143,052</u>	<u>-88.5%</u>
Loss per common share:				
Basic:				
Continuing operations	\$ (0.31)	\$ (0.12)	\$ (0.19)	NM
Discontinued operations	(0.02)	(1.84)	1.82	-98.9%
Net loss	<u>\$ (0.33)</u>	<u>\$ (1.96)</u>	<u>\$ 1.63</u>	<u>-83.2%</u>
Diluted:				
Continuing operations	\$ (0.31)	\$ (0.12)	\$ (0.19)	NM
Discontinued operations	(0.02)	(1.84)	1.82	-98.9%
Net loss	<u>\$ (0.33)</u>	<u>\$ (1.96)</u>	<u>\$ 1.63</u>	<u>-83.2%</u>
Basic and diluted weighted average shares outstanding	<u>56,564</u>	<u>82,573</u>	<u>(26,009)</u>	<u>-31.5%</u>

NM - Not Meaningful

Universal American Corp
MD&A - Segment Trends
December 31, 2016

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

	Total 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Total 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Continuing Operations:										
Medicare Advantage	\$ 48,443	\$ 779	\$ 7,625	\$ 17,850	\$ 22,188	\$ 21,480	\$ 2,852	\$ (72)	\$ 9,165	\$ 9,534
MSOs	(9,487)	(13,559)	(8,594)	21,123	(8,456)	(20,057)	(10,648)	(9,320)	11,621	(11,710)
Corporate & Other	(37,331)	(10,837)	(8,149)	(9,495)	(8,851)	(40,288)	(10,950)	(7,363)	(11,388)	(10,588)
Realized gains (losses)	<u>1,429</u>	<u>44</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	3,054	(23,572)	(9,262)	30,622	5,266	89	(13,416)	12,996	12,774	(12,265)
Provision for (benefit from) income taxes	<u>9,345</u>	<u>(6,128)</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>\$ (6,290)</u>	<u>\$ (17,444)</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>
Discontinued Operations:										
Income (loss) from discontinued operations before income taxes	\$ 67,663	\$ (361)	\$ 56,958	\$ 11,713	\$ (648)	\$ (188,371)	\$ (173,275)	\$ 3,515	\$ (23,953)	\$ 5,342
Provision for (benefit from) income taxes	<u>5,996</u>	<u>699</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>61,667</u>	<u>(1,059)</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>55,376</u>	<u>(18,503)</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>
Per Share Data (Diluted)										
(Loss) income from continuing operations	\$ (0.09)	\$ (0.31)	\$ (0.14)	\$ 0.22	\$ 0.02	\$ (0.04)	\$ (0.12)	\$ (0.00)	\$ 0.07	\$ 0.00
Income (loss) from discontinued operations	<u>0.87</u>	<u>(0.02)</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>\$ 0.78</u>	<u>\$ (0.33)</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	70,670,510	56,563,535	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	305.9%	26.0%	5.5%	40.0%	71.0%	4239.1%	28.6%	100.4%	53.9%	100.4%
Effective Tax Rate for discontinued operations	8.9%	-193.6%	-4.7%	62.2%	-106.1%	14.9%	12.3%	18.7%	44.6%	60.6%
Overall Effective Tax Rate	21.7%	22.7%	-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 year ended December 31, 2016
 In thousands
Consolidated Segments

	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
Continuing Operations:										
Gross premiums and policyholder fees	\$ 1,367,833	\$ 337,640	\$ 341,161	\$ 342,468	\$ 346,565	\$ 1,247,900	\$ 322,211	\$ 304,663	\$ 315,299	\$ 305,727
Assumed premiums and policyholder fees	28	17	11	-	-	-	-	-	-	-
Ceded premiums and policyholder fees	(1,146)	(99)	(529)	(84)	(434)	(1,929)	(481)	(485)	(482)	(481)
Net premiums	1,366,716	337,558	340,644	342,383	346,131	1,245,971	321,730	304,178	314,817	305,246
Net investment income	8,594	2,304	1,926	2,100	2,263	11,957	2,204	4,112	2,612	3,029
Fee and other income	2,908	976	963	455	514	4,523	319	1,749	2,140	315
Total revenue	1,378,217	340,838	343,532	344,938	348,908	1,262,452	324,253	310,039	319,569	308,590
Claims and other benefits	84.4% 1,153,827	84.6% 285,679	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% 933	0.1% 237	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	0.6% 7,872	0.9% 3,047	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% -	-	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -
ACA fee	1.6% 21,731	1.6% 5,438	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	1.5% 20,132	0.4% 5,539	0.4% 5,265	0.4% 4,861	0.3% 4,467	1.4% 18,529	0.4% 5,397	0.4% 4,826	0.3% 4,624	0.3% 3,681
Reinsurance commissions and expense allowances	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	-0.1% (1,273)	0.0% (438)	-0.1% (837)	0.0% 1	0.0% 1
Other operating costs and expenses	13.0% 177,095	4.0% 55,009	3.1% 42,437	3.0% 40,467	2.9% 39,182	12.3% 167,618	3.6% 49,127	2.9% 39,609	2.9% 40,058	2.8% 38,824
Commissions and general expenses, net of allowances	14.4% 197,227	17.9% 60,548	14.0% 47,702	13.2% 45,327	12.6% 43,649	14.8% 184,874	16.8% 54,087	14.3% 43,598	14.2% 44,683	13.9% 42,505
Total benefits, claims and expenses	1,381,589	354,949	347,480	340,383	338,778	1,291,690	334,507	319,348	323,918	313,918
Equity in losses of unconsolidated subsidiaries	4,998	(9,506)	(5,170)	24,923	(5,249)	(9,626)	(8,492)	(7,446)	13,747	(7,435)
Segment income (loss)	1,626	(23,617)	(9,118)	29,479	4,881	(38,865)	(18,745)	(16,755)	9,398	(12,763)
Realized gains (losses)	1,429	44	(143)	1,144	384	38,954	5,329	29,751	3,376	498
Pre-tax income (loss) from continuing operations	\$ 3,054	\$ (23,572)	\$ (9,262)	\$ 30,622	\$ 5,266	\$ 89	\$ (13,416)	\$ 12,996	\$ 12,774	\$ (12,265)

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

	Total 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Total 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015										
Medicare Advantage																				
Gross premiums and policyholder fees	\$ 1,367,833	\$ 337,640	\$ 341,161	\$ 342,468	\$ 342,468	\$ 1,247,584	\$ 322,211	\$ 304,796	\$ 304,796	\$ 305,727										
Assumed premiums and policyholder fees	28	17	11	-	-	-	-	-	-	-										
Ceded premiums and policyholder fees	(1,146)	(99)	(529)	(84)	(434)	(1,929)	(481)	(485)	(482)	(481)										
Net premiums	1,366,716	337,558	340,644	342,383	342,034	1,245,655	321,730	304,311	304,314	305,246										
Net investment income	8,547	2,206	1,919	2,130	2,294	9,435	2,221	2,256	2,419	2,539										
Fee and other income	1,146	157	326	216	448	944	177	240	218	309										
Total revenue	1,376,409	339,920	342,888	344,728	344,776	1,256,035	324,129	306,808	306,951	308,094										
Quality initiatives	1.8%	24,179	2.1%	6,930	1.8%	6,011	1.6%	5,611	1.6%	5,628	2.0%	25,341	2.0%	6,564	1.9%	5,791	2.3%	6,935	2.0%	6,052
Medical benefits	82.7%	1,129,649	82.6%	278,749	83.7%	284,971	82.6%	282,863	82.8%	283,066	84.2%	1,049,318	82.7%	266,114	86.1%	261,861	86.9%	264,323	84.2%	257,020
Claims and other benefits	84.4%	1,153,829	84.6%	285,679	85.4%	290,982	84.3%	288,474	84.4%	288,694	86.3%	1,074,658	84.8%	272,677	88.0%	267,652	89.1%	271,257	86.2%	263,072
Amortization of intangible assets	0.1%	933	0.1%	237	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
Asset impairment charge	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
ACA fee	1.6%	21,725	1.6%	5,432	1.6%	5,516	1.6%	5,421	1.6%	5,357	2.0%	25,464	2.0%	6,366	2.1%	6,412	2.1%	6,424	2.1%	6,262
Commissions	1.5%	20,246	1.6%	5,511	1.6%	5,388	1.4%	4,873	1.3%	4,475	1.5%	18,659	1.7%	5,433	1.6%	4,861	1.5%	4,499	1.3%	3,867
Reinsurance commissions and expense allowances	0.0%	-	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	9.6%	131,234	12.5%	42,282	9.7%	33,140	8.1%	27,879	8.2%	27,931	9.2%	114,937	11.4%	36,710	9.3%	28,254	8.3%	25,123	8.1%	24,850
Commissions and general expenses, net of allowances	11.1%	151,480	14.2%	47,793	11.3%	38,528	9.6%	32,752	9.5%	32,406	10.6%	132,323	13.0%	41,706	10.6%	32,278	9.7%	29,622	9.4%	28,717
Total benefits, claims and expenses	1,327,966	339,141	335,263	326,878	326,685	1,234,555	321,276	306,879	307,840	298,559										
Segment income (loss)	\$ 48,443	\$ 779	\$ 7,625	\$ 17,850	\$ 18,091	\$ 21,480	\$ 2,852	\$ (72)	\$ (889)	\$ 9,534										
Management Services Organizations																				
Total revenue	9	9	-	-	-	-	-	-	-	-										
Other operating costs and expenses	14,493	4,062	3,424	3,800	3,207	10,431	2,156	1,874	2,126	4,274										
Total benefits, claims and expenses	14,493	4,062	3,424	3,800	3,207	10,431	2,156	1,874	2,126	4,274										
Equity in income (losses) of unconsolidated subsidiaries	4,998	(9,506)	(5,170)	24,923	(5,249)	(9,626)	(8,492)	(7,446)	13,747	(7,435)										
Segment income (loss)	\$ (9,487)	\$ (13,559)	\$ (8,594)	\$ 21,123	\$ (8,456)	\$ (20,057)	\$ (10,648)	\$ (9,320)	\$ 11,621	\$ (11,710)										
Corporate & Other																				
Gross premiums and policyholder fees	\$ (0)	\$ 0	\$ -	\$ (0)	\$ (0)	\$ 316	\$ (0)	\$ (133)	\$ 449	\$ (0)										
Ceded premiums and policyholder fees	-	-	-	-	-	-	-	-	-	-										
Net premiums	(0)	0	-	(0)	(0)	316	(0)	(133)	449	(0)										
Net investment income	305	90	49	84	83	3,067	100	1,974	312	681										
Fee and other income	2,013	819	792	288	115	3,809	197	1,566	1,829	217										
Total revenue	2,319	909	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	8,140	3,047	3,088	1,042	963	5,289	1,012	1,260	1,264	1,752										
ACA fee	6	6	(3)	3	-	25	6	6	6	6										
Commissions	137	29	32	36	41	99	19	22	33	26										
Other operating costs and expenses	31,368	8,665	5,872	8,787	8,044	42,251	10,261	9,480	12,810	9,700										
Commissions and general expenses, net of allowances	31,506	8,694	5,904	8,823	8,085	42,350	10,281	9,502	12,842	9,725										
Total benefits, claims and expenses	39,649	11,746	8,989	9,866	9,048	47,480	11,247	10,769	13,978	11,486										
Segment loss	\$ (37,331)	\$ (10,837)	\$ (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 year ended December 31, 2016
In thousands

	<u>Total</u> <u>2016</u>	<u>Q4</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>
Continuing - Eliminations										
Gross premiums and policyholder fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumed premiums and policyholder fees	-	-	-	-	-	-	-	-	-	-
Ceded premiums and policyholder fees	-	-	-	-	-	-	-	-	-	-
Net premiums	-	-	-	-	-	-	-	-	-	-
Net investment income	(268)	0	(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>0</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)	0	(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>-</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>0</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>\$ -</u>	<u>\$ (0)</u>	<u>\$ -</u>

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

	<u>Total</u> <u>2016</u>	<u>Q4</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>
Discontinued Operations - Total										
Gross premiums and policyholder fees	\$ 219,884	\$ 6,884	\$ 34,510	\$ 88,075	\$ 90,415	\$ 393,538	\$ 92,088	\$ 94,302	\$ 94,023	\$ 113,125
Assumed premiums and policyholder fees	24,478	55	3,468	10,132	10,823	44,428	10,628	11,198	10,844	11,757
Ceded premiums and policyholder fees	(46,168)	(6,938)	(9,403)	(14,616)	(15,211)	(65,443)	(15,821)	(15,975)	(16,381)	(17,266)
Net premiums	198,194	(0)	28,576	83,591	86,027	372,523	86,895	89,525	88,486	107,617
Net investment income	9,137	(8)	1,324	3,876	3,945	17,497	3,965	4,038	4,441	5,053
Fee and other income	915	1	140	389	384	32,484	357	403	7,658	24,066
Total revenue	208,247	(7)	30,040	87,857	90,356	422,503	91,217	93,965	100,585	136,735
Claims and other benefits	172,427	0	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	76	11	4	30	31	756	(1)	(7)	117	646
ACA fee	1,919	-	279	820	820	3,385	833	892	834	825
Commissions	3,555	305	642	1,250	1,359	6,265	1,318	1,561	1,675	1,710
Reinsurance commissions and expense allowances	764	(1,349)	(421)	1,095	1,439	4,996	1,040	1,190	1,080	1,686
Other operating costs and expenses	(5,478)	(918)	(25,224)	10,688	9,976	75,107	10,145	9,290	24,432	31,240
Commissions and general expenses, net of allowances	(1,159)	(1,963)	(25,003)	13,033	12,774	86,368	12,504	12,041	27,188	34,636
Total benefits, claims and expenses	173,732	(1,951)	671	84,762	90,251	444,347	115,226	91,791	106,287	131,043
Income (loss) from operations of discontinued operations	34,515	1,945	29,369	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
Realized gain (loss) on sale - APS Healthcare	12,095	-	4,418	6,500	1,177	(17,418)	(115)	1,366	(18,310)	(360)
Realized gain on sale - Medicaid	20,407	-	20,407	-	-	-	-	-	-	-
Fair value adjustment - Traditional Insurance	486	(2,306)	2,775	2,074	(2,058)	(149,153)	(149,153)	-	-	-
Income (loss) from discontinued operations	\$ 67,663	\$ (361)	\$ 56,958	\$ 11,713	\$ (648)	\$ (188,371)	\$ (173,275)	\$ 3,515	\$ (23,953)	\$ 5,342

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands
Discontinued Operations - APS

	<u>Total 2016</u>	<u>Q4 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 and policyholder fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ 46	\$ 17,404
Assumed premiums and policyholder fees	-	-	-	-	-	-	-	-	-	-
Ceded premiums and policyholder fees	-	-	-	-	-	-	-	-	-	-
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	(27,824)	(404)	(29,078)	1,057	601	38,358	1,294	156	15,560	21,349
Total benefits, claims and expenses	(27,825)	(404)	(29,078)	1,055	601	54,041	1,294	166	15,778	36,803
Income (loss) from operations of APS Healthcare	27,825	404	29,078	(1,055)	(601)	(5,671)	(1,294)	(150)	(8,469)	4,241
Realized gain (loss) on sale from APS Healthcare	12,095	-	4,418	6,500	1,177	(17,418)	(115)	1,366	(18,310)	(360)
Income (loss) from APS Healthcare	\$ 39,921	\$ 404	\$ 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 year ended December 31, 2016
In thousands

	Total 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Total 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Discontinued Operations - Traditional										
Gross premiums and policyholder fees	\$ 109,727	\$ 6,884	\$ 18,159	\$ 41,173	\$ 41,173	\$ 185,826	\$ 44,280	\$ 45,393	\$ 45,393	\$ 49,320
Assumed premiums and policyholder fees	24,478	55	3,468	10,132	10,132	44,428	10,628	11,198	11,198	11,757
Ceded premiums and policyholder fees	(46,130)	(6,938)	(9,397)	(14,600)	(14,600)	(65,374)	(15,790)	(15,971)	(15,971)	(17,254)
Net premiums	88,075	(0)	12,231	36,704	36,704	164,879	39,119	40,620	40,620	43,823
Net investment income	9,068	(8)	1,318	3,849	3,849	17,355	3,951	3,995	3,995	5,011
Fee and other income	915	1	140	389	389	1,564	357	387	387	426
Total revenue	98,058	(7)	13,689	40,943	40,943	183,798	43,427	45,002	45,002	49,259
Claims and other benefits	80.9% 71,230	-11.1% 0	91.6% 11,203	74.8% 27,459	88.7% 32,568	87.5% 144,295	114.8% 44,926	80.5% 32,714	77.3% 31,409	80.4% 35,245
Change in deferred policy acquisition costs	0.0% -	0.0% -	0.0% -	0.0% -	0.0% -	14.2% 23,442	38.2% 14,953	6.5% 2,621	6.4% 2,585	7.5% 3,283
Amortization of intangible assets	0.0% -	0.0% -	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% (4)	11	4	(10)	(9)	(24)	(4)	(7)	(7)	(6)
ACA fee	0.0% -	-	-	-	-	53	-	53	-	-
Commissions	4.0% 3,555	NM 305	5.2% 642	3.4% 1,250	3.7% 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	0.9% 764	NM (1,349)	-3.4% (421)	3.0% 1,095	3.9% 1,439	3.0% 4,996	2.7% 1,040	2.9% 1,190	2.7% 1,080	3.8% 1,686
Other operating costs and expenses	13.1% 11,571	NM (633)	17.5% 2,139	12.8% 4,686	14.7% 5,379	12.6% 20,780	12.4% 4,862	12.3% 4,989	12.3% 4,984	13.6% 5,945
Commissions and general expenses, net of allowances	18.0% 15,890	NM (1,677)	19.3% 2,360	19.2% 7,031	22.3% 8,177	19.4% 32,041	18.5% 7,220	19.1% 7,740	19.1% 7,739	21.3% 9,341
Total benefits, claims and expenses	87,116	(1,666)	13,567	34,480	40,735	200,076	67,152	43,187	41,786	47,950
Income (loss) from operations of Traditional Insurance	10,942	1,660	122	6,463	207	(16,278)	(23,726)	1,815	3,215	1,309
Net realized gains (losses) from operations	160	-	(11)	43	128	44	2	(26)	59	9
Fair value adjustment - Traditional Insurance	486	(2,306)	2,775	2,074	(2,058)	(149,153)	(149,153)	-	-	-
Income (loss) from Traditional Insurance	11,588	(646)	2,886	8,580	(1,722)	(165,387)	(172,877)	1,789	3,274	1,318

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

	<u>Total</u> <u>2016</u>	<u>Q4</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>
Discontinued Operations - Medicaid										
Gross premiums and policyholder fees	\$ 110,157	\$ -	\$ 16,351	\$ 46,903	\$ 46,904	\$ 190,262	\$ 47,808	\$ 48,909	\$ 47,144	\$ 46,401
Ceded premiums and policyholder fees	(38)	-	(6)	(15)	(17)	(68)	(31)	(4)	(21)	(12)
Net premiums	110,119	-	16,345	46,887	46,887	190,194	47,777	48,905	47,123	46,389
Net investment income	69	-	6	27	36	141	14	43	42	42
Total revenue	110,189	-	16,351	46,915	46,923	190,335	47,791	48,948	47,165	46,432
Claims and other benefits	91.9% 101,199	#DIV/0! 0	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	#DIV/0! -	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	#DIV/0! -	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	#DIV/0! -	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	9.8% 10,774	#DIV/0! 119	10.5% 1,714	10.5% 4,945	8.5% 3,996	8.4% 15,970	8.4% 3,990	8.5% 4,146	8.3% 3,889	8.5% 3,946
Total benefits, claims and expenses	114,441	119	16,181	49,227	48,914	190,230	46,780	48,438	48,723	46,289
(Loss) income from operations of Medicaid	(4,253)	(119)	169	(2,312)	(1,991)	105	1,011	510	(1,558)	142
Realized gain on sale of Medicaid	\$ 20,407	\$ -	\$ 20,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) from Medicaid	\$ 16,154	\$ (119)	\$ 20,576	\$ (2,312)	\$ (1,991)	\$ 105	\$ 1,011	\$ 510	\$ (1,558)	\$ 142

Note: Amounts may not foot due to rounding

Universal American Corp
MD&A - Segment Trends
December 31, 2016

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

	Q4 YTD 2015	Q4 YTD 2016	YTD Variance		Q4 QTD 2015	Q4 QTD 2016	QTD Variance		Q3 QTD 2016	Q4 QTD 2016	QTD Variance	
Continuing Operations:												
Medicare Advantage	\$ 21,480	\$ 48,443	\$ 26,963	125.5%	\$ 2,852	\$ 779	\$ (2,073)	-72.7%	\$ 7,625	\$ 779	\$ (6,846)	-89.8%
MSOs	(20,057)	(9,487)	10,570	-52.7%	(10,648)	(13,559)	(2,911)	27.3%	(8,594)	(13,559)	(4,965)	57.8%
Corporate & Other	(40,288)	(37,331)	2,957	-7.3%	(10,950)	(10,837)	113	-1.0%	(8,149)	(10,837)	(2,688)	33.0%
Realized gains (losses)	<u>38,954</u>	<u>1,429</u>	<u>(37,525)</u>	-96.3%	<u>5,329</u>	<u>44</u>	<u>(5,285)</u>	-99.2%	<u>(143)</u>	<u>44</u>	<u>188</u>	-131.0%
Income (loss) from continuing operations before income taxes	89	3,054	2,965	3321.2%	(13,416)	(23,572)	(10,156)	75.7%	(9,262)	(23,572)	(14,311)	154.5%
Provision for (benefit from) income taxes	<u>3,785</u>	<u>9,345</u>	<u>5,560</u>	146.9%	<u>(3,833)</u>	<u>(6,128)</u>	<u>(2,295)</u>	59.9%	<u>(505)</u>	<u>(6,128)</u>	<u>(5,623)</u>	1114.1%
Loss from continuing operations	<u>\$ (3,695)</u>	<u>\$ (6,290)</u>	<u>\$ (2,595)</u>	70.2%	<u>\$ (9,583)</u>	<u>\$ (17,444)</u>	<u>\$ (7,861)</u>	82.0%	<u>\$ (8,757)</u>	<u>\$ (17,444)</u>	<u>\$ (8,687)</u>	99.2%
Discontinued Operations:												
(Loss) income from discontinued operations before income taxes	\$ (188,371)	\$ 67,663	\$ 256,034	-135.9%	\$ (173,275)	\$ (361)	\$ 172,914	-99.8%	\$ 56,958	\$ (361)	\$ (57,319)	-100.6%
(Benefit from) provision for income taxes	<u>(28,098)</u>	<u>5,996</u>	<u>34,094</u>	-121.3%	<u>(21,302)</u>	<u>699</u>	<u>22,001</u>	-103.3%	<u>(2,680)</u>	<u>699</u>	<u>3,378</u>	-126.1%
(Loss) income from discontinued operations	<u>(160,273)</u>	<u>61,667</u>	<u>221,940</u>	-138.5%	<u>(151,972)</u>	<u>(1,059)</u>	<u>150,913</u>	-99.3%	<u>59,638</u>	<u>(1,059)</u>	<u>(60,697)</u>	-101.8%
Net (loss) income	<u>(163,969)</u>	<u>55,376</u>	<u>219,345</u>	-133.8%	<u>(161,555)</u>	<u>(18,503)</u>	<u>143,052</u>	-88.5%	<u>50,881</u>	<u>(18,503)</u>	<u>(69,385)</u>	-136.4%
Per Share Data (Diluted)												
(Loss) income from continuing operations	\$ (0.04)	\$ (0.09)	\$ (0.04)	98.5%	\$ (0.12)	\$ (0.31)	\$ (0.19)	165.7%	\$ (0.14)	\$ (0.31)	\$ (0.17)	116.0%
(Loss) income from discontinued operations	<u>\$ (1.95)</u>	<u>\$ 0.87</u>	<u>\$ 2.82</u>	-144.9%	<u>\$ (1.84)</u>	<u>\$ (0.02)</u>	<u>\$ 1.82</u>	-99.0%	<u>\$ 0.97</u>	<u>\$ (0.02)</u>	<u>\$ (0.99)</u>	-101.9%
Net (loss) income	<u>\$ (1.99)</u>	<u>\$ 0.78</u>	<u>\$ 2.77</u>	-139.4%	<u>\$ (1.96)</u>	<u>\$ (0.33)</u>	<u>\$ 1.63</u>	-83.3%	<u>\$ 0.83</u>	<u>\$ (0.33)</u>	<u>\$ (1.16)</u>	-139.4%
Weighted Average shares O/S - Diluted	82,402,056	70,670,510			82,573,098	56,563,535			61,329,485	56,563,535		
Effective Tax Rate for continuing operations	4239.1%	305.9%			28.6%	26.0%			5.5%	26.0%		
Effective Tax Rate for discontinued operations	14.9%	8.9%			12.3%	-193.6%			-4.7%	-193.6%		
Overall Effective Tax Rate	12.9%	21.7%			13.5%	22.7%			-6.7%	22.7%		

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands
Consolidated Segments

Continuing Operations:

	<u>Q4 YTD</u> <u>2015</u>	<u>Q4 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q4 QTD</u> <u>2015</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2016</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums and policyholder fees	\$ 1,247,900	\$ 1,367,833	\$ 119,933	9.6%	\$ 322,211	\$ 337,640	\$ 15,428	4.8%	\$ 341,161	\$ 337,640	\$ (3,521)	-1.0%
Assumed premiums and policyholder fees	-	28	28	N/a	-	17	17	N/a	11	17	6	48.6%
Ceded premiums and policyholder fees	(1,929)	(1,146)	783	-40.6%	(481)	(99)	382	-79.4%	(529)	(99)	429	-81.2%
Net premiums	<u>1,245,971</u>	<u>1,366,716</u>	<u>120,744</u>	9.7%	<u>321,730</u>	<u>337,558</u>	<u>15,828</u>	4.9%	<u>340,644</u>	<u>337,558</u>	<u>(3,086)</u>	-0.9%
Net investment income	11,957	8,594	(3,363)	-28.1%	2,204	2,304	101	4.6%	1,926	2,304	378	19.6%
Fee and other income	4,523	2,908	(1,616)	-35.7%	319	976	657	205.5%	963	976	13	1.4%
Total revenue	<u>1,262,452</u>	<u>1,378,217</u>	<u>115,766</u>	9.2%	<u>324,253</u>	<u>340,838</u>	<u>16,585</u>	5.1%	<u>343,532</u>	<u>340,838</u>	<u>(2,694)</u>	-0.8%
Claims and other benefits	1,074,474	1,153,827	79,353	7.4%	272,626	285,679	13,053	4.8%	290,982	285,679	(5,303)	-1.8%
Amortization of intangible assets	2,110	933	(1,177)	-55.8%	528	237	(290)	-55.0%	237	237	(0)	0.0%
Interest expense	4,743	7,872	3,129	66.0%	894	3,047	2,153	240.8%	3,047	3,047	(0)	0.0%
Asset impairment charge	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
ACA fee	25,489	21,731	(3,758)	-14.7%	6,372	5,438	(935)	-14.7%	5,513	5,438	(76)	-1.4%
Commissions	18,529	20,132	1,603	8.7%	5,397	5,539	142	2.6%	5,265	5,539	274	5.2%
Reinsurance commissions and expense allowances	(1,273)	-	1,273	-100.0%	(438)	-	438	-100.0%	-	-	-	N/a
Other operating costs and expenses	167,618	177,095	9,477	5.7%	49,127	55,009	5,882	12.0%	42,437	55,009	12,572	29.6%
Commissions and general expenses, net of allowances	<u>184,874</u>	<u>197,227</u>	<u>12,353</u>	6.7%	<u>54,087</u>	<u>60,548</u>	<u>6,461</u>	11.9%	<u>47,702</u>	<u>60,548</u>	<u>12,847</u>	26.9%
Total benefits, claims and expenses	1,291,690	1,381,589	89,899	7.0%	334,507	354,949	20,442	6.1%	347,480	354,949	7,468	2.1%
Equity in (losses) income of unconsolidated subsidiaries	(9,626)	4,998	14,624	-151.9%	(8,492)	(9,506)	(1,014)	11.9%	(5,170)	(9,506)	(4,336)	83.9%
Segment (loss) income	(38,865)	1,626	40,490	-104.2%	(18,745)	(23,617)	(4,871)	26.0%	(9,118)	(23,617)	(14,498)	159.0%
Realized gains (losses)	38,954	1,429	(37,525)	-96.3%	5,329	44	(5,285)	-99.2%	(143)	44	188	-131.0%
Pre-tax income (loss) from continuing operations	<u>\$ 89</u>	<u>\$ 3,054</u>	<u>\$ 2,965</u>	3321.2%	<u>\$ (13,416)</u>	<u>\$ (23,572)</u>	<u>\$ (10,156)</u>	75.7%	<u>\$ (9,262)</u>	<u>\$ (23,572)</u>	<u>\$ (14,311)</u>	154.5%

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Medicare Advantage

	<u>Q4 YTD</u> <u>2015</u>	<u>Q4 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q4 QTD</u> <u>2015</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2016</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums and policyholder fees	\$ 1,247,584	\$ 1,367,833	\$ 120,249	9.6%	\$ 322,211	\$ 337,640	\$ 15,428	4.8%	\$ 341,161	\$ 337,640	\$ (3,521)	-1.0%
Assumed premiums and policyholder fees	-	28	28	N/a	-	17	17	N/a	11	17	6	48.6%
Ceded premiums and policyholder fees	(1,929)	(1,146)	783	-40.6%	(481)	(99)	382	-79.4%	(529)	(99)	429	-81.2%
Net premiums	1,245,655	1,366,716	121,060	9.7%	321,730	337,558	15,828	4.9%	340,644	337,558	(3,086)	-0.9%
Net investment income	9,435	8,547	(888)	-9.4%	2,221	2,206	(16)	-0.7%	1,919	2,206	287	15.0%
Fee and other income	944	1,146	202	21.4%	177	157	(21)	-11.7%	326	157	(169)	-51.9%
Total revenue	1,256,035	1,376,409	120,375	9.6%	324,129	339,920	15,791	4.9%	342,888	339,920	(2,968)	-0.9%
Quality initiatives	25,341	24,179	(1,161)	-4.6%	6,564	6,930	366	5.6%	6,011	6,930	919	15.3%
Medical benefits	1,049,318	1,129,649	80,332	7.7%	266,114	278,749	12,635	4.7%	284,971	278,749	(6,222)	-2.2%
Claims and other benefits	1,074,658	1,153,829	79,170	7.4%	272,677	285,679	13,001	4.8%	290,982	285,679	(5,303)	-1.8%
Amortization of intangible assets	2,110	933	(1,177)	-55.8%	528	237	(290)	-55.0%	237	237	(0)	0.0%
Asset impairment charge	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
ACA fee	25,464	21,725	(3,738)	-14.7%	6,366	5,432	(934)	-14.7%	5,516	5,432	(84)	-1.5%
Commissions	18,659	20,246	1,587	8.5%	5,433	5,511	78	1.4%	5,388	5,511	123	2.3%
Reinsurance commissions and expense allowances	(1,273)	-	1,273	-100.0%	(438)	-	438	-100.0%	-	-	-	N/a
Other operating costs and expenses	114,937	131,234	16,297	14.2%	36,710	42,282	5,572	15.2%	33,140	42,282	9,142	27.6%
Commissions and general expenses, net of allowances	132,323	151,480	19,157	14.5%	41,706	47,793	6,087	14.6%	38,528	47,793	9,265	24.0%
Total benefits, claims and expenses	1,234,555	1,327,966	93,412	7.6%	321,276	339,141	17,865	5.6%	335,263	339,141	3,878	1.2%
Segment income	\$ 21,480	\$ 48,443	\$ 26,963	125.5%	\$ 2,852	\$ 779	\$ (2,073)	-72.7%	\$ 7,625	\$ 779	\$ (6,846)	-89.8%

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Management Services Organizations

	<u>Q4 YTD 2015</u>	<u>Q4 YTD 2016</u>	<u>YTD Variance</u>		<u>Q4 QTD 2015</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>		<u>Q3 QTD 2016</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>	
Total revenue	-	9	9	N/a	-	9	9	N/a	-	9	9	N/a
Other operating costs and expenses	10,431	14,493	4,062	38.9%	2,156	4,062	1,906	88.4%	3,424	4,062	638	18.6%
Total benefits, claims and expenses	10,431	14,493	4,062	38.9%	2,156	4,062	1,906	88.4%	3,424	4,062	638	18.6%
Equity in (losses) income of unconsolidated subsidiaries	(9,626)	4,998	14,624	-151.9%	(8,492)	(9,506)	(1,014)	11.9%	(5,170)	(9,506)	(4,336)	83.9%
Segment loss	<u>\$ (20,057)</u>	<u>\$ (9,487)</u>	<u>\$ 10,570</u>	-52.7%	<u>\$ (10,648)</u>	<u>\$ (13,559)</u>	<u>\$ (2,911)</u>	27.3%	<u>\$ (8,594)</u>	<u>\$ (13,559)</u>	<u>\$ (4,965)</u>	57.8%
Corporate & Other												
Gross premiums and policyholder fees	\$ 316	\$ (0)	\$ (316)	-100.0%	\$ (0)	\$ 0	\$ 0	-100.0%	\$ -	\$ 0	\$ 0	N/a
Ceded premiums and policyholder fees	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net premiums	316	(0)	(316)	-100.0%	(0)	0	0	-100.0%	-	0	0	N/a
Net investment income	3,067	305	(2,762)	-90.0%	100	90	(11)	-10.6%	49	90	41	84.4%
Fee and other income	3,809	2,013	(1,796)	-47.1%	197	819	622	315.9%	792	819	28	3.5%
Total revenue	<u>7,192</u>	<u>2,319</u>	<u>(4,874)</u>	-67.8%	<u>297</u>	<u>909</u>	<u>612</u>	205.7%	<u>840</u>	<u>909</u>	<u>69</u>	8.2%
Claims and other benefits	(184)	(2)	183	-99.1%	(52)	-	52	-100.0%	-	-	-	N/a
Interest expense	5,289	8,140	2,851	53.9%	1,012	3,047	2,035	201.1%	3,088	3,047	(41)	-1.3%
ACA fee	25	6	(20)	-78.3%	6	6	(1)	-13.1%	(3)	6	8	-301.2%
Commissions	99	137	38	38.5%	19	29	9	48.9%	32	29	(3)	-10.4%
Other operating costs and expenses	42,251	31,368	(10,883)	-25.8%	10,261	8,665	(1,596)	-15.6%	5,872	8,665	2,793	47.6%
Commissions and general expenses, net of allowances	<u>42,350</u>	<u>31,506</u>	<u>(10,845)</u>	-25.6%	<u>10,281</u>	<u>8,694</u>	<u>(1,587)</u>	-15.4%	<u>5,904</u>	<u>8,694</u>	<u>2,789</u>	47.2%
Total benefits, claims and expenses	47,480	39,649	(7,831)	-16.5%	11,247	11,746	499	4.4%	8,989	11,746	2,757	30.7%
Segment loss	<u>\$ (40,288)</u>	<u>\$ (37,331)</u>	<u>\$ 2,957</u>	-7.3%	<u>\$ (10,950)</u>	<u>\$ (10,837)</u>	<u>\$ 113</u>	-1.0%	<u>\$ (8,149)</u>	<u>\$ (10,837)</u>	<u>\$ (2,688)</u>	33.0%

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Continuing - Eliminations

	<u>Q4 YTD</u> <u>2015</u>	<u>Q4 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q4 QTD</u> <u>2015</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2016</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums and policyholder fees	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a
Assumed premiums and policyholder fees	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Ceded premiums and policyholder fees	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net premiums	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Net investment income	(546)	(268)	278	-50.9%	(118)	0	118	-100.0%	(41)	0	41	-100.0%
Fee and other income	(230)	(252)	(22)	9.5%	(55)	-	55	-100.0%	(155)	-	155	-100.0%
Total revenue	<u>(775)</u>	<u>(520)</u>	<u>256</u>	<u>-33.0%</u>	<u>(173)</u>	<u>0</u>	<u>173</u>	<u>-100.0%</u>	<u>(196)</u>	<u>0</u>	<u>196</u>	<u>-100.0%</u>
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	(546)	(268)	278	-50.9%	(118)	0	118	-100.0%	(41)	0	41	-100.0%
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	(230)	(252)	(22)	9.5%	(55)	-	55	-100.0%	(155)	-	155	-100.0%
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>(230)</u>	<u>(252)</u>	<u>(22)</u>	<u>9.5%</u>	<u>(55)</u>	<u>-</u>	<u>55</u>	<u>-100.0%</u>	<u>(155)</u>	<u>-</u>	<u>155</u>	<u>-100.0%</u>
Total benefits, claims and expenses	<u>(775)</u>	<u>(520)</u>	<u>256</u>	<u>-33.0%</u>	<u>(173)</u>	<u>0</u>	<u>173</u>	<u>-100.0%</u>	<u>(196)</u>	<u>0</u>	<u>196</u>	<u>-100.0%</u>
Segment income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/a</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/a</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/a</u>

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Discontinued Operations - Total

	<u>Q4 YTD</u> <u>2015</u>	<u>Q4 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q4 QTD</u> <u>2015</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2016</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums and policyholder fees	\$ 393,538	\$ 219,884	\$ (173,654)	-44.1%	\$ 92,088	\$ 6,884	\$ (85,205)	-92.5%	\$ 34,510	\$ 6,884	\$ (27,626)	-80.1%
Assumed premiums and policyholder fees	44,428	24,478	(19,949)	-44.9%	10,628	55	(10,573)	-99.5%	3,468	55	(3,413)	-98.4%
Ceded premiums and policyholder fees	(65,443)	(46,168)	19,275	-29.5%	(15,821)	(6,938)	8,883	-56.1%	(9,403)	(6,938)	2,464	-26.2%
Net premiums	372,523	198,194	(174,328)	-46.8%	86,895	(0)	(86,895)	-100.0%	28,576	(0)	(28,576)	-100.0%
Net investment income	17,497	9,137	(8,360)	-47.8%	3,965	(8)	(3,973)	-100.2%	1,324	(8)	(1,332)	-100.6%
Fee and other income	32,484	915	(31,569)	-97.2%	357	1	(356)	-99.6%	140	1	(139)	-99.0%
Total revenue	422,503	208,247	(214,256)	-50.7%	91,217	(7)	(91,224)	-100.0%	30,040	(7)	(30,047)	-100.0%
Claims and other benefits	328,948	172,427	(156,521)	-47.6%	86,678	0	(86,678)	-100.0%	25,323	0	(25,323)	-100.0%
Change in deferred policy acquisition costs	23,442	-	(23,442)	-100.0%	14,953	-	(14,953)	-100.0%	-	-	-	N/a
Amortization of intangible assets	1,449	470	(979)	-67.6%	258	-	(258)	-100.0%	67	-	(67)	-100.0%
Interest expense	756	76	(680)	-90.0%	(1)	11	12	-1839.7%	4	11	7	166.6%
ACA fee	3,385	1,919	(1,466)	-43.3%	833	-	(833)	-100.0%	279	-	(279)	-100.0%
Commissions	6,265	3,555	(2,709)	-43.3%	1,318	305	(1,014)	-76.9%	642	305	(337)	-52.5%
Reinsurance commissions and expense allowances	4,996	764	(4,232)	-84.7%	1,040	(1,349)	(2,390)	-229.7%	(421)	(1,349)	(928)	220.6%
Other operating costs and expenses	75,107	(5,478)	(80,585)	-107.3%	10,145	(918)	(11,063)	-109.0%	(25,224)	(918)	24,306	-96.4%
Commissions and general expenses, net of allowances	86,368	(1,159)	(87,527)	-101.3%	12,504	(1,963)	(14,466)	-115.7%	(25,003)	(1,963)	23,040	-92.1%
Total benefits, claims and expenses	444,347	173,732	(270,615)	-60.9%	115,226	(1,951)	(117,177)	-101.7%	671	(1,951)	(2,623)	-390.8%
Income (loss) from operations of discontinued operations	(21,844)	34,515	56,358	-258.0%	(24,008)	1,945	25,953	-108.1%	29,369	1,945	(27,424)	-93.4%
Net realized gains (losses) from operations	44	160	117	267.5%	2	-	(2)	-100.0%	(11)	-	11	-100.0%
Realized loss (gain) on sale - APS Healthcare	(17,418)	12,095	29,513	-169.4%	(115)	-	115	-100.0%	4,418	-	(4,418)	-100.0%
Realized gain on sale - Medicaid	-	20,407	20,407	N/a	-	-	-	N/a	20,407	-	(20,407)	-100.0%
Fair value adjustment - Traditional Insurance	(149,153)	486	149,639	-100.3%	(149,153)	(2,306)	146,848	-98.5%	2,775	(2,306)	(5,080)	-183.1%
Loss (income) from discontinued operations	\$ (188,371)	\$ 67,663	\$ 256,034	-135.9%	\$ (173,275)	\$ (361)	\$ 172,914	-99.8%	\$ 56,958	\$ (361)	\$ (57,319)	-100.6%

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Discontinued Operations - APS

	<u>Q4 YTD 2015</u>	<u>Q4 YTD 2016</u>	<u>YTD Variance</u>		<u>Q4 QTD 2015</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>		<u>Q3 QTD 2016</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>	
Gross premiums and policyholder fees	\$ 17,450	\$ -	\$ (17,450)	-100.0%	\$ -	\$ -	\$ -	N/a	\$ -	\$ -	\$ -	N/a
Assumed premiums and policyholder fees	-	-	-	N/a	-	-	-	N/a	-	-	-	N/a
Ceded premiums and policyholder fees	-	-	-	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%	-	-	-	N/a	-	-	-	N/a
Fee and other income	<u>30,920</u>	<u>-</u>	<u>(30,920)</u>	-100.0%	<u>-</u>	<u>-</u>	<u>-</u>	N/a	<u>-</u>	<u>-</u>	<u>-</u>	N/a
Total revenue	<u>48,370</u>	<u>-</u>	<u>(48,370)</u>	-100.0%	<u>-</u>	<u>-</u>	<u>-</u>	N/a	<u>-</u>	<u>-</u>	<u>-</u>	N/a
Claims and other benefits	14,533	(1)	(14,534)	-100.0%	-	-	-	N/a	(0)	-	0	-100.0%
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>38,358</u>	<u>(27,824)</u>	<u>(66,181)</u>	-172.5%	<u>1,294</u>	<u>(404)</u>	<u>(1,698)</u>	-131.3%	<u>(29,078)</u>	<u>(404)</u>	<u>28,673</u>	-98.6%
Total benefits, claims and expenses	<u>54,041</u>	<u>(27,825)</u>	<u>(81,866)</u>	-151.5%	<u>1,294</u>	<u>(404)</u>	<u>(1,698)</u>	-131.3%	<u>(29,078)</u>	<u>(404)</u>	<u>28,674</u>	-98.6%
(Loss) income from operations of discontinued operations	(5,671)	27,825	33,496	-590.7%	(1,294)	404	1,698	-131.3%	29,078	404	(28,674)	-98.6%
Realized (loss) income on sale from APS Healthcare	<u>(17,418)</u>	<u>12,095</u>	<u>29,513</u>	-169.4%	<u>(115)</u>	<u>-</u>	<u>115</u>	-100.0%	<u>4,418</u>	<u>-</u>	<u>(4,418)</u>	-100.0%
Loss (income) from discontinued operations	<u>\$ (23,089)</u>	<u>\$ 39,921</u>	<u>\$ 63,009</u>	-272.9%	<u>\$ (1,409)</u>	<u>\$ 404</u>	<u>\$ 1,813</u>	-128.7%	<u>\$ 33,496</u>	<u>\$ 404</u>	<u>\$ (33,092)</u>	-98.8%

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Discontinued Operations - Traditional

	<u>Q4 YTD</u> <u>2015</u>	<u>Q4 YTD</u> <u>2016</u>	<u>YTD</u> <u>Variance</u>		<u>Q4 QTD</u> <u>2015</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>		<u>Q3 QTD</u> <u>2016</u>	<u>Q4 QTD</u> <u>2016</u>	<u>QTD</u> <u>Variance</u>	
Gross premiums and policyholder fees	\$ 185,826	\$ 109,727	\$ (76,099)	-41.0%	\$ 44,280	\$ 6,884	\$ (37,397)	-84.5%	\$ 18,159	\$ 6,884	\$ (11,276)	-62.1%
Assumed premiums and policyholder fees	44,428	24,478	(19,949)	-44.9%	10,628	55	(10,573)	-99.5%	3,468	55	(3,413)	-98.4%
Ceded premiums and policyholder fees	(65,374)	(46,130)	19,244	-29.4%	(15,790)	(6,938)	8,851	-56.1%	(9,397)	(6,938)	2,459	-26.2%
Net premiums	164,879	88,075	(76,804)	-46.6%	39,119	(0)	(39,119)	-100.0%	12,231	(0)	(12,231)	-100.0%
Net investment income	17,355	9,068	(8,287)	-47.8%	3,951	(8)	(3,959)	-100.2%	1,318	(8)	(1,326)	-100.6%
Fee and other income	1,564	915	(649)	-41.5%	357	1	(356)	-99.6%	140	1	(139)	-99.0%
Total revenue	183,798	98,058	(85,740)	-46.6%	43,427	(7)	(43,433)	-100.0%	13,689	(7)	(13,696)	-100.0%
Claims and other benefits	144,295	71,230	(73,066)	-50.6%	44,926	0	(44,926)	-100.0%	11,203	0	(11,203)	-100.0%
Change in deferred policy acquisition costs	23,442	-	(23,442)	-100.0%	14,953	-	(14,953)	-100.0%	-	-	-	N/a
Amortization of intangible assets	269	-	(269)	-100.0%	57	-	(57)	-100.0%	-	-	-	N/a
Interest expense	(24)	(4)	20	-83.0%	(4)	11	15	-389.7%	4	11	7	166.6%
ACA fee	53	-	(53)	-100.0%	-	-	-	N/a	-	-	-	N/a
Commissions	6,265	3,555	(2,709)	-43.3%	1,318	305	(1,014)	-76.9%	642	305	(337)	-52.5%
Reinsurance commissions and expense allowances	4,996	764	(4,232)	-84.7%	1,040	(1,349)	(2,390)	-229.7%	(421)	(1,349)	(928)	220.6%
Other operating costs and expenses	20,780	11,571	(9,209)	-44.3%	4,862	(633)	(5,494)	-113.0%	2,139	(633)	(2,772)	-129.6%
Commissions and general expenses, net of allowances	32,041	15,890	(16,150)	-50.4%	7,220	(1,677)	(8,898)	-123.2%	2,360	(1,677)	(4,037)	-171.1%
Total benefits, claims and expenses	200,076	87,116	(112,960)	-56.5%	67,152	(1,666)	(68,819)	-102.5%	13,567	(1,666)	(15,234)	-112.3%
(Loss) income from operations of discontinued operations	(16,278)	10,942	27,220	-167.2%	(23,726)	1,660	25,385	-107.0%	122	1,660	1,538	1259.3%
Net realized gains (losses) from operations	44	160	117	267.5%	2	-	(2)	-100.0%	(11)	-	11	-100.0%
Fair value adjustment - Traditional Insurance	(149,153)	486	149,639	-100.3%	(149,153)	(2,306)	146,848	-98.5%	2,775	(2,306)	(5,080)	-183.1%
Income (loss) from discontinued operations	(165,387)	11,588	176,975	-107.0%	(172,877)	(646)	172,231	-99.6%	2,886	(646)	(3,532)	-122.4%

Note: Amounts may not foot due to rounding

Consolidated Results - Unaudited
For the year ended December 31, 2016
In thousands

Discontinued Operations - Medicaid

	<u>Q4 YTD 2015</u>	<u>Q4 YTD 2016</u>	<u>YTD Variance</u>		<u>Q4 QTD 2015</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>		<u>Q3 QTD 2016</u>	<u>Q4 QTD 2016</u>	<u>QTD Variance</u>	
Gross premiums and policyholder fees	\$ 190,262	\$ 110,157	\$ (80,105)	-42.1%	\$ 47,808	\$ -	\$ (47,808)	-100.0%	\$ 16,351	\$ -	\$ (16,351)	-100.0%
Ceded premiums and policyholder fees	(68)	(38)	30	-44.6%	(31)	-	31	-100.0%	(6)	-	6	-100.0%
Net premiums	190,194	110,119	(80,075)	-42.1%	47,777	-	(47,777)	-100.0%	16,345	-	(16,345)	-100.0%
Net investment income	141	69	(72)	-51.0%	14	-	(14)	-100.0%	6	-	(6)	-100.0%
Total revenue	190,335	110,189	(80,147)	-42.1%	47,791	-	(47,791)	-100.0%	16,351	-	(16,351)	-100.0%
Claims and other benefits	170,120	101,199	(68,921)	-40.5%	41,752	0	(41,752)	-100.0%	14,120	0	(14,120)	-100.0%
Amortization of intangible assets	805	470	(335)	-41.7%	201	-	(201)	-100.0%	67	-	(67)	-100.0%
Interest expense	4	80	76	1769.9%	3	-	(3)	-100.0%	-	-	-	N/a
ACA fee	3,332	1,919	(1,413)	-42.4%	833	-	(833)	-100.0%	279	-	(279)	-100.0%
Other operating costs and expenses	15,970	10,774	(5,195)	-32.5%	3,990	119	(3,871)	-97.0%	1,714	119	(1,596)	-93.1%
Total benefits, claims and expenses	190,230	114,441	(75,789)	-39.8%	46,780	119	(46,661)	-99.7%	16,181	119	(16,062)	-99.3%
Income (loss) from operations of Medicaid	105	\$ (4,253)	\$ (4,358)	-4156.1%	\$ 1,011	\$ (119)	\$ (1,130)	-111.8%	\$ 169	\$ (119)	\$ (289)	-170.3%
Realized gain on sale of Medicaid	\$ -	20,407	20,407	N/a	-	-	-	N/a	20,407	-	(20,407)	-100.0%
Income (loss) from Medicaid	\$ 105	\$ 16,154	\$ 16,049	15306.4%	\$ 1,011	\$ (119)	\$ (1,130)	-111.8%	\$ 20,576	\$ (119)	\$ (20,695)	-100.6%

Note: Amounts may not foot due to rounding

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

	4Q 2016		3Q 2016		2Q 2016		1Q 2016		4Q 2015	
	Fair Value	%	Fair Value	%	Fair Value	%	Fair Value	%	Fair Value	%
Fixed Maturity Securities										
AAA	69,693	28.4%	72,302	32.7%	64,505	26.9%	74,122	26.2%	74,232	26.3%
AA	28,334	11.6%	24,070	10.9%	23,751	9.9%	29,608	10.5%	28,218	10.0%
A	68,005	27.7%	48,697	22.0%	48,051	20.0%	66,731	23.6%	63,966	22.7%
BBB	78,143	31.9%	74,777	33.8%	102,219	42.6%	110,930	39.3%	114,332	40.6%
BB	-	0.0%	99	0.0%	98	0.0%	89	0.0%	-	0.0%
B	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
CCC	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
CC	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
C	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
D	93	0.0%	110	0.0%	126	0.1%	142	0.1%	136	0.0%
NR	923	0.4%	955	0.4%	981	0.4%	891	0.3%	893	0.3%
TOTAL - Fixed Maturity	245,191	100.0%	221,009	100.0%	239,732	100.0%	282,513	100.0%	281,777	100.0%
Policy loans and other invested assets	6,302		9,717		9,874		9,712		9,733	
Short Term	-		-		-		-		-	
Cash and cash equivalents	104,462		264,046		40,451		55,802		70,546	
TOTAL - Cash and Investments	355,955		494,772		290,058		348,026		362,056	
Summary										
Fixed Maturity Securities										
Inv Grade	244,175	99.6%	219,846	99.5%	238,527	99.5%	281,391	99.6%	280,748	99.6%
Non Inv Grade	1,016	0.4%	1,164	0.5%	1,205	0.5%	1,122	0.4%	1,029	0.4%
TOTAL	245,191	100.0%	221,009	100.0%	239,732	100.0%	282,513	100.0%	281,777	100.0%

Universal American Corp.
Fixed Maturity Holdings (continuing operations)

			December 31, 2016					Credit Rating			
CUSIP	Description	GAAP Categories	Stated		Par	Book	Market	Unr	Moody	S&P	Fitch
			Coupon	Mat	Value	Value	Value	G/(L)			
200474BC7	COMM MORTGAGE TRUST	CMO	3.18	2/10/48	400	410	402	(8)	Aaa	NR	AAA
94989CAW1	WFCM	CMO	2.91	2/15/48	600	605	588	(16)	Aaa	NR	AAA
46590JAV9	JPMBB COMMERCIAL MORTGAGE SECU	CMBS	3.33	11/15/48	1,800	1,816	1,814	(2)	Aaa	NR	AAA
92978AA00	WACHOVIA CAP TRUST III	Corporate Bonds	5.57	3/29/49	1,000	864	981	118	Baa2	BBB	BBB
693475AK1	PNC FINANCIAL SERVICES	Corporate Bonds	6.75	7/29/49	942	994	1,014	20	Baa2	BBB-	BBB-
20047RAF0	COMMERCIAL MORTGAGE TRUST	CMBS	5.81	12/10/49	707	718	716	(2)	Aaa	AAA	--
12645CAA7	CREDIT SUISSE MORTGAGE CAPITAL	CMBS	5.78	12/16/49	548	551	549	(2)	Aaa	NR	NR
74930AA55	RBSFC TRUST	CMBS	6.09	12/16/49	512	515	516	1	Aaa	NR	NR
05955TAC4	BANC OF AMERICA LARGE LOAN	CMBS	5.78	12/24/49	534	539	539	1	NR	NR	AAA
369604BQ5	GENERAL ELECTRIC CO	Corporate Bonds	5.00	12/29/49	592	568	614	47	A3	A	--
749770AQ6	RABOBANK NEDERLAND	Foreign Corporate Bonds	11.00	12/29/49	2,600	3,368	3,056	(312)	Baa2	BBB-	BBB
05955FAA8	BANC OF AMERICA LARGE LOAN	CMO	5.86	6/24/50	170	171	171	(0)	NR	NR	AAA
89352HAC3	TRANS-CANADA PIPELINES	Foreign Corporate Bonds	6.35	5/15/67	2,500	2,494	2,081	(413)	Baa1	BBB	NR
302570AX4	FPL GROUP CAPITAL HYB	Corporate Bonds	6.65	6/15/67	6,000	6,001	5,220	(781)	Baa2	BBB	BBB
					240,518	246,087	245,191	(896)			

Universal American Corp.
Medicare Advantage Membership
As of December 31, 2016

(in thousands)

	<u>December 31, 2016</u>	<u>September 30, 2016</u>	<u>June 30, 2016</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>September 30, 2015</u>	<u>September 30, 2015</u>	<u>March 31, 2015</u>	<u>December 31, 2014</u>
<i>Southwest HMO's</i>	69.1	68.8	68.6	68.6	66.6	66.4	66.5	66.9	61.8
<i>Upstate New York/Maine</i>	45.4	45.6	45.3	45.2	40.5	40.2	39.2	37.9	29.7
Core Markets	114.5	114.4	113.9	113.8	107.1	106.6	105.7	104.8	91.5
<i>Non-Core Network (1)</i>	-	-	-	-	-	-	-	-	20.7
<i>Rural (1)</i>	-	-	-	-	-	-	-	-	1.9
Total Membership	114.5	114.4	113.9	113.8	107.1	106.6	105.7	104.8	114.1

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