

# QUARTERLY STATEMENT

OF THE

RECEIVED  
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OFRS

CLEVELAND AUTOMOBILE DEALERS  
ASSOCIATION GROUP HEALTH PLAN

OF

BRECKSVILLE, OHIO

TO THE

INSURANCE DEPARTMENT

FOR THE PERIOD ENDED  
SEPTEMBER 30, 2011

2011

HEALTH

2011

✓ 



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011

OF THE CONDITION AND AFFAIRS OF THE

## Cleveland Automobile Dealers Association Group Health Plan

NAIC Group Code 0001 (Current Period) NAIC Company Code 00001 (Prior Period) Employer's ID Number 34-1820838

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio

Country of Domicile US

Licensed as business type:

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

Incorporated/Organized January 11, 1979 Commenced Business January 1, 1979

Statutory Home Office 10100 Brecksville Road, Brecksville, Ohio 44141  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 10100 Brecksville Road, Brecksville, Ohio 44141 1-440-746-1500  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 10100 Brecksville Road, Brecksville, Ohio 44141  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 10100 Brecksville Road, Brecksville, Ohio 44141  
(Street and Number, City or Town, State and Zip Code)  
1-440-746-1500  
(Area Code) (Telephone Number)

Internet Website Address www.gcada.org

Statutory Statement Contact George Hoss 1-440-746-1500  
(Name) (Area Code) (Telephone Number) (Extension)  
geohoss@gmail.com (E-Mail Address) (Fax Number)

### OFFICERS

Richard M. Bass (President)  
Kirt Frye (Interim Secretary)

### OTHER OFFICERS

### DIRECTORS OR TRUSTEES

Richard M. Bass  
Lou Vitantonio  
Richard Marcellino  
Robert Gillingham  
Jay Park  
Vincent Divincenzo  
Donald Petruzzi  
Kirt Frye

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS

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

Richard M. Bass  
Richard M. Bass  
President

Kirt Frye  
Kirt Frye  
Interim Secretary

Subscribed and sworn to before me this  
31<sup>st</sup> day of October 2011

Mary Ann Lukacko

**MARY ANN LUKACKO**  
Notary Public  
State of Ohio, Cuyahoga County  
Commission Expires June 15, 2014

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

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

**ASSETS**

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances)				
4.2 Properties held for the production of income (less \$ ..... encumbrances)				
4.3 Properties held for sale (less \$ ..... encumbrances)				
5. Cash (\$ ..... 7,648,907 ), cash equivalents (\$ ..... ) and short-term investments (\$ ..... )	7,653,314	4,407	7,648,907	7,511,184
6. Contract loans (including \$ ..... premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 to Line 11)	7,653,314	4,407	7,648,907	7,511,184
13. Title plants less \$ ..... charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	37,241		37,241	210,398
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ ..... )				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ ..... ) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	7,690,555	4,407	7,686,148	7,721,582
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	7,690,555	4,407	7,686,148	7,721,582
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Prepaid Expenses				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	1,929,000		1,929,000	1,825,000
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	225,000		225,000	212,000
4. Aggregate health policy reserves .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	11,537		11,537	33,453
9. General expenses due or accrued .....	5,682		5,682	12,750
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	335		335	
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
20. Reinsurance in unauthorized companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	407,245		407,245	446,342
24. Total liabilities (Line 1 to Line 23) .....	2,578,799		2,578,799	2,529,545
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X		
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X		
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	5,107,349	5,192,037
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	X X X	X X X		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32) .....	X X X	X X X	5,107,349	5,192,037
34. Total Liabilities, capital and surplus (Line 24 and Line 33) .....	X X X	X X X	7,686,148	7,721,582
<b>DETAILS OF WRITE-INS</b>				
2301. Invoices payable to carriers .....	407,245		407,245	446,342
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	407,245		407,245	446,342
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....	X X X	X X X		

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

## STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	24,452	23,415	31,304
2. Net premium income (including \$ non-health premium income)	X X X	12,734,660	12,299,761	16,376,467
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Line 2 to Line 7)	X X X	12,734,660	12,299,761	16,376,467
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits		8,838,805	7,614,370	10,813,591
10. Other professional services		765,078	822,295	1,128,009
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs		2,064,572	2,027,516	2,700,146
14. Aggregate write-ins for other hospital and medical		21,920	11,812	15,242
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Line 9 to Line 15)		11,690,375	10,475,993	14,656,988
<b>Less:</b>				
17. Net reinsurance recoveries		56,166	84,568	142,473
18. Total hospital and medical (Line 16 minus Line 17)		11,634,209	10,391,425	14,514,515
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses		876,127	829,085	1,097,136
21. General administrative expenses		211,754	264,084	356,797
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		117,000	29,000	110,000
23. Total underwriting deductions (Line 18 through Line 22)		12,839,090	11,513,594	16,078,448
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	(104,430)	786,167	298,019
25. Net investment income earned		19,741	29,917	39,639
26. Net realized capital gains (losses) less capital gains tax of \$				
27. Net investment gains (losses) (Line 25 plus Line 26)		19,741	29,917	39,639
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ (amount charged off \$ )]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	(84,689)	816,084	337,658
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Line 30 minus Line 31)	X X X	(84,689)	816,084	337,658
<b>DETAILS OF WRITE-INS</b>				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X			
1401. Disability insurance (short-term)		21,920	11,812	15,242
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		21,920	11,812	15,242
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)				

**STATEMENT OF REVENUE AND EXPENSES (continued)**

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year	5,192,037	4,854,379	4,854,379
34. Net income (loss) from Line 32	(84,689)	816,084	337,658
35. Change in valuation basis of aggregate policy and claims reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	1	(3,307)	
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Line 34 to Line 47)	(84,688)	812,777	337,658
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	5,107,349	5,667,156	5,192,037
<b>DETAILS OF WRITE-INS</b>			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)			

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	12,885,901	12,332,157	16,280,564
2. Net investment income	19,741	29,917	39,639
3. Miscellaneous income			
4. Total (Line 1 through Line 3)	12,905,642	12,362,074	16,320,203
5. Benefit and loss related payments	11,685,971	10,407,442	14,359,969
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	1,081,948	1,102,201	1,446,908
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Line 5 through Line 9)	12,767,919	11,509,643	15,806,877
11. Net cash from operations (Line 4 minus Line 10)	137,723	852,431	513,326
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Line 13.1 through Line 13.6)			
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)			
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	137,723	852,431	513,326
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,511,184	6,997,858	6,997,858
19.2 End of period (Line 18 plus Line 19.1)	7,648,907	7,850,289	7,511,184

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. First Year	2,625		2,625							
2. First Quarter	2,692		2,692							
3. Second Quarter	2,710		2,710							
4. Third Quarter	2,903		2,903							
5. Current Year										
6. Current Year Member Months	24,452		24,452							
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	13,452,603		12,488,491			831,148				32,964
13. Life Premiums Direct	48,902									48,902
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	13,452,603		12,488,491			831,148				32,964
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	11,690,375		10,933,377			765,076				21,500
18. Amount Incurred for Provision of Health Care Services	11,794,315		11,025,377			744,078				21,520

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



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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0599999 - Unreported claims and other claim reserves						1,929,000
0799999 - Total claims unpaid						1,929,000

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	1,337,183	9,510,026	41,500	1,797,560	1,361,563	1,717,000
2. Medicare Supplement						
3. Dental only	61,325	703,753	1,000	77,000	62,325	99,000
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Line 1 to Line 4)	1,398,508	10,213,781	45,500	1,874,560	1,444,009	1,816,000
10. Healthcare receivables (a)						
11. Other non-health	7,720	14,200		9,000	7,720	9,000
12. Medical incentive pools and bonus amounts						
13. Totals	1,406,228	10,227,981	45,500	1,883,560	1,451,729	1,825,000

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

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## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies

#### DESCRIPTION OF PLAN

**Nature of Operations:** The Cleveland Automobile Dealers' Group Health Plan (the Plan) provides and maintains a program of group insurance for the benefit of members of the Greater Cleveland Automobile Dealers' Association. The Plan, as amended and restated by the Board of Trustees was adopted effective June 1, 1990. GCADA is the plan's sponsor.

**Premiums:** Contributions to the Trust are made by members of the Association in accordance with rates established for the insurance coverage provided.

**Health Insurance Benefits:** Group health insurance benefits are provided by direct payments of claims per agreements with Medical Mutual of Ohio.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation:** The accompanying statutory financial statements have been prepared in conformity with accounting practices prescribed or permitted by the State of Ohio Department of Insurance. Prescribed statutory accounting practices include state laws, regulations and general administrative rules, as well as a variety of publications of the National Association of Insurance Commissioners (NAIC). Permitted statutory accounting practices encompass all accounting practices that are not prescribed; such practices may differ from state to state, may differ from company to company within a state and may change in the future. Statutory accounting practices used by the Plan vary from accounting principles generally accepted in the United States of America as follows:

**Reinsurance:** Reserves for losses and loss adjustment expenses and unearned premiums are reported net of reinsured amounts.

For the purpose of the annual and quarterly statements, the following policies have been treated as reinsurance.

- Specific and aggregate stop loss
- Fully-insured, no-risk life insurance

Reported premium income is generally net of reinsurance – it has been reduced by the cost of ceded reinsurance (the cost of stop loss premium and life insurance premium). Likewise, incurred claims and the reserve for incurred but unpaid claims do not include the cost of ceded reinsurance. Premium is reported gross of reinsurance on Exhibit of Premiums and Enrollment and Schedule T.

Vision premium and claims are included with dental.

**Nonadmitted Assets:** Certain assets designated as "nonadmitted," including furniture and fixtures, automobiles and equipment, unrealized gain and loss on investments and intangible assets related to costs of insurance licenses, prepaid assets and deferred expenses, are excluded from the statements of admitted assets, liabilities and surplus statutory basis and are charged directly to unassigned surplus.

**Statements of Cash Flows - Statutory Basis:** The Plan reports cash flows in accordance with NAIC guidelines.

**Valuation of Bonds and Mutual Funds:** Bonds and mutual funds are valued in accordance with the laws of the State of Ohio or the valuations prescribed by the Committee on Valuation of Securities of the NAIC. Generally, bonds are stated at amortized cost and stocks (mutual funds) are valued based on market quotations.

**Losses Payable:** A liability for losses is provided based on: (1) case basis estimates for losses reported, (2) estimates of unreported losses based on past experience, (3) information received relating to assumed reinsurance, and (4) deduction of amounts for reinsurance placed with reinsurers.

**Loss Adjustment Expenses Payable:** A liability for loss adjustment expenses payable is provided by estimating future expenses to be incurred in settlement of the claims provided for in the liability for losses.

**Recognition of Premium Revenues:** Premiums are billed monthly. Revenue is recognized in the month billed.

**Bonds:** Includes all bonds with maturity dates, when purchased, greater than one year.

**Short-term Investments:** Includes all bonds with maturity dates, when purchased, of one year or less.

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## NOTES TO FINANCIAL STATEMENTS

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Cash Equivalents: Highly liquid, short-term investments with maturities of three months or less from acquisition date are considered cash equivalents. As of the statement date, there were no cash equivalents.

The preparation of financial statements in conformity with the statutory basis of accounting for insurance companies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Liability for incurred but unpaid claims is a significant estimate that could change in the near term.

**NOTE 2 - Accounting Changes and Corrections of Errors**

Not Applicable

**NOTE 3 - Business Combinations and Goodwill**

Not Applicable

**NOTE 4 - Discontinued Operations**

Not Applicable

**NOTE 5 - Investments**

Not Applicable

**NOTE 6 - Joint Ventures, Partnerships, and Limited Liability Companies**

Not Applicable

**NOTE 7 - Investment Income**

Not Applicable

**NOTE 8 - Derivative Instruments**

Not Applicable

**NOTE 9 - Income Taxes**

Not Applicable – the Plan is exempt.

**NOTE 10 - Information Concerning Parent, Subsidiaries and Affiliates**

For the nine months ended 9/30/2011, management fees of \$64,958 were paid to GCADA to reimburse management's time in administration and promotion of the Plan. For the nine months ended 9/30/10, management fees of \$48,000 were paid to GCADA.

**NOTE 11 - Debt**

None

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## NOTES TO FINANCIAL STATEMENTS

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**NOTE 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Not Applicable

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

Not Applicable

**NOTE 14 - Contingencies**

A. Contingent Commitments - None

B. Assessments - None

C. Gain Contingencies - None

D. All Other Contingencies - None

**NOTE 15 - Leases**

Not Applicable

**NOTE 16 - Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk**

Not Applicable

**NOTE 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

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

Not Applicable

**NOTE 19 - Direct Premium Written/Produced by Managing General Agents /Third Party Administrators**

Not Applicable

**NOTE 20 - September 11 Events**

Not Applicable

**NOTE 21 - Other Items**

A. Extraordinary Items - None

B. Troubled Debt Restructuring - None

C. Other Disclosures - None

D. All Other Contingencies - None

**NOTE 22 - Events Subsequent**

Not Applicable

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## NOTES TO FINANCIAL STATEMENTS

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**NOTE 23 - Reinsurance****A. Ceded Reinsurance**

The following table shows the approximate amounts by which ceded reinsurance has reduced the indicated financial statement accounts for the 9-month period ending September 30:

	<u>1/1/11 - 9/30/11</u>	<u>1/1/10 - 9/30/10</u>
Premium Income		
Cost of Stop Loss Insurance	\$ 730,356	\$ 655,746
Cost of Life Insurance	36,489	38,393
Total	766,845	694,139
Underwriting Deductions		
Stop Loss Reimbursements	\$ 56,166	\$ 84,568

**B. Uncollectible Reinsurance - Not Applicable****C. Commutation of Ceded Reinsurance - Note Applicable****NOTE 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not Applicable

**NOTE 25 - Change in Incurred Claims and Claim Adjustment Expenses**

Not Applicable

**NOTE 26 - Intercompany Pooling Arrangements**

Not Applicable

**NOTE 27 - Structured Settlements**

Not Applicable

**NOTE 28 - Health Care Receivables**

Not Applicable

**NOTE 29 - Participating Policies**

Not Applicable

**NOTE 30 - Premium Deficiency Reserves**

Not Applicable

**NOTE 31 - Anticipated Salvage and Subrogation**

Not Applicable

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes ( ) No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes ( ) No ( )
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change: .....
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ( ) No (X)  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes ( ) No ( ) N/A (X)  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/02/2010
- 6.4 By what department or departments?  
.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes (X) No ( ) N/A ( )
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No ( ) N/A ( )
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes ( ) No (X)
- 7.2 If yes, give full information  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

**GENERAL INTERROGATORIES (continued)**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code. Yes (X) No ( )
- 9.11 If the response to 9.1 is No, please explain:  
 .....  
 .....
- 9.2 Has the code of ethics for senior managers been amended? Yes ( ) No (X)
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....  
 .....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....  
 .....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ( ) No (X)
- 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$ .....

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ( ) No (X)
- 11.2 If yes, give full and complete information relating thereto:  
 .....  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:	\$ .....
13. Amount of real estate and mortgages held in short-term investments:	\$ .....
14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?	Yes ( ) No (X)
14.2 If yes, please complete the following:	
	<div> <div>1</div> <div>Prior Year-End Book/ Adjusted Carrying Value</div> </div> <div> <div>2</div> <div>Current Quarter Book/ Adjusted Carrying Value</div> </div>
14.21 Bonds .....	\$ .....
14.22 Preferred Stock .....	\$ .....
14.23 Common Stock .....	\$ .....
14.24 Short-Term Investments .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....
14.26 All Other .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) .....	\$ .....
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above .....	\$ .....

- 15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes ( ) No (X)
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( )  
 If no, attach a description with this statement.



**GENERAL INTERROGATORIES (continued)**

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian Address

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

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

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes ( ) No (X)

- 16.4 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes ( ) No (X)

- 17.2 If no, list exceptions:

.....

.....

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH**

1. Operating Percentages:

1.1 A&H loss percent ..... 91.4 %

1.2 A&H cost containment percent ..... %

1.3 A&H expense percent excluding cost containment expenses ..... 6.5 %

2.1 Do you act as a custodian for health savings accounts? Yes ( ) No (X)

2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ .....

2.3 Do you act as an administrator for health savings accounts? Yes ( ) No (X)

2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ .....

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
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**NONE**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

1	Active Status	Direct Business Only Year to Date							
		2	3	4	5	6	7	8	9
States, Etc.		Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1. Alabama	AL N								
2. Alaska	AK N								
3. Arizona	AZ N								
4. Arkansas	AR N								
5. California	CA N								
6. Colorado	CO N								
7. Connecticut	CT N								
8. Delaware	DE N								
9. District of Columbia	DC N								
10. Florida	FL N								
11. Georgia	GA N								
12. Hawaii	HI N								
13. Idaho	ID N								
14. Illinois	IL N								
15. Indiana	IN N								
16. Iowa	IA N								
17. Kansas	KS N								
18. Kentucky	KY N								
19. Louisiana	LA N								
20. Maine	ME N								
21. Maryland	MD N								
22. Massachusetts	MA N								
23. Michigan	MI N								
24. Minnesota	MN N								
25. Mississippi	MS N								
26. Missouri	MO N								
27. Montana	MT N								
28. Nebraska	NE N								
29. Nevada	NV N								
30. New Hampshire	NH N								
31. New Jersey	NJ N								
32. New Mexico	NM N								
33. New York	NY N								
34. North Carolina	NC N								
35. North Dakota	ND N								
36. Ohio	OH L	13,452,603				48,902		13,501,505	
37. Oklahoma	OK N								
38. Oregon	OR N								
39. Pennsylvania	PA N								
40. Rhode Island	RI N								
41. South Carolina	SC N								
42. South Dakota	SD N								
43. Tennessee	TN N								
44. Texas	TX N								
45. Utah	UT N								
46. Vermont	VT N								
47. Virginia	VA N								
48. Washington	WA N								
49. West Virginia	WV N								
50. Wisconsin	WI N								
51. Wyoming	WY N								
52. American Samoa	AS N								
53. Guam	GU N								
54. Puerto Rico	PR N								
55. U. S. Virgin Islands	VI N								
56. Northern Mariana Islands	MP N								
57. Canada	CN N								
58. Aggregate Other Alien	OT X X X								
59. Subtotal	X X X	13,452,603				48,902		13,501,505	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 1	13,452,603				48,902		13,501,505	
<b>DETAILS OF WRITE-INS</b>									
5801.									
5802.									
5803.									
5898.	Summary of remaining write-ins for Line 58 from overflow page								
5899.	Total (Line 5801 through Line 5803 plus Line 5898)								
	(Line 58 above)								

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

Active Status Codes (Column 1):

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG

(R) Registered - Non-domiciled RRGs

(Q) Qualified - Qualified or Accredited Reinsurer

(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state

(N) None of the above - Not allowed to write business in the state

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

All entity members of a Holding Company Group that have acquired and/or disposed of any domestic entity (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

**PART 1 - ORGANIZATIONAL LISTING**

1	2	3	4	5	6
NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	FBI Number	Name of Company

**NONE**

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

**PART 1 - ORGANIZATIONAL CHART**

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**NONE**

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## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

NO

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

EXPLANATIONS:

BAR CODE:

Document Identifier 365:



**Page SI01**

Schedule A, Verification  
**NONE**

Schedule B, Verification  
**NONE**

Schedule BA, Verification  
**NONE**

Schedule D, Verification  
**NONE**

**Page SI02**

Schedule D, Part 1B  
**NONE**

**Page SI03**

Schedule DA, Part 1  
**NONE**

Schedule DA, Verification  
**NONE**

**Page SI04**

Schedule DB, Part A, Verification  
**NONE**

Schedule DB, Part B, Verification  
**NONE**

**Page SI05**

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open  
**NONE**

**Page SI06**

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open  
**NONE**

**Page SI07**

Schedule DB, Verification  
**NONE**

**Page SI08**

Schedule E, Verification (Cash Equivalents)  
**NONE**

**Page E01**

Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Disposed  
**NONE**

**Page E02**

Schedule B, Part 2, Mortgage Loans Acquired  
**NONE**

Schedule B, Part 3, Mortgage Loans Disposed  
**NONE**



**Page E03**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired  
**NONE**

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed  
**NONE**

**Page E04**

Schedule D, Part 3, Long-Term Bonds and Stocks Acquired  
**NONE**

**Page E05**

Schedule D, Part 4, Long-Term Bonds and Stocks Disposed Of  
**NONE**

**Page E06**

Schedule DB, Part A, Section 1  
**NONE**

Financial or Economic Impact of the Hedge  
**NONE**

**Page E07**

Schedule DB, Part B, Section 1  
**NONE**

Schedule DB, Part B, Section 1, Broker Name  
**NONE**

Schedule DB, Part B, Financial or Economic Impact of the Hedge  
**NONE**

**Page E08**

Schedule DB, Part D  
**NONE**

**Page E09**

Schedule DL, Part 1  
**NONE**

**Page E10**

Schedule DL, Part 2  
**NONE**

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6 First Month	7 Second Month	8 Third Month	*
Open Depositories									
PNC Bank	(checking) Pennsylvania		varies	709		987,820	771,878	865,259	
First Merit Bank	Ohio		varies	552		1,095,634	1,095,820	1,098,000	
PNC Bank	(money market) Pennsylvania		varies	3,397		3,676,607	3,677,843	3,678,898	
Fifth Third Bank	Ohio		varies	734		1,003,232	1,003,488	1,003,711	
Huntington National Bank	Ohio		varies	633		1,004,619	1,004,832	1,005,039	
0199999 - TOTAL - Open Depositories				6,025		7,767,912	7,553,861	7,648,907	
0399999 - TOTAL Cash on Deposit				6,025		7,767,912	7,553,861	7,648,907	
0599999 - TOTALS				6,025		7,767,912	7,553,861	7,648,907	

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book Adjusted Carrying Value	Amount of Interest Due and Accrued	Amount Received During Year

**NONE**



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2011 OF THE Cleveland Automobile Dealers Association Group Health Plan

**MEDICARE PART D COVERAGE SUPPLEMENT**  
(Net of Reinsurance)

NAIC Group Code: 0001

NAIC Company Code: 00001

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

**NONE**

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