



LIFE AND ACCIDENT AND HEALTH COMPANIES —ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

SEECHANGE HEALTH INSURANCE COMPANY, INC.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	63541	Employer's ID Number	35-0982487
Organized under the Laws of	California		State of Domicile or Port of Entry	California		
Country of Domicile	United States					
Incorporated/Organized	05/14/1956		Commenced Business	11/16/1956		
Statutory Home Office	12711 Ventura Blvd., Suite 180 (Street and Number)		Studio City, CA 91604 (City or Town, State and Zip Code)			
Main Administrative Office	10159 Wayzata Blvd., Suite 200 (Street and Number)		Minneapolis, MN 55305 (City or Town, State and Zip Code)		763-746-8475 (Area Code) (Telephone Number)	
Mail Address	10159 Wayzata Blvd., Suite 200 (Street and Number or P.O. Box)		Minneapolis, MN 55305 (City or Town, State and Zip Code)			
Primary Location of Books and Records	10159 Wayzata Blvd., Suite 200 (Street and Number)		Minneapolis, MN 55305 (City or Town, State and Zip Code)		763-582-1266 (Area Code) (Telephone Number)	
Internet Web Site Address	www.seechangehealth.com					
Statutory Statement Contact	Donald Alan Powers (Name)		763-582-1266			
	dpowers@seechangehealth.com (E-Mail Address)				(Area Code) (Telephone Number) (Extension) 866-631-6661 (Fax Number)	

OFFICERS

Name	Title	Name	Title
Martin Watson	President	Daniel John Boivin	Secretary
Donald Alan Powers	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Matthew Wayne Etheridge	Eric John Kim	Stephen Michael Krupa	Michael Aubrey Stocker
Martin Watson	Albert Sidney Waxman		

State of Minnesota
County of Hennepin
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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.

Martin Watson President	Daniel John Boivin Secretary	Donald Alan Powers Treasurer
Subscribed and sworn to before me this day of , ,	<p>a. Is this an original filing? Yes [X] No []</p> <p>b. If no,</p> <ol style="list-style-type: none"> 1. State the amendment number 2. Date filed 3. Number of pages attached 	

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	494,894		.494,894	1,001,936
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 5,371,801), cash equivalents (\$ 0) and short-term investments (\$ 5,463,606)	10,835,407		10,835,407	6,321,942
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	11,330,301	.0	11,330,301	7,323,878
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	9,387		.9,387	11,551
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	473,764		.473,764	.50,728
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	660,037		.660,037	.75,896
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	458,968		.458,968	.51,041
24. Health care (\$) and other amounts receivable .....	.35,228		.35,228	.4,030
25. Aggregate write-ins for other than invested assets .....	.11,855	.11,855	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,979,541	11,855	12,967,686	7,517,123
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	12,979,541	11,855	12,967,686	7,517,123
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Disallowed Interest Maintenance Reserve	11,855	.11,855	0	0
2502. Prepaid expenses			0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	11,855	11,855	0	0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ less \$ included in Line 6.3 (including \$ Modco Reserve)		0
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		0
3. Liability for deposit-type contracts (including \$ Modco Reserve)		0
4. Contract claims:		
4.1 Life		0
4.2 Accident and health	4,553,750	813,008
5. Policyholders' dividends \$ and coupons \$ due and unpaid		0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		0
6.2 Dividends not yet apportioned (including \$ Modco)		0
6.3 Coupons and similar benefits (including \$ Modco)		0
7. Amount provisionally held for deferred dividend policies not included in Line 6		0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums .....	.951,382	274,805
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		0
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded .....	.0	0
9.4 Interest Maintenance Reserve .....	.0	0
10. Commissions to agents due or accrued—life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$ .....	.429,107	208,194
11. Commissions and expense allowances payable on reinsurance assumed		0
12. General expenses due or accrued .....	.459,303	161,114
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	.572,439	58,297
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		0
15.2 Net deferred tax liability		0
16. Unearned investment income		0
17. Amounts withheld or retained by company as agent or trustee		0
18. Amounts held for agents' account, including \$ agents' credit balances		0
19. Remittances and items not allocated		0
20. Net adjustment in assets and liabilities due to foreign exchange rates		0
21. Liability for benefits for employees and agents if not included above		0
22. Borrowed money \$ and interest thereon \$		0
23. Dividends to stockholders declared and unpaid		0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,705	1,705
24.02 Reinsurance in unauthorized companies		0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers		0
24.04 Payable to parent, subsidiaries and affiliates		0
24.05 Drafts outstanding		0
24.06 Liability for amounts held under uninsured plans		0
24.07 Funds held under coinsurance		0
24.08 Derivatives		0
24.09 Payable for securities		0
24.10 Payable for securities lending		0
24.11 Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	6,967,686	1,517,123
27. From Separate Accounts statement		0
28. Total liabilities (Lines 26 and 27)	6,967,686	1,517,123
29. Common capital stock	3,000,000	3,000,000
30. Preferred capital stock		0
31. Aggregate write-ins for other than special surplus funds .....	.0	0
32. Surplus notes		0
33. Gross paid in and contributed surplus .....	.43,581,388	36,407,393
34. Aggregate write-ins for special surplus funds .....	.0	0
35. Unassigned funds (surplus)	(40,581,388)	(33,407,392)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		0
36.2 shares preferred (value included in Line 30 \$)		0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ in Separate Accounts Statement)	3,000,000	3,000,001
38. Totals of Lines 29, 30 and 37	6,000,000	6,000,001
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	12,967,686	7,517,123
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	.0	0
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	.0	0
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	25,087,413	1,022,667	2,312,214
2. Considerations for supplementary contracts with life contingencies		0	0
3. Net investment income	35,332	57,665	68,332
4. Amortization of Interest Maintenance Reserve (IMR)	3,120	0	4,331
5. Separate Accounts net gain from operations excluding unrealized gains or losses		0	0
6. Commissions and expense allowances on reinsurance ceded		0	0
7. Reserve adjustments on reinsurance ceded		0	0
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		0	0
8.2 Charges and fees for deposit-type contracts		0	0
8.3 Aggregate write-ins for miscellaneous income	0	0	0
9. Totals (Lines 1 to 8.3)	25,125,865	1,080,332	2,384,877
10. Death benefits		0	0
11. Matured endowments (excluding guaranteed annual pure endowments)		0	0
12. Annuity benefits		0	0
13. Disability benefits and benefits under accident and health contracts	21,630,120	1,007,836	2,052,345
14. Coupons, guaranteed annual pure endowments and similar benefits		0	0
15. Surrender benefits and withdrawals for life contracts		0	0
16. Group conversions		0	0
17. Interest and adjustments on contract or deposit-type contract funds		0	0
18. Payments on supplementary contracts with life contingencies		0	0
19. Increase in aggregate reserves for life and accident and health contracts		0	0
20. Totals (Lines 10 to 19)	21,630,120	1,007,836	2,052,345
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	2,653,482	151,660	424,723
22. Commissions and expense allowances on reinsurance assumed		0	0
23. General insurance expenses	7,341,223	4,157,260	5,593,978
24. Insurance taxes, licenses and fees, excluding federal income taxes	671,917	64,667	404,369
25. Increase in loading on deferred and uncollected premiums		0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance		0	0
27. Aggregate write-ins for deductions	0	0	0
28. Totals (Lines 20 to 27)	32,296,742	5,381,423	8,475,415
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(7,170,877)	(4,301,091)	(6,090,538)
30. Dividends to policyholders		0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(7,170,877)	(4,301,091)	(6,090,538)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)		0	0
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(7,170,877)	(4,301,091)	(6,090,538)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)		0	0
35. Net income (Line 33 plus Line 34)	(7,170,877)	(4,301,091)	(6,090,538)
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	6,000,001	6,000,049	6,000,049
37. Net income (Line 35)	(7,170,877)	(4,301,091)	(6,090,538)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
39. Change in net unrealized foreign exchange capital gain (loss)		0	0
40. Change in net deferred income tax		0	0
41. Change in nonadmitted assets	(3,120)	10,417	6,086
42. Change in liability for reinsurance in unauthorized companies		0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease		0	0
44. Change in asset valuation reserve		(403)	(754)
45. Change in treasury stock		0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0	0
47. Other changes in surplus in Separate Accounts Statement		0	0
48. Change in surplus notes		0	0
49. Cumulative effect of changes in accounting principles		0	0
50. Capital changes:			
50.1 Paid in		0	0
50.2 Transferred from surplus (Stock Dividend)		0	0
50.3 Transferred to surplus		0	0
51. Surplus adjustment:			
51.1 Paid in	7,173,996	4,292,777	6,085,158
51.2 Transferred to capital (Stock Dividend)		0	0
51.3 Transferred from capital		0	0
51.4 Change in surplus as a result of reinsurance		0	0
52. Dividends to stockholders		0	0
53. Aggregate write-ins for gains and losses in surplus	0	0	0
54. Net change in capital and surplus (Lines 37 through 53)	(1)	1,700	(48)
55. Capital and surplus as of statement date (Lines 36 + 54)	6,000,000	6,001,749	6,000,001
DETAILS OF WRITE-INS			
08.301.			
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	0	0	0
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0	0
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	24,756,813	1,031,178	2,459,361
2. Net investment income.....	.44,538	.67,458	.80,486
3. Miscellaneous income.....	0	0	0
4. Total (Lines 1 to 3).....	24,801,351	1,098,636	2,539,847
5. Benefit and loss related payments.....	17,889,377	.679,178	1,248,159
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	.9,633,379	.4,217,598	.6,003,865
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9).....	27,522,756	4,896,776	7,252,024
11. Net cash from operations (Line 4 minus Line 10).....	(2,721,405)	(3,798,140)	(4,712,177)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	.500,000	0	100,000
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	.500,000	0	100,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	0	0	0
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	0
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	500,000	0	100,000
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	.7,173,996	.4,292,777	.6,085,158
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(439,126)	(77,376)	(70,438)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	6,734,870	4,215,402	6,014,720
RECONCILATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	.4,513,465	.417,261	.1,402,542
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	.6,321,942	.4,919,400	.4,919,400
19.2 End of period (Line 18 plus Line 19.1).....	10,835,407	5,336,661	6,321,942

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial life	0	0	0
2. Ordinary life insurance	0	0	0
3. Ordinary individual annuities	0	0	0
4. Credit life (group and individual)	0	0	0
5. Group life insurance	0	0	0
6. Group annuities	0	0	0
7. A & H - group	26,236,651	1,181,640	2,588,811
8. A & H - credit (group and individual)	0	0	0
9. A & H - other	0	0	0
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	26,236,651	1,181,640	2,588,811
12. Deposit-type contracts	0	0	0
13. Total	26,236,651	1,181,640	2,588,811
DETAILS OF WRITE-INS			
1001.	0	0	0
1002.	0	0	0
1003.	0	0	0
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099. Total (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of SeeChange Health Insurance Company, Inc. (the Company), formerly known as Central Benefits National Life Insurance Company, are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of California.

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

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

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

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. The Company does not write life insurance business.

In addition, the Company uses the following accounting policies:

- 1) Short-term investments are stated at cost, which approximates market value.
- 2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- 3) The Company has no common stocks.
- 4) The Company has no preferred stocks.
- 5) The Company has no mortgage loans.
- 6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase. Anticipated prepayments are considered using the retrospective method when determining the amortization of discount or premium.
- 7) Not applicable.
- 8) Not applicable.
- 9) The Company has no investments in derivatives.
- 10) Not applicable.
- 11) Losses and loss adjustment expense reserves represent the estimated net cost of all unpaid reported and unreported claims at the end of the year. The Company does not discount losses and loss adjustment expense reserves. The reserves for unpaid claims and claim adjustment expenses are estimated using valuations and statistical frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops and new information becomes known; such adjustments are included in current operations.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. Investments

A. Mortgage Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

- 1) The Company has no investments in loan-backed securities.
- 2) The Company has no investments in loan-backed securities.
- 3) Not applicable.
- 4) Not applicable.
- 5) Not applicable.

E. Repurchase Agreements

The Company does not have any repurchase agreements.

F. Real Estate

The Company has no investments in real estate.

G. Investments in Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

- A. Due and accrued income is excluded from investment income on bonds where collection of interest is uncertain.
- B. No such income was excluded from investment income for any of the years reported.

8. Derivative Instruments

The Company has no assets invested in derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

- A. The Company has operating loss carry forwards, and due to the unlikely recovery of these carry forwards in the near future, does not record a deferred tax asset on its balance sheet. The following presentation of deferred tax assets and liabilities is for disclosure purposes only. The presentation below includes estimates only, as the 2012 Audited Financial Statement has not yet been prepared.

The components of the net deferred tax asset at September 30, 2012 and December 31, 2011 would be as follows:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
(a) Gross Deferred Tax Assets	\$ 6,821,677	\$ 4,462,489	\$ 2,359,188
(b) Statutory Valuation Allowance Adjustment	\$ 6,822,802	\$ 4,443,728	\$ 2,379,074
© Adjusted Gross Deferred Tax Assets	\$ (1,125)	\$ 18,761	\$ (19,886)
(d) Deferred Tax Liabilities	\$ (1,125)	\$ 18,761	\$ (19,886)
(e) Subtotal Net Deferred Tax Asset	\$ -	\$ -	\$ -
(f) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(g) Net Admitted Deferred Tax Asset	\$ -	\$ -	\$ -

- (1) Not applicable.
(2) Not applicable.
(3) Not applicable.
(4) Not applicable.

- B. The Company has no DTLs with temporary differences.

- C. No income tax was incurred for any of the periods presented.

DTAs	Statutory	Tax	Change	Tax Effect
NOL carryforward	\$ -	\$ 19,461,812	\$ 19,461,812	\$ 6,617,016
Uamortized license costs	\$ -	\$ 571,944	\$ 571,944	\$ 194,461
Investments	\$ -	\$ -	\$ -	\$ -
Uncollected premiums	\$ 951,382	\$ 951,382	\$ -	\$ -
Advance premiums	\$ 473,764	\$ 443,764	\$ 30,000	\$ 10,200
Gross DTA				<u>\$ 6,821,677</u>
Statutory valuation allowance adj.				<u>\$ 6,822,802</u>
Non-Admitted DTAs				<u>\$ -</u>
Admitted DTA's				<u>\$ (1,125)</u>

DTLs	2012	2011	Change
Unrealized gain on investments	\$ -	\$ (3,309)	\$ (3,309)
DAC	\$ -	\$ -	\$ -
Gross DTLs			<u>\$ (1,125)</u>

DTAs	2012	2011	Change
Advance premiums	\$ 10,200	\$ 18,687	\$ (8,487)
Investments	\$ -	\$ -	\$ -
Uncollected premiums	\$ -	\$ -	\$ -
NOL carryforward	\$ 6,617,016	\$ 4,237,016	\$ 2,380,000
Unamortized license costs	\$ 194,461	\$ 206,786	\$ (12,325)
Subtotal	<u>\$ 6,821,677</u>	<u>\$ 4,462,489</u>	<u>\$ 2,359,188</u>
Statutory valuation allowance adj.	<u>\$ 6,822,802</u>	<u>\$ 4,443,728</u>	<u>\$ 2,379,074</u>
Nonadmitted DTAs	\$ -	\$ -	\$ -
Admitted DTAs	<u>\$ (1,125)</u>	<u>\$ 18,761</u>	<u>\$ (19,886)</u>

DTLs	2012	2011	Change
Unrealized gain on investments	\$ (1,125)	\$ 18,761	\$ (19,886)
DAC	\$ -	\$ -	\$ -
Gross DTLs	<u>\$ (1,125)</u>	<u>\$ 18,761</u>	<u>\$ (19,886)</u>

Net DTAs	\$ (0)	\$ -	\$ (0)

- D. There were no significant book-to-tax adjustments for either the period ended September 30, 2012 or December 31, 2011.
- E. At September 30, 2012, the Company had estimated operating loss carry forwards of \$19,462,000 originating in 2009 through 2012 which expire, if unused, in years 2029 through 2032.
- F. The Company files a consolidated federal income tax return with its parent, SeeChange Health Management Company, Inc.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A.-C. The parent has made capital infusions of \$7,173,996 and \$6,085,158 into the Company in 2012 and 2011, respectively.

Effective July 31, 2009, all outstanding shares of the Company were purchased by SeeChange Health Management Company, Inc., a Delaware corporation, from Central Benefits Mutual Insurance Company.

Effective in October 2009, the Company's name was changed to SeeChange Health Insurance Company, Inc. The name change was approved by the Ohio Department of Insurance. Effective February 16, 2010, the statutory home office address was changed to 545 Metro Place South, Suite 100, Columbus, Ohio 43017.

Effective August 17, 2012, the Company became a California domestic life insurer. While California has recognized the redomestication, finalization of the process in Ohio (former domiciliary state) is awaiting the processing of documentation filed by the Company with California.

D. The Company reported amounts due from its parent of \$466,771 and \$51,041 as of September 30, 2012 and December 31, 2011, respectively.

E. Not applicable.

F. The Company has a management agreement with SeeChange Health Management Company, Inc., the parent company. The management agreement is based upon a cost allocation of expenses.

G. All outstanding shares of the Company are owned by the parent, SeeChange Health Management Company, Inc., a Delaware corporation.

H. Not applicable.

I. The Company has no investments in Subsidiary, Controlled or Affiliated (SCA) companies.

J. Not applicable.

K. The Company has no investments in foreign insurance subsidiaries.

L. The Company has no investments in a downstream noninsurance holding company.

11. Debt

The Company has no debt or FHLB agreements structured as debt.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Not applicable.

B. Defined Contribution Plans

Not applicable.

C. Multiemployer Plan

Not applicable.

D. Consolidated/Holding Company Plans

Not applicable.

E. Postemployment Benefits and Compensated Absences

Not applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable.

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus

- (1) The Company has 1,000 shares authorized, and 100 shares issued and outstanding of common stock. The par value of the stock is \$30,000 per share.
- (2) The Company has no preferred stock authorized or outstanding.
- (3) Without prior approval of the California Commissioner, dividends to shareholders are limited by the laws of California. The amount is based on restrictions relating to statutory surplus.
- (4) The Company paid no dividends in either 2012 or 2011.
- (5) The payment of dividends is subject to the approval of the California Department of Insurance.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) There were no advances made on the Company's surplus.
- (8) The Company has no subsidiaries.
- (9) The Company has no special surplus funds.
- (10) The portion of unassigned funds (surplus) at September 30, 2012 is reduced by \$1,705 for the Asset Valuation Reserve.
- (11) The Company has no surplus notes or similar obligations.
- (12) Not applicable.
- (13) Not applicable.

14. Contingencies

A. Contingent Commitments

The Company has no contingent liabilities.

B. Assessments

Periodically, the Company is assessed by various guaranty funds to cover certain losses to policyholders that resulted from the insolvency or rehabilitation of other insurance companies. At September 30, 2012 the Company is not able to reasonably estimate the potential amounts of any future assessments and has deemed that any potential assessments would be immaterial to the Company. Accordingly, there is no provision made for such future assessments.

C. Gain Contingencies

The Company did not recognize any gain contingencies subsequent to the balance sheet date and prior to the issuance of financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company did not have any lawsuits arising from extra contractual claims or bad faith losses.

E. All Other Contingencies

Various lawsuits against the Company have arisen in the normal course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. The Company has no assets that it considers to be impaired.

15. Leases

- A. The Company is not the lessee in any operating lease agreements.
- B. The Company is not the lessor in any operating lease agreements.

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

The Company does not have any financial instruments with off-balance sheet risk, or with concentrations of credit risk.

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

The Company does not report any premium receivables as sales. The Company has not serviced or transferred any financial assets and has no wash sales.

NOTES TO FINANCIAL STATEMENTS

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

The Company has no gain from operations from neither Administrative Services Only (ASO) uninsured plans nor the uninsured portion of partially insured plans in either 2012 or 2011.

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

The Company has no direct premium written through managing general agents or third party administrators.

20. Fair Value Measurements

The Company has no assets or liabilities either measured or reported at fair value in any of the periods reported.

21. Other Items

A. Extraordinary Items

The Company has no extraordinary items.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt obligations.

C. Other Disclosures

Effective May 18, 2011, SeeChange Health LLC (parent of SeeChange Health Management Company, Inc.), closed on an offering of Series B Preferred Units totaling \$20 million. Purchasers were existing investor Psilos Group Managers and new investor Maverick Capital, Ltd.

On the same date, two new board members were appointed to the Company's board of directors - Eric John Kim and Matthew Wayne Etheridge. Current Treasurer Donald Alan Powers exited the Board.

On February 9, 2012, SeeChange Health LLC closed on the second tranche of the Series B Preferred Units totaling \$8.5 million from Psilos Group Managers and Maverick Capital, Ltd.

Effective August 17, 2012, the Company became a California domestic life insurer. While California has recognized the redomestication, finalization of the process in Ohio (former domiciliary state) is awaiting the processing of documentation filed by the Company with California.

D. Uncollectible Asset Balances

The Company has no asset balances with uncollectible balances.

E. Business Interruption Insurance Recoveries

The Company had no business interruptions in any of the periods reported.

F. State Transferable Tax Credits

The Company has no transferable state tax credits.

G. Subprime-Mortgage-Related Risk Exposure

The Company has no investments in subprime mortgage related risks.

H. Retained Assets

The Company has no retained assets.

22. Events Subsequent

The Company has no subsequent events.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. No
2. No

Section 2 – Ceded Reinsurance Report – Part A

1. No
2. No

Section 3 – Ceded Reinsurance Report – Part B

1. Not applicable
2. No

NOTES TO FINANCIAL STATEMENTS

B. Uncollectible Reinsurance

The Company has not written off any uncollectible reinsurance.

C. Commutation of Ceded Reinsurance

The Company has not commuted any ceded reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any accrued retrospective premium adjustments.

25. Change in Incurred Losses and Loss Adjustment Expenses

The Company did not have any changes in the provision for incurred losses and loss adjustment expenses attributable to insured events of prior years.

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

The Company does not record estimates of pharmacy rebates receivable.

29. Participating Policies

The Company has no participating contract policies.

30. Premium Deficiency Reserves

The Company has no premium deficiency reserves.

31. Reserves for Life Contracts and Annuity Contracts

- 1) The Company does not write any life or annuity business.
- 2) The Company does not write any life or annuity business.
- 3) The Company does not have any life insurance in force.
- 4) Not applicable.
- 5) Not applicable.
- 6) Not applicable.

32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

The Company does not have any annuity actuarial reserves or deposit liabilities in force.

33. Premium and Annuity Considerations Deferred and Uncollected

The Company does not write any life insurance or annuity policies.

34. Separate Accounts

The Company has no separate accounts.

35. Loss/Claim Adjustment Expenses

There was no balance in the liability for unpaid accident and health claim adjustment expenses at either September 30, 2012 or December 31, 2011. The Company did not increase or decrease the provision for insured events of prior years.

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.**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 the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
 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. 12/31/2007

- 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. 12/31/2007

- 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). 12/31/2007

- 6.4 By what department or departments?

Ohio.....

- 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 [] NA []

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

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

- 7.2 If yes, give full information:

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

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

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

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

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.**GENERAL INTERROGATORIES**

- 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?..... Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 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 [X] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$ 466,771

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 [X] No []
- 11.2 If yes, give full and complete information relating thereto:
Physical possession of investments is held by JPMorgan Chase, under a custodial agreement with the reporting entity.
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:..... \$
13. Amount of real estate and mortgages held in short-term investments:..... \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?..... Yes [] No [X]
- 14.2 If yes, please complete the following:

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

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.**GENERAL INTERROGATORIES**

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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes 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
JPMorgan Chase.....	1111 Polaris Parkway, Suite 2N, Columbus, OH 43240...

- 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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes No

- 17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

	1
	Amount
1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
1.1 Long-Term Mortgages in Good Standing	
1.11 Farm Mortgages	\$.....
1.12 Residential Mortgages	\$.....
1.13 Commercial Mortgages	\$.....
1.14 Total Mortgages in Good Standing	<u>\$.....</u> 0
1.2 Long-Term Mortgages in Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms.....	\$.....
1.3 Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$.....
1.32 Residential Mortgages	\$.....
1.33 Commercial Mortgages	\$.....
1.34 Total Mortgages with Interest Overdue more than Three Months.....	<u>\$.....</u> 0
1.4 Long-Term Mortgage Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$.....
1.42 Residential Mortgages	\$.....
1.43 Commercial Mortgages	\$.....
1.44 Total Mortgages in Process of Foreclosure.....	<u>\$.....</u> 0
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2).....	\$..... 0
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$.....
1.62 Residential Mortgages	\$.....
1.63 Commercial Mortgages	\$.....
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	<u>\$.....</u> 0
2. Operating Percentages:	
2.1 A&H loss percent.....	%.....
2.2 A&H cost containment percent	%.....
2.3 A&H expense percent excluding cost containment expenses	%.....
3.1 Do you act as a custodian for health savings accounts?	Yes [] No [X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$.....
3.3 Do you act as an administrator for health savings accounts?	Yes [] No [X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$.....

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

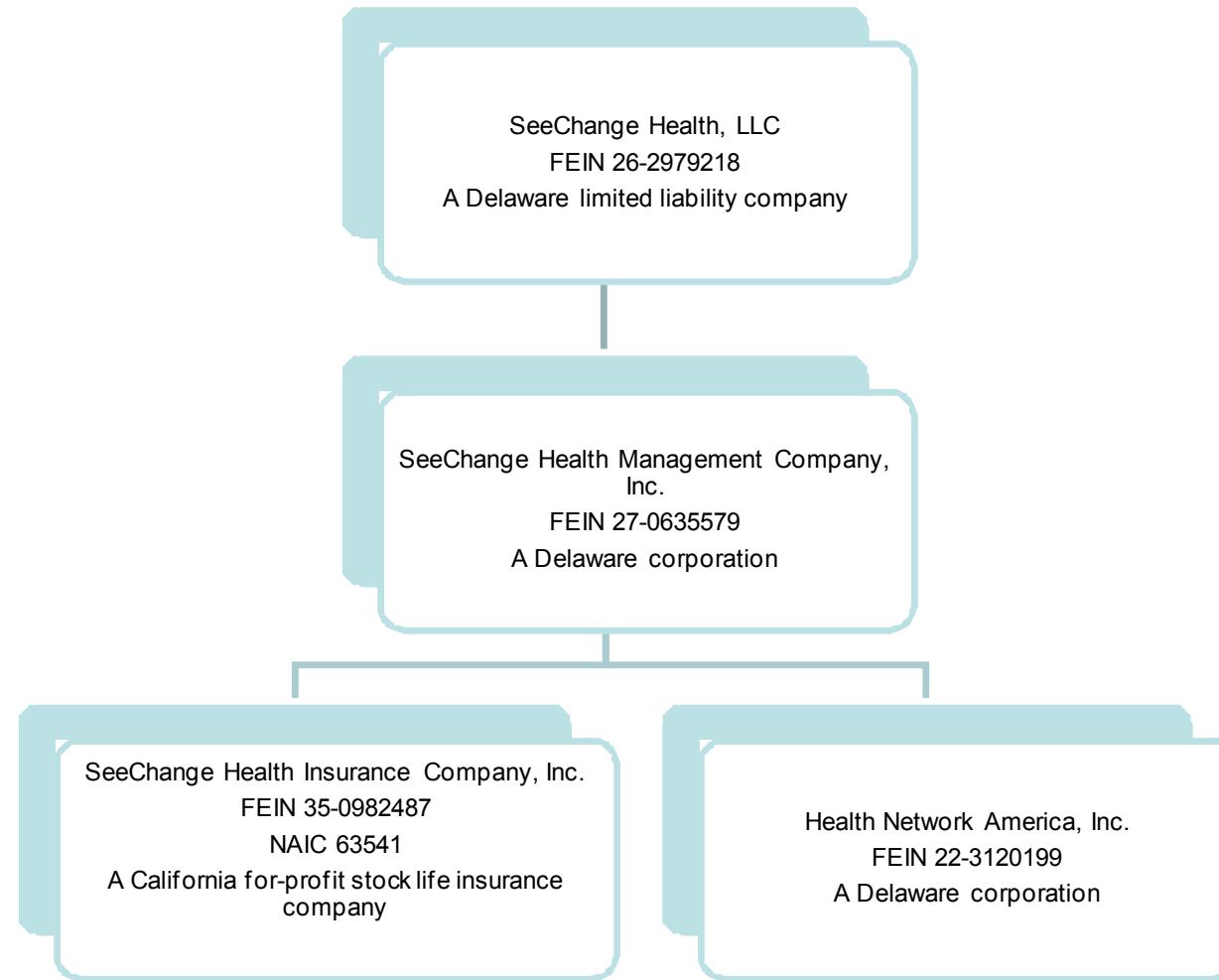
Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 Through 5	7 Deposit-Type Contracts
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL					0	
2. Alaska	AK					0	
3. Arizona	AZ	L				0	
4. Arkansas	AR	L				0	
5. California	CA	L		26,490,191		26,490,191	
6. Colorado	CO	L				0	
7. Connecticut	CT					0	
8. Delaware	DE					0	
9. District of Columbia	DC					0	
10. Florida	FL	L				0	
11. Georgia	GA					0	
12. Hawaii	HI					0	
13. Idaho	ID	L				0	
14. Illinois	IL	L				0	
15. Indiana	IN	L				0	
16. Iowa	IA	L				0	
17. Kansas	KS	L				0	
18. Kentucky	KY	L				0	
19. Louisiana	LA					0	
20. Maine	ME					0	
21. Maryland	MD	L				0	
22. Massachusetts	MA					0	
23. Michigan	MI	L				0	
24. Minnesota	MN					0	
25. Mississippi	MS	L				0	
26. Missouri	MO	L				0	
27. Montana	MT					0	
28. Nebraska	NE	L				0	
29. Nevada	NV	L				0	
30. New Hampshire	NH					0	
31. New Jersey	NJ					0	
32. New Mexico	NM					0	
33. New York	NY					0	
34. North Carolina	NC					0	
35. North Dakota	ND	L				0	
36. Ohio	OH	L				0	
37. Oklahoma	OK	L				0	
38. Oregon	OR					0	
39. Pennsylvania	PA					0	
40. Rhode Island	RI					0	
41. South Carolina	SC					0	
42. South Dakota	SD	L				0	
43. Tennessee	TN	L				0	
44. Texas	TX					0	
45. Utah	UT					0	
46. Vermont	VT					0	
47. Virginia	VA	L				0	
48. Washington	WA					0	
49. West Virginia	WV	L				0	
50. Wisconsin	WI	L				0	
51. Wyoming	WY					0	
52. American Samoa	AS					0	
53. Guam	GU					0	
54. Puerto Rico	PR					0	
55. US Virgin Islands	VI					0	
56. Northern Mariana Islands	MP					0	
57. Canada	CN					0	
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Subtotal		(a) 25	0	0	26,490,191	0	26,490,191
90. Reporting entity contributions for employee benefit plans		XXX				0	
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX				0	
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX				0	
93. Premium or annuity considerations waived under disability or other contract provisions		XXX				0	
94. Aggregate other amounts not allocable by State		XXX	0	0	0	0	0
95. Totals (Direct Business)		XXX	0	0	26,490,191	0	26,490,191
96. Plus Reinsurance Assumed		XXX				0	
97. Totals (All Business)		XXX	0	0	26,490,191	0	26,490,191
98. Less Reinsurance Ceded		XXX			1,149,238		1,149,238
99. Totals (All Business) less Reinsurance Ceded		XXX	0	0	25,340,954	0	25,340,954
DETAILS OF WRITE-INS							
5801.		XXX					
5802.		XXX					
5803.		XXX					
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0
5899. Total (Lines 5801 through 5803 + 5898)(Line 58 above)		XXX	0	0	0	0	0
9401.		XXX					
9402.		XXX					
9403.		XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX	0	0	0	0	0
9499. Total (Lines 9401 through 9403 + 9498)(Line 94 above)		XXX	0	0	0	0	0

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE Y PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Asterisk	Explanation
1	Response for Column 10 (Relationship to Reporting Entity) is OTH. SeeChange Health Insurance Company, Inc. is both an insurance company and also the reporting entity.

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	.....NO.....
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Bar Code:

1.  6 3 5 4 1 2 0 1 2 4 9 0 0 0 0 0 3
2.  6 3 5 4 1 2 0 1 2 3 6 5 0 0 0 0 0 3
3.  6 3 5 4 1 2 0 1 2 4 4 5 0 0 0 0 0 3
4.  6 3 5 4 1 2 0 1 2 4 4 6 0 0 0 0 0 3
5.  6 3 5 4 1 2 0 1 2 4 4 7 0 0 0 0 0 3
6.  6 3 5 4 1 2 0 1 2 4 4 8 0 0 0 0 0 3
7.  6 3 5 4 1 2 0 1 2 4 4 9 0 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,001,937	1,111,714
2. Cost of bonds and stocks acquired	0	0
3. Accrual of discount	526	701
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	500,000	100,000
7. Deduct amortization of premium	7,568	10,478
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)	494,895	1,001,937
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	494,895	1,001,937

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	5,946,057	15,875,434	15,860,373	(2,617)	5,933,283	5,946,057	5,958,500	5,922,854
2. Class 2 (a).....	0				0	0	0	0
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds.....	5,946,057	15,875,434	15,860,373	(2,617)	5,933,283	5,946,057	5,958,500	5,922,854
PREFERRED STOCK								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	5,946,057	15,875,434	15,860,373	(2,617)	5,933,283	5,946,057	5,958,500	5,922,854

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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE DA - PART 1

Short-Term Investments					
	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	5,463,606	XXX			

SCHEDULE DA - VERIFICATION

Short-Term Investments		1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....		4,920,919	4,866,407
2. Cost of short-term investments acquired		45,479,472	58,740,535
3. Accrual of discount.....			0
4. Unrealized valuation increase (decrease).....			0
5. Total gain (loss) on disposals.....			0
6. Deduct consideration received on disposals.....		44,936,785	58,686,023
7. Deduct amortization of premium.....			0
8. Total foreign exchange change in book/adjusted carrying value.....			0
9. Deduct current year's other than temporary impairment recognized.....			0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		5,463,606	4,920,919
11. Deduct total nonadmitted amounts.....			0
12. Statement value at end of current period (Line 10 minus Line 11)		5,463,606	4,920,919

Schedule DB - Part A - Verification
NONE

Schedule DB - Part B- Verification
NONE

Schedule DB - Part C - Section 1
NONE

Schedule DB - Part C - Section 2
NONE

Schedule DB - Verification
NONE

Schedule E Verification
NONE

Schedule A - Part 2
NONE

Schedule A - Part 3
NONE

Schedule B - Part 2
NONE

Schedule B - Part 3
NONE

Schedule BA - Part 2
NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.							
478160-AP-9...	JOHNSON & JOHNSON		.08/15/2012	MATURED		500,000	500,000	544,060	507,568		(7,568)		(7,568)		500,000			0	25,750	08/15/2012	1FE...
3899999 - Bonds - Industrial and Miscellaneous						500,000	500,000	544,060	507,568		(7,568)		(7,568)		500,000				25,750	XXX	XXX
8399997 - Bonds - Part 4						500,000	500,000	544,060	507,568		(7,568)		(7,568)		500,000				25,750	XXX	XXX
8399999 - Total - Bonds						500,000	500,000	544,060	507,568	0	(7,568)	0	(7,568)	0	500,000	0	0	0	25,750	XXX	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 Totals						500,000	XXX	544,060	507,568	0	(7,568)	0	(7,568)	0	500,000	0	0	0	25,750	XXX	XXX

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

E05

Schedule DB - Part A - Section 1
NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)
NONE

Schedule DB - Part B - Section 1
NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes
NONE

Schedule DB - Part D
NONE

Schedule DL - Part 1
NONE

Schedule DL - Part 2
NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE SEECHANGE HEALTH INSURANCE COMPANY, INC.

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

NONE

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