



## QUARTERLY STATEMENT

**AS OF SEPTEMBER 30, 2013**  
OF THE CONDITION AND AFFAIRS OF THE

**HealthSpan Inc 225 Pictoria Dr STE 320 Cincinnati, OH 45246**

NAIC Group Code	00000 (Current Period)	NAIC Company Code	15284	Employer's ID Number	31-1431434
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio
Country of Domicile		United States			
Licensed as business type:	Life, Accident & Health <input checked="" type="checkbox"/>	Property/Casualty <input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/>		
	Dental Service Corporation <input type="checkbox"/>	Vision Service Corporation <input type="checkbox"/>	Health Maintenance Organization <input type="checkbox"/>		
	Other <input type="checkbox"/>		Is HMO, Federally Qualified? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Incorporated/Organized	07/30/2013	Commenced Business		07/30/2013	
Statutory Home Office	225 Pictoria Dr STE 320 (Street and Number)			Cincinnati, OH, US 45246 (City or Town, State, Country and Zip Code)	
Main Administrative Office	225 Pictoria Dr STE 320 (Street and Number)	Cincinnati, OH, US 45246		513-551-1400 (Area Code) (Telephone Number)	
Mail Address	225 Pictoria Dr STE 320 (Street and Number or P.O. Box)			Cincinnati, OH, US 45246 (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	4600 McAuley Place (Street and Number)	Cincinnati, OH, US 45242		513-981-5300 (Area Code) (Telephone Number)	
Internet Web Site Address	N/A				
Statutory Statement Contact	J Shane Hardy (Name)	513-551-1870 (Area Code) (Telephone Number) (Extension)			
	shardy@health-partners.org (E-mail Address)	513-671-3721 (FAX Number)			

## OFFICERS

Name \_\_\_\_\_ Title \_\_\_\_\_ Name \_\_\_\_\_ Title \_\_\_\_\_  
Kenneth C Page, President Deborah S Bloomfield, Treasurer  
Robert Campbell, Secretary

## OTHER OFFICERS

## DIRECTORS OR TRUSTEES

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State of Ohio

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.

Kenneth C Page President	Deborah S Bloomfield Treasurer	Robert Campbell Secretary
		a. Is this an original filing? <span style="float: right;">Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ]</span> b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached
Subscribed and sworn to before me this day of _____,		<span style="float: right;">11/15/2013</span>

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**

**225 Pictoria Dr STE 320**

**Cincinnati, OH 45246**

**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 .....	4,884,113		4,884,113	0
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	0
5. Cash (\$ ..... 263,768 ), cash equivalents (\$ ..... 12,978 ) and short-term investments (\$ ..... 0 ) .....		276,746	276,746	0
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			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) .....	5,160,859	0	5,160,859	0
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....			0	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
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 .....			0	0
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 .....	14,361	14,361	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	5,626		5,626	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	707,939		707,939	0
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	7,100,743	330,443	6,770,300	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	12,989,527	344,804	12,644,723	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	12,989,527	344,804	12,644,723	0
<b>DETAILS OF WRITE-INS</b>				
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. Payment Innovation Receivable .....	6,402,437		6,402,437	
2502. PPO Access & EAP Fees Receivable .....	367,863		367,863	
2503. Other Assets .....	8,722	8,722	0	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	321,721	321,721	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	7,100,743	330,443	6,770,300	0

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
**Cincinnati, OH 45246**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)			0	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	294,768		294,768	0
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	1,540,831		1,540,831	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current)	7,122,527	0	7,122,527	0
24. Total liabilities (Lines 1 to 23)	8,958,126	0	8,958,126	0
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	4,900,000	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(1,213,404)	0
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... )	XXX	XXX	0	0
32.2 ..... shares preferred (value included in Line 27 \$ ..... )	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	3,686,596	0
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	12,644,722	0
<b>DETAILS OF WRITE-INS</b>				
2301. Payment Innovations Accrued Claims and IBNR	6,524,033		6,524,033	
2302. Salaries, Wages and Related Liabilities	598,494		598,494	
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	7,122,527	0	7,122,527	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**

**225 Pictoria Dr STE 320**

**Cincinnati, OH 45246**

**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.....	XXX.....		0	0
2. Net premium income (including \$ non-health premium income).....	XXX.....		0	0
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....		0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX.....		0	0
5. Risk revenue.....	XXX.....		0	0
6. Aggregate write-ins for other health care related revenues.....	XXX.....	3,322,372	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	3,322,372	0	0
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....			0	0
10. Other professional services.....			0	0
11. Outside referrals.....			0	0
12. Emergency room and out-of-area.....			0	0
13. Prescription drugs.....			0	0
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15).....	0	0	0	0
<b>Less:</b>				
17. Net reinsurance recoveries.....			0	0
18. Total hospital and medical (Lines 16 minus 17).....	0	0	0	0
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ cost containment expenses.....			0	0
21. General administrative expenses.....		2,466,624	0	0
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	2,466,624	0	0
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	855,748	0	0
25. Net investment income earned.....			0	0
26. Net realized capital gains (losses) less capital gains tax of \$.....			0	0
27. Net investment gains (losses) (Lines 25 plus 26).....	0	0	0	0
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )].....			0	0
29. Aggregate write-ins for other income or expenses.....	0	(1,468,061)	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	(612,313)	0	0
31. Federal and foreign income taxes incurred.....	XXX.....		0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	(612,313)	0	0
<b>DETAILS OF WRITE-INS</b>				
0601. PPO Access Fee Revenue.....	XXX.....	934,109		
0602. Taxable Sales.....	XXX.....	11,805		
0603. Payment Innovation Revenue.....	XXX.....	1,522,622		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	853,836	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	3,322,372	0	0
0701. ....	XXX.....			
0702. ....	XXX.....			
0703. ....	XXX.....			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Payment Innovations Claims Expense.....		(1,468,061)		
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	(1,468,061)	0	0

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**

**225 Pictoria Dr STE 320**

**Cincinnati, OH 45246**

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

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	(256,287)	0	0
34. Net income or (loss) from Line 32 .....	(612,313)	0	0
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....	0	0	0
39. Change in nonadmitted assets .....	(344,804)	0	0
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	4,900,000	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	3,942,883	0	0
49. Capital and surplus end of reporting period (Line 33 plus 48)	3,686,596	0	0
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

Line 33 column 1 is retained earnings plus Jan 2013-July 2013 prior to licensure Net Income plus prior period GAAP to STAT adjustments.

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
**Cincinnati, OH 45246**

**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	0	0	0
2. Net investment income	0	0	0
3. Miscellaneous income	3,322,372	0	0
4. Total (Lines 1 to 3)	3,322,372	0	0
5. Benefit and loss related payments	0	0	0
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	3,934,685	0	0
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)	3,934,685	0	0
11. Net cash from operations (Line 4 minus Line 10)	(612,313)	0	0
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
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)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	4,884,113	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)	4,884,113	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)	(4,884,113)	0	0
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	4,900,000	0	0
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)	873,171	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	5,773,171	0	0
<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 Lines 15 and 17)	276,745	0	0
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	0	0	0
19.2 End of period (Line 18 plus Line 19.1)	276,745	0	0

Prem., Enrollment  
**NONE**

Claims Unpaid  
**NONE**

Underwriting and Investment Exhibit  
**NONE**

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of HealthSpan Inc (the Company) have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio- Ohio Department of Insurance (ODI). There were no reported differences to net income, statutory surplus or risked based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

<u>Net Income</u>	<u>State of Domicile</u>	<u>9/30/2013</u>
1) HealthSpan Inc State basis (Page 4, Line 32, Columns 2 &3)	OH	(612,313)
2) State Prescribed Practices that increase/(decrease) NAIC SAP:	OH	
3) State Permitted Practices that increase/(decrease) NAIC SAP:	OH	
4) NAIC SAP	OH	

Surplus

5) HealthSpan Inc State basis (Page 3, Line 33, Columns 3 & 4)	OH	3,686,596
6) State Prescribed Practices that increase/(decrease) NAIC SAP	OH	
7) State Permitted Practices that increase/(decrease) NAIC SAP	OH	
8) NAIC SAP	OH	

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

The preparation of the statutory financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI 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. Estimates also affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### C. Accounting Policies

In addition, the Company uses the following accounting policies:

1) Cash and Short Term Investments

Cash and investments that are restricted per contractual or regulatory requirements are classified as bonds and other invested assets and excluded from cash and short-term investments.

2) Bonds and other Invested Assets

Bonds and other invested assets include money market funds and U.S. Treasuries. Bonds are reported in accordance with NAIC Annual Statement Instructions. Accordingly, bonds that are designated highest quality, NAIC Designation 1 and 2, are reported at the lower of cost or book using the effective interest method.

3) Common Stocks- None

4) Preferred Stocks- None

5) Mortgage loans on real estate- None

6) Loan backed securities- None

7) Investments in subsidiaries controlled and affiliate entities- None

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

9) Accounting policy for derivatives- None

10) At this time the company does not anticipate investment income as a factor in premium deficiency calculations as there are no premiums written year to date.

11) Payment Innovations accrued claims liability and expenses are an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12) The Company is in compliance with the minimum risk based capital requirement of \$2,500,000.

2. There are no changes to accounting principles or correction of errors at this time.

3. Business Combinations and Goodwill-None

4. Discontinued Operations- None

5. Investments

A. Mortgage Loans- None

B. Debt Restructuring- None

C. Reverse Mortgages-None

D. Loan Backed Securities-None

- E. Repurchase Agreements-None
- F. Real Estate-None
- G. Investments in Low-Income Housing Tax Credits-None
- 6. Joint Ventures, Partnerships and Limited Liability Companies- None
- 7. Investment Income- All investment income met the criteria to be classified as admitted for the reporting period.
- 8. Derivative Instruments-None
- 9. Income Taxes- As appropriate under the applicable accounting standards, no deferred tax assets or liabilities are required to be recognized at this time.
- 10. Information Concerning Parent, Subsidiaries, and Affiliates

Catholic Health Partners (“CHP”) is the current holding company of The Company. CHP is a non-profit, tax exempt religious organization domiciled in Ohio. The Company is currently a wholly owned subsidiary of CHP and continues to be since The Company was issued its Certificate of Authority by the Ohio Department of Insurance in July 2013.

The Company contracts with CHP to lease services for accounting, IT and general administrative services. Costs of these services are based on actual cost incurred to provide those services. Amounts included within the statutory financial statements and noted as due to related parties are reflective of current expense owed to CHP or its subsidiaries.

The Company provides services to CHP and its’ affiliates for medical management and provider network services related to CHP’s employee health benefit plans. Revenue recognized in connection with these services are billed through a third party claims administrator and is not reflected in intercompany receivables. The Company provides Mercy Health Partners of Southwest Ohio services for the support of the Accountable Care Organization (ACO). Amounts reflected in the financial statements are reflective of current billings for these services.

<b>Due From Related Parties</b>	<b>9/30/2013</b>
Mercy Health Partners-Southwest Ohio	\$ 311,350.00
<b>Total Due from Related Parties</b>	<b>\$ 311,350.00</b>
<hr/>	
<b>Due To Related Parties</b>	
Due to Catholic Health Partners	\$ 1,540,830.51
<b>Total Due to Related Parties</b>	<b>\$ 1,540,830.51</b>

- 11. Debt- The Company has no debt as of September 30, 2013

12. Retirement Plans- None
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
  - 1) As of October 1<sup>st</sup> CHP owns 1,000 shares of \$2,000 par value common stock in the Company.
  - 2) Dividend rate, liquidation value and redemption schedule of preferred stock issues- None
  - 3) Dividend restrictions- None
  - 4) Dates and amounts of dividends paid-None
  - 5) Portion of reporting entities profits that may be paid as ordinary dividends-None
  - 6) Restrictions on unassigned funds-None
  - 7) Mutual Reciprocals-None
  - 8) Stock held by the Company for special purposes-None
  - 9) Special surplus funds-None
  - 10) The portion of unassigned funds represented or reduced by:  
Nonadmitted Asset Values- \$344,804  
Unrealized Gains (Losses)- \$12,698
  - 11) Surplus notes- None
  - 12) Restatement in a quasi-reorganization-Not applicable
  - 13) Quasi-reorganization- Not applicable
14. Contingencies- None
15. Leases- The Company leases office space, and equipment under various operating leases that expire through 2015. The annual expense under these agreements is \$320,000.
16. Information Regarding Off-Balance Sheet Risk- Not applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liability-Not applicable
18. Gains or Loss to the Reporting Entity from Uninsured Plans-Not applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators-Not Applicable
20. Fair Value Measurement- Not applicable
21. Other Items- The Company has a contract with a Medicare Advantage plan to provide medical management and provider network services. The Company acts as a pass through entity for medical claims expense on behalf of Catholic Health Partners. CHP accepts full liability for claims incurred by the Medicare Advantage plan members.
22. Events Subsequent- CHP purchased of 1,000 shares of \$2,000 par value stock effective as of October 1<sup>st</sup> 2013.
23. Retrospectively Rated Contracts-None
24. Change in Incurred Claims and Claims Adjustment Expenses-None
25. Intercompany Pooling Arrangements-None
26. Structured Settlements- None
27. Healthcare Receivables- None
28. Participating Policies-None
29. Premium Deficiency Reserves-None
30. Anticipated Salvage Values and Subrogation-Not Applicable



**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
**Cincinnati, OH 45246**

**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: .....

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.  
.....

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? .....  
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. ....

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. ....

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). ....

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 [ ] No [ ] NA [X]

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

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, 2013 OF THE HealthSpan Inc  
225 Pictoria Dr STE 320  
Cincinnati, OH 45246**

## **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:..... \$ ..... 311,350

## 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: ..... \$ ..... 0

13. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [ ]

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 .....	\$ .....	\$ .....
<b>14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....</b>	<b>\$ .....0</b>	<b>\$ .....0</b>
<b>14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....</b>	<b>\$ .....</b>	<b>\$ .....</b>

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, 2013 OF THE HealthSpan Inc**  
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**Cincinnati, OH 45246**

**GENERAL INTERROGATORIES**

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....
16.3 Total payable for securities lending reported on the liability page	\$ .....

17. 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

17.1 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
FIFTH THIRD SECURITIES, INC.....	3050 KINGSLEY DRIVE, CINCINNATI, OH 45263.....

17.2 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)
.....	.....	.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes  No

17.4 If yes, give full and complete information relating thereto:

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

17.5 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
.....	.....	.....

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

Yes  No

18.2 If no, list exceptions:

.....

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
**Cincinnati, OH 45246**

**GENERAL INTERROGATORIES**  
**PART 2 - HEALTH**

1. Operating Percentages:		
1.1 A&H loss percent.....	.....	0.0 %
1.2 A&H cost containment percent .....	.....	0.0 %
1.3 A&H expense percent excluding cost containment expenses.....	.....	%
2.1 Do you act as a custodian for health savings accounts?.....	.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	.....	\$ _____

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## **SCHEDULE S - CEDED REINSURANCE**

**Showing All New Reinsurance Treaties - Current Year to Date**

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
**Cincinnati, OH 45246**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama .....	AL							0	
2. Alaska .....	AK							0	
3. Arizona .....	AZ							0	
4. Arkansas .....	AR							0	
5. California .....	CA							0	
6. Colorado .....	CO							0	
7. Connecticut .....	CT							0	
8. Delaware .....	DE							0	
9. Dist. Columbia .....	DC							0	
10. Florida .....	FL							0	
11. Georgia .....	GA							0	
12. Hawaii .....	HI							0	
13. Idaho .....	ID							0	
14. Illinois .....	IL							0	
15. Indiana .....	IN							0	
16. Iowa .....	IA							0	
17. Kansas .....	KS							0	
18. Kentucky .....	KY							0	
19. Louisiana .....	LA							0	
20. Maine .....	ME							0	
21. Maryland .....	MD							0	
22. Massachusetts .....	MA							0	
23. Michigan .....	MI							0	
24. Minnesota .....	MN							0	
25. Mississippi .....	MS							0	
26. Missouri .....	MO							0	
27. Montana .....	MT							0	
28. Nebraska .....	NE							0	
29. Nevada .....	NV							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							0	
36. Ohio .....	OH							0	
37. Oklahoma .....	OK							0	
38. Oregon .....	OR							0	
39. Pennsylvania .....	PA							0	
40. Rhode Island .....	RI							0	
41. South Carolina .....	SC							0	
42. South Dakota .....	SD							0	
43. Tennessee .....	TN							0	
44. Texas .....	TX							0	
45. Utah .....	UT							0	
46. Vermont .....	VT							0	
47. Virginia .....	VA							0	
48. Washington .....	WA							0	
49. West Virginia .....	WV							0	
50. Wisconsin .....	WI							0	
51. Wyoming .....	WY							0	
52. American Samoa .....	AS							0	
53. Guam .....	GU							0	
54. Puerto Rico .....	PR							0	
55. U.S. Virgin Islands .....	VI							0	
56. Northern Mariana Islands .....	MP							0	
57. Canada .....	CAN							0	
58. Aggregate other alien .....	OT	XXX	.0	.0	.0	0	0	0	0
59. Subtotal .....		XXX	.0	.0	.0	0	0	0	0
60. Reporting entity contributions for Employee Benefit Plans .....		XXX						0	
61. Total (Direct Business) .....	(a)	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
58001 .....		XXX							
58002 .....		XXX							
58003 .....		XXX							
58998 Summary of remaining write-ins for Line 58 from overflow page .....		XXX	.0	.0	.0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) .....		XXX	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or

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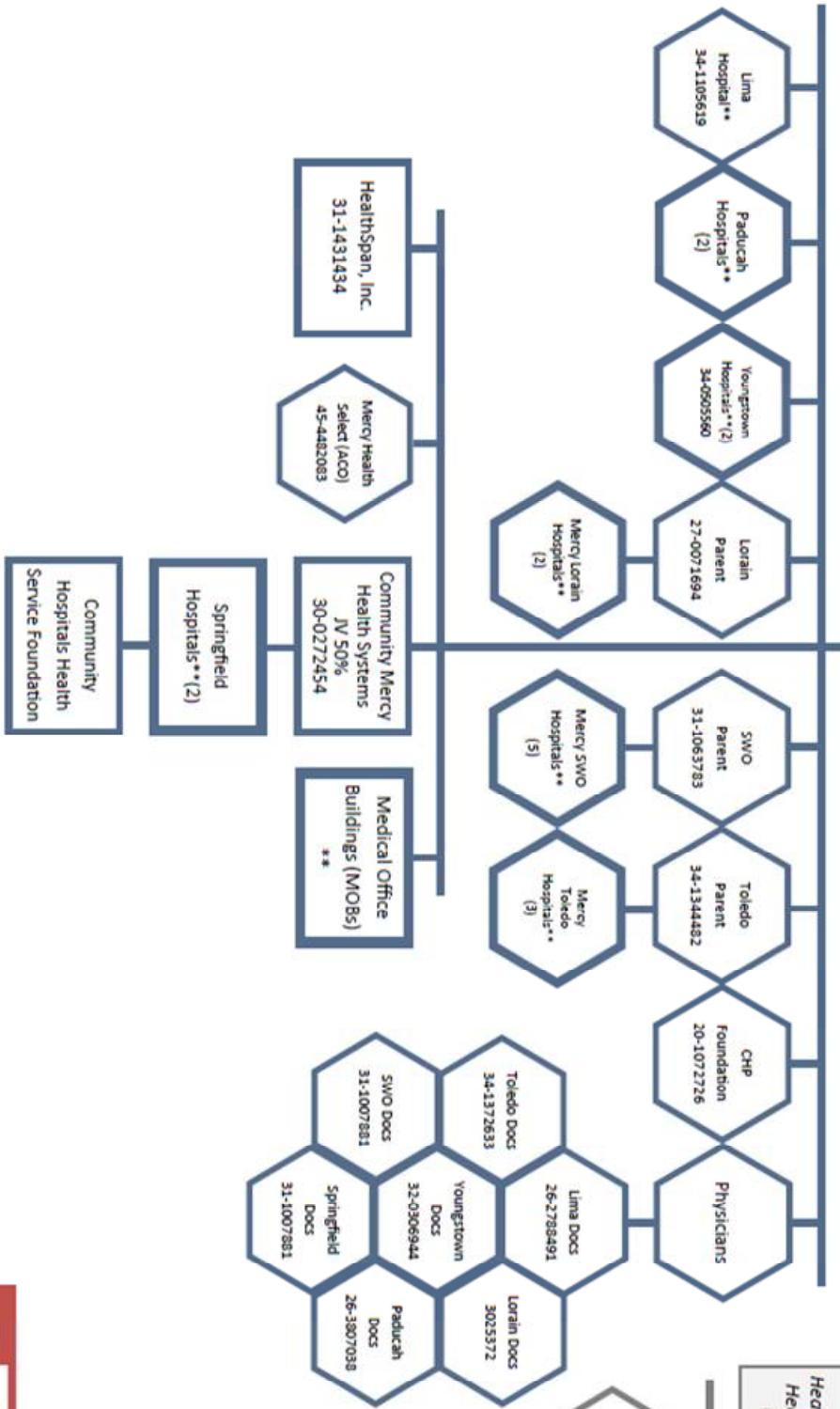
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approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

## Catholic Health Partners

Tax Exempt 31-1161086



HealthSpan Partners  
(fka Community Health System)  
46-3055925

HealthSpan Partners holds a 30% ownership interest in Summa Health System, with Summa Member (a separate entity from Community Health System) holding the remaining 70%.

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
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**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/ Person(s)	15 *
00000.....	HealthSpan Inc.....	15284.....	31-1431434.....				Catholic Health Partners.....	OH.....		Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-1161086.....				Catholic Health Partners.....	OH.....	UDP.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-1105619.....				St. Rita's Medical Center.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			61-0600313.....				MHP Lourdes Hospital.....	KY.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			61-0927491.....				Marcum and Wallace Memorial Hospital.....	KY.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-0505560.....				St. Elizabeth Health Center.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-0505560.....				St. Joseph Health Center.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-1268828.....				Lorraine Community Health Partners Physicians Office Buildings.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-4504991.....				Mercy Allen Medical Office Building.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			27-1408630.....				Jewish Hospital.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-1091597.....				Mercy West.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-0830955.....				Mercy Clermont.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-0537085.....				Mercy Anderson.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-0538532.....				Mercy Fairfield.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-0785684.....				Springfield Regional Medical Center.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			31-0785684.....				Mercy Memorial Hospital.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-4428250.....				St. Anne Mercy Hospital.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-4445373.....				St. Charles Mercy Hospital.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			34-4428250.....				St. Vincent Mercy Medical Center.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			20-1072726.....				CHP Foundation.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			45-4482083.....				Mercy Health Select.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	
			30-0699825.....				Mercy Property Holdings.....	OH.....	NIA.....	Catholic Health Partners.....	Ownership.....	100.0	Catholic Health Partners.....	

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc  
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**SCHEDULE Y**  
**PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

## Asterisk

## Explanation

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
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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 EXPLANATION** and provide an explanation following the interrogatory questions.

**RESPONSE**

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

.....**NO**.....

**Explanation:**

1.

**Bar Code:**

1.



**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
**225 Pictoria Dr STE 320**  
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**OVERFLOW PAGE FOR WRITE-INS**

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MQ002 Additional Aggregate Lines for Page 02 Line 25.

\*ASSETS

	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
2504. Prepaid Expenses.....	321,721	321,721	0	0
2597. Summary of remaining write-ins for Line 25 from Page 02	321,721	321,721	0	0

MQ004 Additional Aggregate Lines for Page 04 Line 6.

\*REVEX1

	1 Current Year To Date Uncovered	2 Current Year To Date Total	3 Prior Year To Date Total	4 Prior Year Ended December 31 Total
0604. Other Operating Revenue.....	XXX	185,023	0	0
0605. Related Party Consulting and Health Benefit Revenue.....	XXX	668,813	0	0
0697. Summary of remaining write-ins for Line 6 from Page 04	XXX	853,836	0	0

**STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc**  
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**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

**NONE**

**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

**NONE**

**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

**NONE**

**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 .....	0	0
2. Cost of bonds and stocks acquired .....	4,884,113	0
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....	12,689	0
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	4,896,802	0
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	4,896,802	0

STATEMENT AS OF SEPTEMBER 30, 2013 OF THE HealthSpan Inc  
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**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
<b>BONDS</b>								
1. Class 1 (a).....	0	4,884,113		.979	0	0	4,885,092	0
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.....	0	4,884,113	0	979	0	0	4,885,092	0
<b>PREFERRED STOCK</b>								
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.....	0	4,884,113	0	979	0	0	4,885,092	0

(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 \$ .....

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**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		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.....	0	0
2. Cost of short-term investments acquired .....	0	0
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals .....	0	0
6. Deduct consideration received on disposals .....	0	0
7. Deduct amortization of premium.....	0	0
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).....	0	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

**NONE**

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**SCHEDULE DB - PART A - VERIFICATION**

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year) .....	0
2. Cost Paid/(Consideration Received) on additions.....	
3. Unrealized Valuation increase/(decrease) .....	
4. Total gain (loss) on termination recognized.....	
5. Considerations received/(paid) on terminations.....	
6. Amortization .....	
7. Adjustment to the Book/Adjusted Carrying Value of hedged item .....	
8. Total foreign exchange change in Book/Adjusted Carrying Value .....	
9. Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8).....	0
10. Deduct nonadmitted assets.....	
11. Statement value at end of current period (Line 9 minus Line 10).....	0

**NONE**

**SCHEDULE DB - PART B - VERIFICATION**

Futures Contracts

1. Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year).....	0
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote – Cumulative Cash Change column).....	0
3.1 Add:	
Change in variation margin on open contracts – Highly Effective Hedges	
3.11 Section 1, Column 15, current year to date minus.....	0
3.12 Section 1, Column 15, prior year.....	0
Change in variation margin on open contracts – All Other	
3.13 Section 1, Column 18, current year to date minus.....	0
3.14 Section 1, Column 18, prior year.....	0
3.2 Add:	
Change in adjustment to basis of hedged item	
3.21 Section 1, Column 17, current year to date minus.....	0
3.22 Section 1, Column 17, prior year.....	0
Change in amount recognized	
3.23 Section 1, Column 19, current year to date minus.....	0
3.24 Section 1, Column 19, prior year.....	0
3.3 Subtotal (Line 3.1 minus Line 3.2).....	0
4.1 Cumulative variation margin on terminated contracts during the year.....	
4.2 Less:	
4.21 Amount used to adjust basis of hedged item.....	
4.22 Amount recognized.....	0
4.3 Subtotal (Line 4.1 minus Line 4.2).....	0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year.....	
5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year.....	
6. Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2).....	0
7. Deduct total nonadmitted amounts.....	
8. Statement value at end of current period (Line 6 minus Line 7).....	0

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## **SCHEDULE DB - PART C - SECTION 1**

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1 Number	2 Description	3 NAIC Designation or Other Description	4 Notional Amount	5 Book/Adjusted Carrying Value	6 Fair Value	7 Effective Date	8 Maturity Date	Derivative Instrument(s) Open				Cash Instrument(s) Held			
								9 Description	10 Book/Adjusted Carrying Value	11 Fair Value	12 CUSIP	13 Description	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value
99999999	Totals			0	0	XXX	XXX	XXX	0	0	XXX	XXX	XXX	0	0

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**SCHEDULE DB - PART C - SECTION 2**

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year To Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory .....	0	0	0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions .....									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value.....	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions .....									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria .....									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

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**SCHEDULE DB - VERIFICATION**

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

	Book/Adjusted Carrying Value Check
1. Part A, Section 1, Column 14.....	0
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote – Total Ending Cash Balance.....	0
3. Total (Line 1 plus Line 2).....	0
4. Part D, Section 1, Column 5.....	0
5. Part D, Section 1, Column 6.....	0
6. Total (Line 3 minus Line 4 minus Line 5).....	0

**NONE**

Fair Value Check

7. Part A, Section 1, Column 16.....	0
8. Part B, Section 1, Column 13.....	0
9. Total (Line 7 plus Line 8).....	0
10. Part D, Section 1 Column 8.....	0
11. Part D, Section 1, Column 9.....	0
12. Total (Line 9 minus Line 10 minus Line 11).....	0

Potential Exposure Check

13. Part A, Section 1, Column 21.....	0
14. Part B, Section 1, Column 20.....	0
15. Part D, Section 1, Column 11.....	0
16. Total (Line 13 plus Line 14 minus Line 15).....	0

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**SCHEDULE E - VERIFICATION**  
(Cash Equivalents)

	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 cash equivalents acquired .....	12,978	0
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals .....		0
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) .....	12,978	0
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	12,978	0

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**

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## **SCHEDULE D - PART 3**

### Show All Long-Term Bonds and Stock Acquired During the Current Quarter

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

E  
04

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## **SCHEDULE D - PART 4**

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

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

(a) For all common stock bearing the AT&T Market Identifier, 3 provide the number of each issue

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**SCHEDULE DB - PART A - SECTION 1**

## **SCHEDULE DB - PART A - SECTION 1**

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

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**SCHEDULE DB - PART A - SECTION 1**

(b)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

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## **SCHEDULE DB - PART B - SECTION 1**

**Future Contracts Open as of the Current Statement Date**

10E

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
<b>Total Net Cash Deposits</b>	0	0	

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## **SCHEDULE DB - PART D - SECTION 1**

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

108

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**SCHEDULE DB - PART D - SECTION 2**

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
0199999 Total				0	0	0	XXX	XXX

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
						XXX		
						XXX		
						XXX		
						XXX		
						XXX		
						XXX		
						XXX		
						XXX		
0299999 Total				0	0	XXX	XXX	XXX

E09

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# **SCHEDULE DL - PART 1**

## **SECURITIES LENDING COLLATERAL ASSETS**

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatories:

1. Total activity for the year to date ..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....  
 2. Average balance for the year to date ..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....  
 3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
 NAIC 1 \$ ..... NAIC 2 \$ ..... NAIC 3 \$ ..... NAIC 4 \$ ..... NAIC 5 \$ ..... NAIC 6 \$ .....

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# **SCHEDULE DL - PART 2**

## **SECURITIES LENDING COLLATERAL ASSETS**

**Reinvested Collateral Assets Owned Current Statement Date**

### General Interrogatories:

1. Total activity for the year to date..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....  
 2. Average balance for the year to date..... Fair Value \$ ..... Book/Adjusted Carrying Value \$ .....

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## SCHEDULE E - PART 1 - CASH

## **Month End Depository Balances**

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

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Sweep Accounts					0		
Other Cash Equivalents							
FIFTH THIRD Money Market		.07/26/2013	.0 .300		12,978		
8599999 - Other Cash Equivalents					12,978	0	0
8699999 Total Cash Equivalents					12,978	0	0