

DIRECTORS OR TRUSTEES (continued)

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	49,057,633		49,057,633	45,131,703
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	13,456,540		13,456,540	14,881,302
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....15,021,418), cash equivalents (\$.....0) and short-term investments (\$.....567,680)	15,589,097		15,589,097	19,105,183
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets	13,235,329		13,235,329	12,224,446
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	91,338,600		91,338,600	91,342,634
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	351,074		351,074	331,539
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	7,052,140		7,052,140	3,510,962
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,023,402		4,023,402	3,758,549
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,839,848		2,839,848	2,558,803
18.1 Current federal and foreign income tax recoverable and interest thereon	545,000		545,000	575,000
18.2 Net deferred tax asset	1,644,011		1,644,011	3,444,011
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	838,528		838,528	880,179
21. Furniture and equipment, including health care delivery assets (\$.....0)				1
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....9,123,507) and other amounts receivable	9,339,126	215,619	9,123,507	8,799,625
25. Aggregate write-ins for other than invested assets				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	117,971,729	215,619	117,756,110	115,201,302
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	117,971,729	215,619	117,756,110	115,201,302
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....1,082,100 reinsurance ceded)	33,221,417		33,221,417	32,755,190
2. Accrued medical incentive pool and bonus amounts	2,217,502		2,217,502	2,614,702
3. Unpaid claims adjustment expenses	624,300		624,300	600,700
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	340,851		340,851	798,851
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	7,784,291		7,784,291	6,780,780
9. General expenses due or accrued	7,404,562		7,404,562	6,805,267
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	2,630,783		2,630,783	2,418,575
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	742,491		742,491	728,336
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. Total liabilities (Lines 1 to 23)	54,966,197		54,966,197	53,502,401
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	1,000,000	1,000,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	48,875,734	48,875,734
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	12,914,180	11,823,167
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	62,789,913	61,698,901
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	117,756,110	115,201,302
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	1,036,272	1,046,177	1,389,948
2. Net premium income (including \$.....0 non-health premium income)	X X X	349,072,241	340,219,561	454,121,147
3. Change in unearned premium reserves and reserves for rate credits	X X X			
4. Fee-for-service (net of \$.....0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	349,072,241	340,219,561	454,121,147
Hospital and Medical:				
9. Hospital/medical benefits		209,207,890	204,948,164	275,812,994
10. Other professional services				
11. Outside referrals		31,868,182	31,184,307	43,466,118
12. Emergency room and out-of-area		7,247,779	6,635,262	8,739,688
13. Prescription drugs		47,433,396	42,727,773	57,469,108
14. Aggregate write-ins for other hospital and medical		6,980,208	7,561,502	11,122,930
15. Incentive pool, withhold adjustments and bonus amounts		3,802,318	3,828,267	5,158,267
16. Subtotal (Lines 9 to 15)		306,539,773	296,885,276	401,769,105
Less:				
17. Net reinsurance recoveries		6,590,001	4,181,881	8,154,694
18. Total hospital and medical (Lines 16 minus 17)		299,949,772	292,703,395	393,614,410
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....7,936,554 cost containment expenses		9,914,805	7,697,691	11,244,428
21. General administrative expenses		36,805,734	38,184,533	47,407,786
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		346,670,311	338,585,620	452,266,624
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	2,401,930	1,633,941	1,854,524
25. Net investment income earned		981,946	1,343,750	1,464,745
26. Net realized capital gains (losses) less capital gains tax of \$.....120,753		684,267	882,619	769,837
27. Net investment gains or (losses) (Lines 25 plus 26)		1,666,213	2,226,369	2,234,582
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,068,143	3,860,310	4,089,106
31. Federal and foreign income taxes incurred	X X X	584,247	1,144,808	(658,843)
32. Net income (loss) (Lines 30 minus 31)	X X X	3,483,896	2,715,502	4,747,949
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401. Reinsurance Claims		6,980,208	7,561,502	11,122,930
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		6,980,208	7,561,502	11,122,930
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	61,698,901	58,364,264	58,364,264
34. Net income or (loss) from Line 32	3,483,896	2,715,502	4,747,949
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(405,975)	558,156	1,214,854
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	(1,800,000)		(1,249,989)
39. Change in nonadmitted assets	(186,909)	117,265	321,824
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			(1,700,000)
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	1,091,012	3,390,923	3,334,637
49. Capital and surplus end of reporting period (Line 33 plus 48)	62,789,913	61,755,187	61,698,901
DETAILS OF WRITE-INS			
4701. 0			
4702. 0			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

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	346,288,782	337,089,619	449,090,234
2.	Net investment income	1,165,303	1,631,888	1,953,450
3.	Miscellaneous income			
4.	TOTAL (Lines 1 to 3)	347,454,085	338,721,507	451,043,684
5.	Benefit and loss related payments	300,656,389	298,229,787	396,844,529
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	46,364,534	45,485,950	54,796,301
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	554,247	(614,884)	(614,884)
10.	TOTAL (Lines 5 through 9)	347,575,170	343,100,853	451,025,947
11.	Net cash from operations (Line 4 minus Line 10)	(121,085)	(4,379,346)	17,737
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	4,011,425	21,365,419	25,984,190
12.2	Stocks	2,000,000	5,250,000	5,250,000
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets		4,582,437	
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	(1,619)	(1,209)	(1,764)
12.7	Miscellaneous proceeds	170,015	0	6,650,660
12.8	TOTAL investment proceeds (Lines 12.1 to 12.7)	6,179,821	31,196,647	37,883,086
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	8,132,912	17,422,225	23,552,800
13.2	Stocks	181,910	250,441	346,925
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets	1,180,898	2,600,000	2,600,000
13.6	Miscellaneous applications	120,753		
13.7	TOTAL investments acquired (Lines 13.1 to 13.6)	9,616,473	20,272,666	26,499,725
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,436,652)	10,923,981	11,383,361
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes			
16.2	Capital and paid in surplus, less treasury stock			
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders			
16.6	Other cash provided (applied)	41,651	(601,717)	(1,240,264)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	41,651	(601,717)	(1,240,264)
RECONCILIATION 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)	(3,516,087)	5,942,919	10,160,834
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	19,105,183	8,944,349	8,944,349
19.2	End of period (Line 18 plus Line 19.1)	15,589,097	14,887,268	19,105,183

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	Cumulative effect of changes in accounting principles			
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	114,067	6,689	45,882	125		11,316	2,598	20,821		26,636
2. First Quarter	114,425	7,428	46,212	142		11,295	2,597	20,202		26,549
3. Second Quarter	115,079	8,548	46,205	154		11,258	2,577	20,178		26,159
4. Third Quarter	114,359	8,439	46,119	178		10,797	2,548	20,191		26,087
5. Current Year										
6. Current Year Member Months	1,036,272	71,679	417,066	1,369		101,333	23,278	182,091		239,456
Total Member Ambulatory Encounters for Period:										
7. Physician	262,158	20,348	124,819	122			10,009	106,860		
8. Non-Physician	875,471	59,577	358,400	487			31,620	425,387		
9. Total	1,137,629	79,925	483,219	609			41,629	532,247		
10. Hospital Patient Days Incurred	29,662	1,169	7,886	23			535	20,049		
11. Number of Inpatient Admissions	6,729	291	2,152	5			148	4,133		
12. Health Premiums Written (a)	356,308,778	19,577,661	142,265,012	196,522		2,446,626	12,404,006	173,058,244		6,360,707
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	356,308,778	19,577,662	142,265,012	196,522		2,446,626	12,404,006	173,058,244		6,360,707
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	299,880,745	16,165,419	117,447,691	150,374		1,800,842	12,158,510	149,354,211		2,803,698
18. Amount Incurred for Provision of Health Care Services	306,539,773	16,967,936	119,854,775	150,374		1,738,888	11,931,353	148,916,240		6,980,208

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....173,058,244.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
0199999 Individually Listed Claims Unpaid						
0499999 Subtotals						
0599999 Unreported claims and other claim reserves						34,303,517
0799999 Total Claims Unpaid						34,303,517
0899999 Accrued Medical Incentive Pool And Bonus Amounts						2,217,502

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	14,027,033	115,678,442		14,390,558	14,027,033	13,032,807
2. Medicare Supplement		150,374				
3. Dental only		1,800,842		244,610		306,564
4. Vision only						
5. Federal Employees Health Benefits Plan	1,009,342	11,149,168		584,131	1,009,342	811,288
6. Title XVIII - Medicare	11,994,312	137,359,899		16,282,118	11,994,312	16,884,530
7. Title XIX - Medicaid						
8. Other health	1,685,600	1,118,098		1,720,000	1,685,600	1,720,000
9. Health subtotal (Lines 1 to 8)	28,716,287	267,256,822		33,221,417	28,716,287	32,755,190
10. Healthcare receivables (a)	791,507				791,507	499,625
11. Other non-health						
12. Medical incentive pools and bonus amounts	2,999,518	1,200,000	(384,815)	2,602,318	2,614,702	2,614,702
13. Totals (Lines 9 - 10 + 11 + 12)	30,924,298	268,456,822	(384,815)	35,823,735	30,539,483	34,870,268

(a) Excludes \$.....8,332,000 loans or advances to providers not yet expensed.

Notes to Financial Statement**SECTION A**

1. Summary of Significant Accounting Policies
 - A. The accompanying financial statements of AultCare Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance 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 the state of Ohio.
 - B. The preparation of financial statement 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
 - (1) No Change.
 - (2) No Change.
 - (3) No Change.
 - (4) No Change.
 - (5) No Change.
 - (6) No Change.
 - (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$13,371,731. Of this amount, \$116,926 is invested in McKinley Life Agency, Ltd. \$2,301,062 is invested in AultCare Corporation. The remaining \$10,953,743 is invested in West Tuscarawas Property Management.
 - (8) No Change.
 - (9) No Change.
 - (10) No Change.
 - (11) No Change.
 - (12) No Change.
 - (13) No Change.
2. Accounting Changes and Corrections of Errors
 - A. No Change.
3. Business Combinations and Goodwill
 - A. No Change.
 - B. No Change.
 - C. No Change.
 - D. No Change.
4. Discontinued Operations
 - A. No Change.
5. Investments
 - A. No Change.
 - B. No Change.
 - C. No Change.
 - D. No Change.
 - E. No Change.
 - F. The Company owns \$10,953,743 worth of shares in West Tuscarawas Property Management, an affiliate company.
 - G. No Change.
 - H. No Change.
6. Joint Ventures, Partnerships and Limited Liability Companies
 - A. No Change.
 - B. No Change.
7. Investment Income
 - A. No Change.
8. Derivative Instruments
 - A. No Change.

Notes to Financial Statement

9. Income Taxes

A. The components of the net deferred tax asset/ (liability) at Sep 30, 2014 are as follows:

1. (reported in thousands)		06/30/2014			06/30/2013			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Gross Deferred Tax Assets	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -	\$ -2150
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets(1a-1b)	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -	\$ -2150
(d)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -	\$ -2150
(f)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -	\$ -2150
2. (reported in thousands)		06/30/2014			06/30/2013			Change		
Admission Calculation Components SSAP No. 101		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -	\$ -2150
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The lessor of 2(b)1 and 2(b)2 Below)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cont. Note 9 A 2

	1	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	XXX	XXX	XXX	XXX	XXX	\$ -
(c)		Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d)		Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$2,544	\$ -	\$2,544	\$4,694	\$ -	\$4,694	\$ -2150	\$ -2150
3. (reported in thousands)		2014		2013						
(a)		Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount		15%						
(b)		Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above		\$58,255		\$53,670				
4. (reported in thousands)		06/30/2014			06/30/2013			Change		
Impact of Tax Planning Strategies		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)		Adjusted Gross DTA's (% of total adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b)		Net Admitted Adjusted Gross DTA's (% of total net admitted adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)		Does the Company's Tax Planning Strategies Include the Use of Reinsurance?	Yes	No	X					

B. Not Applicable

C. Current Income Taxes Incurred consist of the following major components:

		(1)	(2)	(3)
1. Current Income Tax		09/30/2014	09/30/2013	(Col 1-2) Change
(a)	Federal	\$ 705,000	\$404,000	\$493,819
(b)	Foreign	\$ -	\$ -	\$ -
(c)	Subtotal	\$ 705,000	\$404,000	\$493,819
(d)	Federal Income Tax on Net Capital Gains	\$ -	\$ -	\$ -
(e)	Utilization of Capital Loss Carry-Forwards	\$ -	\$ -	\$ -
(f)	Other	\$ -	\$ -	\$ -
(g)	Federal and Foreign Income Taxes Incurred	\$ 705,000	\$404,000	\$493,819
2. Deferred Tax Assets				
(a)	Ordinary			
	(1) Discounting of Unpaid Losses	\$118,361	\$152,577	\$ (34,216)
	(2) Unearned Premium Reserve	\$461,093	\$444,618	\$ 16,475
	(3) Policyholder Reserves	\$155,720	\$2,295,000	\$ (2,139,280)
	(4) Investments	\$ -	\$ -	\$ -
	(5) Deferred Acquisition Costs	\$ -	\$ -	\$ -
	(6) Policyholder Dividends Accrual	\$ -	\$ -	\$ -

Notes to Financial Statement

(7)	Fixed Assets	\$ -	\$ -	\$ -
(8)	Compensation and Benefits Accrual	\$1,412,811	\$364,018	\$ 1,048,793
(9)	Pension Accrual	\$ -	\$ -	\$ -
(10)	Receivables – Allowance	\$43,787	\$77,787	\$ (34,000)
(11)	Net Operating Loss Carry-Forward	\$236,350	\$ 1,360,000	\$ (1,123,650)
(12)	Tax Credit Carry-Forward	\$ -	\$ -	\$ -
(13)	Other (including items <5% of total ordinary tax assets)	\$ 115,889	\$ -	\$ 115,889

Cont. Note 9 C 2

(14)	Subtotal	\$2,544,011	\$4,694,000	\$ (2,149,989)
(b)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c)	Nonadmitted	\$ -	\$ -	\$ -
(d)	Admitted ordinary deferred tax assets (2a14- 2b-2c)	\$2,544,011	\$4,694,000	\$ (2,149,989)
(e)	Capital			
(1)	Net Capital Loss Carry-Forward	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(f)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g)	Nonadmitted	\$ -	\$ -	\$ -
(h)	Admitted capital deferred tax assets (2e2 - 2f - 2g)	\$ -	\$ -	\$ -
(i)	Admitted deferred tax assets (2d + 2h)	\$2,544,011	\$4,694,000	\$ (2,149,989)
3.	Deferred Tax Liabilities			
(a)	Ordinary			
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(b)	Capital	\$ -	\$ -	\$ -
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(c)	Deferred tax liabilities (3a2 + 3b2)	\$ -	\$ -	\$ -
4.	Net deferred tax assets/liabilities (2i - 3c)	\$2,544,011	\$4,694,000	\$ (2,149,989)

D. Among the more significant book to tax adjustments were the following:

	09/30/2014	Effective Tax Rate
Provision computed at statutory rate	\$1,383,169	34.0%
Change in nonadmitted assets	\$186,909	4.6%
Tax exempt income, net of proration	\$ -	0.0%
Dividends received deduction, net of proration	\$ -	0.0%
Nondeductible expenses	\$27,200	0.6%
Elimination of IMR Amortization	\$ -	0.0%
Small Life Insurance Company Deduction	\$ -	0.0%
Prior year under (over) accrual	\$19,269	0.5%
Other	\$ -	0.0%
Total statutory income tax expense (benefit)	\$1,616,546	39.7%
	9/30/2014	Effective Tax Rate
Federal and foreign income taxes incurred	\$2,854,989	70.2%
Realized capital gains (losses) tax	\$ -	0.0%
Change in net deferred income taxes	\$ (2,149,989)	-52.8%
Total statutory income tax expense (benefit)	\$ 705,000	17.3%

E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits

- (1) At Sep 30, 2014, the Company had no net operating loss carry forwards available to offset against future taxable income.
- (2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:
 - (a) 2013 \$0
 - (b) 2012 \$0
 - (c) 2011 \$1,619,766

F. Not Applicable.

Cont. Note 9

G. Federal or Foreign Income Tax Loss Contingencies

- (1) The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, The following transactions are all as of Sep 30, 2014; The Company has a capitation arrangement with Aultman Hospital and has paid \$27,802,928 in capitated claims for its

Notes to Financial Statement

commercial enrollees under the terms of the existing agreement. Effective May 1, 2012, the Company entered into a capitation arrangement with Aultman Hospital for their Medicare enrollees and has paid \$48,580,897 in capitated claims for its Medicare enrollees under the terms of the new agreement. The Company has paid a total of \$76,383,825 in capitated claims to Aultman Hospital for its enrollees.

The Company has a management services agreement with Aultman Health Foundation, the parent and AultCare Corporation, an affiliate that allows various administrative, marketing, and claims processing services to be completed on behalf of the Company. The Company paid \$591,038 to Aultman Health Foundation for management services that were provided and paid \$20,615,619 of expenses to AultCare Corporation for management services. The Company has an operating lease for office space and paid \$407,277 to Aultman Health Foundation for rent.

- D. At Sep 30, 2014, the Company reported \$0 due from the parent company, Aultman Health Foundation. The Company has an intercompany revolving credit facility in place with AultCare Corporation, an affiliate that allows AultCare Corporation to borrow and repay operating funds. As of Sep 30, 2014, AultCare Corporation owes \$2,301,062 under the terms of the agreement. The Company also has capitation arrangement with the parent company for anticipation of future services. As of Sep 30, 2013, the Company has paid \$8,332,000 Aultman Health Foundation for these future services.
- E. No Change.
- F. No Change.
- G. No Change.
- H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of \$10,953,743. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$116,926. Also, the Company had an investment in an affiliate, AultCare Corporation of \$2,301,062.
- I. No Change.
- J. No Change.
- K. No Change.
- L. No Change.
11. Debt
- A. No Change.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. No Change.
- B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$360,729 and \$395,687 for 2014 and 2013 respectively.
- C – F No Change.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- (1) No Change.
- (2) No Change.
- (3) No Change.
- (4) No Change.
- (5) No Change.
- (6) No Change.
- (7) No Change.
- (8) No Change.
- (9) No Change.
- (10) No Change.
- (11) No Change.
- (12) No Change.
- (13) No Change.
14. Contingencies
- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.
- E. During 2008, the Company underwent a Medicare Risk Adjustment Validation ("RADV") audit by the Centers for Medicare and Medicaid Services on the Company's 2006 Medicare Advantage data. Based on current available information obtained from the preliminary results of the Medicare RADV audit, the Company has established a reserve of \$0 as of Sep 30, 2014, which represents Management's best estimate of

Notes to Financial Statement

potential liability. Final audit results were released by Centers for Medicare & Medicaid Services as of August 2014 when payment was made.

15. Leases

A. Lessee Operating Lease

(1) The Company leases office space in buildings from Aultman Health Foundation through operating lease agreements that will expire Sep 30, 2014. In 2014 and 2013 respectively, the company paid \$407,277 and \$702,518 to Aultman Health Foundation for rent expense. Certain rental commitments have renewal options extending through the year 2019. Some of these renewals are subject to adjustments in future periods.

(2) At January 1, 2014, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2013	\$ 658,116

B. Leasing is not a significant part of the lessor's business activities in terms of revenue, net income, or assets.

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

A. No Change.

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

A. No Change.

B. No Change.

C. No Change.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured (N/A – Title)

A. No Change.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators (N/A – Title)

A. No Change.

20. Fair Value Measurement

A. The Company has assets that are measured at fair value on a recurring basis.

(1)

Fair Value Measurements at Reporting Date				
(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Common Stock	\$ 13,456,540	\$ -	\$ -	\$ -
Total assets at fair value	\$ 13,456,540	\$ -	\$ -	\$ -

(2) No Change.

(3) No Change.

21. Other Items

A. No Change.

B. No Change.

C. No Change.

D. At Sep 30, 2014 the Company had admitted assets of \$7,052,140 in accounts receivable and amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.

E. No Change.

F. No Change.

G. No Change.

H. On or about December 27, 2007, CSAHS/UHHS-Canton, Inc. d/b/a Mercy Medical Center ("Mercy"), a competitor of Aultman Hospital in Stark County, Ohio, filed an action in the Stark County Court of Common Pleas against Aultman Health Foundation, AultCare Corporation, Aultman Hospital, and AultCare Insurance Company (formerly McKinley Life Insurance Company) (collectively, "Defendants"). Mercy alleged that the four Defendants had each, among other things, violated Ohio's antitrust laws, tortuously interfered with Mercy's business relationships, engaged in unfair competition and deceptive practices, participated in a civil conspiracy, and violated Ohio's Pattern of Corrupt Activities Statute. The action went to trial, and in June, 2010, the jury rendered judgment in favor of the Defendants on five of the six Mercy claims that were still at issue by that time. With respect to the sixth claim, for an alleged violation of Ohio's Pattern of Corrupt Activities Statute, the jury found "Aultman" liable

Notes to Financial Statement

to Mercy for \$6,148,000 in damages. Mercy had sought \$110,000,000 in damages. On October 19, 2010, the trial judge overruled the four Defendants' motion for judgment notwithstanding the verdict and for a new trial, but denied Mercy's claim for prejudgment interest. The trial judge also granted Mercy injunctive relief and attorneys fees of \$4,000,000. Neither the one verdict on which Mercy prevailed nor any of the Court's October 19 orders allocated the jury's award among the four Defendants. The four Defendants appealed the jury verdict and the judge's orders on October 22, 2010. On March 5, 2012, the Court of Appeals affirmed the monetary awards to Mercy, but reversed the Trial Court's injunctive relief requiring payments to non-parties. On July 25, 2012, the Ohio Supreme Court accepted jurisdiction to hear that appeal. The parties' merit briefing was complete on December 21, 2012. On January 8, 2013, the Court scheduled oral Arguments on April 9, 2013. On January 14, 2013, Mercy filed a motion to dismiss the appeal as improvidently allowed, based in part on the change in Ohio Supreme Court Justices following the November 2012 elections. Defendants and several amici filed oppositions to the motion to dismiss on January 24, 2013. The Court granted Mercy's motion to dismiss without a written opinion on March 13, 2013. As a result of the Ohio Supreme Court's decision, Defendants became obligated to pay the original verdict of \$6.1 million and attorney fees of \$4.0 million plus the interest fees and Mercy's appellate costs. Accordingly, Defendants paid the judgment of \$14.7 million.

22. Events Subsequent

- A. As of Nov 15, 2014, there have been no Type I events subsequent to Sep 30, 2014, which would have a material effect on the financial condition of the Company or on the financial statement issued Nov 15, 2014.
- B. As of Nov 15, 2014, there have been no Type II events subsequent to Sep 30, 2014, which would have a material effect on the financial condition of the Company or on the financial statement issued Nov 15, 2014.

23. Reinsurance

- A. No Change.
- B. No Change.
- C. No Change.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)

- A. No Change.
- B. No Change.
- C. The Company has accrued \$0 of net premiums written as of Sep 30, 2014 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.

25. Change in Incurred Claims and Claims Adjustment Expenses

- A. No Change.

26. Intercompany Pooling Arrangements

- A. No Change.

27. Structured Settlements

- A. No Change.

28. Health Care Receivables

- A.

Notes to Financial Statement

- B. No Change.
29. Participating Policies
A. No Change.
30. Premium Deficiency Reserves
A. No Change.
31. Anticipated Salvage and Subrogation
A. No Change.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
9/30/2014	411,104				
6/30/2014	591,415				
3/31/2014	591,415			720,778	
12/31/2013	395,222	6,193	-	449,457	-
9/30/2013	1,019,786	16,629	-	522,054	-
6/30/2013	1,328,765	7,650	6,261	348,887	-
3/31/2013	1,385,627	6,788	-	361,010	-
12/31/2012	1,383,510	8,905	-	686,934	-
9/30/2012	1,565,867	14,048	-	520,891	12,781
6/30/2012	1,849,809	11,356	2,214	847,167	-
3/31/2012	2,079,769	24,451	3,674	1,334,531	194,358
12/31/2011	2,088,068	16,152	-	961,472	15,482
9/30/2011	1,639,697	14,523	-	784,612	10,203
6/30/2011	1,177,689	176,531	-	913,051	11,507

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[] N/A[X]

- 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[X] No[]
- 2.2 If yes, date of change: 09/19/2014

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[X] No[]
- 3.3 If the response to 3.2 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? Yes[] No[X] N/A[]
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. 12/31/2010
- 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. 12/31/2010
- 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). 09/21/2011
- 6.4 By what department or departments?
Ohio Department of Insurance
- 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[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[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
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 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: Yes[] No[X]
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?
 14.2 If yes, please complete the following:

Yes[X] No[]

	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 Mortgages Loans on Real Estate		
14.26 All Other	12,224,446	13,235,731
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	12,224,446	13,235,731
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?
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement.

Yes[] No[X]
 Yes[] No[] N/A[X]

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

\$ 0
 \$ 0
 \$ 0

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

Yes[X] No[]

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Trust Company	4481 Munson St. NW #200, Canton, OH 44718
The Vanguard Group	P.O. Box 2600 Valley Forge, PA 19482

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

Yes[] No[X]

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

17.5 Identify all investment advisors, brokers/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?
 18.2 If no, list exceptions:

Yes[X] No[]

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent 86.390%
1.2 A&H cost containment percent 2.230%
1.3 A&H expense percent excluding cost containment expenses 10.330%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
Accident and Health - Non-affiliates								
93440	06-1041332	04/01/2008	HM LIFE INS CO	PA	ASL/A/I	Authorized		
13647	26-4662908	01/01/2009	PRESIDIO REINS CORP	MT	QA/A/G	Authorized		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

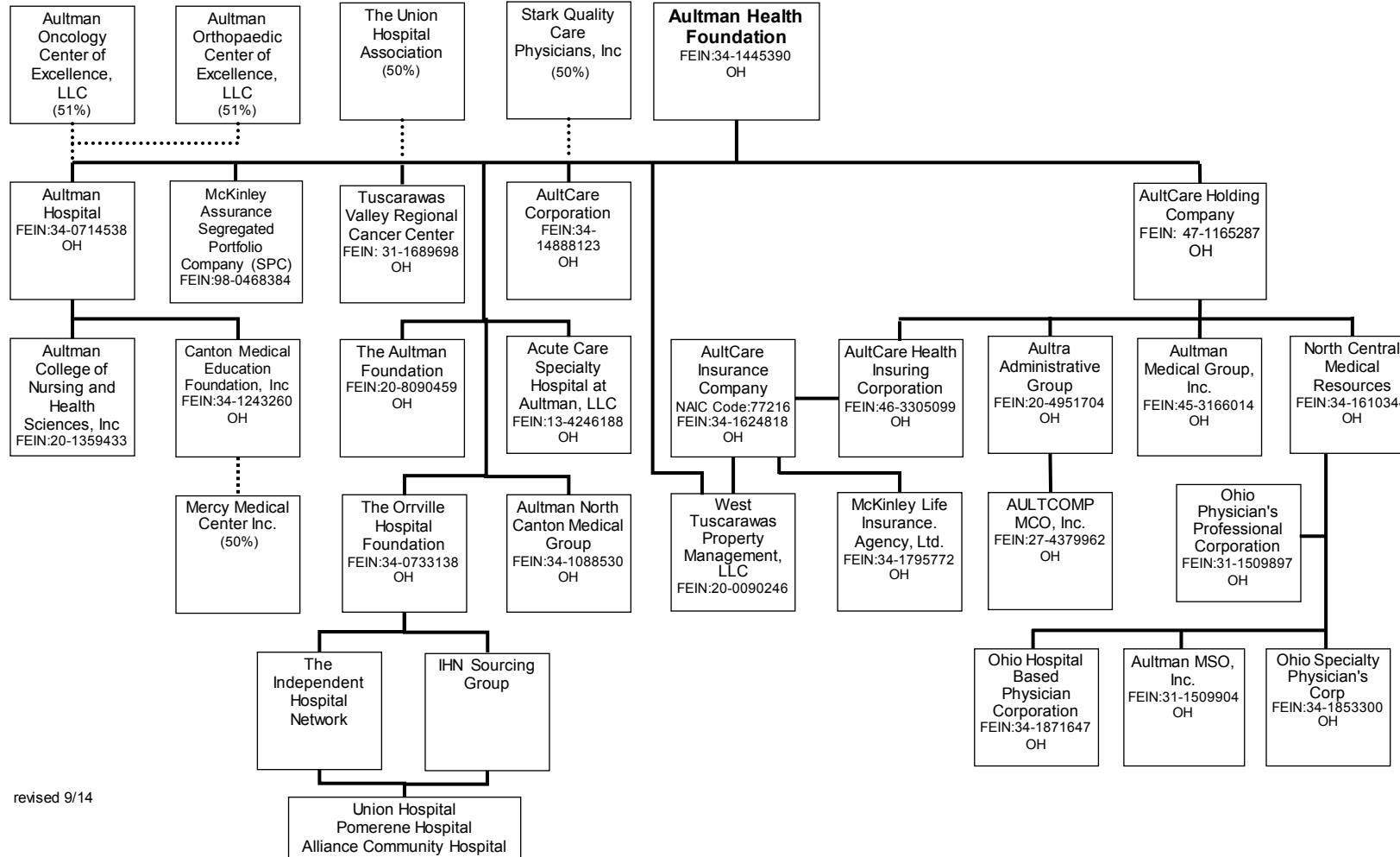
1.	State, Etc.	1 Active Status	Direct Business Only							
			2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
2.	Alabama (AL)	N								
3.	Alaska (AK)	N								
4.	Arizona (AZ)	N								
5.	Arkansas (AR)	N								
6.	California (CA)	N								
7.	Colorado (CO)	N								
8.	Connecticut (CT)	N								
9.	Delaware (DE)	N								
10.	District of Columbia (DC)	N								
11.	Florida (FL)	N								
12.	Georgia (GA)	N								
13.	Hawaii (HI)	N								
14.	Idaho (ID)	N								
15.	Illinois (IL)	N								
16.	Indiana (IN)	N								
17.	Iowa (IA)	N								
18.	Kansas (KS)	N								
19.	Kentucky (KY)	N								
20.	Louisiana (LA)	N								
21.	Maine (ME)	N								
22.	Maryland (MD)	N								
23.	Massachusetts (MA)	N								
24.	Michigan (MI)	N								
25.	Minnesota (MN)	N								
26.	Mississippi (MS)	N								
27.	Missouri (MO)	N								
28.	Montana (MT)	N								
29.	Nebraska (NE)	N								
30.	Nevada (NV)	N								
31.	New Hampshire (NH)	N								
32.	New Jersey (NJ)	N								
33.	New Mexico (NM)	N								
34.	New York (NY)	N								
35.	North Carolina (NC)	N								
36.	North Dakota (ND)	N								
37.	Ohio (OH)	L	170,846,529	173,058,244		12,404,006			356,308,778	
38.	Oklahoma (OK)	N								
39.	Oregon (OR)	N								
40.	Pennsylvania (PA)	N								
41.	Rhode Island (RI)	N								
42.	South Carolina (SC)	N								
43.	South Dakota (SD)	N								
44.	Tennessee (TN)	N								
45.	Texas (TX)	N								
46.	Utah (UT)	N								
47.	Vermont (VT)	N								
48.	Virginia (VA)	N								
49.	Washington (WA)	N								
50.	West Virginia (WV)	N								
51.	Wisconsin (WI)	N								
52.	Wyoming (WY)	N								
53.	American Samoa (AS)	N								
54.	Guam (GU)	N								
55.	Puerto Rico (PR)	N								
56.	U.S. Virgin Islands (VI)	N								
57.	Northern Mariana Islands (MP)	N								
58.	Canada (CAN)	N								
59.	Aggregate other alien (OT)	XXX								
60.	Subtotal	XXX	170,846,529	173,058,244		12,404,006			356,308,778	
61.	Reporting entity contributions for Employee Benefit Plans	XXX								
61.	Total (Direct Business)	(a) 1	170,846,529	173,058,244		12,404,006			356,308,778	
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

(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

Aultman Organization Structure by Legal Entity



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SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*	
4805		00000	34-1445390				Aultman Health Foundation	US	UDP	Aultman Health Foundation	Board of Directors		Aultman Health Foundation		
		00000	34-0714538				Aultman Hospital	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	0000004	
		77216	34-1624818				AultCare Insurance Company	US	RE	AultCare Health Insuring Corp	Ownership	100.0	Aultman Health Foundation		
		00000	34-1488123				AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc	Other		Aultman Health Foundation	0000001	
			00000	20-0090246				West Tuscarawas Property Management, LLC	US	DS	McKinley Life Insurance Company	Ownership	94.0	Aultman Health Foundation	
			00000	34-1795772				McKinley Life Insurance Agency, Ltd.	US	DS	McKinley Life Insurance Company	Ownership	100.0	Aultman Health Foundation	
			00000	20-4951704				Aultra Administrative Group	US	IA	AultCare Holding Company	Management		Aultman Health Foundation	
			00000	27-4379962				AultComp MCO, Inc.	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
			00000	34-1853300				Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
			00000	98-0468384				McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
			00000	20-1359433				Aultman College of Nursing and Health Sciences	US	NIA	Aultman Hospital	Ownership	100.0	Aultman Hospital	
			00000	31-1509904				Aultman MSO, Inc.	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
			00000	20-8090459				The Aultman Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
			00000	31-1509897				Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
			00000	34-1610344				North Central Medical Resources	US	NIA	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation	
			00000	34-1871647				Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	
			00000	31-1689698				Tuscarawas Valley Regional Cancer Center	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Health Foundation	0000002
			00000	13-4246188				Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
			00000	34-1243260				Canton Medical Education Foundation	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Hospital	0000003
			00000	47-1165287				AultCare Holding Company	US	UDP	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	34-1088530				Aultman North Canton Medical	US	NIA	Aultman Health Foundation	Ownership, Board of Directors	100.0	Aultman Health Foundation		
		00000	34-0733138				The Orville Hospital Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation		
		00000	45-3166014				Aultman Medical Group, Inc	US	UDP	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation		
4805		15461	46-3305099				AultCare Health Insuring Corporation	US	UDP	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation		
		00000	0				0	US	IA	0					

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Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

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?

Yes

Explanations:

Bar Codes:

STATEMENT AS OF **September 30, 2014** OF THE **AultCare Insurance Company**
SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	12,224,446	16,478,301
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	1,180,898	2,600,000
3. Capitalized deferred interest and other		
4. Accrual of discount		(203,195)
5. Unrealized valuation increase (decrease)	(170,015)	(6,650,661)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	13,235,329	12,224,446
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	13,235,329	12,224,446

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	60,013,005	65,434,570
2. Cost of bonds and stocks acquired	8,314,822	23,899,725
3. Accrual of discount	74,546	38,497
4. Unrealized valuation increase (decrease)	(405,975)	1,214,855
5. Total gain (loss) on disposals	806,639	907,455
6. Deduct consideration for bonds and stocks disposed of	6,011,425	31,234,190
7. Deduct amortization of premium	277,439	247,906
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)	62,514,174	60,013,005
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	62,514,174	60,013,005

SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	45,371,613	2,303,843	1,022,617	(52,699)	43,313,086	45,371,613	46,600,140	43,155,454
2. NAIC 2 (a)	2,402,830	72,097		(17,433)	2,359,044	2,402,830	2,457,494	1,976,249
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	47,774,442	2,375,940	1,022,617	(70,132)	45,672,130	47,774,442	49,057,634	45,131,703
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	47,774,442	2,375,940	1,022,617	(70,132)	45,672,130	47,774,442	49,057,634	45,131,703

(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 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

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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. Totals	567,680	X X X	578,007		320

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	1,868,257	230,483
2. Cost of short-term investments acquired		3,669,001
3. Accrual of discount		46
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(1,619)	(1,764)
6. Deduct consideration received on disposals	1,280,753	2,004,437
7. Deduct amortization of premium	18,206	25,071
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)	567,680	1,868,257
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	567,680	1,868,257

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
CUSIP Identification	Name or Description	3	4	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
		City	State									
Capital Notes - Unaffiliated												
	AultCare-Affiliated	Canton	Ohio	AultCare Insurance Company	77216	01/01/2009		1,218,265	1,180,898			
2999999 Subtotal - Capital Notes - Unaffiliated								1,218,265	1,180,898			XXX
4499999 Total - Unaffiliated								1,218,265	1,180,898			XXX
4699999 TOTALS								1,218,265	1,180,898			XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value					15	16	17	18	19	20			
		3	4					9	10	11	12	13							14		
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9 + 10 - 11 + 12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income		
NONE																					
4699999 TOTALS																					

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SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828WLO	U.S. TREASURY NOTES		08/20/2014	FIRSTMERIT TRUST	X X X	1,000,000	1,000,000	3,320	1
3136G1CL1	FNMA		08/20/2014	FIRSTMERIT TRUST	X X X	441,702	450,000		1
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,441,702	1,450,000	3,320	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
037411AS4	APACHE CORP		07/30/2014	FIRSTMERIT TRUST	X X X	166,166	150,000	352	1
00206RBM3	AT&T		07/24/2014	FIRSTMERIT TRUST	X X X	99,768	100,000	206	1
74456QBG0	PUBLIC SERVICE MTN		07/23/2014	FIRSTMERIT TRUST	X X X	148,838	150,000	383	1
94974BEV8	WELLS FARGO CO		07/24/2014	FIRSTMERIT TRUST	X X X	111,782	100,000	1,444	1
134429AG4	CAMPBELL SOUP		09/25/2014	FIRSTMERIT TRUST	X X X	33,045	25,000	888	2
191219AP9	COCA COLA		09/25/2014	FIRSTMERIT TRUST	X X X	135,588	100,000	1,369	1
278058AM4	EATON CORP		09/25/2014	FIRSTMERIT TRUST	X X X	39,052	30,000	270	2
20033AGH3	COMENITY CAP BK CD		09/08/2014	FIRSTMERIT TRUST	X X X	200,000	200,000		1
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	934,238	855,000	4,911	X X X
8399997 Subtotal - Bonds - Part 3					X X X	2,375,940	2,305,000	8,231	X X X
8399999 Subtotal - Bonds					X X X	2,375,940	2,305,000	8,231	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	2,375,940	X X X	8,231	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	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 Designation 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.								
Bonds - U.S. Governments																						
912828CT5	U.S. TREASURY NOTES		08/15/2014	FIRSTMERIT TRUST	X X X	300,000	300,000	298,321	294,955		5,037		5,037		299,992		8	8	12,750	08/15/2014	1	
912828EN6	U.S. TREASURY NOTES		08/19/2014	FIRSTMERIT TRUST	X X X	526,550	500,000	546,016	1,017,908		(495,484)		(495,484)		522,424		(22,424)	(22,424)	22,500	11/15/2015	1	
0599999 Subtotal - Bonds - U.S. Governments					X X X	826,550	800,000	844,336	1,312,863		(490,448)		(490,448)		822,416		(22,416)	(22,416)	35,250	X X X	X X X	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
59018YTZ4	MERRILL LYNCH MTN		07/15/2014	FIRSTMERIT TRUST	X X X	75,000	75,000	79,508	76,639		(1,514)		(1,514)		75,125		(125)	(125)	4,088	07/15/2014	1	
00206RAV4	AT&T INC.		07/15/2014	FIRSTMERIT TRUST	X X X	51,188	50,000	52,184	155,141		(103,928)		(103,928)		51,213		(1,213)	(1,213)	2,408	08/15/2015	1	
742741AA9	PROCTOR & GAMBLE		07/01/2014	FIRSTMERIT TRUST	X X X	9,879	9,879	12,730			13,415		13,415		13,415		(3,536)	(3,536)	8,984	01/01/2012	1	
020002AR2	ALLSTATE		08/15/2014	FIRSTMERIT TRUST	X X X	60,000	60,000	63,975	61,589		(1,484)		(1,484)		60,105		(105)	(105)	3,000	08/15/2014	1	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	196,067	194,879	208,397	293,369		(93,510)		(93,510)		199,859		(4,980)	(4,980)	18,480	X X X	X X X	
8399997 Subtotal - Bonds - Part 4					X X X	1,022,617	994,879	1,052,733	1,606,232		(583,958)		(583,958)		1,022,275		(27,396)	(27,396)	53,730	X X X	X X X	
8399999 Subtotal - Bonds					X X X	1,022,617	994,879	1,052,733	1,606,232		(583,958)		(583,958)		1,022,275		(27,396)	(27,396)	53,730	X X X	X X X	
9899999 Subtotal - Preferred and Common Stocks					X X X			X X X												X X X	X X X	
9999999 Total - Bonds, Preferred and Common Stocks					X X X	1,022,617		X X X	1,052,733	1,606,232		(583,958)		(583,958)		1,022,275		(27,396)	(27,396)	53,730	X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
open depositories									
FirstMerit Bank - Trust	Canton, Ohio		0.100	212		858,453	358,732	436,950	X X X
FirstMerit Bank - Brokered CDs	Canton, Ohio		0.100	59		227,793	455,049	260,069	X X X
Huntington National Bank	Canton, Ohio					2,376,012	5,680,499	7,547,420	X X X
FirstMerit Bank-ST CDs	Canton, Ohio								X X X
Huntington National Bank	Canton, Ohio					12,425,492	13,626,503	6,745,467	X X X
FirstMerit Bank - PIMCO	Canton, Ohio					932	932	933	X X X
FirstMerit Bank - Richmond Capital	Canton, Ohio		0.100	24		26,236	199,269	30,579	X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories									
		X X X	X X X						X X X
0199999 Totals - Open Depositories									
		X X X	X X X	296		15,914,917	20,320,985	15,021,418	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories									
		X X X	X X X						X X X
0299999 Totals - Suspended Depositories									
		X X X	X X X						X X X
0399999 Total Cash On Deposit									
		X X X	X X X	296		15,914,917	20,320,985	15,021,418	X X X
0499999 Cash in Company's Office									
		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash									
		X X X	X X X	296		15,914,917	20,320,985	15,021,418	X X X

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
NONE							
8699999 Total - Cash Equivalents							



MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

NAIC Group Code: 4805

NAIC Company Code: 77216

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		X X X		X X X	
2. Earned Premiums		X X X		X X X	X X X
3. Claims Paid		X X X		X X X	
4. Claims Incurred		X X X		X X X	X X X
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	X X X	1,434	X X X		1,434
6. Aggregate Policy Reserves - change		X X X		X X X	X X X
7. Expenses Paid		X X X		X X X	
8. Expenses Incurred		X X X		X X X	X X X
9. Underwriting Gain or Loss		X X X		X X X	X X X
10. Cash Flow Results	X X X	X X X	X X X	X X X	(1,434)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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