



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE
AultCare Health Insuring Corporation

| | | | | | | |
|---------------------------------------|---|------------------------|--|------------|--|------------|
| NAIC Group Code | 4805 (Current Period) | 4805 (Prior Period) | NAIC Company Code | 15461 | Employer's ID Number | 46-3305099 |
| Organized under the Laws of | Ohio | | State of Domicile or Port of Entry | Ohio | | |
| Country of Domicile | United States of America | | | | | |
| Licensed as business type: | Life, Accident & Health[] Dental Service Corporation[] Other[] | | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] | | Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X] | |
| Incorporated/Organized | 07/11/2013 | | Commenced Business | 01/01/2015 | | |
| Statutory Home Office | 2600 Sixth Street SW (Street and Number) | | Canton, OH, 44710 (City or Town, State, Country and Zip Code) | | | |
| Main Administrative Office | | | 2600 Sixth Street SW (Street and Number) | | | |
| | Canton, OH, 44710 (City or Town, State, Country and Zip Code) | | | | (330)363-4057 (Area Code) (Telephone Number) | |
| Mail Address | 2600 Sixth Street SW (Street and Number or P.O. Box) | | Canton, OH, 44710 (City or Town, State, Country and Zip Code) | | | |
| Primary Location of Books and Records | | | 2600 Sixth Street SW (Street and Number) | | | |
| | Canton, OH, 44710 (City or Town, State, Country and Zip Code) | | | | (330)363-4057 (Area Code) (Telephone Number) | |
| Internet Website Address | www.aultcare.com | | | | | |
| Statutory Statement Contact | Jeffrey Alan Scheatzle (Name) | | (330)363-4057 (Area Code)(Telephone Number)(Extension) | | | |
| | jscheatzle@aultman.com (E-Mail Address) | | (330)363-5012 (Fax Number) | | | |

OFFICERS

| Name | Title |
|--------------------|--------------------------|
| Rick L. Haines | President |
| Joseph J. Feltes | Secretary |
| Mark D. Wright | Treasurer |
| Edward J. Roth III | Executive Vice President |

OTHERS

DIRECTORS OR TRUSTEES

William Wallace M.D.
Christopher E. Remark
Rick L. Haines
Mark D. Wright
Darryl J. Dillenback
Joseph J. Feltes Esq.

Gregory A. Haban M.D.
Edward J. Roth III
Michael A. Rich M.D.
John B. Humphrey Jr., M.D.
Allen Rovner M.D.
Mark N. Rose M.D.

State of Ohio
County of Stark ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

| | | |
|----------------|------------------|----------------|
| (Signature) | (Signature) | (Signature) |
| Rick L. Haines | Joseph J. Feltes | Mark D. Wright |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| President | Secretary | Treasurer |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me this _____ day of _____, 2015

a. Is this an original filing? Yes[X] No[]

b. If no, 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

| | | Current Year | | | Prior Year |
|----------------------|---|--------------|--------------------|--------------------------------|---------------------|
| | | 1 | 2 | 3 | 4 |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols.1-2) | Net Admitted Assets |
| 1. | Bonds (Schedule D) | 1,526,763 | | 1,526,763 | |
| 2. | Stocks (Schedule D) | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common Stocks | 64,621,616 | | 64,621,616 | |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 | First liens | | | | |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate (Schedule A): | | | | |
| 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 (\$.....185,329, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) | 185,329 | | 185,329 | |
| 6. | Contract loans (including \$.....0 premium notes) | | | | |
| 7. | Derivatives (Schedule DB) | | | | |
| 8. | Other invested assets (Schedule BA) | (753) | | (753) | |
| 9. | Receivables for securities | | | | |
| 10. | Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 66,332,956 | | 66,332,956 | |
| 13. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. | Investment income due and accrued | 9,684 | | 9,684 | |
| 15. | Premiums and considerations: | | | | |
| 15.1 | Uncollected premiums and agents' balances in the course of collection | | | | |
| 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 | | | | |
| 16.2 | Funds held by or deposited with reinsured companies | | | | |
| 16.3 | Other amounts receivable under reinsurance contracts | | | | |
| 17. | Amounts receivable relating to uninsured plans | | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 | Net deferred tax asset | | | | |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | | | | |
| 21. | Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | | |
| 24. | Health care (\$.....0) and other amounts receivable | | | | |
| 25. | Aggregate write-ins for other than invested assets | | | | |
| 26. | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 66,342,640 | | 66,342,640 | |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. | TOTAL (Lines 26 and 27) | 66,342,640 | | 66,342,640 | |
| 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 Year | | | Prior Year |
|----------------------|--|--------------|----------------|-------------|------------|
| | | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. | Claims unpaid (less \$.....0 reinsurance ceded) | | | | |
| 2. | Accrued medical incentive pool and bonus amounts | | | | |
| 3. | Unpaid claims adjustment expenses | | | | |
| 4. | Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | | | | |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserves | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | | | | |
| 9. | General expenses due or accrued | | | | |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | | | | |
| 10.2 | Net deferred tax liability | | | | |
| 11. | Ceded reinsurance premiums payable | | | | |
| 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 | | | | |
| 23. | Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 24. | TOTAL Liabilities (Lines 1 to 23) | | | | |
| 25. | Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 26. | Common capital stock | X X X | X X X | | |
| 27. | Preferred capital stock | X X X | X X X | | |
| 28. | Gross paid in and contributed surplus | X X X | X X X | 68,069,349 | |
| 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 | (1,726,709) | |
| 32. | Less treasury stock, at cost: | | | | |
| 32.1 |0 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.2 |0 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 | 66,342,640 | |
| 34. | TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) | X X X | X X X | 66,342,640 | |
| DETAILS OF WRITE-INS | | | | | |
| 2301. | 0 | | | | |
| 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 | | Prior Year |
|-----------------------|---|----------------|------------|------------|
| | | 1 Uncovered | 2 Total | 3 Total |
| 1. | Member Months | X X X | | |
| 2. | Net premium income (including \$.....0 non-health premium income) | X X X | | |
| 3. | Change in unearned premium reserves and reserve 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 | | |
| Hospital and Medical: | | | | |
| 9. | Hospital/medical benefits | | | |
| 10. | Other professional services | | | |
| 11. | Outside referrals | | | |
| 12. | Emergency room and out-of-area | | | |
| 13. | Prescription drugs | | | |
| 14. | Aggregate write-ins for other hospital and medical | | | |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | | |
| 16. | Subtotal (Lines 9 to 15) | | | |
| Less: | | | | |
| 17. | Net reinsurance recoveries | | | |
| 18. | TOTAL Hospital and Medical (Lines 16 minus 17) | | | |
| 19. | Non-health claims (net) | | | |
| 20. | Claims adjustment expenses, including \$.....0 cost containment expenses | | | |
| 21. | General administrative expenses | | 753 | |
| 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) | | 753 | |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | (753) | |
| 25. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 21,135 | |
| 26. | Net realized capital gains (losses) less capital gains tax of \$.....96 | | 545 | |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | | 21,681 | |
| 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 | 20,928 | |
| 31. | Federal and foreign income taxes incurred | X X X | (96) | |
| 32. | Net income (loss) (Lines 30 minus 31) | X X X | 21,024 | |
| 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 (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | | |
| 1401. | Reinsurance Claims | | | |
| 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) | | | |
| 2901. | ..... |  |  |  |
| 2902. | ..... |  |  |  |
| 2903. | ..... |  |  |  |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. | TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 |
|---------------------------|--|--------------|------------|
| | | Current Year | Prior Year |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. | Capital and surplus prior reporting year | | |
| 34. | Net income or (loss) from Line 32 | 21,024 | |
| 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 | (1,747,733) | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | | |
| 39. | Change in nonadmitted assets | | |
| 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 | 68,069,349 | |
| 45.2 | Transferred to capital (Stock Dividend) | | |
| 45.3 | Transferred from capital | | |
| 46. | Dividends to stockholders | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 66,342,640 | |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 66,342,640 | |
| 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) | | |

| | | 1 | 2 |
|---|---|--------------|------------|
| | | Current Year | Prior Year |
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | | |
| 2. | Net investment income | 4,624 | |
| 3. | Miscellaneous income | | |
| 4. | TOTAL (Lines 1 through 3) | 4,624 | |
| 5. | Benefit and loss related payments | | |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 753 | |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | |
| 10. | TOTAL (Lines 5 through 9) | 753 | |
| 11. | Net cash from operations (Line 4 minus Line 10) | 3,871 | |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | 473,200 | |
| 12.2 | Stocks | | |
| 12.3 | Mortgage loans | | |
| 12.4 | Real estate | | |
| 12.5 | Other invested assets | | |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | | |
| 12.8 | TOTAL Investment proceeds (Lines 12.1 to 12.7) | 473,200 | |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | 1,992,495 | |
| 13.2 | Stocks | 66,369,349 | |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | (753) | |
| 13.6 | Miscellaneous applications | 0 | |
| 13.7 | TOTAL Investments acquired (Lines 13.1 to 13.6) | 68,361,091 | |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (67,887,891) | |
| 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 | 68,069,349 | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | | |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 68,069,349 | |
| 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) | 185,329 | |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | | |
| 19.2 | End of year (Line 18 plus Line 19.1) | 185,329 | |

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

| | | | |
|---------|---|--|--|
| 20.0001 | Cumulative effect of changes in accounting principles | | |
|---------|---|--|--|

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----------------------|--|-------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. | Net premium income | | | | | | | | | | |
| 2. | Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | |
| 3. | Fee-for-service (net of \$.0 medical expenses) | | | | | | | | | | X X X |
| 4. | Risk revenue | | | | | | | | | | X X X |
| 5. | Aggregate write-ins for other health care related revenues | | | | | | | | | | X X X |
| 6. | Aggregate write-ins for other non-health care related revenues | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 7. | TOTAL Revenues (Lines 1 to 6) | | | | | | | | | | |
| 8. | Hospital/medical benefits | | | | | | | | | | X X X |
| 9. | Other professional services | | | | | | | | | | X X X |
| 10. | Outside referrals | | | | | | | | | | X X X |
| 11. | Emergency room and out-of-area | | | | | | | | | | X X X |
| 12. | Prescription drugs | | | | | | | | | | X X X |
| 13. | Aggregate write-ins for other hospital and medical | | | | | | | | | | X X X |
| 14. | Incentive pool, withhold adjustments and bonus amounts | | | | | | | | | | X X X |
| 15. | Subtotal (Lines 8 to 14) | | | | | | | | | | X X X |
| 16. | Net reinsurance recoveries | | | | | | | | | | X X X |
| 17. | TOTAL Hospital and Medical (Lines 15 minus 16) | | | | | | | | | | X X X |
| 18. | Non-health claims (net) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 19. | Claims adjustment expenses including \$.0 cost containment expenses | | | | | | | | | | |
| 20. | General administrative expenses | 753 | | | | | | 753 | | | |
| 21. | Increase in reserves for accident and health contracts | | | | | | | | | | X X X |
| 22. | Increase in reserves for life contracts | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 23. | TOTAL Underwriting Deductions (Lines 17 to 22) | 753 | | | | | | 753 | | | |
| 24. | Net underwriting gain or (loss) (Line 7 minus Line 23) | (753) | | | | | | (753) | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | |
| 0501. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0502. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0503. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | X X X |
| 0599. | TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | X X X |
| 0601. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0602. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0603. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 1301. | Reinsurance Claims | | | | | | | | | | X X X |
| 1302. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1303. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1398. | Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | X X X |
| 1399. | TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | | X X X |

| | | |
|----|---|------|
| 8 | Underwriting Invest Exh Pt 1 - Premiums | NONE |
| 9 | Underwriting Invest Exh Pt 2 - Claims Incurred | NONE |
| 10 | Underwriting Invest Exh Pt 2A - Claims Liab. | NONE |
| 11 | Underwriting Invest Exh Pt 2B - Claims UnPaid | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Total | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Total | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Total | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other | NONE |
| 13 | Underwriting Invest Exh Pt 2D - A & H Reserve | NONE |
| 14 | Underwriting Invest Exh Pt 3 - Expenses | NONE |

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|---|---|--------------------------|-----------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a)..... 4,624 | 21,135 |
| 1.1 | Bonds exempt from U.S. tax | (a)..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a)..... | ..... |
| 1.3 | Bonds of affiliates | (a)..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b)..... | ..... |
| 2.11 | Preferred stocks of affiliates | (b)..... | ..... |
| 2.2 | Common stocks (unaffiliated) | | |
| 2.21 | Common stocks of affiliates | | |
| 3. | Mortgage loans | (c)..... | |
| 4. | Real estate | (d)..... | |
| 5. | Contract loans | | |
| 6. | Cash, cash equivalents and short-term investments | (e)..... | |
| 7. | Derivative instruments | (f)..... | |
| 8. | Other invested assets | | |
| 9. | Aggregate write-ins for investment income | | |
| 10. | TOTAL Gross investment income | 4,624 | 21,135 |
| 11. | Investment expenses | | (g)..... |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g)..... |
| 13. | Interest expense | | (h)..... |
| 14. | Depreciation on real estate and other invested assets | | (i)..... |
| 15. | Aggregate write-ins for deductions from investment income | | |
| 16. | TOTAL Deductions (Lines 11 through 15) | | |
| 17. | Net Investment income (Line 10 minus Line 16) | | 21,135 |
| DETAILS OF WRITE-INS | | | |
| 0901. | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page ..... | ..... | ..... |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..... | ..... | ..... |
| 1501. | ..... |  |  |
| 1502. | ..... |  |  |
| 1503. | ..... |  |  |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. | TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) | | |
| (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. | | | |
| (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. | | | |
| (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. | | | |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. | | | |
| (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. | | | |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. | | | |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets. | | | |

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|----------------------|---|---|-------------------------------|---|--|--|
| | | Realized Gain (Loss) on Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds | 641 | | 641 | | |
| 1.1 | Bonds exempt from U.S. tax | | | | | |
| 1.2 | Other bonds (unaffiliated) | | | | | |
| 1.3 | Bonds of affiliates | | | | | |
| 2.1 | Preferred stocks (unaffiliated) | | | | | |
| 2.11 | Preferred stocks of affiliates | | | | | |
| 2.2 | Common stocks (unaffiliated) | | | | | |
| 2.21 | Common stocks of affiliates | | | | (1,747,733) | |
| 3. | Mortgage loans | | | | | |
| 4. | Real estate | | | | | |
| 5. | Contract loans | | | | | |
| 6. | Cash, cash equivalents and short-term investments | | | | | |
| 7. | Derivative instruments | | | | | |
| 8. | Other invested assets | | | | | |
| 9. | Aggregate write-ins for capital gains (losses) | | | | | |
| 10. | TOTAL Capital gains (losses) | 641 | | 641 | (1,747,733) | |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page .. | ..... | ..... | ..... | ..... | ..... |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .. | ..... | ..... | ..... | ..... | ..... |

| | | |
|----|--|------|
| 16 | Exhibit of Nonadmitted Assets | NONE |
| 17 | Exhibit 1 - Enrollment By Product Type | NONE |
| 18 | Exhibit 2 - Accident and Health Premiums | NONE |
| 19 | Exhibit 3 - Health Care Receivables | NONE |
| 20 | Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued | NONE |
| 21 | Exhibit 4 - Claims Unpaid | NONE |
| 22 | Exhibit 5 - Amounts Due From Parent | NONE |
| 23 | Exhibit 6 - Amounts Due to Parent | NONE |
| 24 | Exhibit 7 - Pt 1 - Summary Trans. With Prov | NONE |
| 24 | Exhibit 7 - Pt 2 - Summary Trans. With Interm | NONE |
| 25 | Exhibit 8 - Furniture and Equipment Owned | NONE |

Notes to Financial Statements

SECTION A

1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of AultCare Health Insuring Corporation 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) Short-term investments are stated at amortized cost.
 - (2) Bonds were stated at amortized cost using the straight-line method.
 - (3) The Company had no common stock.
 - (4) The Company had no preferred stock.
 - (5) The Company had no mortgage loans.
 - (6) The Company had no loan backed securities.
 - (7) The Company has no investments in subsidiaries and affiliates.
 - (8) The Company had no investments in joint ventures, partnerships, or limited liability companies.
 - (9) The Company had no derivatives.
 - (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
 - (11) The Company had no estimated liabilities for losses due to having no policies currently issued.
 - (12) The Company has not modified its capitalization policy from the prior period.
 - (13) The Company has no pharmacy rebates.

2. Accounting Changes and Corrections of Errors

- A. The Company had no change in accounting principles and/or correction of errors in 2014.

3. Business Combinations and Goodwill

- A. The Company had no business combinations accounted for under the statutory purchase method.
- B. The Company was not part of any merger.
- C. The Company had no assumption of reinsurance.
- D. An impairment loss was not recognized.

4. Discontinued Operations

- A. The Company did not discontinue any operations.

5. Investments

- A. The Company had no mortgage Loan Investments.
- B. The Company had no recorded investments in Restructured Loans.
- C. The Company had no recorded investments in Reverse Mortgages.
- D. The Company had no recorded investments in Loan-Backed Securities.
- E. The Company had no recorded investments in Repurchase Agreements.
- F. The Company had no shares in Affiliated Companies.
- G. The Company has no investments in Low-Income Housing Tax Credits.
- H. The Company has no investments in Restricted Assets.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company had no investments in joint ventures, partnerships or limited liability companies.
- B. The Company had no impaired investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

- A. The Company did not exclude any investment income due and accrued.

8. Derivative Instruments

Notes to Financial Statements

- A. The Company had no derivative instruments.
- 9. Income Taxes
 - A. The Company had no net deferred tax asset/ (liability) at December 31, 2014
 - B. Not Applicable
 - C. The Company had no Current Income Taxes
 - D. The Company had no book to tax adjustments
 - E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits
 - (1) At Dec 31, 2014, the Company had no net operating loss carry forwards available to offset against future taxable income.
 - (2) The Company had no income taxes in current or prior years
 - 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 Company had no transactions
 - D. At Dec 31, 2014, the Company reported \$0 due from the parent company, AultCare Holding Company
 - E. The Company did not make any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party which resulted in a material contingent exposure of the Company's assets to any liabilities.
 - F. The Company had no administrative, marketing, and claims processing services.
 - G. All outstanding shares of the Company were owned by the parent company, AultCare Holding Company, a not-for-profit foundation domiciled in the State of Ohio.
 - H. The Company has an investment in AultCare Insurance Company with an admitted asset value of \$62,441,652.47.
 - I. The Company's investment in AultCare Insurance, an SCA entity, accounts for 97% of admitted assets of the insurer.
 - J. The Company did not realize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
 - K. The Company does not have an investment in a foreign insurance subsidiary.
 - L. The Company did not hold an investment in a downstream non insurance holding company.
- 11. Debt
 - A. The Company did not have any debt including capital notes.
- 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
 - A. The Company had no defined benefit plans.
 - B. The Company had no defined contribution plans.
 - C – F The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans.
- 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
 - (1) The Company has no common stock outstanding
 - (2) The Company had no preferred stock outstanding.
 - (3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Ohio, to an amount that is based on restrictions relating to statutory surplus and net income.
 - (4) The Company paid no dividends in 2014.
 - (5) There were no restrictions placed on the Company's profits that may be paid as ordinary dividends to stock holders.
 - (6) There were no restrictions placed on the Company's surplus.
 - (7) The Total Amount of advances to surplus not repaid is \$0.
 - (8) The Amounts of stock held by the Company, including stock of affiliated companies, for special purposes was:
 - For conversion of preferred stock: 0 shares.
 - A. For employee stock options: 0 shares.
 - B. For stock purchase warrants: 0 shares.
 - (9) The Company did not have changes in the balances of any special surplus funds.
 - (10) The Company did not have any surplus funds represented that were reduced
 - (11) The Company had no outstanding surplus debentures of similar obligations.
 - (12) The Company had no restatements due to prior quasi-reorganizations.

Notes to Financial Statements

- (13) The Company was not involved in quasi-reorganization.
14. Contingencies
- A. The Company is not aware of any material contingent commitments.
 - B. The Company was not aware of any assessments that could have a material financial effect.
 - C. The Company had no Gain Contingencies.
 - D. Contingent liabilities arising from litigation, income taxes and other matters were not considered material in relation to the financial position of the Company.
15. Leases
- A. Lessee Operating Lease
 - (1) The Company had no leases
 - 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. The Company had no financial instruments with off-balance sheet risk.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
- A. The Company had no transfers of receivables reported as sales.
 - B. The Company had no transfers of financial assets.
 - C. The Company had no wash sales.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (N/A – Title)
- A. The Company had no Uninsured A&H Plans or Uninsured Portion of Partially Insured Plans.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators (N/A – Title)
- A. The Company had no direct premium written or produced by managing general agents or third party administrators.
20. Fair Value Measurement
- A. The Company has no assets that are measured at fair value on a recurring basis.
21. Other Items
- A. The Company did not experience an extraordinary event or transaction that resulted in a gain or loss.
 - B. The Company had no troubled debt to restructure.
 - C. There are no other disclosures.
 - D. At Dec 31, 2014 the Company had admitted assets of 0\$ in accounts receivable and amounts due from agents.
 - E. The Company did not have any Business Interruption Insurance Recoveries.
 - F. The Company did not have any State Transferable Tax Credits.
 - G. The Company had no Subprime Mortgage Related Risk Exposure.
 - H. The Company had no offsetting and netting of assets and liabilities.
22. Events Subsequent
- A. As of Feb 28, 2015, there have been no Type I events subsequent to Dec 31, 2014, which would have a material effect on the financial condition of the Company or on the financial statement issued Feb 28, 2015.
 - B. As of Feb 28, 2015, there have been no Type II events subsequent to Dec 31, 2014, which would have a material effect on the financial condition of the Company or on the financial statement issued Feb 28, 2015
23. Reinsurance
- A. Ceded Reinsurance Report
- Section 1 – General Interrogatories
- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
- Cont. Note 23 A, Section 1
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?
Yes () No (X)

Notes to Financial Statements

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?
Yes () No (X)
- (2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurers exceed the total direct premium collected under the reinsured policies?
Yes () No (X)

Section 3 – Ceded Reinsurance Report – part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
 - (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year this statement, to included policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (X)
- B. The Company did not write off any uncollectible reinsurance during the year.
- C. The Company did not have any commutation of ceded reinsurance during the year.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)
- A. The Company records accrued retrospective premiums as an adjustment to earned premiums.
 - B. The Company has accrued \$0 of net premiums written as of Dec 31, 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. The Company did not make any changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.
26. Intercompany Pooling Arrangements
- A. The Company had no intercompany pooling arrangements.
27. Structured Settlements
- A. The Company had no structured settlements.
28. Health Care Receivables
- A. The Company had no Health Care Receivables
 - B. The Company does not estimate risk sharing receivables.
29. Participating Policies
- A. The Company does not have participating policies or policyholder dividends.
30. Premium Deficiency Reserves
- A. The Company does not have Premium Deficiency Reserves.
31. Anticipated Salvage and Subrogation
- A. The Company did not have anticipated salvage and subrogation included as a reduction of loss reserves.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 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?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Ohio
- 1.3 State Regulating?
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 3.2 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.
- 3.3 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).
- 3.4 By what department or departments?

0
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the 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 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| | | |

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

| 1 | 2 |
|-------------|----------------|
| Nationality | Type of Entity |
| | |

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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 | 2 | 3 | 4 | 5 | 6 |
|----------------|------------------------|-----------------|-----------------|-----------------|-----------------|
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | SEC |
| | | Yes[] No[X] .. | Yes[] No[X] .. | Yes[] No[X] .. | Yes[] No[X] .. |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Bruner-Cox, 4505 Stephen Circle NW, Suite 200, Canton, OH 44718
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Lee Benefits Consulting, 702 Saxony Drive, Seven Fields, PA 16046 - Actuary - Mr. Duane P. Lee

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

13.3 Have there been any changes made to any of the trust indentures during the year?

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended?

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| | 1 American Bankers Association (ABA) Routing Number | 2 Issuing or Confirming Bank Name | 3 Circumstances That Can Trigger the Letter of Credit | 4 Amount |
|---------|--|--------------------------------------|--|-------------|
| 15.2001 | | | | |

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[]

Yes[X] No[]

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal only)

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal only)

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes[] No[X]

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

Yes[] No[X]

\$ 0

\$ 0

\$ 0

Yes[] No[X]

\$ 0
- INVESTMENT
- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

24.06 If answer to 24.04 is no, report amount of collateral for other programs.

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[X] No[]

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

\$ 0

\$ 0

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

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

27.1

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Placed under option agreements

\$ 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

25.27 FHLB Capital Stock

\$ 0

25.28 On deposit with states

\$ 0

25.29 On deposit with other regulatory bodies

\$ 0

25.30 Pledged as collateral - excluding collateral pledged to an FHLB

\$ 0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements

\$ 0

25.32 Other

\$ 0

25.3 For category (25.26) provide the following:

| 1 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[X]

If no, attach a description with this statement.

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

27.2 If yes, state the amount thereof at December 31 of the current year.

Yes[] No[X]

\$ 0

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

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

Yes[X] No[]

| 1 | 2 |
|--------------------------------|---|
| Name of Custodian(s) | Custodian's Address |
| FirstMerit Trust Company | 4481 Munson St. NW #200, Canton, OH 44718 |
| | |

28.02 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 | 2 | 3 |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
| | | |

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

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

Yes[] No[X]

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

28.05 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 | 2 | 3 |
|---|------|---------|
| Central Registration Depository Number(s) | Name | Address |
| | | |

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

29.2 If yes, complete the following schedule:

Yes[] No[X]

| 1 | 2 | 3 |
|---------------------|---------------------|------------------------------|
| CUSIP # | Name of Mutual Fund | Book/Adjusted Carrying Value |
| 29.2999 Total | | |

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

| 1 | 2 | 3 | 4 |
|---|---|---|----------------------|
| Name of Mutual Fund (from above table) | Name of Significant Holding of the Mutual Fund | Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | Date of Valuation |
| | | | |

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

| | 1 | 2 | 3 |
|-----------------------------|-------------------------------|---------------|---|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 30.1 Bonds | 1,526,763 | 1,522,940 | (3,824) |
| 30.2 Preferred stocks | | | |
| 30.3 Totals | 1,526,763 | 1,522,940 | (3,824) |

30.4 Describe the sources or methods utilized in determining the fair values
The market value of the bonds reported on the FirstMerit Investment statements are used to report Fair Value.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

Yes[X] No[]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

34.1 Amount of payments for legal expenses, if any?

\$..... 0

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

| | | 1 | 2 |
|-----|---------------------------------|--------------|------------|
| | | Current Year | Prior Year |
| 2.1 | Premium Numerator ..... | ..... | ..... |
| 2.2 | Premium Denominator ..... | ..... | ..... |
| 2.3 | Premium Ratio (2.1 / 2.2) ..... | ..... | ..... |
| 2.4 | Reserve Numerator ..... | ..... | ..... |
| 2.5 | Reserve Denominator ..... | ..... | ..... |
| 2.6 | Reserve Ratio (2.4 / 2.5) ..... | ..... | ..... |

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 0

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

N/A

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 0

8.2 Number of providers at end of reporting year

..... 0

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 0

10.22 Amount actually paid for year bonuses

\$ 0

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such net worth.

Ohio

11.4 If yes, show the amount required.

\$ 1,500,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which the reporting entity is licensed to operate:

| 1 |
|----------------------|
| Name of Service Area |
| Ohio |

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

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

14.2 If the answer to 14.1 is yes, please provide the following:

GENERAL INTERROGATORIES (Continued)

| 1 Company Name | 2 NAIC Company Code | 3 Domiciliary Jurisdiction | 4 Reserve Credit | Assets Supporting Reserve Credit | | |
|-----------------------|------------------------------|----------------------------------|------------------------|----------------------------------|--------------------------|------------|
| | | | | 5 Letters of Credit | 6 Trust Agreements | 7 Other |
| | | | | | | |

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
- 15.1 Direct Premium Written

\$ 0
- 15.2 Total incurred claims

\$ 0
- 15.2 Number of covered lives

..... 0

| |
|---|
| *Ordinary Life Insurance Includes |
| Term (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Variable Life (with or without Secondary Guarantee) |
| Universal Life (with or without Secondary Guarantee) |
| Variable Universal Life (with or without Secondary Guarantee) |

FIVE-YEAR HISTORICAL DATA

| | 1 2014 | 2 2013 | 3 2012 | 4 2011 | 5 2010 |
|--|------------|-----------|-----------|-----------|-----------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 28) | 66,342,640 | | | | |
| 2. TOTAL Liabilities (Page 3, Line 24) | | | | | |
| 3. Statutory surplus | 1,500,000 | | | | |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) | 66,342,640 | | | | |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | | | | | |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | | | | | |
| 7. Claims adjustment expenses (Line 20) | | | | | |
| 8. TOTAL Administrative Expenses (Line 21) | 753 | | | | |
| 9. Net underwriting gain (loss) (Line 24) | (753) | | | | |
| 10. Net investment gain (loss) (Line 27) | 21,681 | | | | |
| 11. TOTAL Other Income (Lines 28 plus 29) | | | | | |
| 12. Net income or (loss) (Line 32) | 21,024 | | | | |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 3,871 | | | | |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | | | | | |
| 15. Authorized control level risk-based capital | | | | | |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | | | | | |
| 17. TOTAL Members Months (Column 6, Line 7) | | | | | |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) | | | | | |
| 20. Cost containment expenses | | | | | |
| 21. Other claims adjustment expenses | | | | | |
| 22. TOTAL Underwriting Deductions (Line 23) | | | | | |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | | | | | |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | | | | | |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | | | | | |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) | 64,621,616 | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | (753) | | | | |
| 32. TOTAL of Above Lines 26 to 31 | 64,620,863 | | | | |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above | | | | | |

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

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

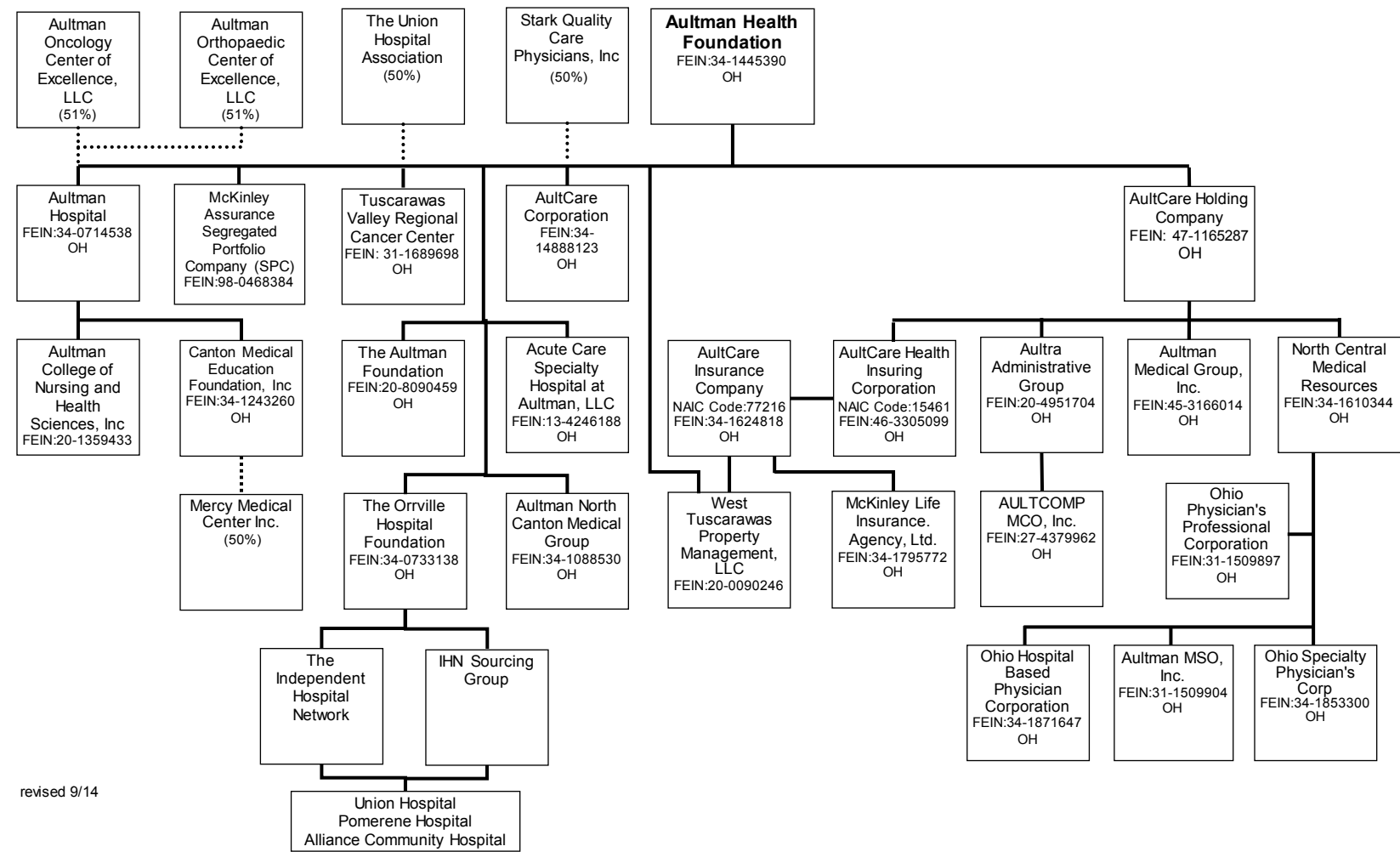
| DETAILS OF WRITE-INS | | | | | | | | | | |
|---|-------|--|--|--|--|--|--|--|--|--|
| 58001. | X X X | | | | | | | | | |
| 58002. | X X X | | | | | | | | | |
| 58003. | X X X | | | | | | | | | |
| 58998.Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | | |
| 58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | | |

(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.
Explanation of basis of allocation of premiums by states, etc.:

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

Aultman Organization Structure by Legal Entity



INDEX TO HEALTH
ANNUAL STATEMENT

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