



**QUARTERLY STATEMENT**  
**AS OF MARCH 31, 2015**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**AultCare Insurance Company**

NAIC Group Code 4805 , 4805 NAIC Company Code 77216 Employer's ID Number 341624818  
(Current Period) (Prior Period)

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

Incorporated/Organized 08/15/1989 Commenced Business 11/01/1989

Statutory Home Office 2600 Sixth Street SW , Canton, OH, 44710  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2600 Sixth Street SW  
(Street and Number)

Canton, OH, 44710 (330)363-4057  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2600 Sixth Street SW , Canton, OH, 44710  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2600 Sixth Street SW  
(Street and Number)

Canton, OH, 44710 (330)363-4057  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.aultcare.com

Statutory Statement Contact Jeffrey Alan Scheatzle (330)363-4057  
(Name) (Area Code)(Telephone Number)(Extension)

jscheatzle@aultman.com (330)363-5012  
(E-Mail Address) (Fax Number)

**OFFICERS**

| <u>Name</u>        | <u>Title</u>             |
|--------------------|--------------------------|
| 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.  | Gregory A. Haban M.D.      |
| Christopher E. Remark | Edward J. Roth III         |
| Rick L. Haines        | Michael A. Rich M.D.       |
| Mark D. Wright        | John B. Humphrey Jr., M.D. |
| Darryl J. Dillenback  | Allen Rovner M.D.          |
| Joseph J. Feltes Esq. | 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.

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

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015

- a. Is this an original filing? \_\_\_\_\_  
 b. If no, 1. State the amendment number \_\_\_\_\_  
 2. Date filed \_\_\_\_\_  
 3. Number of pages attached \_\_\_\_\_

Yes[X] No[ ]

\_\_\_\_\_  
 (Notary Public Signature)

**DIRECTORS OR TRUSTEES (continued)**

**ASSETS**

|   | Current Statement Date |                            |  | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|----------------------------|--|---|
|   | 1<br>Assets            | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds .....  | 47,893,359             |                            | 47,893,359                                   | 49,196,807  |
| 2. Stocks:  |                        |                            |  |   |
| 2.1 Preferred stocks .....  |                        |                            |  |   |
| 2.2 Common stocks .....   | 14,108,691             |                            | 14,108,691                                   | 13,819,129  |
| 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<br>encumbrances) .....  |                        |                            |  |   |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances) .....  |                        |                            |  |   |
| 4.3 Properties held for sale (less \$.....0 encumbrances) .....   |                        |                            |  |   |
| 5. Cash (\$.....17,388,069), cash equivalents (\$.....0) and short-term<br>investments (\$.....593,998) .....   | 17,982,066             |                            | 17,982,066                                   | 15,787,355  |
| 6. Contract loans (including \$.....0 premium notes) .....  |                        |                            |  |   |
| 7. Derivatives .....  |                        |                            |  |   |
| 8. Other invested assets .....  | 18,522,028             |                            | 18,522,028                                   | 13,665,062  |
| 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) .....   | 98,506,144             |                            | 98,506,144                                   | 92,468,354  |
| 13. Title plants less \$.....0 charged off (for Title insurers only) .....  |                        |                            |  |   |
| 14. Investment income due and accrued .....   | 361,441                |                            | 361,441                                      | 354,055   |
| 15. Premiums and considerations:  |                        |                            |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of<br>collection .....   | 3,372,934              |                            | 3,372,934                                    | 4,226,372   |
| 15.2 Deferred premiums, agents' balances and installments booked<br>but deferred and not yet due (including \$.....0 earned but<br>unbilled premiums) ..... |                        |                            |  |   |
| 15.3 Accrued retrospective premiums .....   |                        |                            |  |   |
| 16. Reinsurance:  |                        |                            |  |   |
| 16.1 Amounts recoverable from reinsurers .....  | 4,691,494              |                            | 4,691,494                                    | 5,798,768   |
| 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 .....  | 1,112,920              |                            | 1,112,920                                    | 3,084,919   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....  |                        |                            |  |   |
| 18.2 Net deferred tax asset .....   | 744,011                |                            | 744,011                                      | 744,011   |
| 19. Guaranty funds receivable or on deposit .....   |                        |                            |  |   |
| 20. Electronic data processing equipment and software .....   | 839,613                |                            | 839,613                                      | 865,588   |
| 21. Furniture and equipment, including health care delivery assets<br>(\$.....0) .....  |                        |                            |  |   |
| 22. Net adjustments in assets and liabilities due to foreign exchange rates .....   |                        |                            |  |   |
| 23. Receivables from parent, subsidiaries and affiliates .....  |                        |                            |  |   |
| 24. Health care (\$.....3,205,175) and other amounts receivable .....   | 4,979,256              | 2,149,853                  | 2,829,403                                    | 8,442,289   |
| 25. Aggregate write-ins for other than invested assets .....  |                        |                            |  |   |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....                                     | 114,607,814            | 2,149,853                  | 112,457,961                                  | 115,984,356   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....  |                        |                            |  |   |
| 28. TOTAL (Lines 26 and 27) .....   | 114,607,814            | 2,149,853                  | 112,457,961                                  | 115,984,356   |
| <b>DETAILS OF WRITE-INS</b>   |                        |                            |  |   |
| 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<br>Covered   | 2<br>Uncovered | 3<br>Total  | 4<br>Total  |
| 1. Claims unpaid (less \$.....1,068,400 reinsurance ceded) .....   | 25,457,185     |                | 25,457,185  | 32,413,459  |
| 2. Accrued medical incentive pool and bonus amounts .....  | 2,262,502      |                | 2,262,502   | 2,544,402   |
| 3. Unpaid claims adjustment expenses .....   | 414,200        |                | 414,200     | 623,400     |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio<br>rebate per the Public Health Service Act .....            |                |                |             |             |
| 5. Aggregate life policy reserves .....  |                |                |             |             |
| 6. Property/casualty unearned premium reserve .....  |                |                |             |             |
| 7. Aggregate health claim reserves .....   |                |                |             |             |
| 8. Premiums received in advance .....  | 9,232,838      |                | 9,232,838   | 7,350,744   |
| 9. General expenses due or accrued .....   | 11,743,699     |                | 11,743,699  | 8,779,312   |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0<br>on realized gains (losses)) .....                            | 135,403        |                | 135,403     | 135,403     |
| 10.2 Net deferred tax liability .....  |                |                |             |             |
| 11. Ceded reinsurance premiums payable .....   | 2,429,287      |                | 2,429,287   | 851,842     |
| 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<br>(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<br>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 .....   | 844,140        |                | 844,140     | 844,140     |
| 23. Aggregate write-ins for other liabilities (including \$.....0 current) .....   |                |                |             |             |
| 24. Total liabilities (Lines 1 to 23) .....  | 52,519,254     |                | 52,519,254  | 53,542,703  |
| 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          | 50,739,551  | 50,739,551  |
| 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          | 8,199,157   | 10,702,102  |
| 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          | 59,938,708  | 62,441,652  |
| 34. Total Liabilities, capital and surplus (Lines 24 and 33) .....   | X X X          | X X X          | 112,457,962 | 115,984,356 |
| <b>DETAILS OF WRITE-INS</b>  |                |                |             |             |
| 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 To Date |             | Prior Year To Date | Prior Year Ended December 31 |
|---|----------------------|-------------|--------------------|------------------------------|
|   | 1<br>Uncovered       | 2<br>Total  | 3<br>Total         | 4<br>Total                   |
| 1. Member Months .....  | X X X                | 272,090     | 346,936            | 1,376,530                    |
| 2. Net premium income (including \$.....0 non-health premium income) .....  | X X X                | 60,507,020  | 112,897,267        | 465,655,101                  |
| 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                | 60,507,020  | 112,897,267        | 465,655,101                  |
| <b>Hospital and Medical:</b>  |                      |             |                    |                              |
| 9. Hospital/medical benefits .....  |                      | 35,365,453  | 67,836,134         | 280,753,814                  |
| 10. Other professional services .....   |                      |             |                    |                              |
| 11. Outside referrals .....   |                      | 6,422,397   | 11,923,923         | 40,801,964                   |
| 12. Emergency room and out-of-area .....  |                      | 1,451,083   | 2,243,599          | 8,974,397                    |
| 13. Prescription drugs .....  |                      | 7,777,459   | 14,414,374         | 68,104,369                   |
| 14. Aggregate write-ins for other hospital and medical .....  |                      | 2,324,173   | 2,716,667          | 10,178,762                   |
| 15. Incentive pool, withhold adjustments and bonus amounts .....  |                      | 252,321     | 1,248,451          | 5,066,510                    |
| 16. Subtotal (Lines 9 to 15) .....  |                      | 53,592,886  | 100,383,149        | 413,879,817                  |
| <b>Less:</b>  |                      |             |                    |                              |
| 17. Net reinsurance recoveries .....  |                      | 2,710,655   | 2,212,438          | 13,802,927                   |
| 18. Total hospital and medical (Lines 16 minus 17) .....  |                      | 50,882,231  | 98,170,711         | 400,076,890                  |
| 19. Non-health claims (net) .....   |                      |             |                    |                              |
| 20. Claims adjustment expenses, including \$.....1,318,063 cost containment expenses .....  |                      | 1,902,107   | 2,554,249          | 10,733,034                   |
| 21. General administrative expenses .....   |                      | 10,759,716  | 16,798,730         | 48,942,405                   |
| 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) .....   |                      | 63,544,054  | 117,523,690        | 459,752,329                  |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) .....  | X X X                | (3,037,034) | (4,626,423)        | 5,902,771                    |
| 25. Net investment income earned .....  |                      | 277,877     | 347,097            | 1,529,145                    |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....709 .....  |                      | 4,017       | 844                | 1,809,069                    |
| 27. Net investment gains or (losses) (Lines 25 plus 26) .....   |                      | 281,893     | 347,941            | 3,338,213                    |
| 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                | (2,755,141) | (4,278,482)        | 9,240,985                    |
| 31. Federal and foreign income taxes incurred .....   | X X X                | (709)       | (149)              | 3,854,570                    |
| 32. Net income (loss) (Lines 30 minus 31) .....   | X X X                | (2,754,432) | (4,278,333)        | 5,386,415                    |
| <b>DETAILS OF WRITE-INS</b>   |                      |             |                    |                              |
| 0601. ....  | X X X                |             |                    |                              |
| 0602. ....  | X X X                |             |                    |                              |
| 0603. ....  | X X X                |             |                    |                              |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....  | X X X                |             |                    |                              |
| 0699. TOTALS (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 .....  |                      | 2,324,173   | 2,716,667          | 10,178,762                   |
| 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) .....  |                      | 2,324,173   | 2,716,667          | 10,178,762                   |
| 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<br>To Date | Prior Year<br>To Date | Prior Year<br>Ended<br>December 31 |
| <b>CAPITAL &amp; SURPLUS ACCOUNT</b>   |                         |                       |                                    |
| 33. Capital and surplus prior reporting year .....                                     | 62,441,652              | 61,698,901            | 61,698,901                         |
| 34. Net income or (loss) from Line 32 .....  | (2,754,432)             | (4,278,333)           | 5,386,415                          |
| 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 | 221,376                 | 171,342               | (1,656,227)                        |
| 37. Change in net unrealized foreign exchange capital gain or (loss) .....             |                         |                       |                                    |
| 38. Change in net deferred income tax .....  |                         |                       | (2,700,000)                        |
| 39. Change in nonadmitted assets .....   | 30,111                  | (365,220)             | (2,151,254)                        |
| 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 .....   |                         |                       | 1,863,817                          |
| 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) .....                           | (2,502,945)             | (4,472,211)           | 742,751                            |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) .....                | 59,938,708              | 57,226,690            | 62,441,652                         |
| <b>DETAILS OF WRITE-INS</b>  |                         |                       |                                    |
| 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<br>Current<br>Year<br>To Date | 2<br>Prior<br>Year<br>To Date | 3<br>Prior<br>Year Ended<br>December 31 |
|--|---------------------------------|-------------------------------|---|
| <b>Cash from Operations</b>  |                                 |                               |   |
| 1. Premiums collected net of reinsurance .....   | 64,820,000                      | 112,408,538                   | 463,144,070                             |
| 2. Net investment income .....   | 347,778                         | 461,194                       | 1,801,528                               |
| 3. Miscellaneous income .....  |                                 |                               |   |
| 4. TOTAL (Lines 1 to 3) .....  | 65,167,778                      | 112,869,732                   | 464,945,598                             |
| 5. Benefit and loss related payments .....   | 51,370,135                      | 97,475,629                    | 404,323,057                             |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                           |                                 |                               |   |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | 7,934,640                       | 12,769,959                    | 58,089,004                              |
| 8. Dividends paid to policyholders .....   |                                 |                               |   |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains<br>(losses) .....            |                                 |                               | 3,463,414                               |
| 10. TOTAL (Lines 5 through 9) .....  | 59,304,776                      | 110,245,588                   | 465,875,475                             |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | 5,863,002                       | 2,624,143                     | (929,877)                               |
| <b>Cash from Investments</b>   |                                 |                               |   |
| 12. Proceeds from investments sold, matured or repaid:   |                                 |                               |   |
| 12.1 Bonds .....   | 2,396,115                       | 1,081,568                     | 10,093,767                              |
| 12.2 Stocks .....  |                                 |                               | 8,335,691                               |
| 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 .....                                  |                                 | (851)                         |   |
| 12.7 Miscellaneous proceeds .....  | 81,483                          | 0                             | 0                                       |
| 12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....  | 2,477,599                       | 1,080,718                     | 18,429,457                              |
| 13. Cost of investments acquired (long-term only):   |                                 |                               |   |
| 13.1 Bonds .....   | 1,165,229                       | 1,695,711                     | 14,400,872                              |
| 13.2 Stocks .....  | 68,186                          | 58,208                        | 6,604,863                               |
| 13.3 Mortgage loans .....  |                                 |                               |   |
| 13.4 Real estate .....   |                                 |                               |   |
| 13.5 Other invested assets .....   | 4,938,450                       | 1,570,807                     | 1,688,015                               |
| 13.6 Miscellaneous applications .....  |                                 |                               | 2,066                                   |
| 13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....   | 6,171,865                       | 3,324,726                     | 22,695,817                              |
| 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) .....  | (3,694,266)                     | (2,244,009)                   | (4,266,359)                             |
| <b>Cash from Financing and Miscellaneous Sources</b>   |                                 |                               |   |
| 16. Cash provided (applied):   |                                 |                               |   |
| 16.1 Surplus notes, capital notes .....  |                                 |                               |   |
| 16.2 Capital and paid in surplus, less treasury stock .....  |                                 |                               | 1,863,817                               |
| 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) .....   | 25,975                          | (136,066)                     | 14,591                                  |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5<br>plus Line 16.6) ..... | 25,975                          | (136,066)                     | 1,878,408                               |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>   |                                 |                               |   |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and<br>17) .....           | 2,194,711                       | 244,069                       | (3,317,829)                             |
| 19. Cash, cash equivalents and short-term investments:   |                                 |                               |   |
| 19.1 Beginning of year .....   | 15,787,355                      | 19,105,183                    | 19,105,183                              |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 17,982,066                      | 19,349,253                    | 15,787,355                              |

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

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

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

|   | 1<br>Total | Comprehensive (Hospital & Medical) |            | 4<br>Medicare Supplement | 5<br>Vision Only | 6<br>Dental Only | 7<br>Federal Employees Health Benefit Plan | 8<br>Title XVIII Medicare | 9<br>Title XIX Medicaid | 10<br>Other |
|---|------------|------------------------------------|------------|--------------------------|------------------|------------------|--|---------------------------|-------------------------|-------------|
|   |            | 2<br>Individual                    | 3<br>Group |                          |                  |                  |  |                           |                         |             |
| Total Members at end of:  |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 1. Prior Year .....   | 112,281    | 8,180                              | 45,668     | 191                      |                  | 10,795           | 2,554                                      | 20,280                    |                         | 24,613      |
| 2. First Quarter .....  | 90,556     | 8,147                              | 44,807     | 229                      |                  | 10,451           | 2,553                                      |                           |                         | 24,369      |
| 3. Second Quarter .....   |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 4. Third Quarter .....  |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 5. Current Year .....   |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 6. Current Year Member Months .....                             | 272,090    | 24,391                             | 134,253    | 662                      |                  | 31,717           | 7,692                                      |                           |                         | 73,375      |
| Total Member Ambulatory Encounters for Period:                  |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 7. Physician .....  | 51,683     | 7,136                              | 41,044     |                          |                  |                  | 3,503                                      |                           |                         |             |
| 8. Non-Physician .....  | 138,275    | 19,825                             | 108,804    |                          |                  |                  | 9,646                                      |                           |                         |             |
| 9. Total .....  | 189,958    | 26,961                             | 149,848    |                          |                  |                  | 13,149                                     |                           |                         |             |
| 10. Hospital Patient Days Incurred .....                        | 3,028      | 452                                | 2,362      |                          |                  |                  | 214  |                           |                         |             |
| 11. Number of Inpatient Admissions .....                        | 826        | 113                                | 656        |                          |                  |                  | 57   |                           |                         |             |
| 12. Health Premiums Written (a) .....                           | 62,749,405 | 7,386,647                          | 48,530,765 | 108,395                  |                  | 816,300          | 3,867,557                                  |                           |                         | 2,039,742   |
| 13. Life Premiums Direct .....                                  |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 14. Property/Casualty Premiums Written .....                    |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 15. Health Premiums Earned .....                                | 66,608,734 | 7,386,647                          | 52,390,093 | 108,395                  |                  | 816,300          | 3,867,557                                  |                           |                         | 2,039,742   |
| 16. Property/Casualty Premiums Earned .....                     |            |                                    |            |                          |                  |                  |  |                           |                         |             |
| 17. Amount Paid for Provision of Health Care Services .....     | 58,083,906 | 5,657,587                          | 37,422,575 | 76,395                   |                  | 564,928          | 3,904,200                                  | 9,557,468                 |                         | 900,752     |
| 18. Amount Incurred for Provision of Health Care Services ..... | 53,592,886 | 6,119,294                          | 40,994,789 | 76,395                   |                  | 573,980          | 3,504,255                                  |                           |                         | 2,324,173   |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)****Aging Analysis of Unpaid Claims**

| 1<br>Account   | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 days | 6<br>Over 120 Days | 7<br>Total |
|--|------------------|-------------------|-------------------|--------------------|--------------------|------------|
| 0199999 Individually Listed Claims Unpaid .....                      |                  |                   |                   |                    |                    |            |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered ..... |                  |                   |                   |                    |                    |            |
| 0399999 Aggregate Accounts Not Individually Listed - Covered .....   |                  |                   |                   |                    |                    |            |
| 0499999 Subtotals .....  |                  |                   |                   |                    |                    |            |
| 0599999 Unreported claims and other claim reserves .....             |                  |                   |                   |                    |                    | 26,525,585 |
| 0699999 Total Amounts Withheld .....                                 |                  |                   |                   |                    |                    |            |
| 0799999 Total Claims Unpaid .....                                    |                  |                   |                   |                    |                    | 26,525,585 |
| 0899999 Accrued Medical Incentive Pool And Bonus Amounts .....       |                  |                   |                   |                    |                    | 2,262,502  |

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

| Line<br>of<br>Business                              | Claims<br>Paid Year to Date                                    |   | Liability<br>End of<br>Current Quarter         |   | 5  | 6   |
|---|--|---|--|---|--|---|
|   | 1  | 2   | 3  | 4   | Claims Incurred<br>in Prior Years<br>(Columns 1+3) | Estimated Claim<br>Reserve and<br>Claim<br>Liability<br>Dec 31 of<br>Prior Year |
|   | On<br>Claims Incurred<br>Prior to January 1<br>of Current Year | On<br>Claims Incurred<br>During the<br>Year | On<br>Claims Unpaid<br>Dec 31 of<br>Prior Year | On<br>Claims Incurred<br>During the<br>Year |  |   |
| 1. Comprehensive (hospital & medical) .....         | 13,092,856   | 29,240,199                                  | 5,953,198                                      | 14,194,255                                  | 19,046,054   | 17,176,908  |
| 2. Medicare Supplement .....                        |  | 76,395                                      |  |   |  |   |
| 3. Dental only .....                                |  | 564,928                                     | 126,792  | 162,648                                     | 126,792  | 280,389   |
| 4. Vision only .....                                |  |   |  |   |  |   |
| 5. Federal Employees Health Benefits Plan .....     | 839,105  | 3,065,096                                   | 231,025  | 258,144                                     | 1,070,130  | 889,114   |
| 6. Title XVIII - Medicare .....                     | 9,557,468  |   | 3,229,723                                      |   | 12,787,191   | 12,807,049  |
| 7. Title XIX - Medicaid .....                       |  |   |  |   |  |   |
| 8. Other health .....                               | 1,234,800  | (334,048)                                   |  | 1,301,400                                   | 1,234,800  | 1,260,000   |
| 9. Health subtotal (Lines 1 to 8) .....             | 24,724,229   | 32,612,570                                  | 9,540,738                                      | 15,916,447                                  | 34,264,967   | 32,413,460  |
| 10. Healthcare receivables (a) .....                | 1,837,795  |   |  |   | 1,837,795  | 2,050,681   |
| 11. Other non-health .....                          |  |   |  |   |  |   |
| 12. Medical incentive pools and bonus amounts ..... | 534,221  |   | 2,010,181                                      | 252,321                                     | 2,544,402  | 2,544,402   |
| 13. Totals (Lines 9 - 10 + 11 + 12) .....           | 23,420,655   | 32,612,570                                  | 11,550,919                                     | 16,168,768                                  | 34,971,574   | 32,907,181  |

(a) Excludes \$.....0 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 \$18,522,029. Of this amount, \$118,962 is invested in McKinley Life Agency, Ltd. \$7,610,227 is invested in AultCare Corporation. The remaining \$10,792,839 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 \$10,792,839 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 Mar 31, 2015 are as follows:

| 1. (reported in thousands)                       |   | 03/31/2015 |                  |                  | 03/31/2014 |                  |                     | Change              |                    |                  |
|--|---|------------|------------------|------------------|------------|------------------|---------------------|---------------------|--------------------|------------------|
|  | (1)   | (2)        | (3)              | (4)              | (5)        | (6)              | (7)                 | (8)                 | (9)                |                  |
|  | Ordinary  | Capital    | Col 1+2<br>Total | Ordinary         | Capital    | Col 4+5<br>Total | Col 1-4<br>Ordinary | Col 2-5<br>Capital  | Col 7+8<br>Total   |                  |
| (a)  | Gross Deferred Tax Assets   | \$744      | \$ -             | \$744            | \$3,444    | \$ -             | \$3,444             | \$ -2700            | \$ -               | \$ -2700         |
| (b)  | Statutory Valuation Allowance Adjustment  | \$ -       | \$ -             | \$ -             | \$ -       | \$ -             | \$ -                | \$ -                | \$ -               | \$ -             |
| (c)  | Adjusted Gross Deferred Tax Assets(1a-1b)   | \$744      | \$ -             | \$744            | \$3,444    | \$ -             | \$3,444             | \$ -2700            | \$ -               | \$ -2700         |
| (d)  | Deferred Tax Assets Nonadmitted   | \$ -       | \$ -             | \$ -             | \$ -       | \$ -             | \$ -                | \$ -                | \$ -               | \$ -             |
| (e)  | Subtotal (Net Deferred Tax Assets) (1c-1d)  | \$744      | \$ -             | \$744            | \$3,444    | \$ -             | \$3,444             | \$ -2700            | \$ -               | \$ -2700         |
| (f)  | Deferred Tax Liabilities  | \$ -       | \$ -             | \$ -             | \$ -       | \$ -             | \$ -                | \$ -                | \$ -               | \$ -             |
| (g)  | Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)  | \$744      | \$ -             | \$744            | \$3,444    | \$ -             | \$3,444             | \$ -2700            | \$ -               | \$ -2700         |
| 2. (reported in thousands)                       |   | 03/31/2015 |                  |                  | 03/31/2014 |                  |                     | Change              |                    |                  |
| Admission Calculation Components<br>SSAP No. 101 |   | (1)        | (2)              | (3)              | (4)        | (5)              | (6)                 | (7)                 | (8)                | (9)              |
|  |   | Ordinary   | Capital          | Col 1+2<br>Total | Ordinary   | Capital          | Col 4+5<br>Total    | Col 1-4<br>Ordinary | Col 2-5<br>Capital | Col 7+8<br>Total |
| (a)  | Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks  | \$744      | \$ -             | \$744            | \$3,444    | \$ -             | \$3,444             | \$ -2700            | \$ -               | \$ -2700         |
| (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              | \$7,911             | XXX                | XXX              | \$ -7911 |
| (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<br>Total (2(a) + 2(b) + 2(c))  | \$744    | \$ -             | \$744      | \$3,444 | \$ -             | \$3,444             | \$ -2700           | \$ -             | \$ -2700 |
| 3. (reported in thousands)        |  | 2014   |          | 2013             |            |         |                  |                     |                    |                  |          |
| (a)                               |  | Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount   | 15%      |                  | 15%        |         |                  |                     |                    |                  |          |
| (b)                               |  | Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above                                   | \$61,697 |                  | \$58,670   |         |                  |                     |                    |                  |          |
| 4. (reported in thousands)        |  | 03/31/2015   |          |                  | 03/31/2014 |         |                  | Change              |                    |                  |          |
| Impact of Tax Planning Strategies |  | (1)  | (2)      | (3)              | (4)        | (5)     | (6)              | (7)                 | (8)                | (9)              |          |
|                                   |  | Ordinary   | Capital  | Col 1+2<br>Total | Ordinary   | Capital | Col 4+5<br>Total | Col 1-4<br>Ordinary | Col 2-5<br>Capital | Col 7+8<br>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)                 |
|-----|--|------------|-------------|---------------------|
|     |  | 03/31/2015 | 03/31/2014  | (Col 1-2)<br>Change |
| 1.  | Current Income Tax                         |            |             |                     |
| (a) | Federal                                    | \$ -       | \$(522,989) | \$ 522,989          |
| (b) | Foreign                                    | \$ -       | \$ -        | \$ -                |
| (c) | Subtotal                                   | \$ -       | \$(522,989) | \$ 522,989          |
| (d) | Federal Income Tax on Net Capital Gains    | \$ -       | \$ -        | \$ -                |
| (e) | Utilization of Capital Loss Carry-Forwards | \$ -       | \$ -        | \$ -                |
| (f) | Other                                      | \$ -       | \$ -        | \$ -                |
| (g) | Federal and Foreign Income Taxes Incurred  | \$ -       | \$(522,989) | \$ 522,989          |
| 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   | \$4,694,000 | \$6,114,000 | \$ (1,420,000) |
| (b)  | Statutory valuation allowance adjustment             | \$ -        | \$ -        | \$ -           |
| (c)  | Nonadmitted  | \$ -        | \$ -        | \$ -           |
| (d)  | Admitted ordinary deferred tax assets (2a14- 2b-2c)  | \$4,694,000 | \$6,114,000 | \$ (1,420,000) |
| (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)               | \$4,694,000 | \$6,114,000 | \$ (1,420,000) |
| 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)        | \$4,694,000 | \$6,114,000 | \$ (1,420,000) |

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

|  | 03/31/2015     | Effective Tax Rate |
|--|----------------|--------------------|
| Provision computed at statutory rate           | \$(936,748)    | 34.0%              |
| Change in nonadmitted assets                   | \$(30,111)     | 1.1%               |
| Tax exempt income, net of proration            | \$ -           | 0.0%               |
| Dividends received deduction, net of proration | \$ -           | 0.0%               |
| Nondeductible expenses                         | \$27,200       | -1.0%              |
| Elimination of IMR Amortization                | \$ -           | 0.0%               |
| Small Life Insurance Company Deduction         | \$ -           | 0.0%               |
| Prior year under (over) accrual                | \$19,269       | -0.7%              |
| Other  | \$ -           | 0.0%               |
| Total statutory income tax expense (benefit)   | \$(920,390)    | 33.4%              |
|  | 3/31/2015      | Effective Tax Rate |
| Federal and foreign income taxes incurred      | \$1,420,000    | -51.5%             |
| Realized capital gains (losses) tax            | \$ -           | 0.0%               |
| Change in net deferred income taxes            | \$ (1,420,000) | 51.5%              |
| Total statutory income tax expense (benefit)   | \$ -           | 0.0%               |

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

- (1) At Mar 31, 2015, 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.

## 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 Mar 31, 2015; The Company has a capitation arrangement with Aultman Hospital and has paid a total of \$9,555,530 in capitated claims for its commercial enrollees under the terms of the existing agreement.

## Notes to Financial Statement

The Company has a management services agreement with Aultman Health Foundation, the ultimate controlling entity 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 \$105,224 to Aultman Health Foundation for management services that were provided and paid \$4,378,823 of expenses to AultCare Corporation for management services. The Company has an operating lease for office space and paid \$57,387 to Aultman Health Foundation for rent.

- D. At Mar 31, 2015, the Company reported \$0 due from the parent company, AultCare Health Insuring Corporation. 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 Mar 31, 2015, AultCare Corporation owes \$7,610,227 under the terms of the agreement. The Company also has capitation arrangement with the Aultman Hospital for anticipation of future services. As of Mar 31, 2015, the Company has paid \$2,900,000 to Aultman Hospital 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 \$10,792,839. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$118,962. Also, the Company had an investment in an affiliate, AultCare Corporation of \$7,610,227.
- 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 \$68,472 and \$395,687 for 2015 and 2014 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. No Change.
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 Dec 31, 2015. In 2015 and 2014 respectively, the company paid \$57,387 and \$542,860 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, 2015, the minimum aggregate rental commitments are as follows:

| Year Ending December 31 | Operating Leases |
|-------------------------|------------------|
|-------------------------|------------------|

**Notes to Financial Statement**

|    |      |            |
|----|------|------------|
| 1. | 2015 | \$ 634,015 |
|----|------|------------|

- 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)<br>Description                        | (2)<br>(Level 1) | (3)<br>(Level 2) | (4)<br>(Level 3) | (5)<br>Total |
| a. Assets at fair value                   |                  |                  |                  |              |
| Common Stock                              | \$ 14,108,691    | \$ -             | \$ -             | \$ -         |
| Total assets at fair value                | \$ 14,108,691    | \$ -             | \$ -             | \$ -         |

(2) 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 |
|---------|--|---|---|--|--|
|         |  |   |   |  |  |

(3)  
No  
Chang  
e.  
21. Other It

- A. No Change.
- B. No Change.
- C. No Change.
- D. At Mar 31, 2015 the Company had admitted assets of \$(365,248) 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. No Change.
22. Events Subsequent
- A. As of May 15, 2015, there have been no Type I events subsequent to Mar 31, 2015, which would have a material effect on the financial condition of the Company or on the financial statement issued May 15, 2015.
- B. As of May 15, 2015, there have been no Type II events subsequent to Mar 31, 2015, which would have a material effect on the financial condition of the Company or on the financial statement issued May 15, 2015.
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 Mar 31, 2015 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.

**Notes to Financial Statement**

|            |             |          |         |             |           |
|------------|-------------|----------|---------|-------------|-----------|
| 3/31/2015  | \$1,573,372 |          |         |             |           |
| 12/31/2014 | \$1,949,144 | \$366.86 | \$ -    | \$ -        | \$ -      |
| 9/30/2014  | \$577,770   | \$13,645 | \$ -    | \$ -        | \$ -      |
| 6/30/2014  | \$578,596   | \$12,818 | \$ -    | \$752,127   | \$ -      |
| 3/31/2014  | \$576,220   | \$15,195 | \$ -    | \$716,029   | \$ -      |
|            |             |          |         |             |           |
| 12/31/2013 | \$393,033   | \$8,382  | \$ -    | \$424,532   | \$ -      |
| 9/30/2013  | \$1,019,786 | \$16,629 | \$ -    | \$489,265   | \$ -      |
| 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 |
|            |             |          |         |             |           |

26. Intercor  
Pooling  
Arrangements  
A. No Cha  
27. Structur  
Settlements A.  
Change.  
28.  
Health  
Care  
Receiv  
ables  
A.

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

# 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[ ] No[X]
- 2.2 If yes, date of change: .....
  
- 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[ ] No[X]
- 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB     | 4<br>OCC     | 5<br>FDIC    | 6<br>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:
- 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<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>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 .....  | 13,665,063   | 18,522,029  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal<br>Lines 14.21 to 14.26) ..... | 13,665,063   | 18,522,029  |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26<br>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<br>Name of Custodian(s)      | 2<br>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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date<br>of Change | 4<br>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<br>Central Registration<br>Depository | 2<br>Name(s) | 3<br>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   | ..... 78.370% |
| 1.2 A&H cost containment percent   | ..... 1.980%  |
| 1.3 A&H expense percent excluding cost containment expenses                                | ..... 16.150% |
| 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<br>NAIC<br>Company<br>Code                | 2<br>ID<br>Number | 3<br>Effective<br>Date | 4<br>Name of Reinsurer    | 5<br>Domiciliary<br>Jurisdiction | 6<br>Type of<br>Reinsurance<br>Ceded | 7<br>Type of<br>Reinsurer | 8<br>Certified<br>Reinsurer Rating<br>(1 through 6) | 9<br>Effective Date<br>of Certified<br>Reinsurer Rating |
|---|-------------------|------------------------|---------------------------|----------------------------------|--------------------------------------|---------------------------|---|---|
| <b>Accident and Health - Non-affiliates</b> |                   |                        |                           |                                  |                                      |                           |   |   |
| 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

| State, Etc.  | 1<br>Active Status | Direct Business Only              |                           |                         |   |   |                                 |                                |                             |
|--|--------------------|-----------------------------------|---------------------------|-------------------------|---|---|---------------------------------|--------------------------------|-----------------------------|
|  |                    | 2<br>Accident and Health Premiums | 3<br>Medicare Title XVIII | 4<br>Medicaid Title XIX | 5<br>Federal Employees Health Benefits Program Premiums | 6<br>Life and Annuity Premiums and Other Considerations | 7<br>Property/Casualty Premiums | 8<br>Total Columns 2 Through 7 | 9<br>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                  | 58,879,703                        |                           |                         | 3,867,377   |   | 62,747,080                      |                                |                             |
| 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              | 58,879,703                        |                           |                         | 3,867,377   |   | 62,747,080                      |                                |                             |
| 60. Reporting entity contributions for Employee Benefit Plans .....        | X X X              |                                   |                           |                         |   |   |                                 |                                |                             |
| 61. Total (Direct Business) .....  | (a) 1              | 58,879,703                        |                           |                         | 3,867,377   |   | 62,747,080                      |                                |                             |
| <b>DETAILS OF WRITE-INS</b>  |                    |                                   |                           |                         |   |   |                                 |                                |                             |
| 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.

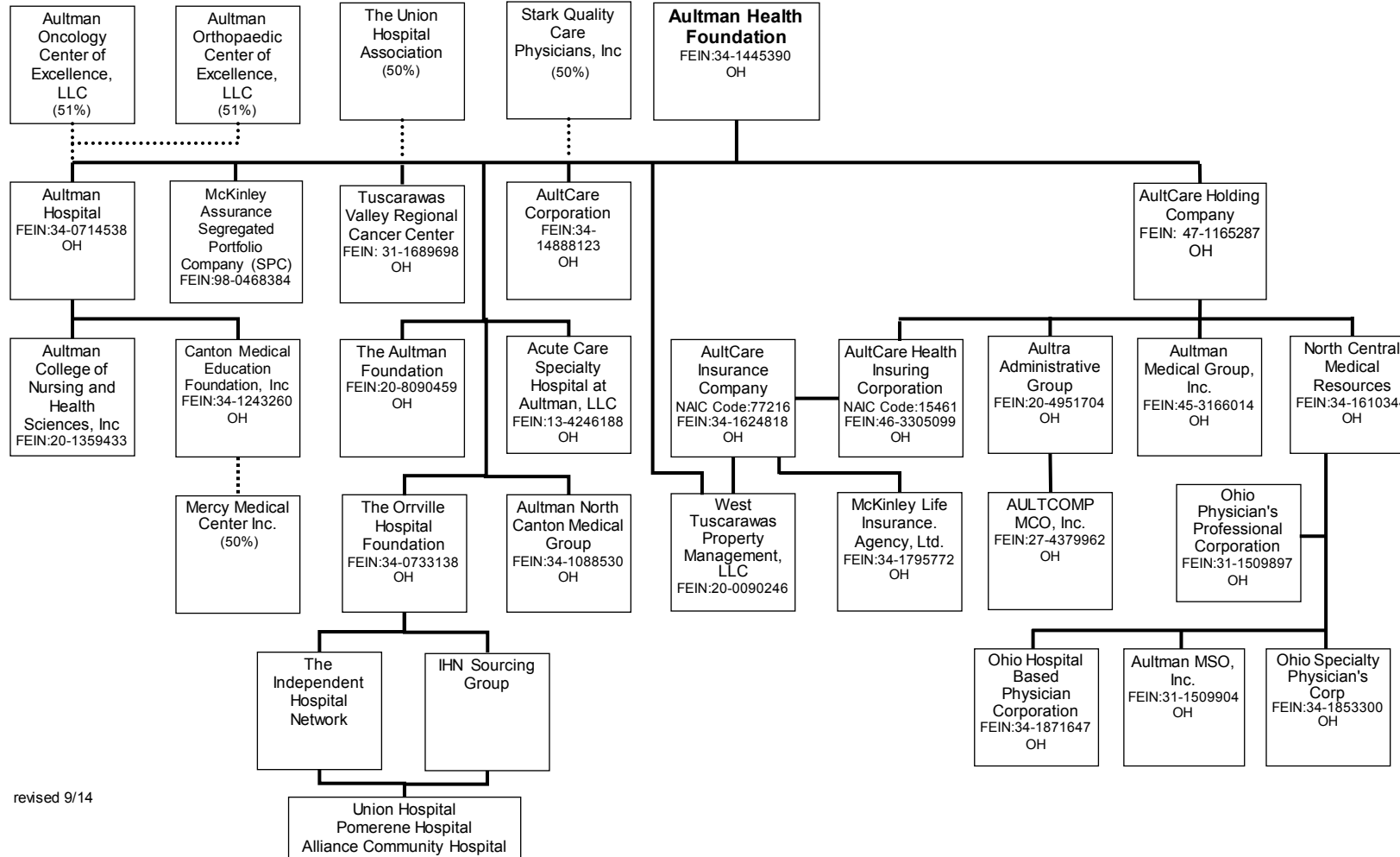
(a) Insert the number of L responses except for Canada and Other Alien.

# 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 | 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  | AultCare Insurance Company   | Ownership                                  | 94.0   | Aultman Health Foundation |         |
|            |            |                   | 00000      | 34-1795772   |     |  |   | McKinley Life Insurance Agency, Ltd.                  | US                               | DS  | AultCare 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 |         |
|            | 4805       |                   | 00000      | 34-1243260   |     |  |   | Canton Medical Education Foundation                   | US                               | NIA   | Other  | Ownership, Board of Directors              | 50.0   | Aultman Hospital          | 0000003 |
|            |            |                   | 15461      | 46-3305099   |     |  |   | AultCare Health Insuring Corporation                  | US                               | UDP   | AultCare Holding Company   | 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                              | Aultman Health Foundation                                     | Ownership  | 100.0                                      | Aultman Health Foundation                    |                           |         |
|            |            | 00000             | 47-1165287 |              |     |  | AultCare Holding Company                    | US  | UDP                              | Aultman Health Foundation                                     | Ownership  | 100.0                                      | Aultman Health Foundation                    |                           |         |

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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?

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



77216201536500001

2015

Document Code: 365



STATEMENT AS OF **March 31, 2015** OF THE **AultCare Insurance Company**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

|  | 1<br>Year To Date | 2<br>Prior Year Ended<br>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<br>Year To Date | 2<br>Prior Year Ended<br>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<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year .....   | 13,665,062        | 12,224,445                           |
| 2. Cost of acquired:   |                   |                                      |
| 2.1 Actual cost at time of acquisition .....   |                   |                                      |
| 2.2 Additional investment made after acquisition .....   | 4,938,450         | 1,688,015                            |
| 3. Capitalized deferred interest and other .....   |                   |                                      |
| 4. Accrual of discount .....   |                   | 2,037                                |
| 5. Unrealized valuation increase (decrease) .....  | (81,484)          | (249,435)                            |
| 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) ..... | 18,522,028        | 13,665,062                           |
| 12. Deduct total nonadmitted amounts .....   |                   |                                      |
| 13. Statement value at end of current period (Line 11 minus Line 12) .....                                     | 18,522,028        | 13,665,062                           |

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

|   | 1<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....                      | 63,015,936        | 60,013,005                           |
| 2. Cost of bonds and stocks acquired .....  | 1,233,415         | 21,005,735                           |
| 3. Accrual of discount .....  | 10,606            | 84,708                               |
| 4. Unrealized valuation increase (decrease) .....   | 221,377           | (1,406,792)                          |
| 5. Total gain (loss) on disposals .....   | 4,726             | 2,130,382                            |
| 6. Deduct consideration for bonds and stocks disposed of .....  | 2,396,115         | 18,429,457                           |
| 7. Deduct amortization of premium .....   | 87,893            | 381,645                              |
| 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) ..... | 62,002,050        | 63,015,936                           |
| 11. Deduct total nonadmitted amounts .....  |                   |                                      |
| 12. Statement value at end of current period (Line 10 minus Line 11) .....                                | 62,002,050        | 63,015,936                           |

## 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<br>Carrying Value<br>Beginning of<br>Current Quarter | Acquisitions<br>During Current<br>Quarter | Dispositions<br>During Current<br>Quarter | Non-Trading<br>Activity During<br>Current Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
| <b>BONDS</b>                            |  |   |   |   |  |   |  |  |
| 1. NAIC 1 (a) .....                     | 46,326,018   | 1,165,229                                 | 2,396,115                                 | (53,054)  | 45,042,077   |   |  | 46,326,018   |
| 2. NAIC 2 (a) .....                     | 2,870,789  |   |   | (19,508)  | 2,851,281  |   |  | 2,870,789  |
| 3. NAIC 3 (a) .....                     |  |   |   |   |  |   |  |  |
| 4. NAIC 4 (a) .....                     |  |   |   |   |  |   |  |  |
| 5. NAIC 5 (a) .....                     |  |   |   |   |  |   |  |  |
| 6. NAIC 6 (a) .....                     |  |   |   |   |  |   |  |  |
| 7. Total Bonds .....                    | 49,196,807   | 1,165,229                                 | 2,396,115                                 | (72,562)  | 47,893,359   |   |  | 49,196,807   |
| <b>PREFERRED STOCK</b>                  |  |   |   |   |  |   |  |  |
| 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 ..... | 49,196,807   | 1,165,229                                 | 2,396,115                                 | (72,562)  | 47,893,359   |   |  | 49,196,807   |

(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<br>Book/Adjusted<br>Carrying<br>Value | 2<br>Par Value | 3<br>Actual<br>Cost | 4<br>Interest Collected<br>Year To Date | 5<br>Paid for Accrued<br>Interest<br>Year To Date |
|-----------------------|---|----------------|---------------------|---|---|
| 9199999. Totals ..... | 593,998                                 | X X X          | 360,577             |   | 531   |

**SCHEDULE DA - Verification****Short-Term Investments**

|  | 1<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year .....   | 414,974           | 1,868,257                            |
| 2. Cost of short-term investments acquired .....   | 180,434           | 415,144                              |
| 3. Accrual of discount .....   |                   |                                      |
| 4. Unrealized valuation increase (decrease) .....  |                   |                                      |
| 5. Total gain (loss) on disposals .....  |                   | (2,066)                              |
| 6. Deduct consideration received on disposals .....  |                   | 1,845,753                            |
| 7. Deduct amortization of premium .....  | 1,410             | 20,608                               |
| 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 +<br>3 + 4 + 5 - 6 - 7 + 8 - 9) ..... | 593,998           | 414,974                              |
| 11. Deduct total nonadmitted amounts .....   |                   |                                      |
| 12. Statement value at end of current period (Line 10 minus Line 11) .....                                   | 593,998           | 414,974                              |

**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 Equivalentents) ..... 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<br>CUSIP<br>Identification                         | 2<br>Name or<br>Description | Location  |            | 5<br>Name of Vendor<br>or General Partner | 6<br>NAIC<br>Designation | 7<br>Date Originally<br>Acquired | 8<br>Type and<br>Strategy | 9<br>Actual Cost at<br>Time of Acquisition | 10<br>Additional Investment<br>Made After Acquisition | 11<br>Amount of<br>Encumbrances | 12<br>Commitment for<br>Additional Investment | 13<br>Percentage of<br>Ownership |
|--|-----------------------------|-----------|------------|---|--------------------------|----------------------------------|---------------------------|--|---|---------------------------------|---|----------------------------------|
|  |                             | 3<br>City | 4<br>State |   |                          |                                  |                           |  |   |                                 |   |                                  |
| <b>Non-collateral Loans - Affiliated</b>             |                             |           |            |   |                          |                                  |                           |  |   |                                 |   |                                  |
|  | AultCare-Affiliated         | Canton    | OH         | AultCare Insurance Company                |                          | 01/01/2009                       |                           | 2,790,291                                  | 4,938,450   |                                 |   |                                  |
| 2899999 Subtotal - Non-collateral Loans - Affiliated |                             |           |            |   |                          |                                  |                           | 2,790,291                                  | 4,938,450   |                                 |   | X X X                            |
| 4499999 Total - Unaffiliated                         |                             |           |            |   |                          |                                  |                           |  |   |                                 |   | X X X                            |
| 4599999 Total - Affiliated                           |                             |           |            |   |                          |                                  |                           | 2,790,291                                  | 4,938,450   |                                 |   | X X X                            |
| 4699999 TOTALS                                       |                             |           |            |   |                          |                                  |                           | 2,790,291                                  | 4,938,450   |                                 |   | X X X                            |

## SCHEDULE BA - PART 3

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

| 1<br>CUSIP<br>Identification | 2<br>Name or<br>Description | Location  |            | 5<br>Name of Purchaser<br>or Nature of<br>Disposal | 6<br>Date<br>Originally<br>Acquired | 7<br>Disposal<br>Date | 8<br>Book/Adjusted<br>Carrying<br>Value Less<br>Encumbrances,<br>Prior Year | Change in Book/Adjusted Carrying Value                 |  |   |  |   |  | 15<br>Book/Adjusted<br>Carrying Value<br>Less<br>Encumbrances<br>on Disposal | 16<br>Consideration | 17<br>Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | 18<br>Realized<br>Gain<br>(Loss) on<br>Disposal | 19<br>Total<br>Gain<br>(Loss) on<br>Disposal | 20<br>Investment<br>Income |
|------------------------------|-----------------------------|-----------|------------|--|-------------------------------------|-----------------------|---|--|--|---|--|---|--|--|---------------------|---|---|--|----------------------------|
|                              |                             | 3<br>City | 4<br>State |  |                                     |                       |   | 9<br>Unrealized<br>Valuation<br>Increase<br>(Decrease) | 10<br>Current Year's<br>(Depreciation)<br>or<br>(Amortization)/<br>Accretion | 11<br>Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | 12<br>Capitalized<br>Deferred<br>Interest and<br>Other | 13<br>Total<br>Change in<br>B./A.C.V.<br>(9 + 10 - 11 + 12) | 14<br>Total<br>Foreign<br>Exchange<br>Change in<br>B./A.C.V. |  |                     |   |   |  |                            |
| 4499999 Total - Unaffiliated |                             |           |            |  |                                     |                       |   |  |  |   |  |   |  |  |                     |   |   |  |                            |
| 4599999 Total - Affiliated   |                             |           |            |  |                                     |                       |   |  |  |   |  |   |  |  |                     |   |   |  |                            |
| 4699999 TOTALS               |                             |           |            |  |                                     |                       |   |  |  |   |  |   |  |  |                     |   |   |  |                            |

## SCHEDULE D - PART 3

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

| 1<br>CUSIP<br>Identification   | 2<br>Description         | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of<br>Vendor | 6<br>Number of<br>Shares of Stock | 7<br>Actual Cost | 8<br>Par Value  | 9<br>Paid for<br>Accrued<br>Interest and<br>Dividends | 10<br>NAIC<br>Designation<br>or Market<br>Indicator (a) |
|--|--------------------------|--------------|--------------------|------------------------|-----------------------------------|------------------|-----------------|---|---|
| <b>Bonds - U.S. Governments</b>  |                          |              |                    |                        |                                   |                  |                 |   |   |
| 912828G53 .....  | U.S. TREASURY NOTE ..... |              | 03/03/2015 .....   | FIRSTMERIT .....       | X X X .....                       | 500,703 .....    | 500,000 .....   | 2,395 .....   | 1 .....   |
| 912828VB3 .....  | U.S. TREASURY NOTE ..... |              | 03/03/2015 .....   | FIRSTMERIT .....       | X X X .....                       | 492,075 .....    | 500,000 .....   | 2,611 .....   | 1 .....   |
| 912828TN0 .....  | U.S. TREASURY NOTE ..... |              | 03/27/2015 .....   | FIRSTMERIT .....       | X X X .....                       | 172,451 .....    | 175,000 .....   | 128 .....   | 1 .....   |
| 0599999 Subtotal - Bonds - U.S. Governments .....                              |                          |              |                    |                        | X X X .....                       | 1,165,229 .....  | 1,175,000 ..... | 5,134 .....   | X X X .....   |
| 8399997 Subtotal - Bonds - Part 3 .....  |                          |              |                    |                        | X X X .....                       | 1,165,229 .....  | 1,175,000 ..... | 5,134 .....   | X X X .....   |
| 8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) .....            |                          |              |                    |                        | X X X .....                       | X X X .....      | X X X .....     | X X X .....   | X X X .....   |
| 8399999 Subtotal - Bonds .....   |                          |              |                    |                        | X X X .....                       | 1,165,229 .....  | 1,175,000 ..... | 5,134 .....   | X X X .....   |
| 8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) ..... |                          |              |                    |                        | X X X .....                       | X X X .....      | X X X .....     | X X X .....   | X X X .....   |
| 9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) .....    |                          |              |                    |                        | X X X .....                       | X X X .....      | X X X .....     | X X X .....   | X X X .....   |
| 9899999 Subtotal - Preferred and Common Stocks .....                           |                          |              |                    |                        | X X X .....                       | X X X .....      | X X X .....     | X X X .....   | X X X .....   |
| 9999999 Total - Bonds, Preferred and Common Stocks .....                       |                          |              |                    |                        | X X X .....                       | 1,165,229 .....  | X X X .....     | 5,134 .....   | X X X .....   |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

## SCHEDULE D - PART 4

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

| 1<br>CUSIP<br>Identification   | 2<br>Description      | 3<br>F<br>o<br>r<br>e<br>i<br>g<br>n<br>Date | 4<br>Disposal<br>Date | 5<br>Name of<br>Purchaser | 6<br>Number<br>of Shares<br>of Stock | 7<br>Consideration | 8<br>Par<br>Value | 9<br>Actual<br>Cost | 10<br>Prior Year<br>Book/<br>Adjusted<br>Carrying<br>Value | Change in Book/Adjusted Carrying Value                   |  |   |   |  | 16<br>Book/<br>Adjusted<br>Carrying Value<br>at Disposal<br>Date | 17<br>Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | 18<br>Realized<br>Gain (Loss)<br>on Disposal | 19<br>Total<br>Gain (Loss)<br>on Disposal | 20<br>Bond Interest/<br>Stock<br>Dividends<br>Received<br>During Year | 21<br>Stated<br>Contractual<br>Maturity<br>Date | 22<br>NAIC<br>Designation<br>or Market<br>Indicator (a) |       |
|--|-----------------------|--|-----------------------|---------------------------|--------------------------------------|--------------------|-------------------|---------------------|--|--|--|---|---|--|--|---|--|---|---|---|---|-------|
|  |                       |  |                       |                           |                                      |                    |                   |                     |  | 11<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 12<br>Current Year's<br>(Amortization)/<br>Accretion | 13<br>Current Year's<br>Other Than<br>Temporary<br>Impairment<br>Recognized | 14<br>Total<br>Change in<br>B./A.C.V.<br>(11 + 12 - 13) | 15<br>Total<br>Foreign<br>Exchange<br>Change in<br>B./A.C.V. |  |   |  |   |   |   |   |       |
| <b>Bonds - U.S. Governments</b>  |                       |  |                       |                           |                                      |                    |                   |                     |  |  |  |   |   |  |  |   |  |   |   |   |   |       |
| 912828DV9  | U.S. TREASURY NOTE    |  | 01/30/2015            | FIRSTMERIT                | X X X                                | 758,672            | 750,000           | 748,880             | 1,124,344  |  | (385,631)  |   | (385,631)   |  | 738,713  |   | 11,287                                       | 11,287                                    | 46,406  | 05/05/2015                                      | 1   |       |
| 0599999 Subtotal - Bonds - U.S. Governments                              |                       |  |                       |                           | X X X                                | 758,672            | 750,000           | 748,880             | 1,124,344  |  | (385,631)  |   | (385,631)   |  | 738,713  |   | 11,287                                       | 11,287                                    | 46,406  | X X X   | X X X   |       |
| <b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>               |                       |  |                       |                           |                                      |                    |                   |                     |  |  |  |   |   |  |  |   |  |   |   |   |   |       |
| 713448BM9  | PEPSICO INC.          |  | 01/15/2015            | FIRSTMERIT                | X X X                                | 125,000            | 125,000           | 128,585             | 125,138  |  |  |   |   | 125,138  |  | (138)   | (138)  | 1,938                                     | 01/15/2015  | 1   |   |       |
| 381411GEA8   | GOLDMAN SACH GP       |  | 01/15/2015            | FIRSTMERIT                | X X X                                | 100,000            | 100,000           | 104,657             | 100,179  |  |  |   |   | 100,179  |  | (179)   | (179)  | 2,563                                     | 01/15/2015  | 1   |   |       |
| 369550AS7  | GENERAL DYNAMICS CORP |  | 01/15/2015            | FIRSTMERIT                | X X X                                | 180,000            | 180,000           | 182,074             | 180,080  |  |  |   |   | 180,080  |  | (80)  | (80)   | 128                                       | 01/15/2015  | 1   |   |       |
| 084664AT8  | BERKSHIRE HATHAWAY    |  | 01/15/2015            | FIRSTMERIT                | X X X                                | 125,000            | 125,000           | 131,024             | 125,231  |  |  |   |   | 125,231  |  | (231)   | (231)  | 3,031                                     | 01/01/2015  | 1   |   |       |
| 064149A64  | BANK OF NOVA SCOTIA   |  | 01/22/2015            | FIRSTMERIT                | X X X                                | 180,000            | 180,000           | 185,859             | 180,324  |  |  |   |   | 180,324  |  | (324)   | (324)  | 3,060                                     | 01/22/2015  | 1   |   |       |
| 742741AA9  | PROCTOR & GAMBLE ESOP |  | 01/02/2015            | FIRSTMERIT                | X X X                                | 10,362             | 10,362            | 13,352              | 228,072  |  | (214,070)  |   | (214,070)   |  | 14,002   |   | (3,640)                                      | (3,640)                                   | 8,522   | 01/21/2021                                      | 1   |       |
| 2546704B5  | DISCOVER BANK CD      |  | 02/23/2015            | FIRSTMERIT                | X X X                                | 220,000            | 220,000           | 220,000             | 220,000  |  |  |   |   | 220,000  |  |   |  |   | 02/23/2015  | 1   |   |       |
| 786580ZH6  | SAFRA NAT'L BANK CD   |  | 02/23/2015            | FIRSTMERIT                | X X X                                | 220,000            | 220,000           | 220,000             | 220,000  |  |  |   |   | 220,000  |  |   |  |   | 02/23/2015  | 1   |   |       |
| 717081DA8  | PFIZER INC.           |  | 03/15/2015            | FIRSTMERIT                | X X X                                | 65,000             | 65,000            | 71,629              | 65,621   |  | (495)  |   | (495)   |  | 65,126   |   | (126)  | (126)                                     | 1,739   | 03/15/2015                                      | 1   |       |
| 742741AA9  | PROCTOR & GAMBLE ESOP |  | 03/24/2015            | FIRSTMERIT                | X X X                                | 212,082            | 171,726           | 221,283             | 228,072  |  | (54,501)   |   | (54,501)  |  | 173,571  |   | (1,845)                                      | (1,845)                                   | 8,522   | 01/01/2021                                      | 1   |       |
| 02006LAC7  | ALLY BANK CD          |  | 03/25/2015            | FIRSTMERIT                | X X X                                | 200,000            | 200,000           | 200,000             | 200,000  |  |  |   |   | 200,000  |  |   |  |   | 03/25/2015  | 1   |   |       |
| 3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)   |                       |  |                       |                           | X X X                                | 1,637,444          | 1,597,088         | 1,678,463           | 1,872,715  |  | (269,066)  |   | (269,066)   |  | 1,603,650  |   | (6,562)                                      | (6,562)                                   | 29,501  | X X X   | X X X   |       |
| 8399997 Subtotal - Bonds - Part 4  |                       |  |                       |                           | X X X                                | 2,396,115          | 2,347,088         | 2,427,342           | 2,997,059  |  | (654,697)  |   | (654,697)   |  | 2,342,362  |   | 4,726  | 4,726                                     | 75,907  | X X X   | X X X   |       |
| 8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)            |                       |  |                       |                           | X X X                                | X X X              | X X X             | X X X               | X X X  | X X X  | X X X  | X X X   | X X X   | X X X  | X X X  | X X X   | X X X  | X X X                                     | X X X   | X X X   | X X X   | X X X |
| 8399999 Subtotal - Bonds   |                       |  |                       |                           | X X X                                | 2,396,115          | 2,347,088         | 2,427,342           | 2,997,059  |  | (654,697)  |   | (654,697)   |  | 2,342,362  |   | 4,726  | 4,726                                     | 75,907  | X X X   | X X X   |       |
| 8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) |                       |  |                       |                           | X X X                                | X X X              | X X X             | X X X               | X X X  | X X X  | X X X  | X X X   | X X X   | X X X  | X X X  | X X X   | X X X  | X X X                                     | X X X   | X X X   | X X X   | X X X |
| 9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)    |                       |  |                       |                           | X X X                                | X X X              | X X X             | X X X               | X X X  | X X X  | X X X  | X X X   | X X X   | X X X  | X X X  | X X X   | X X X  | X X X                                     | X X X   | X X X   | X X X   | X X X |
| 9899999 Subtotal - Preferred and Common Stocks                           |                       |  |                       |                           | X X X                                | X X X              | X X X             | X X X               | X X X  | X X X  | X X X  | X X X   | X X X   | X X X  | X X X  | X X X   | X X X  | X X X                                     | X X X   | X X X   | X X X   | X X X |
| 9999999 Total - Bonds, Preferred and Common Stocks                       |                       |  |                       |                           | X X X                                | 2,396,115          | 2,347,088         | 2,427,342           | 2,997,059  |  | (654,697)  |   | (654,697)   |  | 2,342,362  |   | 4,726  | 4,726                                     | 75,907  | X X X   | X X X   |       |

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

QE05

**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<br>Depository  |              | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Current Quarter | 5<br>Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter |                   |                  | 9<br>* |
|--|--------------|-----------|-----------------------|---|---|--|-------------------|------------------|--------|
|  |              |           |                       |   |   | 6<br>First Month   | 7<br>Second Month | 8<br>Third Month |        |
| <b>open depositories</b>   |              |           |                       |   |   |  |                   |                  |        |
| FirstMerit Bank - Trust  | Canton, Ohio |           | 0.100                 | 186   |   | 1,281,642  | 1,356,625         | 448,662          | X X X  |
| FirstMerit Bank - Brokered CDs   | Canton, Ohio |           | 0.100                 | 62  |   | 245,570  | 687,838           | 892,408          | X X X  |
| Huntington National Bank   | Canton, Ohio |           |                       |   |   | 1,256,982  | 966,557           | 13,325,719       | X X X  |
| FirstMerit Bank-ST CDs   | Canton, Ohio |           |                       |   |   |  |                   |                  | X X X  |
| Huntington National Bank   | Canton, Ohio |           |                       |   |   | 11,233,721   | 7,306,080         | 1,608,634        | X X X  |
| FirstMerit Bank - Mutual Funds Cash  | Canton, Ohio |           |                       |   |   | 2,938  | 2,938             | 2,939            | X X X  |
| FirstMerit Bank - Richmond Capital   | Canton, Ohio |           | 0.100                 | 164   |   | 914,201  | 950,076           | 1,109,708        | X X X  |
| 0199998 Deposits in .....0 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                 | 412   |   | 14,935,052   | 11,270,114        | 17,388,069       | X X X  |
| 0299998 Deposits in .....0 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                 | 412   |   | 14,935,052   | 11,270,114        | 17,388,069       | 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                 | 412   |   | 14,935,052   | 11,270,114        | 17,388,069       | X X X  |

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description                       | 2<br>Code | 3<br>Date<br>Acquired | 4<br>Rate of<br>Interest | 5<br>Maturity<br>Date | 6<br>Book/Adjusted<br>Carrying Value | 7<br>Amount of<br>Interest<br>Due & Accrued | 8<br>Amount Received<br>During Year |
|--|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|---|-------------------------------------|
| <b>NONE</b>                            |           |                       |                          |                       |                                      |   |                                     |
| 8699999 Total - Cash Equivalents ..... |           |                       |                          |                       |                                      |   |                                     |

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