



# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## HealthSpan Integrated Care

NAIC Group Code 00000 (Current Period), 04831 (Prior Period) NAIC Company Code 95204 Employer's ID Number 34-0922268

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]  
 Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ X ]  
 Other [ ] Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 03/29/1962 Commenced Business 10/27/1976

Statutory Home Office 1001 Lakeside Ave. Suite 1200, Cleveland, OH, US 44114-1153  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1001 Lakeside Ave. Suite 1200 Cleveland, OH, US 44114-1153 216-621-5600  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1001 Lakeside Ave. Suite 1200 Cleveland, OH, US 44114-1153  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1001 Lakeside Ave. Suite 1200 Cleveland, OH, US 44114-1153 216-621-5600  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address Healthspan.org

Statutory Statement Contact Griffin Hurd 513-981-6264  
(Name) (Area Code) (Telephone Number) (Extension)  
GEHurd@mercy.com 513-981-6118  
(E-Mail Address) (FAX Number)

### OFFICERS

Name	Title	Name	Title
<u>Kenneth Page</u>	<u>President</u>	<u>Dave Nowiski</u>	<u>Treasurer</u>

### OTHER OFFICERS

\_\_\_\_\_

### DIRECTORS OR TRUSTEES

<u>Robert Campbell</u>	<u>William Franks</u>	<u>R. Jeffrey Copeland</u>	<u>Walid Sidani MD</u>
<u>Allan Calonge</u>	_____	_____	_____

State of .....

SS

County of .....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kenneth Page  
President

Dave Nowiski  
Treasurer

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

b. If no:

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

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

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	28,254,693		28,254,693	27,714,020
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	52,059,579		52,059,579	59,046,223
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0		0	0
5. Cash (\$ .....22,215,632 ), cash equivalents (\$ .....144,143 ) and short-term investments (\$ ..... 1 ) .....	22,359,775		22,359,775	217,103,093
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....	78,087		78,087	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	102,752,134	0	102,752,134	303,863,336
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	234,329		234,329	233,711
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	19,048,037		19,048,037	14,699,159
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,648,015		2,648,015	3,012,188
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	2,140,888	2,140,888	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	2,714,959	269,534	2,445,425	12,295,443
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	10,487,541		10,487,541	0
24. Health care (\$ .....6,380,784 ) and other amounts receivable .....	8,741,904	1,958,669	6,783,235	8,732,224
25. Aggregate write-ins for other-than-invested assets .....	1,564,936	1,564,936	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	150,332,743	5,934,027	144,398,716	342,836,061
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	150,332,743	5,934,027	144,398,716	342,836,061
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid & Other Current Assets .....	1,394,936	1,394,936	0	0
2502. Other Assets .....	170,000	170,000	0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,564,936	1,564,936	0	0

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded).....	31,291,432		31,291,432	40,997,111
2. Accrued medical incentive pool and bonus amounts .....			0	0
3. Unpaid claims adjustment expenses .....	495,040		495,040	498,584
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....	0		0	0
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserve .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....	2,828,158		2,828,158	1,583,768
9. General expenses due or accrued .....	16,004,728		16,004,728	5,424,848
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable .....	330,945		330,945	463,101
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....		0	0	0
15. Amounts due to parent, subsidiaries and affiliates .....	3,375,801		3,375,801	214,524,676
16. Derivatives .....		0	0	0
17. Payable for securities .....	0		0	229,660
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	29,891,573	0	29,891,573	25,319,418
24. Total liabilities (Lines 1 to 23).....	84,217,677	0	84,217,677	289,041,166
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	2,718,867	4,513,596
26. Common capital stock .....	XXX	XXX		0
27. Preferred capital stock .....	XXX	XXX		0
28. Gross paid in and contributed surplus .....	XXX	XXX	105,750,000	40,000,000
29. Surplus notes .....	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	(48,287,828)	9,281,299
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	60,181,039	53,794,895
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	144,398,716	342,836,061
<b>DETAILS OF WRITE-INS</b>				
2301. Accrued Payroll and Related.....	5,486,456		5,486,456	7,367,463
2302. Workers Comp.....			0	0
2303. Other Liabilities.....	1,167,437		1,167,437	1,605,130
2398. Summary of remaining write-ins for Line 23 from overflow page .....	23,237,680	0	23,237,680	16,346,825
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	29,891,573	0	29,891,573	25,319,418
2501. Special Surplus.....	XXX	XXX	2,718,867	4,513,596
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX	2,718,867	4,513,596
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	617,844	692,655	919,471
2. Net premium income (including \$ non-health premium income).....	XXX	268,251,910	316,082,877	419,331,792
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses) .....	XXX		1,626,019	688,348
5. Risk revenue .....	XXX		0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	70,546	608,573	735,430
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	268,322,456	318,317,469	420,755,570
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		128,638,689	99,511,621	132,020,177
10. Other professional services .....		8,726,961	14,644,469	26,733,850
11. Outside referrals .....		0	42,933,344	72,496,622
12. Emergency room and out-of-area .....		11,283,117	19,385,313	6,806,928
13. Prescription drugs .....		53,792,291	45,673,399	55,405,626
14. Aggregate write-ins for other hospital and medical.....	0	60,898,270	107,970,679	118,771,016
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15) .....	0	263,339,328	330,118,825	412,234,219
<b>Less:</b>				
17. Net reinsurance recoveries .....		2,375,429	2,401,167	4,109,851
18. Total hospital and medical (Lines 16 minus 17) .....	0	260,963,899	327,717,658	408,124,368
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 3,345,586 cost containment expenses.....		7,799,728	5,621,528	10,081,175
21. General administrative expenses.....		61,270,902	30,425,286	63,883,300
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0	(9,899,519)
23. Total underwriting deductions (Lines 18 through 22) .....	0	330,034,529	363,764,472	472,189,324
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(61,712,073)	(45,447,003)	(51,433,754)
25. Net investment income earned .....		181,581	369,632	(493,415)
26. Net realized capital gains (losses) less capital gains tax of \$ .....		30,427	53,689	58,529
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	212,008	423,321	(434,886)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )] .....		0	0	(1,871,079)
29. Aggregate write-ins for other income or expenses .....	0	646,892	349,268	394,870
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(60,853,173)	(44,674,414)	(53,344,849)
31. Federal and foreign income taxes incurred .....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(60,853,173)	(44,674,414)	(53,344,849)
<b>DETAILS OF WRITE-INS</b>				
0601. Other Revenues.....	XXX	70,546	608,573	735,430
0602. ....	XXX		0	0
0603. ....	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	70,546	608,573	735,430
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0	0
1401. Occupancy, Depreciation and Amortization.....			6,758,866	9,575,267
1402. Medical Office Facilities.....			30,713,574	0
1403. Professional Liability Insurance.....			0	90,000,845
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	60,898,270	70,498,239	19,194,904
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	60,898,270	107,970,679	118,771,016
2901. Miscellaneous.....		646,892	349,268	394,870
2902. Dissolution of Medical Services Agreement.....			0	0
2903. Other expenses associated with membership transfer.....			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	646,892	349,268	394,870

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	53,794,895	112,549,085	112,549,085
34. Net income or (loss) from Line 32 .....	(60,853,173)	(44,674,414)	(53,344,849)
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....		0	0
39. Change in nonadmitted assets .....	1,489,317	525,751	(5,409,024)
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....		0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....	65,750,000	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	(317)	(317)
48. Net change in capital and surplus (Lines 34 to 47) .....	6,386,144	(44,148,980)	(58,754,190)
49. Capital and surplus end of reporting period (Line 33 plus 48)	60,181,039	68,400,105	53,794,895
<b>DETAILS OF WRITE-INS</b>			
4701. Unassigned funds pension liability.....		0	0
4702. Unassigned funds post retirement liability.....		0	0
4703. Due to Kaiser Affiliates transferred to Kaiser.....		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	(317)	(317)
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	(317)	(317)

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	265,015,266	320,223,745	405,657,781
2. Net investment income .....	437,051	382,092	7,794,838
3. Miscellaneous income .....	4,027,462	4,968,370	14,790,358
4. Total (Lines 1 to 3) .....	269,479,779	325,574,207	428,242,977
5. Benefit and loss related payments .....	270,305,405	367,011,671	438,964,796
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	57,847,402	37,887,826	73,274,978
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9) .....	328,152,807	404,899,497	512,239,774
11. Net cash from operations (Line 4 minus Line 10) .....	(58,673,028)	(79,325,290)	(83,996,797)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	4,841,525	42,106,057	44,376,152
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	1,414	1,414
12.7 Miscellaneous proceeds .....	7,511,260	5,640,441	229,660
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	12,352,785	47,747,912	44,607,226
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	5,607,860	69,582,661	71,918,576
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	524,616	383,442	808,870
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	307,748	1,414	1,579
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	6,440,224	69,967,517	72,729,025
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	5,912,561	(22,219,605)	(28,121,799)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	65,750,000	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(207,732,851)	(181,032)	196,244,879
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(141,982,851)	(181,032)	196,244,879
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(194,743,318)	(101,725,927)	84,126,283
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	217,103,093	132,976,810	132,976,810
19.2 End of period (Line 18 plus Line 19.1) .....	22,359,775	31,250,883	217,103,093

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	74,819	8,522	44,220	.0	.0	.0	6,000	16,077	.0	.0
2. First Quarter .....	70,829	8,743	40,131	.0	.0	.0	5,933	16,022	.0	.0
3. Second Quarter .....	68,365	8,350	38,532	.0	.0	.0	5,932	15,551	.0	.0
4. Third Quarter .....	64,834	6,907	36,575	.0	.0	.0	5,911	15,441	.0	.0
5. Current Year	0									
6. Current Year Member Months	616,716	72,355	349,361	0	0	0	53,546	141,454	0	0
Total Member Ambulatory Encounters for Period:										
7. Physician .....	185,594	12,164	69,941	.0	.0	.0	18,164	85,325	.0	.0
8. Non-Physician .....	18,977	1,246	8,748	0	0	0	1,739	7,244	0	0
9. Total	204,571	13,410	78,689	0	0	0	19,903	92,569	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	1,281	102	463	0	0	0	103	613	0	0
12. Health Premiums Written (a).....	269,841,583	202,748	151,363,273	.0	.0	.0	28,180,658	90,094,904	.0	.0
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	269,841,583	202,748	151,363,273	.0	.0	.0	28,180,658	90,094,904	.0	.0
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	273,045,007	27,876,355	144,843,078	.0	.0	.0	24,839,258	75,486,316	.0	.0
18. Amount Incurred for Provision of Health Care Services	263,339,328	26,608,785	138,971,459	0	0	0	24,074,140	73,684,944	0	0

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



STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	24,774,991	145,569,013	141,859	23,102,513	24,916,850	26,075,655
2. Medicare Supplement .....					.0	.0
3. Dental only .....					.0	.0
4. Vision only .....					.0	.0
5. Federal Employees Health Benefits Plan .....	2,685,900	22,153,357	19,474	3,171,407	2,705,374	4,712,545
6. Title XVIII - Medicare .....	6,406,184	69,080,133	29,637	4,826,542	6,435,821	10,208,864
7. Title XIX - Medicaid .....					.0	.0
8. Other health .....					.0	.47
9. Health subtotal (Lines 1 to 8).....	33,867,075	236,802,503	190,970	31,100,462	34,058,045	40,997,111
10. Health care receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals (Lines 9-10+11+12)	33,867,075	236,802,503	190,970	31,100,462	34,058,045	40,997,111

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

HealthSpan Integrated Care  
Notes to Financial Statements  
For the Nine months Ended September 30, 2015 and the Year Ended December 31, 2014

1) Summary of Significant Accounting Policies

A. Accounting Practices

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

		State of Domicile	Nine Months Ended 9/30/15	Year Ended 12/31/14
	<b>NET INCOME</b>		(in thousands)	(in thousands)
(1)	HealthSpan state basis (page 4, Line 32, Columns 2 & 3)	OH	\$ (60,853)	\$ (53,345)
(2)	State Prescribed Practices that increase / (decrease) NAIC SAP:	OH	-	-
(3)	State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
(4)	NAIC SAP (1-2-3=4)	OH	<u>(60,853)</u>	<u>(53,345)</u>
	<b>SURPLUS</b>			
(5)	HealthSpan state basis (page 3, Line 33, Columns 3 & 4)	OH	\$ 60,181	\$ 53,795
(6)	State Prescribed Practices that increase / (decrease) NAIC SAP:	OH	-	-
(7)	State Permitted Practices that increase / (decrease) NAIC SAP:	OH	-	-
(8)	NAIC SAP (5-6-7=8)	OH	<u>60,181</u>	<u>53,795</u>

B – C

- No significant changes from the 2014 annual statement
- 2) Accounting Changes and Corrections of Errors

No significant changes from the 2014 annual statement.

- 3) Business Combinations and Goodwill

No significant changes from the 2014 annual statement.

- 4) Discontinued Operations

There were no discontinued operations during the reporting periods.

- 5) Investments

A–C Mortgage Loans, Restructured Debt and Reverse Mortgages

For the nine months ended September 30, 2015 and the year ended December 31, 2014, HealthSpan had no investments in mortgage loans, restructured debt or reverse mortgages.

D) Loan-Backed Securities

At September 30, 2015 and December 31, 2014, HealthSpan held no loan-backed securities.

E) Repurchase Agreements and Securities Lending Transactions

For the nine months ending September 30, 2015 and the year ending December 31, 2014, HealthSpan was not a party to repurchase agreements or securities lending transactions.

F) Real Estate

- (1) and (2)

There were no impairment losses on real estate for the nine months ended September 30, 2015 and the year ended December 31, 2014, and no real estate investments held for sale.

- (3) and (4)

HealthSpan did not engage in retail land sales operations and had no real estate investments with participating mortgage loan features during the nine months ended September 30, 2015 and the year ended December 31, 2014.

G) Investments in low-income housing tax credits

During the nine months ended September 30, 2015 and the year ended December 31, 2014, HealthSpan had no investments in low-income housing credits.

H) Restricted Assets

At September 30, 2015 and December 31, 2014, the Company had \$404 thousand and \$406 thousand, respectively, on deposit with the State of Ohio.

(in thousands)						
Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$		
Collateral held under security lending agreements						
Subject to repurchase agreements						
Subject to reverse repurchase agreements						
Subject to dollar repurchase agreements						
Subject to dollar reverse repurchase agreements						
Placed under option contracts						
Letter stock or securities restricted as to sale						
FHLB capital stock						
On deposit with states	404	406	(2)	404	0.27%	0.28%
On deposit with other regulatory bodies						
Pledged as collateral not captured in other categories						
Pledged as collateral not captured in other categories						
Other restricted assets						
<b>Total Restricted Assets</b>	<b>\$ 404</b>	<b>\$ 406</b>	<b>\$ (2)</b>	<b>\$ 404</b>	<b>0.27%</b>	<b>0.28%</b>

## I – K

HealthSpan had no working capital finance investments, no offsetting of derivative, repurchase, or securities borrowing and lending assets or liabilities, and no structured notes for the reporting periods.

### 6) Joint Ventures, Partnerships & Limited Liability Companies

No significant changes from the 2014 annual statement.

### 7) Investment Income

No significant changes from the 2014 annual statement.

### 8) Derivative Instruments

No significant changes from the 2014 annual statement.

### 9) Income Taxes

No significant changes from the 2014 annual statement.

### 10) Information Concerning Parent, Subsidiaries and Affiliates

#### A –C Transactions with Affiliates

As discussed in the *Minimum Capital and Surplus* note, the Company received contributed surplus of \$65.8 million from HSP through Q3 of 2015.

Effective July 1, HSIC entered into an employee leasing agreement with an affiliate, HealthSpan Physicians, LLC, to provide care delivery services to its members. The services include covered benefits, medically necessary and approved physician services, laboratory, radiology, emergency department/critical decision unit (“ED/CDU”), ambulatory service, and other medical support services. Certain assets were transferred from HSIC to HealthSpan Physicians to complete the transaction.

#### D) Amounts Due to or From Related Parties

At September 30, 2015 and December 31, 2014, due to (from) affiliated HealthSpan Partners (HSP) insurance holding company organizations were as follows (in thousands):

	<u>9/30/2015</u>	<u>12/31/2014</u>
Net amounts due from (to):		
Mercy Health	\$ 10,487	\$ (157,161)
HealthSpan Partners	<u>(3,376)</u>	<u>(57,364)</u>
Total due from (to) affiliated organizations	<u>\$ 7,111</u>	<u>\$ (214,525)</u>

E) Guarantees and Undertakings

HealthSpan does not provide other parties with guarantees.

F) Management and Service Contracts and Cost-Sharing Arrangements.

In January 2015, the ODI approved a modification to the compensation terms of HealthSpan's provider agreement with the Physician Group. Effective January 1, 2015, HealthSpan reimburses the Physician Group based on a capitation arrangement instead of actual cost. For the nine months ended September 30, 2015, the capitation fee was \$46.3 million. For the year ended December 31, 2014, HealthSpan incurred expenses of \$68.1 million for physician services provided by the Physician Group.

The Provider Agreement between HealthSpan and Physicians Group was amended effective July 1, 2015 to include ancillary services provided to HealthSpan members (in addition to the physician services currently being provided). HealthSpan will pay Physician Group a global capitation payment for all services provided directly by Physician Group with shared risk pools to be evaluated at December 31, 2015.

For the nine months ended September 30, 2015, and the year ended December 31, 2014, HealthSpan incurred expenses of \$27.1 million and \$9.7 million, respectively, for information technology, treasury, general management, administrative support, accounting and accounts payable processing services provided by a partner organization, Mercy Health.

G) Nature of Control Relationship

HSP is the sole corporate member of HealthSpan. HSP is a distinct, secular, and tax-exempt organization with the primary objective of developing provider networks and insurance products. HSP is a partner organization of Mercy Health, and is included in the consolidated financial statements of Mercy Health, who is the ultimate controlling party of HealthSpan. Mercy Health is a Catholic health organization, supervising market delivery systems consisting of hospitals, nursing homes, and other organizations providing health-related services.

H – J

During the nine months ended September 30, 2015 and the year ended December 31, 2014, the Company had no amount deducted from its asset value or its parent's asset value due to their affiliation. Additionally, the Company had no investments in subsidiary, controlled or affiliated entities in 2015 or 2014.

K – L

The Company has no investments in foreign insurance subsidiaries or downstream noninsurance holding companies.

11) Debt

No significant changes from the 2014 annual statement.

12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences, and Post-retirement Benefit Plans

No significant changes from the 2014 annual statement.

13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) – (2)

HealthSpan is a nonprofit, charitable corporation and does not issue stock. HealthSpan Partners (HSP) is the sole corporate member of HealthSpan and no individual or entity has any ownership interest in HealthSpan. HealthSpan and HSP share certain corporate officers.

During the nine months of 2015, the Company received \$65.8 million of contributed surplus from HSP, of which \$40.0 million and \$25.8 million were received in Q1 and Q3, respectively.

(3) – (6)

For the nine months ended September 30, 2015 and the year ended December 31, 2014, the Company paid no dividends. In accordance with the Ohio Revised Code, HealthSpan must receive approval from the ODI to pay a dividend or distribution during 2015 which, when combined with dividends or distributions paid within the preceding 12 months exceeds the greater of either (a) 10% of HealthSpan's statutory capital and surplus at December 31, 2014 or (b) HealthSpan's net gain from operations on a statutory basis for the year ended December 31, 2014. Accordingly, during 2015, prior approval from the ODI is required for any dividend or distribution payment, which exceeds \$5.4 million.

(7) – (8)

At September 30, 2015 and December 31, 2014, HealthSpan held no stock for special purpose and is not a mutual reciprocal.

- (9) As of September 30, 2015, HealthSpan has reclassified \$2.7 million from unassigned funds to special surplus, representing the Company's estimated Annual Fee on Health Insurers for the nine months ended September 30, 2015.
- (10) No portion of surplus is represented by cumulative unrealized gains or losses.
- (11) The Company is not a party to any surplus notes.
- (12) – (13)

HealthSpan did not undergo any quasi-reorganization in the years ended December 31, 2014 or 2013.

14) Liabilities, Contingencies and Assessments

No significant changes from the 2014 annual statement.

15) Leases

Effective July 1, 2015, HealthSpan executed a contract to lease office space at various facilities to the Physician Group. Also effective July 1, 2015, HealthSpan agreed to sell the Physician Group various medical and business equipment, administrative and medical supplies, linens, devices, vaccines and drugs required in connection with the Physician Group's use of the leased facilities. Finally, HealthSpan agreed to lease to the Physician Group certain clinical, technical, clerical and other administrative employees required to conduct business related to HealthSpan's provider agreement with the Physician Group.

16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

No significant changes from the 2014 annual statement.

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

HealthSpan has no transactions subject to the disclosure requirements of this footnote during the reporting periods.

A-B HealthSpan had no transfers of receivables, or transfers or servicing of financial assets.

C SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SSAP No. 91R)*, paragraph 100 requires a reporting entity to disclose any wash sales involving securities with a NAIC designation of 3 or below. HealthSpan's investment strategy does not include purchasing any securities with a NAIC designation of 3 or below. During the nine months ended September 30, 2015 and the year ended December 31, 2014, HealthSpan did not participate in any wash sale as defined by SSAP No. 91.

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

No significant changes from the 2014 annual statement.

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

No significant changes from the 2014 annual statement.

20) Fair Value Measurements

A - B HealthSpan has no assets or liabilities that are measured and reported at fair value in the statement of financial position after initial recognition.

C HealthSpan utilizes a three-level valuation hierarchy for fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. For instruments classified in Level 1 of the hierarchy, valuation inputs are quoted prices for identical instruments in active markets at the measurement date. For instruments classified in Level 2 of the hierarchy, valuation inputs are directly observable but do not qualify as Level 1 inputs. Examples of Level 2 inputs include: quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; other observable inputs such as interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates; and market-correlated inputs that are derived principally from or corroborated by observable market data. For instruments classified in Level 3 of the hierarchy, valuation inputs are unobservable inputs for the instrument. Level 3 inputs incorporate assumptions about the factors that market participants would use in pricing the instrument.

Investments are reported at lower of amortized cost or fair value, with impairment recorded if amortized cost is greater than fair value. The fair values of investments are based on quoted market prices, if available, or estimated using quoted market prices for similar investments. If listed prices or quotes are not available, fair value is based upon other observable inputs or models that primarily use market-based or independently sourced market parameters as inputs. In addition to market information, models also incorporate transaction details such as maturity. Fair value adjustments, including credit, liquidity and other factors, are included, as appropriate, to arrive at a fair value measurement.

Investments at statement value and estimated fair value, at September 30, 2015 included (in thousands):

<b>Type of Financial Instrument</b>	<b>Aggregate Fair Value</b>	<b>Admitted Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Not Practicable (Carrying Value)</b>
Bonds and other invested assets:						
U.S. Treasury and government-sponsored agencies	14,488	14,247	—	14,488	—	—
Industrial and miscellaneous bonds	14,032	14,008	—	14,032	—	—
Total bonds and other invested assets	28,520	28,255	—	28,520	—	—
Total investments	\$ 28,520	\$ 28,255	\$ —	\$ 28,520	\$ —	\$ —

Investments at statement value and estimated fair value, at December 31, 2014 included (in thousands):

<b>Type of Financial Instrument</b>	<b>Aggregate Fair Value</b>	<b>Admitted Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Not Practicable (Carrying Value)</b>
Bonds and other invested assets:						
U.S. Treasury and government-sponsored agencies	14,618	14,530	—	14,618	—	—
Industrial and miscellaneous bonds	13,173	13,184	—	13,173	—	—
Total bonds and other invested assets	27,791	27,714	—	27,791	—	—
Total investments	\$ 27,791	\$ 27,714	\$ —	\$ 27,791	\$ —	\$ —

D There were no investments at September 30, 2015 or December 31, 2014 for which it was not practicable to estimate fair value.

## 21) Other Items

### A – Extraordinary Items

On December 31, 2014, the Company closed four medical office facilities. Management considered the facility closure a triggering event for impairment of the related long-lived assets. The Company recorded an impairment charge of \$1.4 million of leasehold improvements, which is reported in net investment income earned on the Statement of Revenue and Expenses.

### B – F

HealthSpan had no debt restructuring, unrecorded amounts representing segregated funds held for others, forward commitments, business interruption insurance recoveries or state

transferable or non-transferable tax credits. Additionally, the Company had no uncollectible assets covered by SSAP No. 6, SSAP No. 47, or SSAP 66.

#### G – Subprime Mortgage – Related Risk Exposure

HealthSpan defines its exposure to subprime-mortgage-related risk as securities that are backed by loan portfolios that include loans offered to borrowers who do not meet the lending standards of the typical borrower. Indications of below-standard lending include factors such as interest rates higher than prime, credit scores and documentation of income. Information considered in determining exposure to subprime-mortgage-related risk includes default and repayment risk. Exposure to subprime-mortgage-related risk may include exposure related to changes in asset values, losses caused by receiving less than anticipated cash flows or from the potential sale of assets to meet future cash flow requirements. Management periodically reviews its exposure to subprime-mortgage-related risk and, as necessary, takes steps to mitigate or manage the Company's exposure to such risk.

At both September 30, 2015 and December 31, 2014, HealthSpan did not own fixed income securities with exposure to subprime-mortgage-related risk. The Company recognized no OTTI losses during the nine months ended September 30, 2015 and the year ended December 31, 2014 related to these types of securities.

In determining its subprime-mortgage-related risk exposure, management surveyed internal and external managers and examined trustee security listings to develop a listing of individual securities with subprime-mortgage-related risk exposure.

#### H - I Retained Assets

HealthSpan had no retained assets held for beneficiaries during the reporting periods.

#### 22) Events Subsequent

HealthSpan has no subsequent events to report for the period ending September 30, 2015.

#### 23) Reinsurance

No significant changes from the 2014 annual statement.

#### 24) Retrospectively Rated Contracts

#### A – C

Except for premiums subject to the Affordable Care Act risk-sharing provisions, HealthSpan does not have contracts that are subject to retrospective premium adjustments.

D. HealthSpan did not incur medical loss rebates pursuant to the Public Health Service Act for the nine months ended September 30, 2015 or the year ended December 31, 2014.

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES / NO)? Yes.

The company had zero balances for premium adjustments for the risk corridors programs due to a lack of sufficient data to estimate the recoverable amount.

(2) The admitted assets, liabilities and revenue elements of the ACA programs are as follows:

ACA Program	Financial Statement Element	Amount (in thousands), as of 9/30/15
<b>a. Permanent ACA Risk Adjustment Program</b>	<b>Assets</b>	
	1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -
	<b>Liabilities</b>	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	21
	3. Premium adjustments payable due to ACA Risk Adjustment	11,359
	<b>Operations (Revenue &amp; Expense)</b>	
	4. Reported as revenue in premium for accident and health contracts (written / collected) due to ACA Risk Adjustment	(24,548)
	5. Reported in expenses as ACA risk adjustment user fees (incurred / paid)	21
<b>b. Transitional ACA Reinsurance Program</b>	<b>Assets</b>	
	1. Amount recoverable for claims paid due to ACA Reinsurance	1,510
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	-
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance (2)	-

	<b>Liabilities</b>	
	4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	2,025
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	331
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance (2)	-
	<b>Operations (Revenue &amp; Expense)</b>	
	7. Ceded reinsurance premiums due to ACA Reinsurance	254
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	1,443
	9. ACA Reinsurance contributions - not reported as ceded premium	1,475
<b>c. Temporary ACA Risk Corridors Program</b>	<b>Assets</b>	
	1. Accrued retrospective premium due to ACA Risk Corridors (1)	-
	<b>Liabilities</b>	
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors (1)	-
	<b>Operations (Revenue &amp; Expense)</b>	
	3. Effect of ACA Risk Corridors on net premium income (paid / received) (1)	-
	4. Effect of ACA Risk Corridors on change in reserves for rate credits. (1)	-

(1) Insufficient data to make an estimate

(2) Estimated balance is zero

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1	Premium adjustment receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
2	Premium adjustment (payable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,188,115	C	\$ -	\$ 13,188,115
3	Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,188,115	C	\$ -	\$ 13,188,115
b. Transitional ACA Reinsurance Program											
1	Amounts recoverable for claims paid	\$ 2,108,810	\$ -	\$ 2,959,906	\$ -	\$ (851,096)	\$ -	\$ 851,096	-	\$ -	
2	Amounts recoverable for claims unpaid (contra liability)	\$ 521,610	\$ -	\$ -	\$ -	\$ 521,610	\$ -	\$ (521,610)	-	\$ -	\$ -
3	Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
4	Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$ -	\$ 3,307,827	\$ -	\$ 2,756,523	\$ -	\$ 551,304	\$ -	-	\$ -	\$ 551,304
5	Ceded reinsurance premiums payable	\$ -	\$ 463,101	\$ -	\$ 361,110	\$ -	\$ 101,991	\$ -	\$ (24,807)	\$ -	\$ 77,184
6	Liability for amounts held under uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
7	Subtotal ACA Transitional Reinsurance Program	\$ 2,630,420	\$ 3,770,928	\$ 2,959,906	\$ 3,117,633	\$ (329,486)	\$ 653,295	\$ 329,486	\$ (24,807)	\$ -	\$ 628,488
c. Temporary ACA Risk Corridors Program											
1	Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
2	Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
3	Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
d. Total for ACA Risk Sharing Provisions											
		\$ 2,630,420	\$ 3,770,928	\$ 2,959,906	\$ 3,117,633	\$ (329,486)	\$ 653,295	\$ 329,486	\$ 13,163,308	\$ -	\$ 13,816,603

## 25) Change in Incurred Claims and Claim Adjustment Expenses

Analysis of claims activity as of and for the nine months ended September 30, 2015 and the year ended December 31, 2014 (in thousands):

	<u>9/30/2015</u>	<u>12/31/2014</u>
Claims Payable		
Balance Beginning of Period	\$ 40,997	\$ 78,725
Balance End of Period	<u>31,291</u>	<u>40,997</u>
Change in Claims Payable - Increase (Decrease)	<u>(9,706)</u>	<u>(37,728)</u>
Incurred Claims:		
Insured Events of Current Year	264,288	\$ 411,578
Increase (Decrease) Insured Events of Prior Year	<u>(3,324)</u>	<u>(3,454)</u>
Total Incurred Claims	<u>260,964</u>	<u>408,124</u>
Payment of Claims:		
Claims Incurred in Prior Years	37,482	75,386
Claims Incurred in Current Year	<u>233,188</u>	<u>370,466</u>
Total Claims Paid	<u>\$ 270,670</u>	<u>\$ 445,852</u>

No additional premiums or return premiums have been accrued as a result of the prior-year effects.

26) Intercompany Pooling Arrangements

HealthSpan has no intercompany pooling arrangements.

27) Structured Settlements

Not applicable for health entities.

28) Health Care Receivables

At September 30, 2015, HeathSpan admitted a pharmacy rebate receivable of 1.1 million. The receivable was estimated based on prescriptions filled during 2015. Pharmaceutical rebate receivables, in millions, were as follows:

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
09/30/2015	\$2.1	\$2.1	\$1.0	\$0.5	
06/30/2015	\$1.1	\$1.1	\$1.7	\$0.1	
03/31/2015	\$1.4	\$1.4	\$1.2		
12/31/2014	\$1.5	\$1.5	\$1.2	\$0.9	
09/30/2014	\$3.7	\$3.7	\$0.5		

HealthSpan has no risk-sharing receivables.

29) Participating Policies

HealthSpan has no participating policies.

30) Premium Deficiency Reserves

No significant changes from the 2014 annual statement.

31) Anticipated Salvage and Subrogation

No significant changes from the 2014 annual statement.

**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 [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 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [X]  
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). ....07/09/2012
- 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 [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] NA [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

**GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  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

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

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....10,487,541

**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

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: ..... \$ .....

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No

If no, attach a description with this statement.

**GENERAL INTERROGATORIES**

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
  - 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
  - 16.3 Total payable for securities lending reported on the liability page \$ .....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
State Street Bank and Trust.....	801 Pennsylvania, Kansas City, MO 64105.....
Fifth Third Bank.....	38 Fountain Square Plaza, Cincinnati, OH 45263.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
8158.....	Robert W. Baird & Co. Inc.....	777 East Wisconsin Avenue, Milwaukee, WI 53202.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions:  
.....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

- |    |  |         |        |
|----|--|---------|--------|
| 1. | Operating Percentages:   |         |        |
|    | 1.1 A&H loss percent.....  | 98.5    | %      |
|    | 1.2 A&H cost containment percent .....   | 1.2     | %      |
|    | 1.3 A&H expense percent excluding cost containment expenses.....                               | 24.5    | %      |
|    | 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.....    | \$      |        |
|    | 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..... | \$      |        |



STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

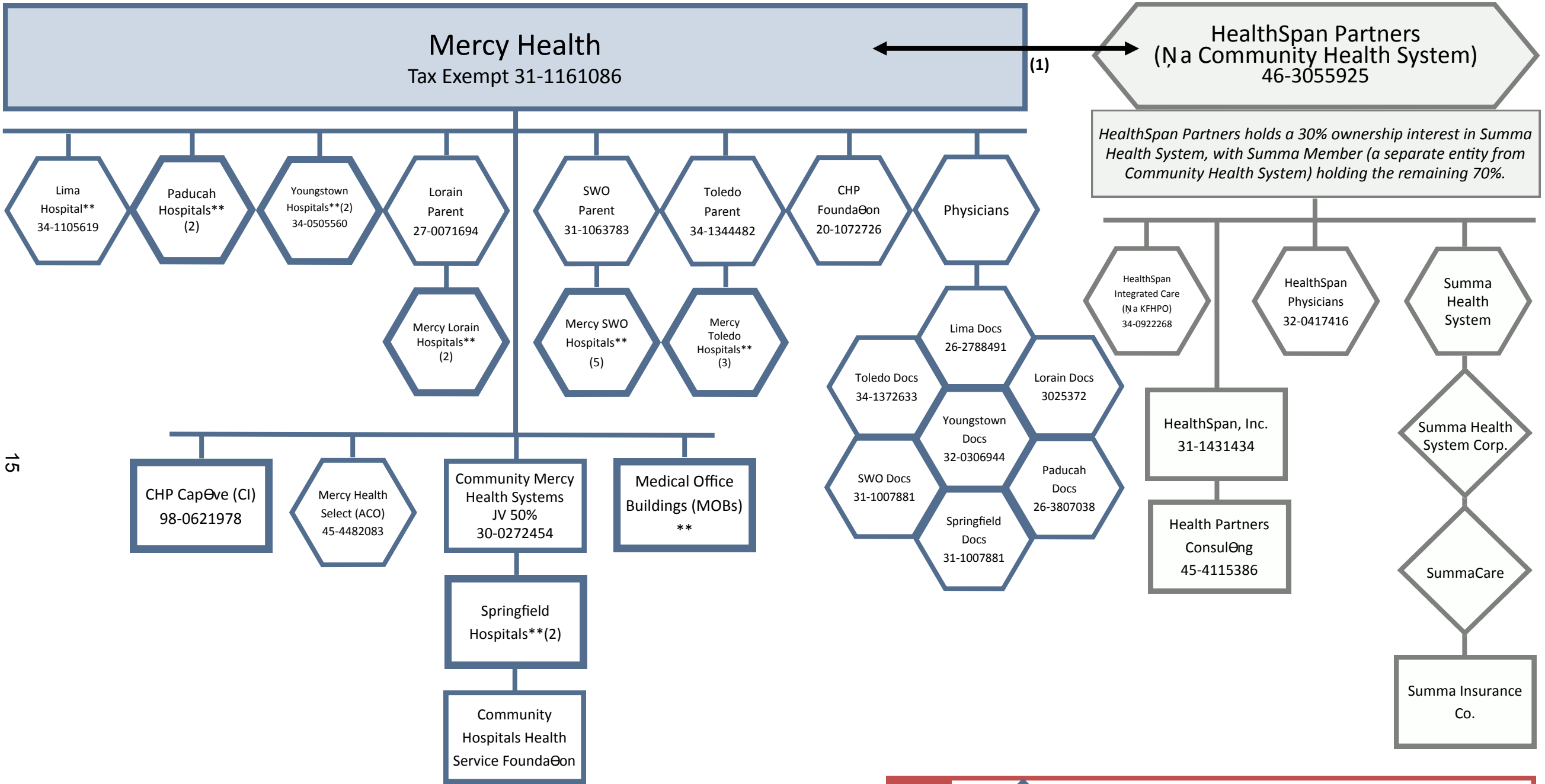
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							8 Total Columns 2 Through 7	9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums			
1. Alabama	AL								0	
2. Alaska	AK								0	
3. Arizona	AZ								0	
4. Arkansas	AR								0	
5. California	CA								0	
6. Colorado	CO								0	
7. Connecticut	CT								0	
8. Delaware	DE								0	
9. Dist. Columbia	DC								0	
10. Florida	FL								0	
11. Georgia	GA								0	
12. Hawaii	HI								0	
13. Idaho	ID								0	
14. Illinois	IL								0	
15. Indiana	IN								0	
16. Iowa	IA								0	
17. Kansas	KS								0	
18. Kentucky	KY								0	
19. Louisiana	LA								0	
20. Maine	ME								0	
21. Maryland	MD								0	
22. Massachusetts	MA								0	
23. Michigan	MI								0	
24. Minnesota	MN								0	
25. Mississippi	MS								0	
26. Missouri	MO								0	
27. Montana	MT								0	
28. Nebraska	NE								0	
29. Nevada	NV								0	
30. New Hampshire	NH								0	
31. New Jersey	NJ								0	
32. New Mexico	NM								0	
33. New York	NY								0	
34. North Carolina	NC								0	
35. North Dakota	ND								0	
36. Ohio	OH	174,772,661	66,741,958		28,326,964				269,841,583	
37. Oklahoma	OK								0	
38. Oregon	OR								0	
39. Pennsylvania	PA								0	
40. Rhode Island	RI								0	
41. South Carolina	SC								0	
42. South Dakota	SD								0	
43. Tennessee	TN								0	
44. Texas	TX								0	
45. Utah	UT								0	
46. Vermont	VT								0	
47. Virginia	VA								0	
48. Washington	WA								0	
49. West Virginia	WV								0	
50. Wisconsin	WI								0	
51. Wyoming	WY								0	
52. American Samoa	AS								0	
53. Guam	GU								0	
54. Puerto Rico	PR								0	
55. U.S. Virgin Islands	VI								0	
56. Northern Mariana Islands	MP								0	
57. Canada	CAN								0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	174,772,661	66,741,958	0	28,326,964	0	0	269,841,583	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 0	174,772,661	66,741,958	0	28,326,964	0	0	269,841,583	0	0
<b>DETAILS OF WRITE-INS</b>										
58001	XXX									
58002	XXX									
58003	XXX									
58998 Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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



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MH Org Chart 2\_20\_2015  
 Note: Ownership is based on 100% ownership or membership interest unless otherwise noted. All entities are domiciled in Ohio except as noted.  
 (1): The relationship between Mercy and HSP is based on the HealthSpan Partners Loan Agreement (previously filed with ODI) and common board members.

**KEY**

- NON PROFIT TAXABLE
- TAX EXEMPT
- FOR PROFIT
- \*\* Refer to p.2 of document



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

.....NO.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

MQ003 Additional Aggregate Lines for Page 03 Line 23.

\*LIAB

	1 Covered	2 Uncovered	3 Total	4 Total
2304. Medicare Reserves / Payables.....	7,614,805		7,614,805	10,036,317
2305. Premium Tax and Other Taxes Payable.....	2,132,300		2,132,300	2,867,801
2306. Affordable Care Act Payable.....	13,490,575		13,490,575	3,442,707
2307. ....			0	0
2308. ....			0	0
2397. Summary of remaining write-ins for Line 23 from Page 03	23,237,680	0	23,237,680	16,346,825

MQ004 Additional Aggregate Lines for Page 04 Line 14.

\*REVEX1

	1 Current Year To Date Uncovered	2 Current Year To Date Total	3 Prior Year To Date Total	4 Prior Year Ended December 31 Total
1404. Medical Administration.....		57,540	53,946,861	3,662,454
1405. Other Benefits (Home Care, Hospice, DME) excluding payroll.....		57,819,601	2,761,059	15,532,450
1406. Community Service.....		3,021,129	13,790,319	0
1407. ....			0	0
1408. ....			0	0
1409. ....			0	0
1410. ....			0	0
1411. ....			0	0
1412. ....			0	0
1413. ....			0	0
1414. ....			0	0
1497. Summary of remaining write-ins for Line 14 from Page 04	0	60,898,270	70,498,239	19,194,904

MQ005 Additional Aggregate Lines for Page 05 Line 47.

\*REVEX2

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
4704. Payroll related liabilities transferred to Kaiser.....		0	0
4705. PDR liability transferred to Kaiser.....		0	0
4706. Pension liability transferred to Kaiser.....		0	0
4707. Post retirement liability transferred to Kaiser.....		0	0
4708. Other liabilities transferred to Kaiser.....		0	0
4709. Aggregate write-in for gains (losses) in surplus.....		(317)	(317)
4797. Summary of remaining write-ins for Line 47 from Page 05	0	(317)	(317)

## SCHEDULE A – VERIFICATION

### Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	59,046,222	66,471,801
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	507,668	808,870
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....	7,511,260	8,234,449
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	52,042,630	59,046,222
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	52,042,630	59,046,222

## SCHEDULE B – VERIFICATION

### Mortgage Loans

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

NONE

## SCHEDULE BA – VERIFICATION

### Other Long-Term Invested Assets

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

NONE

## SCHEDULE D – VERIFICATION

### Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	27,714,020	400,417
2. Cost of bonds and stocks acquired .....	5,607,860	71,918,576
3. Accrual of discount .....	23,785	44,415
4. Unrealized valuation increase (decrease) .....		(416)
5. Total gain (loss) on disposals .....	30,427	58,529
6. Deduct consideration for bonds and stocks disposed of .....	4,841,526	44,376,152
7. Deduct amortization of premium .....	279,873	331,349
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	28,254,693	27,714,020
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	28,254,693	27,714,020

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

**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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	23,912,135	3,184,845	2,938,771	(322,396)	24,324,272	23,912,135	23,835,813	24,698,666
2. NAIC 2 (a).....	4,489,592	308,053	471,550	236,928	4,257,917	4,489,592	4,563,023	3,635,077
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	28,401,727	3,492,898	3,410,321	(85,468)	28,582,189	28,401,727	28,398,836	28,333,743
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	28,401,727	3,492,898	3,410,321	(85,468)	28,582,189	28,401,727	28,398,836	28,333,743

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

S102

## SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999		XXX			

## SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1	0
2. Cost of short-term investments acquired .....		7,336,083
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		1,414
6. Deduct consideration received on disposals .....		7,330,488
7. Deduct amortization of premium.....		7,008
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1	1
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	1	1

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	619,723	0
2. Cost of cash equivalents acquired .....	3,605,815	111,636,999
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals .....	4,081,398	111,017,275
7. Deduct amortization of premium .....		0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	144,143	619,723
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	144,143	619,723

**STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care**

**SCHEDULE A - PART 2**

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
Acquired by purchase								
CHMC Carpet Install.....	Akron.....	Ohio.....	08/01/2015.....	Suesse Construction.....	6,500		6,500	
Water Heater.....	Parma.....	Ohio.....	08/01/2015.....	Comfort Control Systems.....	50,800		50,800	
Ophthalmology Network.....	Parma.....	Ohio.....	09/01/2015.....	Fine Line Communications.....	4,359		4,359	
Ophthalmology Branding.....	Parma.....	Ohio.....	09/01/2015.....	Berchold Corp.....	16,000		16,000	
Surgical Lights Parma.....	Parma.....	Ohio.....	09/01/2015.....	Berchold Corp.....	3,200		3,200	
0199999 - Acquired by purchase					80,859	0	80,859	0
<b>0399999 Totals</b>								
					80,859	0	80,859	0

**SCHEDULE A - PART 3**

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Changes in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain(Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A. C.V. (11-9-10)	13 Total Foreign Exchange Change in B./A. C. V.							
0399999 Totals																			
					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

E01

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
912828-NT-3	US TREASURY 2.625% 08/15/20		08/25/2015	Various		604,136	575,000	5,983	1
912828-WJ-5	US TREASURY 2.500% 05/15/24		09/30/2015	Various		1,009,381	975,000	7,999	1
<b>0599999 - Bonds - U.S. Governments</b>						1,613,517	1,550,000	13,982	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
126650-CL-2	CVS HEALTH CORP CVS HEALTH CORP 3.875%		07/13/2015	Barclays		123,743	125,000		2FE
35671D-AU-9	FREEMONT-MCMORAN C & G 3.550% 03/01/22		07/01/2015	Goldman		184,310	200,000	2,485	2FE
857477-AT-0	STATE STREET CORP 3.550% 08/18/25		08/13/2015	Goldman		174,766	175,000		1FE
871829-AZ-0	SYSCO CORPORATION 3.750% 10/01/25		09/23/2015	JP Morgan		150,000	150,000		1FE
902118-BS-6	TYCO INTERNATIONAL FINAN 3.900% 02/14/	F	09/09/2015	Goldman		148,926	150,000		1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						781,744	800,000	2,485	XXX
<b>8399997 - Subtotals - Bonds - Part 3</b>						2,395,261	2,350,000	16,467	XXX
<b>8399999 - Subtotals - Bonds</b>						2,395,261	2,350,000	16,467	XXX
<b>9999999 Totals</b>						2,395,261	XXX	16,467	XXX

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

E04

STATEMENT AS OF SEPTEMBER 30, 2015 OF THE HealthSpan Integrated Care

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>																					
912828-QY-9...	US TREASURY 2.250% 07/31/18		09/30/2015	Various		1,115,141	1,075,000	1,108,839	1,103,097		(5,184)		(5,184)		1,097,913		17,228	17,228	26,415	07/31/2018	1
912828-WJ-5...	US TREASURY 2.500% 05/15/24		09/23/2015	Various		615,769	600,000	623,697	231,601		(1,217)		(1,217)		622,479		(6,710)	(6,710)	11,785	05/15/2024	1
<b>0599999 - Bonds - U.S. Governments</b>						1,730,910	1,675,000	1,732,535	1,334,698	0	(6,402)	0	(6,402)	0	1,720,392	0	10,518	10,518	38,200	XXX	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
345397-VP-5...	FORD MOTOR CREDIT CO LLC 6.625% 08/15/20		08/25/2015	FTN Financial		271,635	250,000	288,938	280,557		(7,533)		(7,533)		273,024		(1,389)	(1,389)	17,161	08/15/2017	2FE
35671D-BG-9...	FREEMONT-MCMORAN C & G 3.100% 03/15/20		07/01/2015	Goldman		197,140	200,000	198,178	198,376		149		149		198,525		(1,385)	(1,385)	5,029	03/15/2020	2FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						468,775	450,000	487,116	478,934	0	(7,384)	0	(7,384)	0	471,550	0	(2,775)	(2,775)	22,189	XXX	XXX
<b>8399997 - Subtotals - Bonds - Part 4</b>						2,199,685	2,125,000	2,219,651	1,813,632	0	(13,786)	0	(13,786)	0	2,191,941	0	7,744	7,744	60,389	XXX	XXX
<b>8399999 - Subtotals - Bonds</b>						2,199,685	2,125,000	2,219,651	1,813,632	0	(13,786)	0	(13,786)	0	2,191,941	0	7,744	7,744	60,389	XXX	XXX
<b>9999999 Totals</b>						2,199,685	XXX	2,219,651	1,813,632	0	(13,786)	0	(13,786)	0	2,191,941	0	7,744	7,744	60,389	XXX	XXX

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

E05

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**



