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**ANNUAL STATEMENT**  
**For the Year Ending DECEMBER 31, 2015**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Paramount Advantage**

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	12353	Employer's ID Number	20-3376102
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]	Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]			
Incorporated/Organized	08/10/2005		Commenced Business	12/01/2005		
Statutory Home Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Internet Website Address	www.paramounthhealthcare.com		(Area Code) (Telephone Number)			
Statutory Statement Contact	Jonathan Burns, Mr. jonathan.burns@promedica.org (E-Mail Address)		(419)887-2500 (Area Code) (Telephone Number) (419)887-2909 (Area Code)(Telephone Number)(Extension) (419)887-2020 (Fax Number)			

**OFFICERS**

Name	Title
John Charles Randolph Mr.	President
Jeffrey Craig Kuhn Mr.	Secretary
Alan Michael Sattler Mr.	Treasurer
Robert William LaClair Mr.	Chairman

**OTHERS**

Jeffrey William Martin Mr., Vice President, Operations  
 Stacey Lee Bock Mrs., Vice President, Finance

John David Meier M.D., Vice President, Health Services

**DIRECTORS OR TRUSTEES**

Julie Anne Bartnik Ms.	Dee Ann Bialecki-Haase M.D.
John Charles Randolph Mr.	Garry Walter Roberts Mr.
Timothy Bublick Mr.	Mark Leslie Ferris Mr.
Cathy Lynn Cantor M.D.	Cynthia Ann Geronimo Ms.
Jeffrey William Boersma Mr.	Vincent M. Davis Mr. #

State of Ohio  
 County of Lucas ss

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

(Signature)  
 John Charles Randolph  
 (Printed Name)  
 1.  
 President  
 (Title)

(Signature)  
 Stacey Lee Bock  
 (Printed Name)  
 2.  
 Vice President, Finance  
 (Title)

(Signature)  
 Jeffrey Craig Kuhn  
 (Printed Name)  
 3.  
 Secretary  
 (Title)

Subscribed and sworn to before me this  
 day of \_\_\_\_\_, 2016

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)**

Amy Lynn Hall Ms. #  
Richard A. Wasserman Mr. #

Lynn Eric Olman Mr. #  
Lee William Hammerling Mr. #

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	71,450,186		71,450,186	60,811,165
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$....174,955,068, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....635,702, Schedule DA) .....	175,590,770		175,590,770	173,909,738
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	247,040,956		247,040,956	234,720,903
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	221,685		221,685	150,006
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	9,863,725		9,863,725	9,358,342
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	985,039		985,039	
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				1,814,847
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	5,450,200		5,450,200	1,477,530
24. Health care (\$....2,401,676) and other amounts receivable .....	3,983,009	1,581,333	2,401,676	1,486,552
25. Aggregate write-ins for other than invested assets .....	2,365,893	186,970	2,178,923	7,000,000
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	269,910,507	1,768,303	268,142,204	256,008,180
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	269,910,507	1,768,303	268,142,204	256,008,180
<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. Prepaid .....	14,500	14,500		
2502. Dividends receivable .....				7,000,000
2503. Other AR .....	172,470	172,470		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	2,178,923		2,178,923	
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	2,365,893	186,970	2,178,923	7,000,000

# LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	96,605,983		96,605,983	104,622,346
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	1,549,000		1,549,000	1,605,000
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	17,762,381		17,762,381	14,983,775
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	17,050,850		17,050,850	2,210,423
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	935,034		935,034	31,674,871
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	6,462,360		6,462,360	7,627
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	140,365,608		140,365,608	155,104,042
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX		
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	58,621,685	58,621,685
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	69,154,911	42,282,453
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	127,776,596	100,904,138
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	268,142,204	256,008,180
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

# STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	X X X	2,694,709	2,187,212
1. Member Months .....			
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	1,001,072,354	725,282,736
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X	3,083,111	1,791,432
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	1,004,155,465	727,074,168
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		585,321,606	460,059,552
10. Other professional services .....		4,322,621	3,286,013
11. Outside referrals .....			
12. Emergency room and out-of-area .....		31,751,207	24,580,116
13. Prescription drugs .....		175,073,563	119,085,552
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		796,468,997	607,011,233
<b>Less:</b>			
17. Net reinsurance recoveries .....		5,131,858	2,680,427
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		791,337,139	604,330,806
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....11,635,915 cost containment expenses .....		13,563,749	8,308,070
21. General administrative expenses .....		126,607,409	97,529,443
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) .....		931,508,297	710,168,319
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	72,647,168	16,905,849
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		752,671	403,877
26. Net realized capital gains (losses) less capital gains tax of \$.....4,670 .....		(4,468)	27,745
27. Net investment gains (losses) (Lines 25 plus 26) .....		748,203	431,622
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 .....		153	8,869
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	73,395,524	17,346,340
31. Federal and foreign income taxes incurred .....	X X X	44,628,546	6,865,597
32. Net income (loss) (Lines 30 minus 31) .....	X X X	28,766,978	10,480,743
<b>DETAILS OF WRITE-INS</b>			
0601. Performance revenue .....	X X X	3,083,111	1,791,432
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	3,083,111	1,791,432
0701. .....	X X X		
0702. .....	X X X		
0703. .....	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. .....			
1402. .....			
1403. .....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901. Other .....		153	8,869
2902. .....			
2903. .....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		153	8,869

# STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	100,904,138	63,721,947
34. Net income or (loss) from Line 32 .....	28,766,978	10,480,743
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	14,113	(33,643)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	(1,849,656)	1,390,776
39. Change in nonadmitted assets .....	(58,977)	(1,655,685)
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 .....		27,000,000
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) .....	26,872,458	37,182,191
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	127,776,596	100,904,138
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	1,000,566,971	722,564,914
2.	Net investment income .....	1,017,057	669,601
3.	Miscellaneous income .....	3,083,111	1,791,432
4.	<b>TOTAL (Lines 1 through 3)</b> .....	<b>1,004,667,139</b>	<b>725,025,947</b>
5.	Benefit and loss related payments .....	801,552,971	547,793,673
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	137,448,399	97,419,866
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	29,792,789	6,155,801
10.	<b>TOTAL (Lines 5 through 9)</b> .....	<b>968,794,159</b>	<b>651,369,340</b>
11.	<b>Net cash from operations (Line 4 minus Line 10)</b> .....	<b>35,872,980</b>	<b>73,656,607</b>
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	41,593,842	44,146,190
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	0	
12.8	<b>TOTAL Investment proceeds (Lines 12.1 to 12.7)</b> .....	<b>41,593,842</b>	<b>44,146,190</b>
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	52,539,138	41,485,727
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	15,474	221,882
13.7	<b>TOTAL Investments acquired (Lines 13.1 to 13.6)</b> .....	<b>52,554,612</b>	<b>41,707,609</b>
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	<b>Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)</b> .....	<b>(10,960,770)</b>	<b>2,438,580</b>
<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 .....		27,000,000
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) .....	(23,231,178)	19,795,250
17.	<b>Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)</b> .....	<b>(23,231,178)</b>	<b>46,795,250</b>
<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) .....	1,681,032	122,890,437
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	173,909,738	51,019,301
19.2	<b>End of year (Line 18 plus Line 19.1)</b> .....	<b>175,590,770</b>	<b>173,909,738</b>

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

20.0001	.....	.....	.....
20.0002	.....	.....	.....

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income .....	1,001,072,354							1,001,072,354		
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....									XXX	
4. Risk revenue .....									XXX	
5. Aggregate write-ins for other health care related revenues .....	3,083,111							3,083,111		
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6) .....	1,004,155,465							1,004,155,465		
8. Hospital/medical benefits .....	585,321,606							585,321,606		
9. Other professional services .....	4,322,621							4,322,621		
10. Outside referrals .....									XXX	
11. Emergency room and out-of-area .....	31,751,207							31,751,207		
12. Prescription drugs .....	175,073,563							175,073,563		
13. Aggregate write-ins for other hospital and medical .....									XXX	
14. Incentive pool, withhold adjustments and bonus amounts .....									XXX	
15. Subtotal (Lines 8 to 14) .....	796,468,997							796,468,997		
16. Net reinsurance recoveries .....	5,131,858							5,131,858		
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	791,337,139							791,337,139		
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....11,635,915 cost containment expenses .....	13,563,749							13,563,749		
20. General administrative expenses .....	126,607,409							126,607,409		
21. Increase in reserves for accident and health contracts .....									XXX	
22. Increase in reserves for life contracts .....									XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	931,508,297							931,508,297		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	72,647,168							72,647,168		
<b>DETAILS OF WRITE-INS</b>										
0501. Performance revenue .....	3,083,111							3,083,111		
0502. .....									XXX	
0503. .....									XXX	
0598. Summary of remaining write-ins for Line 5 from overflow page .....									XXX	
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	3,083,111							3,083,111		
0601. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....									XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. .....									XXX	
1302. .....									XXX	
1303. .....									XXX	
1398. Summary of remaining write-ins for Line 13 from overflow page .....									XXX	
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....									XXX	

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	1,004,602,145	.....	3,529,791	1,001,072,354
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8) .....	1,004,602,145	.....	3,529,791	1,001,072,354
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	1,004,602,145	.....	3,529,791	1,001,072,354

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	805,699,790							805,699,790		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	4,146,819							4,146,819		
1.4 Net	801,552,971							801,552,971		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	96,605,983							96,605,983		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	96,605,983							96,605,983		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	1,214,430							1,214,430		
7. Amounts recoverable from reinsurers December 31, current year	985,039							985,039		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	104,622,346							104,622,346		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	104,622,346							104,622,346		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	796,468,997							796,468,997		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	5,131,858							5,131,858		
12.4 Net	791,337,139							791,337,139		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	22,229,042	.....	.....	.....	.....	.....	.....	22,229,042	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	22,229,042	.....	.....	.....	.....	.....	.....	22,229,042	.....	.....
2. Incurred but Unreported:										
2.1 Direct .....	74,376,941	.....	.....	.....	.....	.....	.....	74,376,941	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net .....	74,376,941	.....	.....	.....	.....	.....	.....	74,376,941	.....	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct .....	96,605,983	.....	.....	.....	.....	.....	.....	96,605,983	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net .....	96,605,983	.....	.....	.....	.....	.....	.....	96,605,983	.....	.....

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	77,017,541	723,550,391	(477,803)	97,083,786	76,539,738	104,622,346
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	77,017,541	723,550,391	(477,803)	97,083,786	76,539,738	104,622,346
10. Healthcare receivables (a) .....	.....	3,983,009	.....	.....	.....	2,768,579
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	77,017,541	719,567,382	(477,803)	97,083,786	76,539,738	101,853,767

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Grand Total**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	17,513	17,422	17,423	17,426	17,345
2. 2011 .....	173,122	193,678	194,371	194,368	194,232
3. 2012 .....	XXX	216,446	238,996	239,034	238,208
4. 2013 .....	XXX	XXX	272,330	310,847	308,717
5. 2014 .....	XXX	XXX	XXX	509,239	589,430
6. 2015 .....	XXX	XXX	XXX	XXX	723,550

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	17,527	17,422	17,423	17,426	17,345
2. 2011 .....	199,150	193,721	194,371	194,368	194,232
3. 2012 .....	XXX	242,346	239,706	239,034	238,208
4. 2013 .....	XXX	XXX	317,690	310,847	308,717
5. 2014 .....	XXX	XXX	XXX	613,861	588,953
6. 2015 .....	XXX	XXX	XXX	XXX	820,633

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011 .....	240,781	194,232	2,398	1.234	196,630	81.663			196,630	81.663
2. 2012 .....	294,763	238,208	3,423	1.437	241,631	81.975			241,631	81.975
3. 2013 .....	389,385	308,717	5,637	1.826	314,354	80.731			314,354	80.731
4. 2014 .....	725,282	589,430	8,350	1.417	597,780	82.420	(477)		597,303	82.355
5. 2015 .....	1,001,072	723,550	11,734	1.622	735,284	73.450	97,083	1,549	833,916	83.302

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Title XIX - Medicaid**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	17,513	17,422	17,423	17,426	17,345
2. 2011 .....	173,122	193,678	194,371	194,368	194,232
3. 2012 .....	XXX	216,446	238,996	239,034	238,208
4. 2013 .....	XXX	XXX	272,330	310,847	308,717
5. 2014 .....	XXX	XXX	XXX	509,239	589,430
6. 2015 .....	XXX	XXX	XXX	XXX	723,550

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....	17,527	17,422	17,423	17,426	17,345
2. 2011 .....	199,150	193,721	194,371	194,368	194,232
3. 2012 .....	XXX	242,346	239,706	239,034	238,208
4. 2013 .....	XXX	XXX	317,690	310,847	308,717
5. 2014 .....	XXX	XXX	XXX	613,861	588,953
6. 2015 .....	XXX	XXX	XXX	XXX	820,633

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2011 .....	240,781	194,232	2,398	1.234	196,630	81.663			196,630	81.663
2. 2012 .....	294,763	238,208	3,423	1.437	241,631	81.975			241,631	81.975
3. 2013 .....	389,385	308,717	5,637	1.826	314,354	80.731			314,354	80.731
4. 2014 .....	725,282	589,430	8,350	1.417	597,780	82.420	(477)		597,303	82.355
5. 2015 .....	1,001,072	723,550	11,734	1.622	735,284	73.450	97,083	1,549	833,916	83.302

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expsn Ratios - Other ..... NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	37,892	27,147	374,652		439,691
2. Salaries, wages and other benefits .....	8,935,371	1,898,064	19,515,613		30,349,048
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....			374,546		374,546
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	2,535,469		16,233,516		18,768,985
7. Traveling expenses .....	53,248	361	171,168		224,777
8. Marketing and advertising .....	4,842		1,922,079		1,926,921
9. Postage, express and telephone .....	14,317		538,746		553,063
10. Printing and office supplies .....	32,853	2,262	803,688		838,803
11. Occupancy, depreciation and amortization .....			43,162		43,162
12. Equipment .....	211		362,895		363,106
13. Cost or depreciation of EDP equipment and software .....			1,029,223		1,029,223
14. Outsourced services including EDP, claims, and other services .....	21,082		1,134,641		1,155,723
15. Boards, bureaus and association fees .....	630		44,545		45,175
16. Insurance, except on real estate .....					
17. Collection and bank service charges .....					
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....			430,659		430,659
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			73,283,384		73,283,384
23.2 State premium taxes .....			10,046,311		10,046,311
23.3 Regulatory authority licenses and fees .....					
23.4 Payroll taxes .....			297,411		297,411
23.5 Other (excluding federal income and real estate taxes) .....			1,170		1,170
24. Investment expenses not included elsewhere .....				105,693	105,693
25. Aggregate write-ins for expenses .....					
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	11,635,915	1,927,834	126,607,409	105,693	(a) 140,276,851
27. Less expenses unpaid December 31, current year .....	1,053,320	495,680	17,762,381		19,311,381
28. Add expenses unpaid December 31, prior year .....	995,100	609,900	14,983,775		16,588,775
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	11,577,695	2,042,054	123,828,803	105,693	137,554,245

**DETAILS OF WRITE-INS**

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) .....					

(a) Includes management fees of \$.....43,215,278 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	196,244	192,980
1.1 Bonds exempt from U.S. tax .....	(a) .....	299	1,785
1.2 Other bonds (unaffiliated) .....	(a) .....	437,269	513,966
1.3 Bonds of affiliates .....	(a) .....		
2.1 Preferred stocks (unaffiliated) .....	(b) .....		
2.11 Preferred stocks of affiliates .....	(b) .....		
2.2 Common stocks (unaffiliated) .....			
2.21 Common stocks of affiliates .....			
3. Mortgage loans .....	(c) .....		
4. Real estate .....	(d) .....		
5. Contract loans .....			
6. Cash, cash equivalents and short-term investments .....	(e) .....	149,633	149,633
7. Derivative instruments .....	(f) .....		
8. Other invested assets .....			
9. Aggregate write-ins for investment income .....			
10. TOTAL Gross investment income .....	783,445		858,364
11. Investment expenses .....	(g) .....	105,693	
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....		
13. Interest expense .....	(h) .....		
14. Depreciation on real estate and other invested assets .....	(i) .....		
15. Aggregate write-ins for deductions from investment income .....			
16. TOTAL Deductions (Lines 11 through 15) .....			105,693
17. Net Investment income (Line 10 minus Line 16) .....			752,671

## DETAILS OF WRITE-INS

0901. ....			
0902. ....			
0903. ....			
0998. Summary of remaining write-ins for Line 9 from overflow page .....			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....			
1501. ....			
1502. ....			
1503. ....			
1598. Summary of remaining write-ins for Line 15 from overflow page .....			
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....			

(a) Includes \$.....23,628 accrual of discount less \$.....359,693 amortization of premium and less \$.....150,210 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....105,693 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	15,370		15,370	14,113	
1.1 Bonds exempt from U.S. tax .....	(15,168)		(15,168)		
1.2 Other bonds (unaffiliated) .....					
1.3 Bonds of affiliates .....					
2.1 Preferred stocks (unaffiliated) .....					
2.11 Preferred stocks of affiliates .....					
2.2 Common stocks (unaffiliated) .....					
2.21 Common stocks of affiliates .....					
3. Mortgage loans .....					
4. Real estate .....					
5. Contract loans .....					
6. Cash, cash equivalents and short-term investments .....					
7. Derivative instruments .....					
8. Other invested assets .....					
9. Aggregate write-ins for capital gains (losses) .....					
10. TOTAL Capital gains (losses) .....	202		202	14,113	

## DETAILS OF WRITE-INS

0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	.....	.....	.....
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.....	.....	.....
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	.....	.....
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.....	.....	.....
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	.....	.....	.....
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.....	.....	.....
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans .....	.....	.....	.....
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	.....	34,809	34,809
19. Guaranty funds receivable or on deposit .....	.....	.....	.....
20. Electronic data processing equipment and software .....	.....	.....	.....
21. Furniture and equipment, including health care delivery assets .....	.....	.....	.....
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	1,581,333	1,282,027	(299,306)
25. Aggregate write-ins for other than invested assets .....	186,970	392,490	205,520
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,768,303	1,709,326	(58,977)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. TOTAL (Lines 26 and 27) .....	1,768,303	1,709,326	(58,977)
<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. Prepaids .....	14,500	14,500	.....
2502. .....	.....	.....	.....
2503. Other AR .....	172,470	377,990	205,520
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	186,970	392,490	205,520

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	221,598	226,338	215,195	233,005	227,592	2,694,709
2. Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3. Preferred Provider Organizations .....	.....	.....	.....	.....	.....	.....
4. Point of Service .....	.....	.....	.....	.....	.....	.....
5. Indemnity Only .....	.....	.....	.....	.....	.....	.....
6. Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7. TOTAL .....	221,598	226,338	215,195	233,005	227,592	2,694,709
<b>DETAILS OF WRITE-INS</b>						
0601. .....	.....	.....	.....	.....	.....	.....
0602. .....	.....	.....	.....	.....	.....	.....
0603. .....	.....	.....	.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Paramount Advantage (Company) are presented on a basis of accounting practices prescribed by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed 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 practices by the State of Ohio.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

	State of Domicile	2015	2014
	Ohio		
<b>NET INCOME</b>			
Paramount Advantage state basis	28,766,978	10,480,743	
State Prescribed Practices that increase/(decrease) NAIC SAP	-	-	
State Permitted Practices that increase/(decrease) NAIC SAP	-	-	
NAIC SAP	28,766,978	10,480,743	
<b>SURPLUS</b>			
Paramount Advantage state basis	127,776,596	100,904,138	
State Prescribed Practices that increase/(decrease) NAIC SAP	-	-	
State Permitted Practices that increase/(decrease) NAIC SAP	-	-	
NAIC SAP	127,776,596	100,904,138	

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

The preparation of financial statements 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

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Expenses incurred in connections with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds are stated at amortized cost.
3. The Company has no common stock investments.
4. The Company has no preferred stock investments.
5. The Company does not invest in mortgage loans.
6. The Company has no investments in loan-backed securities.

## **Notes to Financial Statements**

7. The Company has no investments in subsidiaries.
8. The Company has no investments in joint ventures.
9. The Company does not invest in derivatives.
10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on limited past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company estimates its pharmaceutical rebate receivables based on historical cash payments and prescriptions filled.

### **Significant Providers**

The Company has an agreement with Children's Hospital and Physicians' Healthcare Networks dba Partners for Kids (PFK) and Cincinnati Children's Hospital Medical Center dba Health Network by Cincinnati Children's (HNCC), for PFK and HNCC to provide medical services to Paramount Advantage's members under a full risk arrangement. For Covered Families and Children (CFC) and Aged, Blind and Disabled (ABD) members of a certain age that are located within a designated geographic area around PFK and HNCC, PA pays a capitated per member per month amount to PFK and HNCC to provide medical services, utilization and case management services. Any claims for these members incurred at facilities or providers that are not connected to PFK or HNCC are paid to the billing provider and then deducted from the capitation payment. IBNR related to PFK members is held by PFK on their books. IBNR related to HNCC members is recognized on PA's balance sheet as a liability to HNCC. During 2015 and 2014, total capitated payments under these arrangements made by PA were \$48,664,746 and \$41,904,754, respectively. Amounts due from PFK were \$636,452 and amounts due to HNCC were \$5,067,133 at December 31, 2015.

2. Accounting Changes and Corrections of Errors

**-NOT APPLICABLE**

3. Business Combinations and Goodwill

**-NOT APPLICABLE**

4. Discontinued Operations

**-NOT APPLICABLE**

5. Investments

- A. The company does not have any Mortgage Loan investments.
- B. The company is not a creditor for any Restructured Debt.
- C. The company does not have any reverse mortgages.
- D. The company does not have any loan-backed securities.

## Notes to Financial Statements

- E. The company does not have any re-purchase agreements.
- F. The company does not have any real estate investments.
- G. The company does not have any low-income housing tax credits.
- H. Restricted Assets

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease)	Total Current year admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which the liability is not shown						
b. collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock						
i. FHLB capital stock						
j. On deposit with states	3,401,390	3,412,758	(11,368)	3,401,390	1%	1%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	3,401,390	3,412,758	(11,368)	3,401,390	1%	1%

- I. The company does not have any working capital financing investments.
- J. The company does not have any netting of assets and liabilities relating to derivatives, repurchase and reverse repurchase and securities borrowing and lending.
- K.

# Notes to Financial Statements

Cusip	Actual Cost	Fair Value	Book Value	Mortgage-Referenced Security
59156RBE7	\$ 206,878	\$ 205,209	\$ 206,502	No
59156RBK3	\$ 65,198	\$ 65,382	\$ 65,122	No
913017BZ1	\$ 150,563	\$ 148,587	\$ 150,440	No

6. Joint ventures, Partnerships and Limited Liability Companies

**-NOT APPLICABLE**

7. Investment Income

The Company does not have nonadmitted accrued investment income.

8. Derivative Instruments

**-NOT APPLICABLE**

9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused. Although the realization is not assured, the Company believes it is more likely than not that the deferred tax assets, net of valuation allowances, will be realized. The Company has not recorded a valuation allowance as of December 31, 2015 and 2014.

A. The components of DTAs and DTLs as of December 31 are as follows:

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$	\$	\$	\$ 1,814,847	\$ 34,809	\$ 1,849,656	\$ (1,814,847)	\$ (34,809)	\$ (1,849,656)
(b) Statutory valuation allowance	_____	_____	_____	_____	_____	_____	_____	_____	_____
(c) Adjusted gross deferred tax assets	_____	_____	_____	1,814,847	34,809	1,849,656	(1,814,847)	(34,809)	(1,849,656)
(d) Deferred tax assets nonadmitted	_____	_____	_____	_____	34,809	34,809	_____	(34,809)	(34,809)
(e) Subtotal net admitted deferred tax assets	_____	_____	_____	1,814,847	_____	1,814,847	(1,814,847)	_____	(1,814,847)
(f) Deferred tax liabilities	_____	_____	_____	_____	_____	_____	_____	_____	_____
(g) Net admitted deferred tax asset	\$ -	\$ -	\$ -	\$ 1,814,847	\$ -	\$ 1,814,847	\$ (1,814,847)	\$ -	\$ (1,814,847)

# Notes to Financial Statements

	12/31/2015			12/31/2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSSAP No. 101									
(a) Federal Income Taxes Paid in Prior Years									
Recoverable Through Loss Carrybacks	\$ -		\$ -	\$ 1,814,847		\$ 1,814,847	\$ (1,814,847)	0	\$ (1,814,847)
(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 Lesser of 2(b)1 and 2(b)2 Below)	0		0	0		0	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	0		0	0		0	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		19,166,489			14,863,244			4,303,245	
(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.	0		0	0		0	0	0	0
(d) Deferred Tax Assets Admitted as the Result of application of SSAP No. 101.									
Total	\$ 0	\$ -	0	\$ 1,814,847	\$ -	1,814,847	\$ (1,814,847)	0	(1,814,847)

2015                    2014

(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	419%	422%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 above	127,776,596	99,089,291

<u>2015</u>	<u>2014</u>	<u>Change</u>			
<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>

Impact of tax planning strategies

Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, by Tax Character as a Percentage

(1) Adjusted gross DTAs from 9A1c	0	0	0	0	0	0
(2) % total adjusted gross DTAs	0	0	0	0	0	0
(3) Net admitted adjusted gross DTAs from 9A1e	0	0	0	0	0	0
(4) % of total net admitted adjusted gross DTAs	0	0	0	0	0	0

The Company's tax-planning strategies does not include the use of reinsurance.

**B.** -There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2015 and 2014.

**C.** -Current income taxes incurred consisted of the following major components:

# Notes to Financial Statements

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>Change</u>
1. Current Income Tax			
(a) Federal	\$ 44,349,299	\$ 6,865,248	\$ 37,484,051
(b) Federal income tax on capital gains	4,670	14,940	(10,270)
(c) Other	279,247	349	278,898
(d) Federal income taxes incurred	<u>\$ 44,633,216</u>	<u>\$ 6,880,537</u>	<u>\$ 37,752,679</u>
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting on claims payable	328,370	(328,370)	
(2) Other	1,486,477	(1,486,477)	
Subtotal	<u>-</u>	<u>1,814,847</u>	<u>(1,814,847)</u>
(b) Statutory valuation allowance adjustment	<u>-</u>	<u>-</u>	<u>-</u>
(c) Nonadmitted	<u>-</u>	<u>-</u>	<u>-</u>
(d) Admitted ordinary deferred tax assets	<u>-</u>	<u>1,814,847</u>	<u>(1,814,847)</u>
(e) Capital			
(1) Impairment of securities	-	-	-
(2) Other	34,809	(34,809)	
Subtotal	<u>-</u>	<u>34,809</u>	<u>(34,809)</u>
(f) Statutory valuation allowance adjustment	<u>-</u>	<u>-</u>	<u>-</u>
(g) Nonadmitted	<u>-</u>	<u>34,809</u>	<u>(34,809)</u>
(h) Admitted capital deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>
(i) Admitted deferred tax assets	<u>-</u>	<u>1,814,847</u>	<u>(1,814,847)</u>
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Discounted salvage & sub	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(b) Capital			
(1) Unrealized gain	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(c) Deferred tax liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
4. Net deferred tax assets/liabilities	<u>\$ -</u>	<u>\$ 1,814,847</u>	<u>\$ (1,814,847)</u>

#### D.-Analysis of Actual Income Tax Expense

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>
Provision computed at statutory rate	\$ 25,690,068	35 %	\$ 6,076,448	35 %
IRC 337(d) Deemed Asset Sale	\$ 24,516,372	34		
Adjustment tax exempt status 10/1/15	\$ (5,602,005)	(8)		
Change in non-admitted assets	\$ 578,136	1	\$ (575,369)	(3)
Write off deferred tax assets	\$ 1,052,711	1		
Non-deductible penalties	\$ 211,555			
Other	<u>1,227</u>		<u>455</u>	
Total	<u>\$ 46,448,064</u>	<u>63 %</u>	<u>\$ 5,501,534</u>	<u>32 %</u>
Federal income taxes incurred	\$ 44,349,299	60 %	\$ 6,865,248	40 %
Change in net deferred income taxes	1,814,847	3	(1,379,001)	(8)
Other	<u>283,918</u>		<u>15,287</u>	
Total statutory income taxes	<u>\$ 46,448,064</u>	<u>63 %</u>	<u>\$ 5,501,534</u>	<u>32 %</u>

## Notes to Financial Statements

**E.**-At December 31, 2015 and 2014, the Company had no operating loss carryforwards to utilize in future years. The Company did not have any deposits admitted under IRC 6603. The following is income tax incurred for 2013, 2014 and 2015 that is available for recoupment in the event of future net losses:

<b>Year</b>	<b>Ordinary</b>	<b>Capital</b>	<b>Total</b>
2013	\$ -	- \$ -	
2014	7,144,495	14,940	\$ 7,159,435
2015	44,349,299	4,670	\$ 44,353,969

**F.**-The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO), Health Management Solutions, Inc. (HMS), Paramount Advantage (PA) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

In 2015, the Company applied for not-for-profit 501(c)(3) status. The change in tax status results in the Company no longer being subject to federal income tax. The effective date of this status change was October, 1 2015. As a result, federal income taxes disclosed on the statement of revenue and expenses for the year ended 2015 contains only 9 months of federal income tax for that entity. In addition to the reduced number of months expensed, the Company will pay a one-time "toll tax" to settle its final federal income tax payment. The total toll tax is \$24,500,000 and is reflected within federal income taxes on the 2015 statement of revenue and expenses.

### **G**-Accounting for tax contingencies

For the years ended December 31, 2015 and 2014, the Company did not have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*. This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date.

The Company is primarily subject to U.S. federal and various U.S. state and local tax authorities. Tax years subsequent to 2011 remain open to examination by the Internal Revenue Service, and 2010 remains open to other state and local tax authorities. As of December 31, 2015, there are no U.S. federal or state returns under examination.

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

The Company is ultimately controlled by ProMedica Health System, Inc. ("ProMedica"), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Company's affiliates include PCI, PCM, PPO, PICO, PBA and PECM. The Company also has many area hospitals as affiliates such as Toledo Hospital, Toledo Children's Hospital, Flower Hospital, Bay Park Hospital, Emma L. Bixby Hospital, Defiance Hospital, Fostoria Hospital, Herrick Memorial Hospital and St. Luke's Hospital. ProMedica Physician Group, a group of physicians owned by ProMedica, is also an affiliate of the Company.

## Notes to Financial Statements

The Company shares employees, services and assets pursuant to a Management Services Sharing Agreement with PCI. The shared services include member services, sales, accounting, information systems, medical direction and management, claims processing, provider relations and community relations. The cost of shared services is allocated between the Company and PCI based upon the percentage of subscribers at the end of each calendar month. For the years ended December 31, 2015 and 2014, the Company was allocated general administrative expenses of \$28,114,192 and \$23,040,919 respectively.

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$15,101,086 and \$11,625,589 of overhead expense in 2015 and 2014, respectively. The amount is to compensate ProMedica for the services provided to the Company for corporate staff primarily in management, legal services, information services and investment management.

Balances outstanding with affiliated entities at December 31, 2015 and 2014:

	2015		2014	
	Due From	Due to	Due From	Due to
Paramount Care Inc.		\$ 6,455,402	\$ 886,167	
Paramount Health Solutions		2,644		
Paramount Care of Michigan	245,037		8,193	
ProMedica Health System		4,314		7,627
Paramount Insurance Co.	5,205,163		583,170	
	\$ 5,450,200	\$ 6,462,360	\$ 1,477,530	\$ 7,627

Claims paid to affiliated entities during fiscal year 2015 and 2014:

	2015		2014	
	Paid	Paid	Paid	Paid
Bay Park Community Hospital	\$ 5,317,040		\$ 4,609,234	
ProMedica North Region		29,942		31,663
Defiance Hospital		3,189,472		2,553,010
Flower Hospital		9,655,189		7,228,511
Fostoria Hospital		1,857,043		1,602,728
Lima Memorial Hospital		3,498,161		2,989,410
Memorial Hospital		1,215,942		1,154,851
Mercy Memorial Hospital		36,313		
ProMedica Physicians Group		13,618,649		12,878,418
ProMedica Continuing Care Services		2,900,666		1,690,481
St. Lukes Hospital		6,278,080		4,771,256
The Toledo Hospital		61,332,198		46,575,735
	\$ 108,928,695		\$ 86,085,297	

The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO), Health Management Solutions, Inc. (HMS), Paramount Advantage (PA) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. In 2015, the Company applied for not-for-profit 501(c)(3) status. The change in tax status results in the Company no longer being subject to federal income tax. The effective date of this status change was October, 1 2015. Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a

## Notes to Financial Statements

written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

Tax payable/receivable amounts to affiliated entities as of 2015 and 2014:

	<b>2015</b>	<b>2014</b>
Paramount Health Care	\$ 685,108	\$ 972,387
Paramount Care of Michigan	(192,918)	297,339
Paramount Benefits Agency	664	(7,884)
Paramount Preferred Options	(32,834)	68,670
Paramount Advantage	851,838	(4,866,223)
Paramount Insurance Company	(1,444,196)	(4,460,163)
Health Management Solutions	108,750	(647,386)
Paramount Preferred Solutions	87,030	
ProMedica Insurance Corporation	(63,442)	8,643,260

11. Debt

**-NOT APPLICABLE**

12. Retirement Plans, Deferred Compensation, Postemployment Benefits

**-NOT APPLICABLE**

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

- A. The Company is organized as a charitable trust in the State of Ohio and therefore, the Company does not issue any stock.
- B. The Company has no preferred stock.
- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, to an amount less than 10% of admitted capital (including all dividends within the prior 12 month period). Additionally, the Company must obtain prior approval for dividends not paid from earned surplus.
- D. Within the limitations of [C] above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- E. There were no restrictions placed on the Company's surplus.
- F. The Company did not receive any capital contributions during 2015. The Company received a \$27,000,000 capital contribution from ProMedica Health System during 2014.
- G. There is no stock being held by the Company.
- H. The Company has no special surplus funds.
- I. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is: \$14,113.
- J. The Company has no surplus debentures or other outstanding obligations.
- K. The Company was not involved in a quasi-reorganization during the year.

## Notes to Financial Statements

### 14. Contingencies

As of the date of this filing, Management is not aware of any contingent commitments, assessments or other contingencies that would materially impact the company.

### 15. Leases

The Company has entered into lease agreements for office space and office equipment. Rental expense charged to operations amounted to \$100,357 and 94,417 in 2015 and 2014, respectively.

At January 1, 2016, the minimum aggregate rental commitments are as follows:

December 31	Operating Leases
2016	75,107
2017	80,151
2018	83,561
2019	21,104
2020	-
Thereafter	-

The Company is not party to any capital or leveraged lease agreements, nor is it a lessor.

### 16. Off-Balance Sheet Risk

**-NOT APPLICABLE**

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

**-NOT APPLICABLE**

### 18. Gain or loss to the Reporting Entity from Uninsured A&H Plans and the uninsured Portion of partially Insured Plans

**-NOT APPLICABLE**

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

**-NOT APPLICABLE**

### 20. Fair Value Measurement

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 71,152,363	\$ 71,450,186				71,152,363
Short Term Investments	\$ 635,702	\$ 635,702		\$ 635,702		

### 21. Other Items

## Notes to Financial Statements

The Company has no extraordinary items, troubled debt restructuring or other unusual disclosures to make.

22. Subsequent Events

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1

1. None of the reinsurers listed in Schedule S as non-affiliated, are owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee or director of the company.
2. None of the policies issued by the company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2

1. The company does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit.
2. The company does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3

1. The aggregate reduction in surplus for termination of all reinsurance agreements, by either party, as of the date of this statement is \$0.
2. No new agreements have been executed or existing agreements amended since January 1, 2015 to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement.

B. The Company does not have any uncollectible reinsurance recorded on its books.

C. The company had no commutation of reinsurance.

24. Retrospectively Rated Contracts

**-NOT APPLICABLE**

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2014 were \$106,227,345. As of December 31, 2015, \$78,903,624 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now (\$477,803) as a result of re-estimation of unpaid claims and claim adjustment expenses on Medicaid lines of insurance. Therefore, there has been a \$27,801,524 favorable prior-year development since December 31, 2014 to December 31, 2015. The decrease is generally a result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

## Notes to Financial Statements

26. Intercompany Pooling Arrangements

**-NOT APPLICABLE**

27. Structured Settlements

**-NOT APPLICABLE**

28. Health Care Receivables

The Company estimates its pharmaceutical rebate receivables based on historical cash payments.

Quarter	Estimated Rebates	Pharmacy Rebates as Billed	Actual Rebates		
			Received within 90 days	Received within 91-180 days	Received after billing
			of billing	of billing	of billing
12/31/2015	2,961,464	2,961,464	-	-	-
9/30/2015	1,328,020	1,328,020	-	-	-
6/30/2015	1,663,713	1,266,043	-	1,266,043	-
3/31/2015	3,160,675	2,456,878	-	1,293,015	1,163,863
12/31/2014	2,768,579	2,219,644	-	-	2,219,644
9/30/2014	-	-	-	-	-
6/30/2014	474,183	1,284,196	-	-	1,284,196
3/31/2014	922,542	1,092,333	-	-	1,092,333
12/31/2013	753,233	1,096,048	-	-	1,096,048
9/30/2013	399,918	840,621	-	-	840,621
6/30/2013	259,291	628,331	-	-	628,331
3/31/2013	489,662	403,849	-	95,874	307,975

29. Participating Policies

**-NOT APPLICABLE**

30. Premium Deficiency Reserves

Liability carried for premium deficiency reserve :	\$0
Date of most recent evaluation of this liability:	1/20/2016
Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated Salvage and Subrogation

**-NOT APPLICABLE**

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[ ]

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

1.3 State Regulating? .....

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015.....

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010.....

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/07/2011.....

3.4 By what department or departments?  
Ohio Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

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

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

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

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. .....

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]

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

1 Nationality	2 Type of Entity
.....	.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company. .....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator. .....

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	.....	..... Yes[ ] No[X] .. ..... Yes[ ] No[X] ..	..... Yes[ ] No[X] .. ..... Yes[ ] No[X] ..	..... Yes[ ] No[X] .. ..... Yes[ ] No[X] ..	..... Yes[ ] No[X] .. ..... Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP, 600 Renaissance Center, Suite 900, Detroit, MI 48243-1895

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]

10.2 If response to 10.1 is "yes," provide information related to this exemption: .....

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[X] No[ ]

10.4 If response to 10.3 is "yes," provide information related to this exemption:  
Requirements waived as the Company just met the premium threshold as of 12/31/14. Company has two years to comply with requirements. .....

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]

10.6 If the response to 10.5 is "NO" or "N/A" please explain: .....

## GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Timothy Gustafson FSA, MAAA, Deloitte & Touche LLP, 180 N. Stetson Avenue, Chicago, IL 60601

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X] 0  
 12.11 Name of real estate holding company \$ 0  
 12.12 Number of parcels involved 0  
 12.13 Total book/adjusted carrying value 0  
 12.2 If yes, provide explanation

## 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? Yes[ ] No[ ] N/A[X]  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

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

14.11 If the response to 14.1 is no, please explain: Yes[ ] No[X]  
 14.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s). Yes[ ] No[X]  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). Yes[ ] No[X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes[ ] No[X]  
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered. Yes[ ] No[X]

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

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[ ] No[X]  
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]  
 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]  
 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ 0  
 20.12 To stockholders not officers \$ 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0  
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$ 0  
 20.22 To stockholders not officers \$ 0  
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0  
 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]  
 21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$ 0  
 21.22 Borrowed from others \$ 0  
 21.23 Leased from others \$ 0  
 21.24 Other \$ 0  
 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]  
 22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment \$ 0  
 22.22 Amount paid as expenses \$ 0  
 22.23 Other amounts paid \$ 0  
 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]  
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]  
 24.02 If no, give full and complete information, relating thereto  
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. Yes[ ] No[ ] N/A[X]  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0

## GENERAL INTERROGATORIES (Continued)

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?  Yes [ ]  No [ ]  N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?  Yes [ ]  No [ ]  N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?  Yes [ ]  No [ ]  N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:  
 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.  \$ ..... 0  
 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.  \$ ..... 0  
 24.103 Total payable for securities lending reported on the liability page.  \$ ..... 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).  Yes [X]  No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:  
 25.21 Subject to repurchase agreements  \$ ..... 0  
 25.22 Subject to reverse repurchase agreements  \$ ..... 0  
 25.23 Subject to dollar repurchase agreements  \$ ..... 0  
 25.24 Subject to reverse dollar repurchase agreements  \$ ..... 0  
 25.25 Placed under option agreements  \$ ..... 0  
 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock  \$ ..... 0  
 25.27 FHLB Capital Stock  \$ ..... 0  
 25.28 On deposit with states  \$ ..... 0  
 25.29 On deposit with other regulatory bodies  \$ ..... 3,401,390  
 25.30 Pledged as collateral - excluding collateral pledged to an FHLB  \$ ..... 0  
 25.31 Pledged as collateral to FHLB - including assets backing funding agreements  \$ ..... 0  
 25.32 Other  \$ ..... 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?  Yes [ ]  No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  Yes [ ]  No [ ]  N/A [X]  
 If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?  Yes [ ]  No [X]

27.2 If yes, state the amount thereof at December 31 of the current year.  \$ ..... 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon .....	Three Mellon Center, Suite 153-3925, Pittsburgh, PA .....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?  Yes [ ]  No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?  Yes [ ]  No [X]

29.2 If yes, complete the following schedule:

## GENERAL INTERROGATORIES (Continued)

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	72,085,888	71,788,065	(297,823)
30.2 Preferred stocks .....			
30.3 Totals .....	72,085,888	71,788,065	(297,823)

30.4 Describe the sources or methods utilized in determining the fair values

New York Stock Exchange, American Stock Exchange, NASDAQ, NAIC

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

Yes[X] No[ ]

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

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

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

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

Yes[X] No[ ]

32.2 If no, list exceptions:

### OTHER

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

\$ ..... 0

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

1 Name	2 Amount Paid
.....	.....

34.1 Amount of payments for legal expenses, if any?

\$ ..... 374,546

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

1 Name	2 Amount Paid
.....	.....

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

\$ ..... 0

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

1 Name	2 Amount Paid
.....	.....

## GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ] No [X]	0
1.2 If yes, indicate premium earned on U.S. business only:	\$ .....	0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ .....	0
1.31 Reason for excluding:	\$ .....	0
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$ .....	0
1.5 Indicate total incurred claims on all Medicare Supplement insurance.	\$ .....	0
1.6 Individual policies - Most current three years:		
1.61 TOTAL Premium earned	\$ .....	0
1.62 TOTAL Incurred claims	\$ .....	0
1.63 Number of covered lives	\$ .....	0
All years prior to most current three years:		
1.64 TOTAL Premium earned	\$ .....	0
1.65 TOTAL Incurred claims	\$ .....	0
1.66 Number of covered lives	\$ .....	0
1.7 Group policies - Most current three years:		
1.71 TOTAL Premium earned	\$ .....	0
1.72 TOTAL Incurred claims	\$ .....	0
1.73 Number of covered lives	\$ .....	0
All years prior to most current three years:		
1.74 TOTAL Premium earned	\$ .....	0
1.75 TOTAL Incurred claims	\$ .....	0
1.76 Number of covered lives	\$ .....	0

## 2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	1,001,072,354	725,282,736
2.2 Premium Denominator	1,001,072,354	725,282,736
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	96,605,983	105,646,631
2.5 Reserve Denominator	96,605,983	104,622,346
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.010

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

Yes [ ] No [X]

3.2 If yes, give particulars:

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

Yes [X] No [ ]

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

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$ .....	375,000
5.32 Medical Only	\$ .....	0
5.33 Medicare Supplement	\$ .....	0
5.34 Dental & Vision	\$ .....	0
5.35 Other Limited Benefit Plan	\$ .....	0
5.36 Other	\$ .....	0

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

The plan has hold harmless provision with network hospitals. Paramount's reinsurance contract provides for payment of certain benefits for 30 days following the event of solvency.

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

Yes [X] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	.....	18,995
8.2 Number of providers at end of reporting year	.....	21,761

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

Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	.....	0
9.22 Business with rate guarantees over 36 months	.....	0

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

Yes [ ] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses	\$ .....	0
10.22 Amount actually paid for year bonuses	\$ .....	0
10.23 Maximum amount payable withhold	\$ .....	0
10.24 Amount actually paid for year withhold	\$ .....	0

11.1 Is the reporting entity organized as:

Yes [ ] No [X]

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or,

11.14 A Mixed Model (combination of above)?

Yes [ ] No [X]

Yes [X] No [ ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Ohio

11.4 If yes, show the amount required.

\$ ..... 1,500,000

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

Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
All counties in Ohio.

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

Yes [ ] No [X]

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

\$ ..... 0

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

Yes [ ] No [X]

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

\$ ..... 0

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

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

15.1 Direct Premium Written  
15.2 Total incurred claims  
15.2 Number of covered lives

\$ ..... 0  
\$ ..... 0  
\$ ..... 0

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

## FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	268,142,204	256,008,180	130,176,603	95,103,814	84,107,990
2. TOTAL Liabilities (Page 3, Line 24) .....	140,365,608	155,104,042	66,454,656	37,102,577	35,690,163
3. Statutory minimum capital and surplus requirement .....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	127,776,596	100,904,138	63,721,947	58,001,237	48,417,827
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	1,004,155,465	727,074,168	389,985,080	294,763,133	240,781,087
6. TOTAL Medical and Hospital Expenses (Line 18) .....	791,337,139	604,330,806	315,501,769	236,257,744	195,753,495
7. Claims adjustment expenses (Line 20) .....	13,563,749	8,308,070	5,537,484	3,233,792	2,234,046
8. TOTAL Administrative Expenses (Line 21) .....	126,607,409	97,529,443	60,320,058	40,497,880	33,107,580
9. Net underwriting gain (loss) (Line 24) .....	72,647,168	16,905,849	8,625,769	14,773,717	9,685,966
10. Net investment gain (loss) (Line 27) .....	748,203	431,622	255,361	11,703	66,507
11. TOTAL Other Income (Lines 28 plus 29) .....	153	8,869	(17,985)		
12. Net income or (loss) (Line 32) .....	28,766,978	10,480,743	5,459,399	9,635,305	6,321,634
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	35,872,980	73,656,607	23,680,537	13,721,577	10,697,406
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	127,776,596	100,904,138	63,721,947	58,001,237	48,417,827
15. Authorized control level risk-based capital .....	30,507,023	23,467,516	13,095,122	10,419,449	8,565,181
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	227,592	221,598	141,165	94,925	94,188
17. TOTAL Members Months (Column 6, Line 7) .....	2,694,709	2,187,212	1,408,889	1,174,803	1,114,225
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	79.0	83.3	81.3	80.2	81.3
20. Cost containment expenses .....	1.2	0.9	1.1	0.8	0.7
21. Other claims adjustment expenses .....	0.2	0.2	0.3	0.3	0.3
22. TOTAL Underwriting Deductions (Line 23) .....	93.1	97.9	98.3	95.0	96.0
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	7.3	2.3	2.2	5.0	4.0
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	76,539,738	38,554,907	23,953,481	20,508,158	17,527,089
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	101,853,767	45,316,634	25,388,814	26,042,481	20,924,098
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain::

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

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL) .....	N .....								
2. Alaska (AK) .....	N .....								
3. Arizona (AZ) .....	N .....								
4. Arkansas (AR) .....	N .....								
5. California (CA) .....	N .....								
6. Colorado (CO) .....	N .....								
7. Connecticut (CT) .....	N .....								
8. Delaware (DE) .....	N .....								
9. District of Columbia (DC) .....	N .....								
10. Florida (FL) .....	N .....								
11. Georgia (GA) .....	N .....								
12. Hawaii (HI) .....	N .....								
13. Idaho (ID) .....	N .....								
14. Illinois (IL) .....	N .....								
15. Indiana (IN) .....	N .....								
16. Iowa (IA) .....	N .....								
17. Kansas (KS) .....	N .....								
18. Kentucky (KY) .....	N .....								
19. Louisiana (LA) .....	N .....								
20. Maine (ME) .....	N .....								
21. Maryland (MD) .....	N .....								
22. Massachusetts (MA) .....	N .....								
23. Michigan (MI) .....	N .....								
24. Minnesota (MN) .....	N .....								
25. Mississippi (MS) .....	N .....								
26. Missouri (MO) .....	N .....								
27. Montana (MT) .....	N .....								
28. Nebraska (NE) .....	N .....								
29. Nevada (NV) .....	N .....								
30. New Hampshire (NH) .....	N .....								
31. New Jersey (NJ) .....	N .....								
32. New Mexico (NM) .....	N .....								
33. New York (NY) .....	N .....								
34. North Carolina (NC) .....	N .....								
35. North Dakota (ND) .....	N .....								
36. Ohio (OH) .....	L .....			1,004,602,145				1,004,602,145	
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) .....	XXX .....								
59. Subtotal .....	XXX .....			1,004,602,145				1,004,602,145	
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. TOTAL (Direct Business) .....	(a) 1 .....			1,004,602,145				1,004,602,145	

**DETAILS OF WRITE-INS**

58001 .....	XXX .....								
58002 .....	XXX .....								
58003 .....	XXX .....								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX .....								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) .....	XXX .....								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

Explanation of basis of allocation of premiums by states, etc.: All premiums are allocated to Ohio based on residency as all members must reside in Ohio to be eligible for Medicaid.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

#### ORGANIZATION CHART

Paramount Advantage is ultimately controlled by ProMedica Health System, Inc., (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The following coding system is used to show the interrelationships among the various members of the insurance holding company system:

- A circle means that ProMedica is the sole member/parent of the entity.
- ◆ Each entity marked with a diamond is a subsidiary of the entity listed directly above and denoted with a circle.
- Each entity marked with a square is a subsidiary of the entity listed directly above and marked with a diamond.
- Each entity marked with an arrow is a member of the insurance holding company system.

The following list depicts the identities and interrelationships of affiliated persons within the insurance holding company system:

- ProMedica Foundation, an Ohio nonprofit corporation, of which Bay Park Community Hospital Foundation, Toledo Hospital Foundation, Toledo Children’s Hospital Foundation, Flower Foundation, Defiance Foundation, Fostoria Community Hospital Foundation, ProMedica Physicians & Continuum Services Foundation f/k/a ProMedica Continuing Care Services Corporation, Bixby Hospital Foundation, Herrick Hospital Foundation, and Memorial Hospital Foundation are divisions.
  - ◆ Mission Pointe Golf Course, LLC, a Michigan limited liability company, with ProMedica Foundation d/b/a Herrick Hospital Foundation as its sole member.
- ProMedica Health Network, Inc., an Ohio for profit corporation, with ProMedica Health System, Inc. as the sole shareholder.
- Fostoria Hospital Association, an Ohio nonprofit corporation.
  - ◆ NWO Health Partners, LLC, an Ohio limited liability company in which Fostoria Hospital Association holds 50% ownership interest with Northwest Ohio Orthopedic and Sports Medicine, Inc., holding the remaining 50% interest.
- ProMedica Physicians and Continuum Services f/k/a ProMedica Physician Corporation f/k/a ProMedica Physicians Enterprises, an Ohio nonprofit corporation.
  - ◆ ProMedica Continuing Care Services Corporation f/k/a Crestview of Ohio, Inc., an Ohio nonprofit corporation.
  - ◆ Toledo District Nurse Association, an Ohio nonprofit corporation.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ Visiting Nurse Hospice and Health Care, an Ohio nonprofit corporation.
- ◆ ProMedica Retail Group, Inc., f/k/a The Flower Market, Inc., an Ohio for-profit corporation.
- ◆ ProMedica Courier Services, Inc., an Ohio nonprofit corporation.
- ◆ Erie West Hospice and Palliative Care, Ltd., an Ohio limited liability company.
- ◆ HCRMC- ProMedica JV, LLC, dba Heartland at ProMedica Flower Hospital, a Delaware limited liability company in which ProMedica Physicians & Continuum Services holds 10% ownership interest and ManorCare Health Services of Toledo OH, LLC holding the remaining 90% interest.
- ◆ Lifestream, LLC, an Ohio limited liability company which ProMedica Physicians & Continuum Services holds 50% ownership interest and Harbor holding the remaining 50% interest.
- ◆ The Surgical Institute of Monroe Ambulatory Surgery Center, LLC, a Michigan limited liability company which ProMedica Physicians & Continuum Services holds 51% ownership interest and various physicians holding the remaining 49% interest.
- ◆ ProMedica Physician Group, Inc., an Ohio professional association, which is beneficially owned by ProMedica Physicians & Continuum Services f/k/a ProMedica Physician Corporation pursuant to the terms of a Share Control Agreement, dated as of June 2, 1999, by and among ProMedica Physician Corporation, Lee Hammerling, M.D., and ProMedica Physician Group, Inc. Dr. Hammerling holds legal ownership of all outstanding shares of capital stock of ProMedica Physician Group, Inc.
  - The Pharmacy Counter, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ProMedica Central Corporation of Michigan, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - ProMedica Central Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ProMedica North Physicians Corporation, a Michigan nonprofit stock corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - Midwest Cardiovascular Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ProMedica Northwest Ohio Cardiology Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Monroe Cardiology, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Physician Management Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Surgical Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- WellCare Physicians Group, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Monroe Physicians, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Multi Specialty Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Genito-Urinary Surgeons, LLC, an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.
- ProMedica Hospitalists, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ProMedica Hospitalists, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- Memorial Professional Services, Ltd., and Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- Memorial Anesthesia, Ltd., an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.
- ProMedica Indemnity Corporation, a Vermont nonprofit corporation.
- ProMedica Insurance Corporation f/k/a ProMedica Health Ventures Corporation f/k/a Vanguard Health Ventures, Inc., an Ohio nonprofit corporation.
  - ◆ Paramount Preferred Options, Inc., an Ohio for-profit corporation, which is wholly-owned by ProMedica Insurance Corporation.
  - Health Management Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- Paramount Preferred Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options
- ◆ NAIC 95189-Paramount Care, Inc., an Ohio nonprofit health-insuring corporation and a wholly-owned subsidiary of ProMedica Insurance Corporation.
- ◆ Paramount Benefits Agency, Inc., an Ohio for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
- ◆ NAIC 95566-Paramount Care of Michigan, Inc., a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Insurance Corporation.
- ◆ NAIC 11518-Paramount Insurance Company f/k/a ProMedica Life Insurance Company, a for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
- ◆ NAIC 12353-Paramount Advantage, an Ohio nonprofit corporation wholly owned subsidiary of ProMedica Insurance Corporation.
- Bay Park Community Hospital, an Ohio nonprofit corporation.
- Defiance Hospital, Inc., an Ohio nonprofit corporation.
  - ◆ Kaitlyn's Cottage, Inc., an Ohio nonprofit corporation with Defiance Hospital, Inc., as its sole member.
- Emma L. Bixby Medical Center, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Health System, Inc.
  - ◆ Bixby Medical Office Limited Partnership, a Michigan limited partnership in which Emma L. Bixby Medical Center holds 64.44% ownership interest with various physicians having the remaining 35.56% interest.
  - ◆ Lenawee Long Term Care Corporation, a Michigan nonprofit corporation and a wholly owned subsidiary of Emma L. Bixby Medical Center.
  - ◆ Herrick Memorial Development Corporation, a Michigan for-profit corporation and a wholly owned subsidiary of Emma L. Bixby Medical Center.
  - Herrick Memorial Office Plaza Condominium Association, a Michigan nonprofit corporation in which Herrick Memorial Development Corporation holds 71.8% ownership interest with various physicians having the remaining 28.2% interest.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ Lenawee Physician Hospital Organization LLC, a Michigan limited liability company in which Emma L. Bixby Medical Center holds 50% ownership interest with Raisin River Physicians, PLC, holding the remaining 50% interest.
- Herrick Memorial Hospital, Inc., a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Health System, Inc.
- The Toledo Hospital, an Ohio nonprofit corporation, of which Toledo Children's Hospital f/k/a ProMedica Children's Medical Center of Northwest Ohio and ProMedica Wildwood Orthopaedic and Spine Hospital are divisions.
  - ◆ Reynolds Road Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital holds 62.66% ownership interest, with various physicians holding a remaining 37.34% interest.
  - ◆ Northwest Ohio Dedicated Breast MRI, LLC, an Ohio limited liability company in which The Toledo Hospital holds 50% ownership interest with TRA Investment Club, LLC, holding the remaining 50% interest.
  - ◆ Arrowhead Behavioral Health, LLC, a Delaware limited liability company in which The Toledo Hospital holds 30% ownership interest and Toledo Holding Company, LLC, holding a remaining 70% interest.
  - ◆ West Central Surgical Center, LLC, an Ohio limited liability company of which The Toledo Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.
- Flower Hospital, an Ohio nonprofit corporation.
- PHS Ventures, Inc., f/k/a BVPH Ventures, Inc., an Ohio nonprofit corporation in which ProMedica Health System, Inc., an Ohio nonprofit corporation, holds a 100% ownership interest.
- St. Luke's Hospital, an Ohio nonprofit corporation.
  - ◆ OhioCare Ambulatory Surgery Center, LLC, an Ohio limited liability company of which St. Luke's Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.
  - ◆ St. Luke's Physician Hospital Organization, Inc., an Ohio for-profit corporation of which St. Luke's Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.

## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**

### **MEMBERS OF A HOLDING COMPANY GROUP**

#### **PART 1 - ORGANIZATIONAL CHART**

- Care Enterprises, Inc., an Ohio nonprofit corporation.
  - ◆ Waterville Medical Center, LLC, an Ohio limited liability company of which Care Enterprises, Inc., holds 70% ownership interest and SB Medical Building Venture, Ltd., holds the remaining 30% interest.
- Care Holdings, Inc., an Ohio for-profit corporation.
- Physicians Advantage Management Services Organization, Inc., an Ohio for-profit corporation.
- St. Luke's Hospital Foundation, an Ohio nonprofit corporation.
  - ◆ Cobra Ventures, LLC, an Ohio limited liability company.
- Memorial Hospital, an Ohio nonprofit corporation.
  - ◆ Fremont Hospital/Physician Organization d/b/a Cooperative Care, an Ohio for-profit corporation of which Memorial Hospital holds 50% ownership interest and various other physicians hold the remaining 50% interest.
    - Sandusky County Medical Specialists, LLC, an Ohio limited liability company of which Fremont Hospital/Physician Organizations holds 100% ownership interest.
    - ◆ East-West Holding, Ltd., an Ohio limited liability company of which Memorial Hospital holds 50% ownership interest with The Bellevue Hospital, an Ohio nonprofit corporation holding the remaining 50% interest.
- Monroe Regional Hospital, a Michigan nonprofit corporation d/b/a Mercy Memorial Hospital Corporation.
  - ◆ Monroe Community Health Services, a Michigan nonprofit corporation.
  - ◆ Monroe Health Ventures, Inc., a Michigan for-profit corporation.
  - ◆ M Trust Assurance Company, Ltd., a Cayman Islands corporation.
  - ◆ Mercy Memorial Surgical Co-Management Company, LLC, a Michigan limited liability company of which Monroe Regional Hospital holds a 50% ownership interest and various other physicians hold the remaining 50% interest.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ Caymich Insurance Company, Ltd., a Cayman Islands corporation of which Monroe Regional Hospital holds 1.89% ownership interest with various other entities holding the remaining interest.

#### Other Affiliated Entities

- Lima Memorial Joint Operating Company, an Ohio nonprofit corporation, in which Lima Memorial Hospital, an Ohio nonprofit corporation and PHS Ventures, Inc., each hold 50% ownership interest.
- ProMedica Orthopedic Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 40% ownership interest with various physicians holding the remaining 60% interest.
- ProMedica Cardiovascular Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 38.4% ownership interest with various physicians holding the remaining 61.6% interest.
- Interactive Physical Therapy, an Ohio limited liability company in which ProMedica Health System, Inc., holds 50% ownership interest and various individuals holding the remaining 50% interest.
- ProMedica Surgical Services Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital, Bay Park Community Hospital, and Flower Hospital share 50% ownership interest with various physicians holding the remaining 50% interest.
- Monroe Community Ambulance, a Michigan nonprofit corporation in which ProMedica Continuing Care Services Corporation holds 25% ownership interest, Monroe Regional Hospital holds 25% interest, and various other corporations hold the remaining 50% interest.
- Monroe Cancer Center, a Michigan nonprofit corporation in which Emma L. Bixby Medical Center holds 33.33% ownership interest and Monroe Regional Hospital holds 66.66% interest.

# INDEX TO HEALTH ANNUAL STATEMENT

Analysis of Operations By Lines of Business .....	7
Assets .....	2
Cash Flow .....	6
Exhibit 1 - Enrollment By Product Type for Health Business Only .....	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid .....	18
Exhibit 3 - Health Care Receivables .....	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued .....	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus .....	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates .....	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates .....	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers .....	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries .....	24
Exhibit 8 - Furniture, Equipment and Supplies Owned .....	25
Exhibit of Capital Gains (Losses) .....	15
Exhibit of Net Investment Income .....	15
Exhibit of Nonadmitted Assets .....	16
Exhibit of Premiums, Enrollment and Utilization (State Page) .....	30
Five-Year Historical Data .....	29
General Interrogatories .....	27
Jurat Page .....	1
Liabilities, Capital and Surplus .....	3
Notes To Financial Statements .....	26
Overflow Page For Write-ins .....	44
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10
Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23

# INDEX TO HEALTH ANNUAL STATEMENT

Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E24
Schedule DL - Part 2 .....	E25
Schedule E - Part 1 - Cash .....	E26
Schedule E - Part 2 - Cash Equivalents .....	E27
Schedule E - Part 3 - Special Deposits .....	E28
Schedule E - Verification Between Years .....	SI15
Schedule S - Part 1 - Section 2 .....	31
Schedule S - Part 2 .....	32
Schedule S - Part 3 - Section 2 .....	33
Schedule S - Part 4 .....	34
Schedule S - Part 5 .....	35
Schedule S - Part 6 .....	36
Schedule S - Part 7 .....	37
Schedule T - Part 2 - Interstate Compact .....	39
Schedule T - Premiums and Other Considerations .....	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	42
Statement of Revenue and Expenses .....	4
Summary Investment Schedule .....	SI01
Supplemental Exhibits and Schedules Interrogatories .....	43
Underwriting and Investment Exhibit - Part 1 .....	8
Underwriting and Investment Exhibit - Part 2 .....	9
Underwriting and Investment Exhibit - Part 2A .....	10
Underwriting and Investment Exhibit - Part 2B .....	11
Underwriting and Investment Exhibit - Part 2C .....	12
Underwriting and Investment Exhibit - Part 2D .....	13
Underwriting and Investment Exhibit - Part 3 .....	14