



**ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE**

HealthSpan Inc

NAIC Group Code	00000 (Current Period)	NAIC Company Code	15284	Employer's ID Number	31-1431434	
Organized under the Laws of		Ohio		State of Domicile or Port of Entry		Ohio
Country of Domicile		United States				
Licensed as business type:		Life, Accident & Health [<input type="checkbox"/>]	Property/Casualty [<input type="checkbox"/>]	Hospital, Medical & Dental Service or Indemnity [<input type="checkbox"/>]		
		Dental Service Corporation [<input type="checkbox"/>]	Vision Service Corporation [<input type="checkbox"/>]	Health Maintenance Organization [<input type="checkbox"/>]		
		Other [<input type="checkbox"/>]	Is HMO, Federally Qualified? Yes [<input type="checkbox"/>] No [<input type="checkbox"/>]			
Incorporated/Organized		07/30/2013	Commenced Business	07/30/2013		
Statutory Home Office		225 Pictoria Dr STE 320 (Street and Number)	Cincinnati, OH, US 45246 (City or Town, State, Country and Zip Code)			
Main Administrative Office		225 Pictoria Dr STE 320 (Street and Number)	513-551-1400 (Area Code) (Telephone Number)			
		Cincinnati, OH, US 45246 (City or Town, State, Country and Zip Code)				
Mail Address		225 Pictoria Dr STE 320 (Street and Number or P.O. Box)	Cincinnati, OH, US 45246 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records		4600 McAuley Place (Street and Number)	513-981-5300 (Area Code) (Telephone Number) (Extension)			
		Cincinnati, OH, US 45242 (City or Town, State, Country and Zip Code)				
Internet Web Site Address		N/A				
Statutory Statement Contact		Griffin Hurd (Name)	513-981-6264 (Area Code) (Telephone Number) (Extension)			
		gehurd@mercy.com (E-Mail Address)	513-981-6264 (Fax Number)			

OFFICERS

Name	Title	Name	Title
Allan Greenberg #	President	David Nowiski	Treasurer

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Ohio
County of Cuyahoga

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

Allan Greenberg
President

David Nowiski
Treasurer

Subscribed and sworn to before me this
day of _____,

a. Is this an original filing?

Yes [X] No []

b. If no:

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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).....	4,897,257		4,897,257	4,891,831
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 25,913,700 , Schedule E-Part 1), cash equivalents (\$ 82,988 , Schedule E-Part 2) and short-term investments (\$ 0 , Schedule DA).....	25,996,688		25,996,688	9,360,885
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	30,893,945	0	30,893,945	14,252,715
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	1,060		1,060	1,066
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	390,074	98,020	292,054	113,687
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,579,954		3,579,954	2,950,661
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	3,100,000		3,100,000	0
24. Health care (\$) and other amounts receivable	474,849	165,931	308,918	788,458
25. Aggregate write-ins for other-than-invested assets	380,412	46,420	333,992	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	38,820,294	310,371	38,509,923	18,106,587
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	38,820,294	310,371	38,509,923	18,106,587
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Payment Innovation Receivable.....	333,992		333,992	0
2502. Prepaid Assets.....	37,698	37,698	0	0
2503. Other Assets.....	8,722	8,722	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	380,412	46,420	333,992	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 3,579,953 reinsurance ceded)	10,943,584		10,943,584	4,487,466
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	298,461		298,461	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	3,158,000		3,158,000	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	310,387		310,387	892,980
9. General expenses due or accrued	3,887,818		3,887,818	927,100
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	640,506		640,506	255,738
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	3,868,165		3,868,165	1,142,493
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	10,124,478	0	10,124,478	2,174,215
24. Total liabilities (Lines 1 to 23)	33,231,399	0	33,231,399	9,879,992
25. Aggregate write-ins for special surplus funds	XXX	XXX	345,755	0
26. Common capital stock	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	37,150,000	12,900,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(34,217,238)	(6,673,407)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	5,278,517	8,226,593
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	38,509,916	18,106,585
DETAILS OF WRITE-INS				
2301. Payment Innovations Accrued Claims	1,567,165		1,567,165	1,868,601
2302. Salaries, Wages and Related Liabilities	18,790		18,790	(1,529)
2303. Other Current Liabilities	980,091		980,091	285,521
2398. Summary of remaining write-ins for Line 23 from overflow page	7,558,432	0	7,558,432	21,622
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	10,124,478	0	10,124,478	2,174,215
2501. Special Surplus ACA Fee	XXX	XXX	345,755	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	345,755	0
3001. Prior Year Net Income	XXX	XXX		0
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX.....	138,757.....	48,716.....
2. Net premium income (including \$ 0 non-health premium income).....	XXX.....	41,286,079.....	19,262,109.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	.....	0.....
4. Fee-for-service (net of \$ medical expenses).....	XXX.....	.....	0.....
5. Risk revenue.....	XXX.....	.....	0.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	13,897,914.....	12,628,253.....
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0.....	0.....
8. Total revenues (Lines 2 to 7).....	XXX.....	55,183,993.....	31,890,362.....
Hospital and Medical:			
9. Hospital/medical benefits.....	.....	24,738,145.....	9,903,749.....
10. Other professional services.....	.....	10,473,532.....	4,810,348.....
11. Outside referrals.....	.....	10,018,521.....	1,336,866.....
12. Emergency room and out-of-area.....	.....	601,027.....	833,358.....
13. Prescription drugs.....	.....	10,319,456.....	3,308,158.....
14. Aggregate write-ins for other hospital and medical.....	0.....	680,614.....	0.....
15. Incentive pool, withhold adjustments and bonus amounts.....	.....	.....	0.....
16. Subtotal (Lines 9 to 15).....	0.....	56,831,295.....	20,192,478.....
Less:			
17. Net reinsurance recoveries.....	.....	4,031,042.....	3,620,073.....
18. Total hospital and medical (Lines 16 minus 17).....	0.....	52,800,253.....	16,572,405.....
19. Non-health claims (net).....	.....	.....	0.....
20. Claims adjustment expenses, including \$ 0 cost containment expenses.....	.....	0.....	0.....
21. General administrative expenses.....	.....	26,419,735.....	18,528,570.....
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....	.....	3,158,000.....	0.....
23. Total underwriting deductions (Lines 18 through 22).....	0.....	82,377,988.....	35,100,975.....
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	(27,193,995).....	(3,210,613).....
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....	29,066.....	29,069.....
26. Net realized capital gains (losses) less capital gains tax of \$ .....	.....	.....	0.....
27. Net investment gains (losses) (Lines 25 plus 26).....	0.....	29,066.....	29,069.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ )] .....	.....	0.....	0.....
29. Aggregate write-ins for other income or expenses.....	.....	(341,041).....	0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	(27,505,970).....	(3,181,544).....
31. Federal and foreign income taxes incurred.....	XXX.....	.....	0.....
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	(27,505,970).....	(3,181,544).....
DETAILS OF WRITE-INS			
0601. PPO Access Fee Revenue.....	XXX.....	8,911,058.....	7,639,737.....
0602. Payment Innovation Revenue.....	XXX.....	.....	21,681,932.....
0603. Taxable Sales-LMS.....	XXX.....	96,477.....	86,492.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	4,890,379.....	(16,779,908).....
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	13,897,914.....	12,628,253.....
0701. Prior Year.....	XXX.....	.....	0.....
0702.	XXX.....	.....	.....
0703.	XXX.....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0.....	0.....
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0.....	0.....
1401. Payment innovations claims expense.....	.....	680,614.....	.....
1402. ....	.....	.....	.....
1403. ....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0.....	0.....	0.....
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0.....	680,614.....	0.....
2901. ....	.....	0.....	.....
2902. Impairment of Assets.....	.....	.....	(341,041).....
2903. ....	.....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0.....	0.....	0.....
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0.....	(341,041).....	0.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	8,226,595	6,821,267
34. Net income or (loss) from Line 32	(27,505,970)	(3,181,544)
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	307,891	(413,128)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	24,250,000	5,000,000
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(2,948,079)	1,405,328
49. Capital and surplus end of reporting year (Line 33 plus 48)	5,278,517	8,226,595
DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

CASH FLOW

Cash from Operations		1	2
	Current Year	Prior Year	
1. Premiums collected net of reinsurance	43,969,867	19,911,042	
2. Net investment income	23,646	23,674	
3. Miscellaneous income	14,227,749	11,823,569	
4. Total (Lines 1 through 3)	58,221,262	31,758,285	
5. Benefit and loss related payments	50,131,428	15,035,600	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	
7. Commissions, expenses paid and aggregate write-ins for deductions	23,501,597	17,969,561	
8. Dividends paid to policyholders	0	0	
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	
10. Total (Lines 5 through 9)	73,633,025	33,005,161	
11. Net cash from operations (Line 4 minus Line 10)	(15,411,763)	(1,246,876)	
Cash from Investments		1	2
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	
12.2 Stocks	0	0	
12.3 Mortgage loans	0	0	
12.4 Real estate	0	0	
12.5 Other invested assets	0	0	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	
12.7 Miscellaneous proceeds	0	0	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	
13.2 Stocks	0	0	
13.3 Mortgage loans	0	0	
13.4 Real estate	0	0	
13.5 Other invested assets	0	0	
13.6 Miscellaneous applications	0	0	
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	
14. Net increase (decrease) in contract loans and premium notes	0	0	
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	0	
Cash from Financing and Miscellaneous Sources		1	2
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	
16.2 Capital and paid in surplus, less treasury stock	24,250,000	5,000,000	
16.3 Borrowed funds	0	0	
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	
16.5 Dividends to stockholders	0	0	
16.6 Other cash provided (applied)	7,797,565	2,357,164	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	32,047,565	7,357,164	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		1	2
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	16,635,802	6,110,288	
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	9,360,885	3,250,597	
19.2 End of year (Line 18 plus Line 19.1)	25,996,687	9,360,885	

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	42,947,883		1,661,804	41,286,079
2. Medicare Supplement				0
3. Dental only.....				0
4. Vision only.....				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid.....				0
8. Other health.....				0
9. Health subtotal (Lines 1 through 8)	42,947,883	0	1,661,804	41,286,079
10. Life				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11)	42,947,883	0	1,661,804	41,286,079

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc
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	51,044,589	51,044,589								
1.2 Reinsurance assumed	0	0								
1.3 Reinsurance ceded	7,651,115	7,651,115								
1.4 Net	43,393,474	43,393,474	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	10,943,584	10,943,584	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	10,943,584	10,943,584	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0								
4.2 Reinsurance assumed	0	0								
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	5,156,878	5,156,878	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	669,412	669,412	0	0	0	0	0	0	0	0
8.4 Net	4,487,466	4,487,466	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	2,950,661	2,950,661	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	56,831,295	56,831,295	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	4,031,042	4,031,042	0	0	0	0	0	0	0	0
12.4 Net	52,800,253	52,800,253	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and 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	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	10,943,584	10,943,584								
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	10,943,584	10,943,584	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	10,943,584	10,943,584	0	0	0	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	10,943,584	10,943,584	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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 Claims Incurred in Prior Years (Columns 1 + 3)	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)	4,179,140	42,164,995	102,170	10,841,414	4,281,310	4,487,466
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	4,179,140	42,164,995	102,170	10,841,414	4,281,310	4,487,466
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	4,179,140	42,164,995	102,170	10,841,414	4,281,310	4,487,466

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	0	0	0	0	0
2. 2011	0	0	0	0	0
3. 2012	XXX	0	0	0	0
4. 2013	XXX	XXX	0	0	0
5. 2014	XXX	XXX	XXX	12,085	4,179
6. 2015	XXX	XXX	XXX	XXX	42,165

Section B – Incurred Health Claims - Hospital and Medical

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	0	0	0	0	0
2. 2011	0	0	0	0	0
3. 2012	XXX	0	0	0	0
4. 2013	XXX	XXX	0	0	0
5. 2014	XXX	XXX	XXX	16,572,405	4,275
6. 2015	XXX	XXX	XXX	XXX	52,317

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	0	0	0.0	0	0	0.0			0	0.0
2. 2012	0	0	0.0	0	0	0.0			0	0.0
3. 2013	0	0	0.0	0	0	0.0			0	0.0
4. 2014	19,262,109	4,179	0.0	4,179	0.0	0.0	102	102	4,281	0.0
5. 2015	42,165	0.0	42,165	0.0	42,165	0.0	10,841	10,841	298	53,305

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	0	0	0	0	0
2. 2011.....	0	0	0	0	0
3. 2012.....	XXX	0	0	0	0
4. 2013.....	XXX	XXX	0	0	0
5. 2014.....	XXX	XXX	XXX	12,085	4,179
6. 2015.....	XXX	XXX	XXX	XXX	42,165

Section B - Incurred Health Claims - Grand Total

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	0	0	0	0	0
2. 2011.....	0	0	0	0	0
3. 2012.....	XXX	0	0	0	0
4. 2013.....	XXX	XXX	0	0	0
5. 2014.....	XXX	XXX	XXX	16,572,405	4,275
6. 2015.....	XXX	XXX	XXX	XXX	52,317

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011.....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2012.....	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2013.....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2014.....	19,262,109	4,179	0	0.0	4,179	0.0	102	0	4,281	0.0
5. 2015.....	0	42,165	0	0.0	42,165	0.0	10,841	298	53,305	0.0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	.0								
2. Additional policy reserves (a)	3,158,000	3,158,000							
3. Reserve for future contingent benefits	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)	.0								
5. Aggregate write-ins for other policy reserves	.0	.0	.0	0	.0	.0	0	0	.0
6. Totals (gross)	3,158,000	3,158,000	0	0	0	0	0	0	0
7. Reinsurance ceded	.0								
8. Totals (Net) (Page 3, Line 4)	3,158,000	3,158,000	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	.0								
10. Reserve for future contingent benefits	.0								
11. Aggregate write-ins for other claim reserves	.0	.0	.0	0	.0	.0	0	0	.0
12. Totals (gross)	.0	.0	.0	0	.0	.0	0	0	.0
13. Reinsurance ceded	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	.0	.0	0	0	.0	0	0	0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	.0	.0	0	0	.0	0	0	0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ 3,158,000 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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 (\$for occupancy of own building)			640,472		640,472
2. Salaries, wages and other benefits			12,384,136		12,384,136
3. Commissions (less \$ceded plus \$assumed)			1,960,704		1,960,704
4. Legal fees and expenses			456,323		456,323
5. Certifications and accreditation fees			23,398		23,398
6. Auditing, actuarial and other consulting services			2,453,020		2,453,020
7. Traveling expenses			216,260		216,260
8. Marketing and advertising			32,427		32,427
9. Postage, express and telephone			12,885		12,885
10. Printing and office supplies			74,998		74,998
11. Occupancy, depreciation and amortization			107,101		107,101
12. Equipment			51,714		51,714
13. Cost or depreciation of EDP equipment and software			207,612		207,612
14. Outsourced services including EDP, claims, and other services			4,282,987		4,282,987
15. Boards, bureaus and association fees			67,562		67,562
16. Insurance, except on real estate			312,181		312,181
17. Collection and bank service charges					0
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			730,404		730,404
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes					0
23.5 Other (excluding federal income and real estate taxes)			393,005		393,005
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	2,012,546	0	2,012,546
26. Total expenses incurred (Lines 1 to 25)	0	0	26,419,735	0	26,419,735
27. Less expenses unpaid December 31, current year		298,461	3,887,818		4,186,279
28. Add expenses unpaid December 31, prior year	0	0	927,100	0	927,100
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	(298,461)	23,459,017	0	23,160,556
DETAILS OF WRITE-INS					
2501. Misc Other					0
2502. ACA Health Insurer Fee			2,012,546		2,012,546
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	2,012,546	0	2,012,546

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	33,433
1.1 Bonds exempt from U.S. tax	(a)	29,066
1.2 Other bonds (unaffiliated)	(a) .....	.....
1.3 Bonds of affiliates	(a)	0
2.1 Preferred stocks (unaffiliated)	(b)	0
2.11 Preferred stocks of affiliates	(b)	0
2.2 Common stocks (unaffiliated)	(b)	0
2.21 Common stocks of affiliates	(b)	0
3. Mortgage loans	(c) .....	.....
4. Real estate	(d) .....	.....
5. Contract loans	(e) .....	.....
6. Cash, cash equivalents and short-term investments	(f) .....	.....
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	0
9. Aggregate write-ins for investment income .....	.....	0
10. Total gross investment income	33,433	29,066
11. Investment expenses	(g) .....	.....
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) .....	.....
13. Interest expense	(h) .....	.....
14. Depreciation on real estate and other invested assets	(i)	0
15. Aggregate write-ins for deductions from investment income .....	.....	0
16. Total deductions (Lines 11 through 15) .....	.....	0
17. Net investment income (Line 10 minus Line 16) .....	.....	29,066
DETAILS OF WRITE-INS		
0901. .....	.....	.....
0902. .....	.....	.....
0903. .....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501. .....	.....	.....
1502. .....	.....	.....
1503. .....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	0	0

(a) Includes \$ 5,427 accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ 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 .....	.....	.....	0 .....	.....	.....
1.1 Bonds exempt from U.S. tax .....	.....	.....	0 .....	.....	.....
1.2 Other bonds (unaffiliated) .....	.....	.....	0 .....	.....	.....
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	0	0	0
7. Derivative instruments .....	.....	.....	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS			.....	.....	.....
0901. .....	.....	.....	.....	.....	.....
0902. .....	.....	.....	.....	.....	.....
0903. .....	.....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	46,421	35,137	(11,284)
12. Subtotals, cash and invested assets (Lines 1 to 11)	46,421	35,137	(11,284)
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	98,020	0	(98,020)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	3,950	3,950
21. Furniture and equipment, including health care delivery assets.....	0	562,950	562,950
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	165,931	16,226	(149,705)
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	310,372	618,263	307,891
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	310,372	618,263	307,891
DETAILS OF WRITE-INS			
1101. Prepaid Expenses.....	37,699	26,415	(11,284)
1102. Other Assets.....	8,722	8,722	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	46,421	35,137	(11,284)
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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.....	15,083	10,459	9,986	9,723	9,573	116,109
2. Provider Service Organizations.....	0					
3. Preferred Provider Organizations.....	0	1,250	2,044	2,401	2,757	22,648
4. Point of Service.....	0					
5. Indemnity Only.....	0					
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	15,083	11,709	12,030	12,124	12,330	138,757
DETAILS OF WRITE-INS						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

HealthSpan, Inc.
 Notes to Financial Statements
 Years Ended December 31, 2015 and
 December 31, 2014

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of HealthSpan, Inc. ("HealthSpan, Inc. or the Company") have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio - Ohio Department of Insurance (ODI). The Company was issued its Certificate of Authority by the ODI on July 30, 2013. There were no reported differences to net income, statutory surplus or risk based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

	State of Domicile	Year Ended 12/31/15	Year Ended 12/31/2014		
	(in thousands)		(in thousands)		
NET INCOME					
HealthSpan, Inc. state basis (page 4, Line 32,					
(1) Columns 2 & 3)	OH	\$ (27,506)	\$ (3,182)		
State Prescribed Practices that increase/					
(2) (decrease) NAIC SAP:	OH	-	-		
State Permitted Practices that increase/					
(3) (decrease) NAIC SAP:	OH	-	-		
(4) NAIC SAP (1-2-3=4)	OH	<u><u>(27,506)</u></u>	<u><u>(3,182)</u></u>		
SURPLUS					
HealthSpan, Inc. state basis (page 3, Line 33,					
(5) Columns 3 & 4)	OH	\$ 5,279	\$ 8,227		
State Prescribed Practices that increase /					
(6) (decrease) NAIC SAP:	OH	-	-		
State Prescribed Practices that increase /					
(7) (decrease) NAIC SAP:	OH	-	-		
(8) NAIC SAP (5-6-7=8)	OH	<u><u>5,279</u></u>	<u><u>8,227</u></u>		

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

The preparation of the statutory financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimates.

C. Accounting Policies

Cash and Short Term Investments

Cash and investments that are restricted by contractual or regulatory requirements are classified as bonds and other invested assets and are excluded from cash and short-term investments.

Premiums and Health Care Receivables

Premiums and health care receivables exclude nonadmitted balances. Certain receivables are not admissible in accordance with the NAIC SAP. Nonadmitted amounts include all nongovernmental premiums and health care receivable greater than 90 days past due. In addition, when premiums and health care receivables greater than 90 days past due are more than a de minimus portion of the entire premiums and health care receivable balance, the entire premiums and health care receivable balance is nonadmitted.

Bonds and Other Invested Assets

Bonds and other invested assets include money market funds and U.S. Treasury securities. Recognized gains and losses are recorded on the specific identification basis. Interest income is included in net investment and other income.

Bonds are reported in accordance with NAIC Annual Statement Instructions (Statement Value). Accordingly, bonds that are designated highest quality, NAIC Designation 1 and 2, are reported at amortized cost using the effective interest method, and bonds that are classified as NAIC Designation 3 or lower are reported at lower of amortized cost or fair value.

Investments are regularly reviewed for impairment and a charge is recognized when the fair value is below cost basis and is judged to be other-than-temporary. Impairment is included in recognized losses.

The Company's investment transactions are recorded on a trade-date basis.

HealthSpan, Inc. is required to keep investments on deposit in the State of Ohio, where it is licensed. At December 31, 2015 and 2014, \$400 thousand, respectively, in long-term U.S. Treasury notes were restricted to satisfy the state's regulatory requirements.

Reserves for Claims Unpaid and Unpaid Claims Adjustment Expenses

The cost of health care services is recognized in the period in which services are provided. Reserves for unpaid claims and claims adjustment expense consists of unpaid health care expenses, which include an estimate of the cost of services provided to HealthSpan, Inc.'s members by third-party providers that have been incurred but not reported. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and other relevant data. Estimates are monitored and reviewed and, as settlements are made or estimates are revised, adjustments are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of paid claims is dependent on future

developments, management is of the opinion that the reserves for unpaid claims and claims adjustment expense are adequate to cover such claims. Negative amounts reported for incurred related to prior years result from claims being adjudicated and paid for amounts less than originally estimated.

Revenue Recognition

Net premium income includes premiums from small employer groups and individuals. Revenue is recognized over the period in which the members are entitled to health care services. Estimates of retrospective adjustments resulting from contractual adjustments are recorded in the time period in which members are entitled to health care services. Actual retroactive adjustments may differ from initial estimates.

Premiums collected in advance are deferred and recorded as premiums received in advance. Revenue is adjusted to reflect estimates of collectability, including retroactive membership adjustment trends and economic conditions.

2. Accounting Changes and Corrections of Errors

New Accounting Principles

The Patient Protection and Affordable Care Act, as amended by the HealthCare and Education Reconciliation Act (the Acts), imposes an annual fee on health insurers for each calendar year beginning on or after January 1, 2014. Effective for 2014, the Company has adopted SSAP No. 106, *Affordable Care Act Assessments*, which requires recognition of the liability and expense for the ACA fee on January 1 of the year the fee is due. Additionally, SSAP No. 106 requires the Company to reclassify and disclose in 2014, an amount equal to its estimated subsequent fee year assessment from unassigned surplus to special surplus. Management has evaluated the effect of this guidance on the Company's financial statements for 2015 and 2014. Total ACA taxes paid for 2015 were \$345,794, and no amounts were required to be recognized based on the level of premium revenues for 2014.

In December 2014, the NAIC adopted SSAP No. 107, *Accounting for the Risk Sharing Provisions of the Affordable Care Act (ACA)*. This guidance clarifies the financial statement elements associated with the ACA programs known as risk adjustment, reinsurance, and risk corridors. HealthSpan, Inc. has recorded and disclosed fees, recoveries, and contributions for the years ended December 31, 2015 and December 31, 2014, to the extent reasonably estimable, in accordance with SSAP No. 107.

3. Business Combinations and Goodwill

For the years ended December 31, 2015 and December 31, 2014, the Company had no business combinations, as well as had no goodwill resulting from assumption reinsurance. The Company recorded no impairment losses.

4. Discontinued Operations

There were no discontinued operations during the reporting periods.

5. Investments

(A) – (D) For the reporting periods presented, HealthSpan, Inc. had no investments in mortgage loans, restructured debt, reverse mortgages or loan-backed securities.

E) For the periods presented, HealthSpan, Inc. was not a party to repurchase agreements or securities lending transactions.

F) For the periods presented, HealthSpan, Inc. had no investments in real estate.

G) During the periods presented, HealthSpan, Inc. had no investments in low-income housing credits.

H) Restricted Assets

At December 31, 2015 and 2014, the Company had \$400 thousand, respectively, on deposit with the State of Ohio.

Restricted Asset Category	(in thousands)					
	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
e Subject to dollar repurchase agreements						
f Subject to dollar reverse repurchase agreements						
i On deposit with states	400	400	-	400	2.12%	2.19%
j On deposit with other regulatory bodies						
k Pledged as collateral not captured in other categories						
l Other restricted assets						
m Total Restricted Assets	\$ 400	\$ 400	\$ -	\$ 400	2.12%	2.19%

6. Joint Ventures, Partnerships & Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies.

7. Investment Income

All investment income due and accrued is admitted at December 31, 2015 and 2014.

8. Derivative Instruments

The Company had no derivative instruments during the reporting periods.

9. Income Taxes

As appropriate under the applicable accounting standards, no deferred tax assets or liabilities are required to be recognized at December 31, 2015 and 2014.

10. Information Concerning Parent, Subsidiaries, and Affiliates

In 2014, Mercy Health (formerly Catholic Health Partners, or CHP) sold all of the outstanding capital stock of HealthSpan, Inc. to HealthSpan Partners (HSP) for \$3,600,000 in the form of a promissory note due on December 31, 2023. HSP is a distinct, secular and tax-exempt organization with the primary objective of developing provider networks and insurance products. HSP is a partner organization of Mercy Health. Mercy Health is a Catholic health organization, supervising market delivery systems consisting of hospitals, nursing homes, and other organizations providing health-related services. The Company was issued its Certificate of Authority by the Ohio Department of Insurance in July 2013. In 2015 and 2014, HealthSpan, Inc. received \$24,250 million and \$5 million, respectively of contributed surplus from HSP.

The Company contracts with Mercy Health to lease services for accounting, IT and general administrative services. Costs of these services are based on actual cost incurred to provide those services. Amounts included within the statutory financial statements and noted as due to related parties are reflective of current expense owed to Mercy Health or its subsidiaries.

The Company provides services to Mercy Health for medical management and provider network services related to Mercy Health's employee health benefit plans. The Company also provides Mercy Health services for the support of the Accountable Care Organization (ACO). Amounts reflected in the financial statements are reflective of current billings for these services.

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

Net Amounts (Due to)/Due from:	12/31/2015	12/31/2014
Mercy Health		\$ (631)
HealthSpan Partners	3,100,000	(511)
Total (Due to)/Due from Affiliated Organizations	\$ 3,100,000	\$ (1,142)

11. Debt

As of December 31, 2015 and 2014, the Company has no debt.

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

As of December 31, 2015 and 2014, the Company has no retirement plans, deferred compensation, post-employment benefits and compensated absences, and post-retirement benefit plans.

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

(1) – (2)

In 2014, Mercy Health (formerly Catholic Health Partners, or CHP) sold all of the outstanding capital stock of HealthSpan, Inc. to HealthSpan Partners (HSP) for \$3,600,000 in the form of a promissory note due on December 31, 2023. In 2015 and 2014, HealthSpan, Inc. received \$24,250 million and \$5 million of contributed surplus from HSP.

(3) – (6)

For the periods reported, the Company paid no dividends.

(7) – (9)

At December 31, 2015 and 2014, HealthSpan, Inc. held no stock for special purposes. Additionally, the Company is not a mutual reciprocal, and had no special surplus funds.

(10)

No portion of surplus is represented by cumulative unrealized gains or losses.

(11)

The Company has no surplus notes at December 31, 2015 and 2014.

(12) – (13)

The Company did not undergo any quasi-reorganization for the periods presented.

14. Liabilities, Contingencies and Assessments

A As of December 31, 2015 and 2014, HealthSpan, Inc. was not a guarantor, and had no commitments to a subsidiary, controlled or affiliated entity.

B – C As of December 31, 2015 and 2014, HealthSpan, Inc. had no assessments or gain contingencies that could have a material effect on the financial statements.

D For the years ended December 31, 2015 and December 31, 2014, HealthSpan, Inc. paid the following amounts in the reporting periods to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits (in thousands):

	2015	2014
Claims related ECO and bad faith losses paid during the reporting period:	\$ -	\$ -

The number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period were:

	(a)	(b)	(c)	(d)	(e)
	0 - 25 Claims	25 - 50 Claims	51 - 100 Claims	101 - 500 Claims	More than 500 Claims
2014	×				
2013	×				

The claim count information above is disclosed per claim.

E HealthSpan, Inc. is involved in various legal proceedings arising in the ordinary course of business operations. Such litigation proceedings include: administrative litigation, employment litigation, breach of contract and other commercial and tort litigation, consistent with the health care industry.

In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of HealthSpan, Inc. Where appropriate, reserves have been established in accordance with SSAP No. 5R, *Liabilities, Contingencies, and Impairment of Assets*. The outcome of litigation and other legal and regulatory matters is inherently uncertain, however, and it is possible that one or more of the legal or regulatory matters currently pending or threatened could have a material adverse effect.

15. Leases

A. Lessee Operating Leases

(1) The Company leases office space and equipment under various operating leases that expire through 2017. Rental expense for the year ended December 31, 2014 and for the five months ended December 31, 2013 was approximately \$518,000 and \$136,000, respectively.

(2) At January 1, 2015, minimum aggregate rental commitments are as follows (in thousands):

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2015	\$ 374
2016	353
2017	149
2018	-
2019	-
Thereafter	-
Total	\$ 876

(3) The Company is not involved in any material sales-leaseback transactions.

B. Lessor Leases

Leasing is not a material part of the Company's activities in terms of revenue, net income, or assets.

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

Financial instruments that potentially subject HealthSpan, Inc. to concentrations of credit risk consist primarily of investment securities and accounts receivable. All investments in securities are managed within guidelines established by the Company's management, which, as a matter of policy and procedure, limit the amounts that may be invested in each type of security, with any one issuer, and in various credit quality classifications. Concentrations of credit risk with respect to accounts receivable is limited due to the large number of payers comprising HealthSpan, Inc.'s customer base. Accordingly, HealthSpan, Inc. does not believe any significant concentration of off-balance sheet or credit risk existed at December 31, 2014 or December 31, 2013.

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

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

A. - B. The Company had no transfers of receivables or transfers of financial assets.

C SSAP No. 91R, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities (SSAP No.91R)*, paragraph 100 requires a reporting entity to disclose any wash sales involving securities with a NAIC designation of 3 or below. The Company's investment strategy does not include purchasing any securities with a NAIC designation of 3 or below. During the periods presented, the Company did not participate in any wash sale as defined by SSAP No. 91R.

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

The Company had no ASO, ASC, or Medicare plans on which to report.

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

The Company had no direct premiums written/produced by managing general agents or third party administrators during the reporting periods.

20. Fair Value Measurement

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

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

and market-correlated inputs that are derived principally from or corroborated by observable market data. For instruments classified in Level 3 of the hierarchy, valuation inputs are unobservable inputs for the instrument. Level 3 inputs incorporate assumptions about the factors that market participants would use in pricing the instrument.

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

Investments at statement value and estimated fair value, at December 31, 2015 included (in thousands):

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
U.S. Treasury Securities	\$ 4,897	\$ 4,897	\$ 4,897	\$ —	\$ —	\$ —
Total investments	\$ 4,897	\$ 4,897	\$ 4,897	\$ 0	\$ 0	\$ 0

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

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
U.S. Treasury Securities	\$ 4,904	\$ 4,891	\$ 4,904	\$ —	\$ —	\$ —
Total investments	\$ 4,904	\$ 4,891	\$ 4,904	\$ 0	\$ 0	\$ 0

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

21. Other Items

A Extraordinary Items

The Company has a contract with a Medicare Advantage plan to provide medical management and provider network services. The Company acts as a pass through entity for medical claims expense on behalf of Mercy Health. Mercy Health accepts full liability for claims incurred by the Medicare Advantage plan members.

B – F

HealthSpan, Inc. had no debt restructuring, unrecorded amounts representing segregated funds held for others, forward commitments, business interruption insurance recoveries or state transferable or non-transferable tax credits. Additionally, the Company had no uncollectible assets covered by SSAP No. 6, SSAP No. 47, or SSAP 66.

G Subprime Mortgage – Related Risk Exposure

HealthSpan, Inc. had no risk exposure to subprime mortgages during the reporting periods.

H - I Retained Assets

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

22. Events Subsequent

Subsequent events have been considered through March 1, 2015 for the statutory statements issued on March 1, 2015. Effective February 29, 2016, HSP and HealthSpan executed an agreement with an independent third-party buyer (the Buyer) to sell its insured membership and administrative services to the Buyer and transition the insured membership to Buyer during 2016. Effective January 1, 2017, HealthSpan will cease operating all lines of business. Additionally, during December 2015 and January 2016 recorded a Type I subsequent event, HSP contributed capital of \$.5M and \$3.1M, respectively to HS Inc to fully fund the operations of HealthSpan throughout 2016 and 2017, as necessary.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

(2) Does the reporting entity 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?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

None

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, 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?

Yes () No (X)

B. Uncollectible Reinsurance

HealthSpan, Inc. has not written off any uncollectible reinsurance during the reporting periods.

C. Commutation of Ceded Reinsurance

HealthSpan, Inc. has not commuted any ceded reinsurance during the reporting periods.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

HealthSpan, Inc. has not ceded insurance to a certified reinsurer whose rating has been downgraded or was subject to revocation during the reporting periods.

24. Retrospectively Rated Contracts

A – C.

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

D. HealthSpan, Inc. did not incur medical loss rebates pursuant to the Public Health Service Act for 2013 or 2014.

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

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

The company had zero balances for the risk corridors program due to a lack of sufficient data to estimate the recoverable amounts.

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

ACA Program	Financial Statement Element	Amount (in thousands), as of 12/31/15
a. Permanent ACA Risk Adjustment Program	Assets	
	1. Premium adjustments receivable due to ACA Risk Adjustment (1)	\$ -
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	11
	3. Premium adjustments payable due to ACA Risk Adjustment (1)	7,451
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written / collected) due to ACA Risk Adjustment (1)	7,451
	5. Reported in expenses as ACA risk adjustment user fees (incurred / paid)	11
b. Transitional ACA Reinsurance Program	Assets	
	1. Amount recoverable for claims paid due to ACA Reinsurance	3,231
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	355
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance (2)	-
	Liabilities	
	4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium (2)	114
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	417
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance (2)	-
	Operations (Revenue & Expense)	

	7. Ceded reinsurance premiums due to ACA Reinsurance	417
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	3,527
	9. ACA Reinsurance contributions - not reported as ceded premium (2)	114
c. Temporary ACA Risk Corridors Program	Assets	
	1. Accrued retrospective premium due to ACA Risk Corridors (1)	-
	Liabilities	
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors (1)	-
	Operations (Revenue & Expense)	
	3. Effect of ACA Risk Corridors on net premium income (paid / received) (1)	-
	4. Effect of ACA Risk Corridors on change in reserves for rate credits. (1)	-

(1) Insufficient data to make an estimate

(2) Estimated balance is zero

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

Account Type	PFM Account	Accrued during 2014 or Prior on Business Written 2014 or Prior		Received or Paid in 2015 on Business Written in 2014 or Prior		Difference		Adjustments		Unsettled Balances at 09/30/15	
						Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Explanation	Cumulative Balances from Prior Years (Col 1 - 3 +7)
		1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	9	10 Receivable	11 (Payable)
ACA Risk Adjustment											
1 Premium adjustments receivable	Asset	-	-	-	-	-	-	-	-	-	-
2 Premium adjustments payable	Liability	-	-	3,579,953	-	(3,579,953)	-	3,579,953	c	-	-
3 SUBTOTAL RISK ADJUSTMENT		-	-	3,579,953	-	(3,579,953)	-	3,579,953		-	-
Transitional ACA Reinsurance Program											
4 Amount recoverable for claims paid	Asset	150000	2,101,559	2,224,501	-	(122,942)	-	122,942	-	-	-
Amounts recoverable for claims unpaid	Liability	584,636	-	-	584,636	-	(584,636)	-	-	-	-
5 (contra liability)											
Amounts receivable relating to uninsured	Asset									-	-
6 plans											
Liabilities for contributions payable due to	Liability									-	-
7 ACA Reinsurance - not reported as ceded premium (GROUP PREMIUM UNPAID)											
Ceded Reinsurance premiums payable	Liability		255,738	255,738	-	-	-	-	-	-	-
8 (INDIVIDUAL PREMIUMS UNPAID)											
Liability for amounts held under uninsured	Liability									-	-
9 plans											
10 SUBTOTAL TRANSITIONAL REINSURANCE		2,686,195	255,738	2,224,501	255,738	461,694	-	(461,694)	-	-	-
ACA Risk Corridors Program											
11 Accrued retrospective premium	Asset	-	548,895	-	(548,895)	-	548,895	c	-	-	-
Reserve for rate credits or policy	Liability	-	-	-	-	-	-	-	-	-	-
12 experience rating refunds											
13 SUBTOTAL RISK CORRIDORS		-	548,895	-	(548,895)	-	548,895	-	-	-	-
14 TOTAL ALL PROGRAMS		2,686,195	255,738	2,773,396	3,835,691	(87,201)	(3,579,953)	87,201	3,579,953	-	-

25. Change in Incurred Claims and Claims Adjustment Expenses

Analysis of claims activity as of and for the years ended December 31, 2015 and December 31, 2014 (in thousands):

	Year Ended 12/31/2015	Period ended 12/31/2014
Claims Payable:		
Balance at Beginning of Period	\$ 4,487	\$ 0
Balance at End of Period	<u>11,242</u>	<u>4,487</u>
Change in Claims Payable - Increase (Decrease)	<u><u>\$ 6,755</u></u>	<u><u>\$ 4,487</u></u>
Incurred Claims:		
Insured Events of Current Year	\$ 52,294	\$ 16,572
Increase/(Decrease) Insured Events of Prior Year	<u>(203)</u>	<u>0</u>
Total Incurred Claims	<u><u>\$ 52,091</u></u>	<u><u>\$ 16,572</u></u>
Payment of Claims:		
Claims Incurred in Prior Years	\$ 4,179	\$ 0
Claims Incurred in Current Year	<u>41,157</u>	<u>12,085</u>
Total Claims Paid	<u><u>\$ 45,336</u></u>	<u><u>\$ 12,085</u></u>

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

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangements.

27. Structured Settlements

Not applicable for health entities.

28. Health Care Receivables

At December 31, 2015 and 2014, the Company did not have any health care or risk-sharing receivables.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

The Company had a premium deficiency reserves of \$3,158 million and \$0 at December 31, 2015 and 2014, respectively.

31. Anticipated Salvage and Subrogation

The Company had no anticipated salvage and subrogation at December 31, 2015 or 2014.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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? Yes [] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.

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 [] No [] N/A []

1.3 State Regulating? Ohio.....

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 []

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.12/31/2010

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).07/09/2012

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 []

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] 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 []
4.12 renewals? Yes [] No []

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 []
4.22 renewals? Yes [] No []

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

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 []

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 []

7.2 If yes,

7.21 State the percentage of foreign control

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
.....
.....
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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 locations (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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 1900 Scripps Center, 312 Walnut Street, Cincinnati, Ohio 45202.....

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 the 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 [] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

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

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Glenn A. Giese, Principal, FSA, MAAA, Oliver Wyman Consulting Actuaries, 411 East Wisconsin Ave., Suite 1300 Milwaukee, WI 53202....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company.....

12.12 Number of parcels involved.....

12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

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:

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)

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).

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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.

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

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 [X] No []

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 \$.....
20.12 To stockholders not officers \$.....
20.13 Trustees, supreme or grand (Fraternal only) \$.....

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers \$.....
20.22 To stockholders not officers \$.....
20.23 Trustees, supreme or grand (Fraternal only) \$.....

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others \$.....
21.22 Borrowed from others \$.....
21.23 Leased from others \$.....
21.24 Other \$.....

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$.....
22.22 Amount paid as expenses \$.....
22.23 Other amounts paid \$.....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 26,133,975

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 [] No [X]

24.02 If no, give full and complete information, relating thereto
Held by State Street and 5/3 Bank as indicated in 28.01 below.

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? Yes [] No [] NA [X]

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

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

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

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [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 [] NA [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 \$.....

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

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Placed under option agreements	\$
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$
25.27 FHLB Capital Stock	\$
25.28 On deposit with states	\$ 399,694
25.29 On deposit with other regulatory bodies	\$
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$
25.32 Other	\$

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. \$.....

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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [] 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
State Street Bank and Trust.....	801 Pennsylvania, Kansas City, MO 64105.....
Fifth Third Bank.....	38 Fountain Square Plaza, Cincinnati, OH 45263.....

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?

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

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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

1 Central Registration Depository 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:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

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.....	4,897,257	.....	(4,897,257)
30.2 Preferred Stocks.....	0	.....	0
30.3 Totals	4,897,257	0	(4,897,257)

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

IDC (FI Interactive Data).....

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 []

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:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$

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? \$

34.2 List the name of the firm and the amount paid if any such payment 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 departments of government, if any? \$

35.2 List the name of the 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

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only. \$ 0

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

1.31 Reason for excluding

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

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	\$ 0	\$ 0
2.2 Premium Denominator	\$ 41,286,079	\$ 19,262,109
2.3 Premium Ratio (2.1/2.2)	..... 0.000	..... 0.000
2.4 Reserve Numerator	\$ 0	\$ 0
2.5 Reserve Denominator	\$ 14,101,584	\$ 4,487,466
2.6 Reserve Ratio (2.4/2.5)	..... 0.000	..... 0.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]

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 \$.....
5.32 Medical Only \$.....
5.33 Medicare Supplement \$.....
5.34 Dental and Vision \$.....
5.35 Other Limited Benefit Plan \$.....
5.36 Other \$.....

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:

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	..... 2,243
8.2 Number of providers at end of reporting year	.....

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	.....
9.22 Business with rate guarantees over 36 months	.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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	\$.....
10.22 Amount actually paid for year bonuses	\$.....
10.23 Maximum amount payable withholds	\$.....
10.24 Amount actually paid for year withholds	\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [X] No []
11.13 An Individual Practice Association (IPA), or,	Yes [] No [X]
11.14 A Mixed Model (combination of above) ?	Yes [] No [X]

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

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.

\$.....3,907,543

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

39,075,437 X 10% = 3,907,543

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

1 Name of Service Area
Adams.....
Allen.....
Au laize.....
Brown.....
But ler.....
Champaign.....
Clark.....
Clermont.....
Clinton.....
Cuyahoga.....
Fulton.....
Geauga.....
Hamil ton.....
Henry.....
Highland.....
Lake.....
Lorain.....
Lucas.....
Mahoning.....
Medina.....
Mercer.....
Ottawa.....
Portage.....
Preble.....
Putnam.....
Shelby.....
Stark.....
Summit.....
Trumbull.....
Van Wert.....
Wayne.....
Wood.....

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.

\$.....

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.

\$.....

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

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

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

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:

15.1 Direct Premium Written (prior to reinsurance ceded)	\$.....
15.2 Total incurred claims	\$.....
15.3 Number of covered lives	.....

*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)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

FIVE - YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	38,509,923	18,106,588	8,669,703	0	0
2. Total liabilities (Page 3, Line 24)	33,231,399	9,879,992	1,848,436	0	0
3. Statutory minimum capital and surplus requirement	3,907,543	2,500,000	2,500,000	0	0
4. Total capital and surplus (Page 3, Line 33)	5,278,517	8,226,593	6,821,267	0	0
Income Statement (Page 4)					
5. Total revenues (Line 8)	55,183,993	31,890,362	4,574,819	0	0
6. Total medical and hospital expenses (Line 18)	52,800,253	16,572,405	0	0	0
7. Claims adjustment expenses (Line 20)	0	0	0	0	0
8. Total administrative expenses (Line 21)	26,419,735	18,528,570	7,277,547	0	0
9. Net underwriting gain (loss) (Line 24)	(27,193,995)	(3,210,613)	(2,702,728)	0	0
10. Net investment gain (loss) (Line 27)	29,066	29,069	14,000	0	0
11. Total other income (Lines 28 plus 29)	(341,041)	0	0	0	0
12. Net income or (loss) (Line 32)	(27,505,970)	(3,181,544)	(2,688,728)	0	0
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(15,411,763)	(1,246,876)	(2,306,018)	0	0
Risk-Based Capital Analysis					
14. Total adjusted capital	5,278,517	8,226,593	6,821,267	0	0
15. Authorized control level risk-based capital	2,893,485	1,578,870	14,162	0	0
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	12,330	15,083	0	0	0
17. Total members months (Column 6, Line 7)	138,757	48,716	0	0	0
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	127.9	86.0	0.0	0.0	0.0
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23)	199.5	182.2	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24)	(65.9)	(16.7)	0.0	0.0	0.0
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	4,281,310	0	0	0	0
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	4,487,466	0	0	0	0
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	0	0	0	0	0

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

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc

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							0	0
2. Alaska	AK							0	0
3. Arizona	AZ							0	0
4. Arkansas	AR							0	0
5. California	CA							0	0
6. Colorado	CO							0	0
7. Connecticut	CT							0	0
8. Delaware	DE							0	0
9. District of Columbia	DC							0	0
10. Florida	FL							0	0
11. Georgia	GA							0	0
12. Hawaii	HI							0	0
13. Idaho	ID							0	0
14. Illinois	IL							0	0
15. Indiana	IN							0	0
16. Iowa	IA							0	0
17. Kansas	KS							0	0
18. Kentucky	KY							0	0
19. Louisiana	LA							0	0
20. Maine	ME							0	0
21. Maryland	MD							0	0
22. Massachusetts	MA							0	0
23. Michigan	MI							0	0
24. Minnesota	MN							0	0
25. Mississippi	MS							0	0
26. Missouri	MO							0	0
27. Montana	MT							0	0
28. Nebraska	NE							0	0
29. Nevada	NV							0	0
30. New Hampshire	NH							0	0
31. New Jersey	NJ							0	0
32. New Mexico	NM							0	0
33. New York	NY							0	0
34. North Carolina	NC							0	0
35. North Dakota	ND							0	0
36. Ohio	OH	42,947,883						42,947,883	0
37. Oklahoma	OK							0	0
38. Oregon	OR							0	0
39. Pennsylvania	PA							0	0
40. Rhode Island	RI							0	0
41. South Carolina	SC							0	0
42. South Dakota	SD							0	0
43. Tennessee	TN							0	0
44. Texas	TX							0	0
45. Utah	UT							0	0
46. Vermont	VT							0	0
47. Virginia	VA							0	0
48. Washington	WA							0	0
49. West Virginia	WV							0	0
50. Wisconsin	WI							0	0
51. Wyoming	WY							0	0
52. American Samoa	AS							0	0
53. Guam	GU							0	0
54. Puerto Rico	PR							0	0
55. U.S. Virgin Islands	VI							0	0
56. Northern Mariana Islands	MP							0	0
57. Canada	CAN							0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal		XXX	42,947,883	0	0	0	0	42,947,883	0
60. Reporting entity contributions for Employee Benefit Plans		XXX						0	
61. Total (Direct Business)	(a)	0	42,947,883	0	0	0	0	42,947,883	0
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page.		XXX	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0

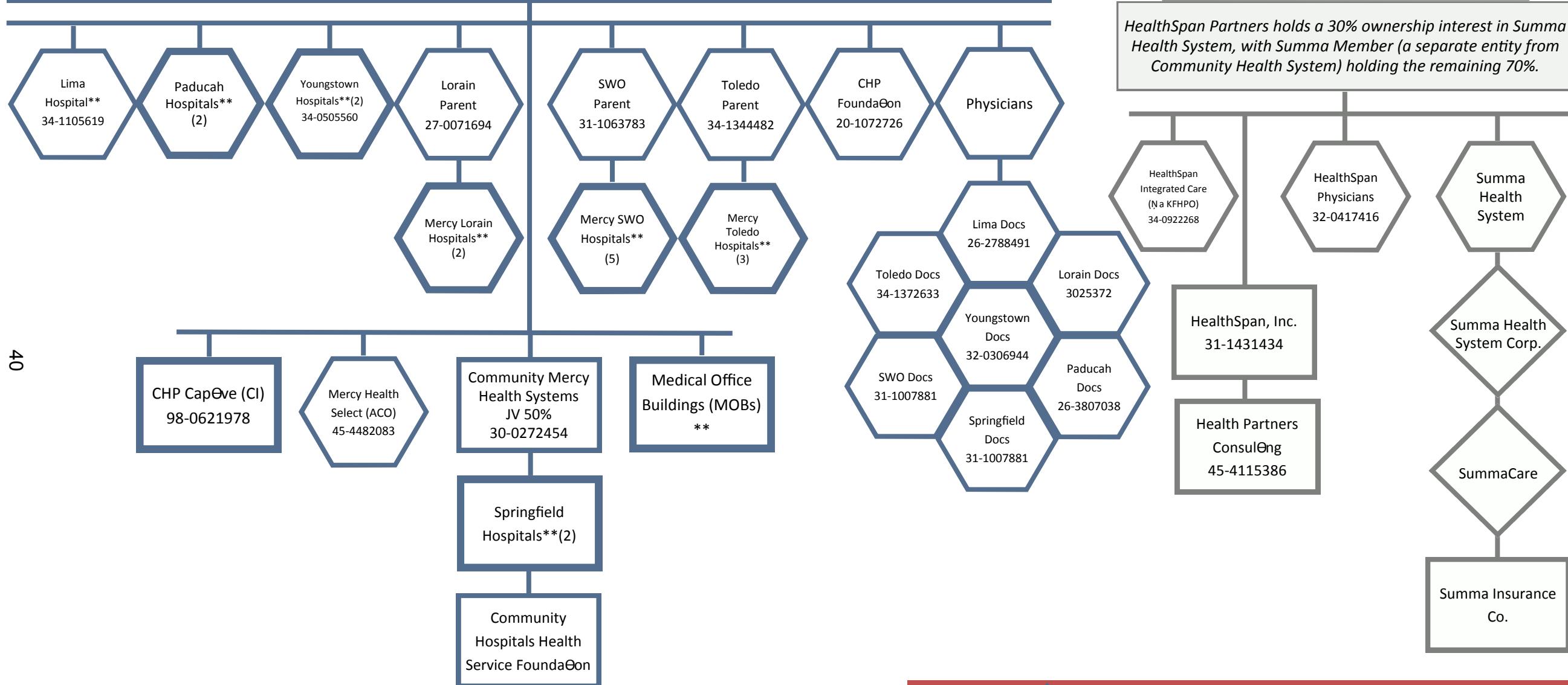
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Explanation of basis of allocation by states, premiums by state, etc. No allocations are needed since HealthSpan Inc. only does business in the state of Ohio and only has one line of business.

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

Mercy Health

Tax Exempt 31-1161086

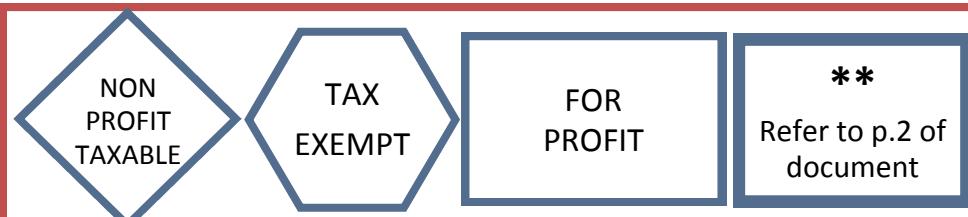


MH Org Chart 2_20_2015

Note: Ownership is based on 100% ownership or membership interest unless otherwise noted. All entities are domiciled in Ohio except as noted.

(1): The relationship between Mercy and HSP is based on the HealthSpan Partners Loan Agreement (previously filed with ODI) and common board members.

KEY



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

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

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

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
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

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE HealthSpan Inc