

**AMENDED EXPLANATION COVER**

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Subsequent to the filing of the original December 31, 2015 Annual Statement, an adjustment was made to reduce Cash on the Assets page by \$145,226 and increase Hospital and Medical expenses by the same amount on the Statement of Revenue and Expenses due to a corrected account reconciliation. It was also discovered that the Net Cash from Operations was overstated by \$1,160,349 and the Net Cash from Financing and Miscellaneous Sources was understated by \$1,015,123 due to erroneous classification of the prior year adjustment related to the CMS overpayments.



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

Mount Carmel Health Insurance Company

NAIC Group Code 2838, 2838 NAIC Company Code 13123 Employer's ID Number 25-1912781  
(Current Period) (Prior Period)

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

Country of Domicile US

Licensed as business type:

Life, Accident and Health [X] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ ] Is HMO Federally Qualified? Yes ( ) No ( )

Incorporated/Organized November 21, 2007 Commenced Business January 1, 2008

Statutory Home Office 6150 East Broad Street, EE320, Columbus, Ohio 43213  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 6150 East Broad Street, EE320, Columbus, Ohio 43213 (614) 546-3211  
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 6150 East Broad Street, EE320, Columbus, Ohio 43213  
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6150 East Broad Street, EE320, Columbus, Ohio 43213  
(Street and Number, City or Town, State, Country and Zip Code)  
(614) 546-3211  
(Area Code) (Telephone Number)

Internet Website Address www.medigold.com

Statutory Statement Contact Robert S. Watson (614) 546-3211  
(Name) (Area Code) (Telephone Number) (Extension)  
robert.watson@mchs.com  
(E-Mail Address) (Fax Number)

OFFICERS

Keith Coleman (Chairperson) Edward Griesse# (Interim President & CEO)  
Sister Barbara Hahl (Secretary) Hugh Jones (Treasurer)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Keith Coleman  
Robert Griffith, MD  
Sister Barbara Hahl  
Hugh Jones  
Daniel Wendorff, MD  
Claus von Zychlin

State of Ohio }  
County of Franklin } SS

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.

Roger Spoelman# Sister Barbara Hahl Cynthia Dellecker#  
Chairman of the Board Secretary Interim President & CEO

Subscribed and sworn to before me this 24th day of May, 2016  
a. Is this an original filing? Yes ( ) No (X)  
b. If no: 1. State the amendment number 1  
2. Date filed May 24, 2016  
3. Number of pages attached 32

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	2,710,104		2,710,104	2,664,426
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... (118,881) , Schedule E-Part 1) , cash equivalents (\$ ..... 2,520,872 , Schedule E-Part 2) and short-term investments (\$ ..... 83,898 ,Schedule DA) .....	2,485,889		2,485,889	3,643,997
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	5,195,993		5,195,993	6,308,423
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	13,144		13,144	11,776
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	26,697		26,697	201,334
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$ ..... 332,000 ) and contracts subject to redetermination (\$ ..... ) .....	332,000		332,000	26,611
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....	16,161		16,161	
17. Amounts receivable relating to uninsured plans .....	713,525		713,525	466,105
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment , including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent , subsidiaries and affiliates .....				26,516
24. Health care (\$ ..... 201,940 ) and other amounts receivable .....	529,841	327,901	201,940	113,821
25. Aggregate write-ins for other-than-invested assets .....	100,576		100,576	119,246
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	6,927,937	327,901	6,600,036	7,273,832
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	6,927,937	327,901	6,600,036	7,273,832
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Miscellaneous receivable related to Coverage Gap Discount Program .....	100,576		100,576	119,246
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	100,576		100,576	119,246

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	1,518,140		1,518,140	1,189,374
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	21,951		21,951	13,575
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				5,124
9. General expenses due or accrued .....	115,708		115,708	196,157
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	240,590		240,590	
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....	71,120		71,120	
23. Aggregate write-ins for other liabilities (including \$ ..... 1,015,123 current) .....	1,015,123		1,015,123	
24. Total liabilities (Lines 1 to 23) .....	2,982,632		2,982,632	1,404,230
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	1,000,000	1,000,000
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	7,500,000	7,500,000
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	(4,882,596)	(2,630,398)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	X X X	X X X		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	X X X	X X X		
33. Total capital and surplus (Line 25 to 31 minus Line 32) .....	X X X	X X X	3,617,404	5,869,602
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	X X X	X X X	6,600,036	7,273,832
DETAILS OF WRITE-INS				
2301. Due to Centers for Medicare & Medicaid Services .....	1,015,123		1,015,123	
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	1,015,123		1,015,123	
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	17,010	16,062
2. Net premium income (including \$ non-health premium income)	X X X	14,172,762	12,803,420
3. Change in unearned premium reserves and reserve for rate credits	X X X	(5,124)	(347,578)
4. Fee-for-service (net of \$ medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	14,167,638	12,455,842
Hospital and Medical:			
9. Hospital/medical benefits		7,511,178	6,529,751
10. Other professional services		4,373,474	3,873,828
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		2,350,129	1,777,845
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		14,234,781	12,181,424
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		14,234,781	12,181,424
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 19,788 cost containment expenses		291,844	286,986
21. General administrative expenses		954,603	1,018,119
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		15,481,228	13,486,529
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,313,590)	(1,030,687)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		69,595	62,132
26. Net realized capital gains (losses) less capital gains tax of \$		(18,266)	
27. Net investment gains (losses) (Lines 25 plus 26)		51,329	62,132
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ )]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(1,262,261)	(968,555)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	(1,262,261)	(968,555)
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year .....	5,869,602	6,886,629
34. Net income or (loss) from Line 32 .....	(1,262,261)	(968,555)
35. Change in valuation basis of aggregate policy and claims reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	(8,806)	(41,767)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(190,584)	(6,705)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Tranferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	(790,547)	
48. Net change in capital and surplus (Lines 34 to 47) .....	(2,252,198)	(1,017,027)
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	3,617,404	5,869,602
DETAILS OF WRITE-INS		
4701. SSAP No. 3 - Adjustment for prior years' Centers for Medicare & Medicaid overpayments .....	(790,547)	
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(790,547)	

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	13,803,012	12,508,254
2. Net investment income	64,343	43,596
3. Miscellaneous income		
4. Total (Line 1 through Line 3)	13,867,355	12,551,850
5. Benefit and loss related payments	14,277,602	11,779,272
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	963,932	1,336,904
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	15,241,534	13,116,176
11. Net cash from operations (Line 4 minus Line 10)	(1,374,179)	(564,326)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	550,000	
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	550,000	
13. Cost of investments acquired (long-term only):		
13.1 Bonds	610,060	322,190
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	610,060	322,190
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(60,060)	(322,190)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	276,131	(65,161)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	276,131	(65,161)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(1,158,108)	(951,677)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,643,997	4,595,674
19.2 End of year (Line 18 plus Line 19.1)	2,485,889	3,643,997
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Line 16.6 - CMS overpayments	224,576	
20.0002 Line 16.6 - Other	51,555	
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	14,172,762						14,172,762			
2. Change in unearned premium reserves and reserve for rate credit .....	(5,124)						(5,124)			
3. Fee-for-service (net of \$ ..... medical expenses) .....										XXX
4. Risk revenue .....										XXX
5. Aggregate write-ins for other health care related revenues .....										XXX
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6) .....	14,167,638						14,167,638			
8. Hospital/medical benefits .....	7,511,178						7,511,178			XXX
9. Other professional services .....	4,373,474						4,373,474			XXX
10. Outside referrals .....										XXX
11. Emergency room and out-of-area .....										XXX
12. Prescription drugs .....	2,350,129						2,350,129			XXX
13. Aggregate write-ins for other hospital and medical .....										XXX
14. Incentive pool, withhold adjustments, and bonus amounts .....										XXX
15. Subtotal (Lines 8 to 14) .....	14,234,781						14,234,781			XXX
16. Net reinsurance recoveries .....										XXX
17. Total hospital and medical (Lines 15 minus 16) .....	14,234,781						14,234,781			XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ ..... 19,788 cost containment expenses .....	291,844						291,844			
20. General administrative expenses .....	954,603						954,603			
21. Increase in reserves for accident and health contracts .....										XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	15,481,228						15,481,228			
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(1,313,590)						(1,313,590)			
<b>DETAILS OF WRITE-INS</b>										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										XXX



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XV/III Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	14,184,718						14,184,718			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	14,184,718						14,184,718			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,518,140						1,518,140			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	1,518,140						1,518,140			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net health care receivables (a)	278,703						278,703			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,189,374						1,189,374			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	1,189,374						1,189,374			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	14,234,781						14,234,781			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	14,234,781						14,234,781			
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	1,174,969	12,731,046	13,118	1,505,022	1,188,087	1,189,374
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	1,174,969	12,731,046	13,118	1,505,022	1,188,087	1,189,374
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Lines 9-10+11+12) .....	1,174,969	12,731,046	13,118	1,505,022	1,188,087	1,189,374

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

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Comprehensive (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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Medicare Supplement

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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

## Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....					
4. 2013 .....	X X X				
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

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	2	3	4	5
	2011	2012	2013	2014	2015
1. Prior					
2. 2011					
3. 2012	X X X				
4. 2013	X X X	X X X			
5. 2014	X X X	X X X	X X X		
6. 2015	X X X	X X X	X X X	X X X	

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Vision Only

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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefit Plan

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Federal Employees Health Benefit Plan

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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefit Plan

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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Title XVIII Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011	6,186	6,692	6,691	6,691	6,691
3. 2012	X X X	4,195	4,628	4,629	4,629
4. 2013	X X X	X X X	5,652	6,277	8,120
5. 2014	X X X	X X X	X X X	13,200	14,239
6. 2015	X X X	X X X	X X X	X X X	15,262

Section B - Incurred Health Claims - Title XVIII Medicare

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					
2. 2011	6,160	6,665	6,665	6,665	6,665
3. 2012	X X X	3,928	4,361	4,361	4,361
4. 2013	X X X	X X X	5,837	6,462	6,462
5. 2014	X X X	X X X	X X X	12,296	14,252
6. 2015	X X X	X X X	X X X	X X X	16,767

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII Medicare

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	8,742	6,691			6,691	76.539			6,691	76.539
2. 2012	7,270	4,629			4,629	63.673			4,629	63.673
3. 2013	9,287	6,277	153	2.437	6,430	69.237			6,430	69.237
4. 2014	12,456	14,239	287	2.016	14,526	116.618	13		14,539	116.723
5. 2015	14,168	15,407	292	1.895	15,699	110.806	1,505	22	17,226	121.584



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Title XIX Medicaid

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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX Medicaid

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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims - Other

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 .....					
2. 2011 .....					
3. 2012 .....	X X X				
4. 2013 .....	X X X	X X X			
5. 2014 .....	X X X	X X X	X X X		
6. 2015 .....	X X X	X X X	X X X	X X X	

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

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 .....										
2. 2012 .....										
3. 2013 .....										
4. 2014 .....										
5. 2015 .....										

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 .....					
2. 2011 .....	6,186	6,692	6,691	6,691	6,691
3. 2012 .....	X X X	4,195	4,628	4,629	4,629
4. 2013 .....	X X X	X X X	5,652	6,277	8,120
5. 2014 .....	X X X	X X X	X X X	13,200	14,239
6. 2015 .....	X X X	X X X	X X X	X X X	15,262

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 .....					
2. 2011 .....	6,160	6,665	6,665	6,665	6,665
3. 2012 .....	X X X	3,928	4,361	4,361	4,361
4. 2013 .....	X X X	X X X	5,837	6,462	6,462
5. 2014 .....	X X X	X X X	X X X	12,296	14,252
6. 2015 .....	X X X	X X X	X X X	X X X	16,767

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 .....	8,742	6,691			6,691	76.539			6,691	76.539
2. 2012 .....	7,270	4,629			4,629	63.673			4,629	63.673
3. 2013 .....	9,287	8,120	153	1.884	8,273	89.082			8,273	89.082
4. 2014 .....	12,456	14,239	287	2.016	14,526	116.618	13		14,539	116.723
5. 2015 .....	14,168	15,407	292	1.895	15,699	110.806	1,505	22	17,226	121.584

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Mount Carmel Health Insurance Company

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("ODI").

The ODI Regulation recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

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

State Prescribed Practices	State of Domicile	Current	Prior
01A01 - Net Income, state basis (Page 4, Line 32, Columns 2 and 3)	OH	(1,262,261)	(968,555)
01A04 - Net Income, NAIC SAP (1-2-3=4)	OH	(1,262,261)	(968,555)
01A05 - Surplus, state basis (Page 3, Line 33, Columns 3 and 4)	OH	3,617,404	5,869,602
01A08 - Surplus, NAIC SAP (5-6-7=8)	OH	3,617,404	5,869,602

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claims payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the Statements of Admitted Assets, Liabilities and Surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximate fair value due to the short-term maturities of the investments.
- (2)-(4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds are carried at amortized cost.

The Company regularly evaluates investment securities for impairment. The related investment is written down to its estimated fair value.

Amortization of bond premium or discount is computed using the effective yield method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.
- (5) The Company does not have any mortgage loans on real estate investments.
- (6) The Company does not have any loan-backed security investments.
- (7) The Company does not have any investments in subsidiaries.
- (8) The Company does not have any joint venture investments.
- (9) Not Applicable.
- (10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses, and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

In 2015, the Company discovered certain errors in data previously submitted to the Centers for Medicare and Medicaid Services ("CMS") in connection with the CMS risk adjustment process for the years 2009 through 2015. The Company utilized outside experts to identify and quantify the effect of the errors and provide the required information for the submission of corrected data and repayment of amounts resulting from the data submission errors for the previous six years in accordance with CMS instructions. In accordance with Statement of Statutory Accounting Principles No. 3, the Company has adjusted beginning capital and surplus for the prior year impact by \$790,547 to account for the estimated impact of the repayment for the years 2009 through 2014. The

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Mount Carmel Health Insurance Company

NOTES TO FINANCIAL STATEMENTS

estimated impact by year is not material. The repayment will not affect the Company's compliance with statutory reserve requirements as it will continue to meet all these requirements. Risk based capital at December 31, 2015 was 398%, well above the required regulatory requirement of 200%. The impact of the correcting adjustment was \$224,576 and \$130,356 for 2015 and 2014, respectively.

3. Business Combinations and Goodwill
- A. Statutory Purchase Method

Not Applicable.
- B. Statutory Merger

Not Applicable.
- C. Assumption Reinsurance

Not Applicable.
- D. Impairment Loss
4. Discontinued Operations
- Not Applicable.
5. Investments
- A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable.
- B. Debt Restructuring

Not Applicable.
- C. Reverse Mortgages

Not Applicable.
- D. Loan-Backed Securities

Not Applicable.
- E. Repurchase Agreements and/or Securities Lending Transactions

Not Applicable.
- F. Real Estate

Not Applicable.
- G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.
- H. Restricted Assets

(1) Restricted Assets (Including Pledged)

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock						
i. FHLB capital stock						
j. On deposit with states	2,794,003	2,753,241	40,762	2,794,003	40.330	42.333
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						

NOTES TO FINANCIAL STATEMENTS

o. Total Restricted Assets	2,794,003	2,753,241	40,762	2,794,003		

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

Not Applicable.
- (3) Detail of Other Restricted Assets

Not Applicable.
- I. Working Capital Finance

Not Applicable.
- J. Offsetting and Netting of Assets and Liabilities

Not Applicable.
- K. Structured Notes

Not Applicable.
6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for investments in Joint Ventures, Partnerships or Limited Liability Companies during the statement periods.
7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due.

B. The total amount excluded was \$-0-.
8. Derivative Instruments

Not Applicable.
9. Income Taxes

The Company has been recognized by the Internal Revenue Service, under Internal Revenue Code Section 501(c)(4), as an organization exempt from tax under Section 501(a). There were no deferred income tax assets, deferred income tax liabilities, investment tax credits, or loss carryforwards as of December 31, 2015 or 2014. The Company does not have any material uncertain tax positions as of December 31, 2015 or 2014.
10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A.-C. The Company is provided by agreement certain management, administrative, and marketing services by Mount Carmel Health Plan, Inc. ("MCHP"). Expenses related to services provided to the Company by MCHP were \$1,057,087 and \$948,857 in 2015 and 2014, respectively.

Medical expenses incurred by the Company provided by Mount Carmel Health System ("MCHS") were \$1,746,110 and \$1,298,136 in 2015 and 2014, respectively.

D. The Company owed MCHS \$240,590 as of December 31, 2015 and was due \$26,516 from MCHS as of December 31, 2014.

E. Not Applicable.

F. Not Applicable.

G. All outstanding shares of the Company are owned by MCHS, a non-profit corporation domiciled in the State of Ohio.

H. Not Applicable.

I. Not Applicable.

J. Not Applicable.

K. Not Applicable.

L. Not Applicable.
11. Debt

A. Debt Including Capital Notes

The Company has no outstanding debt with third parties during 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS

B.	Federal Home Loan Bank (FHLB) Agreements
	The Company does not have any FHLB agreements.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans	
A.-D. Defined Benefit Plan	
A.	Not Applicable.
E. Defined Contribution Plans	
E.	Not Applicable.
F. Multiemployer Plans	
F.	Not Applicable.
G. Consolidated/Holding Company Plans	
G.	Not Applicable.
H. Postemployment Benefits and Compensated Absences	
H.	Not Applicable.
I. Impact of Medicare Modernization Act on Postretirement Benefits	
I.	Not Applicable.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations	
(1)	The Company has 1,000 shares of \$1,000 par value common stock authorized, issued and outstanding. All shares are common stock shares.
(2)	The Company has no preferred stock outstanding.
(3)	Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Ohio, to \$-0-, an amount that is based on restrictions relating to net income and statutory surplus.
(4)	No dividends were paid by the Company.
(5)	Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
(6)	There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
(7)	The total amount of advances to surplus not repaid is \$-0-.
(8)	The Company did not hold stock, including stock of affiliated companies, for special purposes of conversion of preferred stock, employee stock options, or stock purchase warrants.
(9)	There were no changes in balances of special surplus funds from the prior year.
(10)	The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(67,317) and \$(58,510) as of December 31, 2015 and 2014, respectively.
(11)	The Company did not issue surplus debentures or similar obligations during the statement periods.
(12)	The Company did not have a restatement due to a prior quasi-reorganization.
(13)	Not Applicable.
14. Liabilities, Contingencies and Assessments	
A. Contingent Commitments	
A.	Not Applicable.
B. Assessments	
B.	Not Applicable.
C. Gain Contingencies	
C.	Not Applicable.
D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits	
D.	Not Applicable.
E. Joint and Several Liabilities	

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

F. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Company does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations or cash flows.

The Company is not aware of any other material contingent liabilities as of December 31, 2015.

15. Leases

A. Lessee Operating Lease

Not Applicable.

B. Lessor Leases

Not Applicable.

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

The Company does not hold any financial instruments with off-balance sheet risk or concentrations of credit risk.

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

A. Transfer of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

Not Applicable.

B. ASC Plans

Not Applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

- (1) Revenue from the Company's Medicare (or similarly structured cost based reimbursement contract) contract for the years 2015 and 2014, consisted of \$12,721,122 and \$11,156,715, respectively for medical and hospital related services and \$1,310,507 and \$1,131,949, respectively for administrative expenses.
- (2) As of December 31, 2015 and 2014, the Company has recorded receivables from CMS of \$713,525 and \$466,105 respectively, related to the low-income member cost share and catastrophic reinsurance components of administered Medicare products. The Company does not have any additional receivables greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000.
- (3) In connection with the Company's Medicare (or similarly structured cost based reimbursement contract) contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$200 and \$-0- at December 31, 2015 and 2014, respectively.
- (4) The Company reduced surplus \$130,356 for 2014 and \$660,191 for 2009-2013 resulting from an audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

20. Fair Value Measurement

A. (1) The fair value of financial assets at December 31, 2015 were as follows:

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Money market funds	83,898			83,898
20A1A99 - Assets at fair value	83,898			83,898

(2) Rollforward of Level 3 Items



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Mount Carmel Health Insurance Company

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

- (3) There were no fair value measurements using significant unobservable inputs. The Company reports transfers between fair value hierarchy levels at the end of the reporting period.
- (4) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices are not available, the third party pricing service may use quoted market prices of comparable securities or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include benchmark yields, reported trades, credit spreads, broker quotes, default rates, and prepayment speeds.

The Company is responsible for the determination of fair value and as such, the Company performs a review of the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. There were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2015.

- (5) Derivative Fair Values

Not Applicable.

B. Other Fair Value Disclosures

Not Applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2, and 3

C. Practicable to Estimate Fair Value

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Aggregate fair value for all financial instruments						
U.S. Treasury and agency securities	595,074	607,767	595,074			
U.S. Special revenue obligations	2,114,546	2,102,337		2,114,546		
Cash, cash equivalents, and short-term securities	2,485,889	2,485,889	2,485,889			
20C9999 - Aggregate fair value for all financial instruments						

- D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not Applicable.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures and Unusual Items

Not Applicable.

D. Business Interruption Insurance Recoveries

Not Applicable.

E. State Transferable and Non-transferable Tax Credits

Not Applicable.

F. Subprime-Mortgage-Related Risk Exposure

Not Applicable.

G. Retained Assets

Not Applicable.

22. Events Subsequent

Type I - Recognized Subsequent Events:

Subsequent events have been considered through March 14, 2016 for the statutory statement issued on March 15, 2016.

The Company is not aware of any events or transactions that provide additional evidence with respect to conditions that existed at December 31, 2015, which would have a material effect on its financial condition.

Type II - Nonrecognized Subsequent Events:

Subsequent events have been considered through March 14, 2016 for the statutory statement issued on March 15, 2016.

The Company is not aware of any events or transactions that provide evidence with respect to conditions that did not exist at December 31, 2015 but arose after that date, which would have a material effect on its financial condition.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Mount Carmel Health Insurance Company

NOTES TO FINANCIAL STATEMENTS

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)

If yes, give full details.
- (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)

If yes, give full details.

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)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$\_\_\_\_\_.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$16,161.
- (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)

If yes, give full details.

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. \$16,161.
- (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)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$\_\_\_\_\_.

B. Uncollectible Reinsurance

The Company has written off \$-0- in reinsurance balances due during the current year.

C. Commutation of Ceded Reinsurance

Not Applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A.

The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.
- B.

The Company records accrued retrospective premiums as an adjustment to uncollected premiums and considerations or aggregate health policy reserves on the Statement of Assets, Liabilities, Capital and Surplus and as an adjustment to change in unearned premium reserves or net premium income on the Statement of Revenue and Expenses.
- C.

The amount of net premiums written by the Company at December 31, 2015 and 2014 that are subject to retrospective rating features was \$11,460,714 and \$10,129,926, respectively. That represented 91% and 92% of the total net premiums written, respectively. No other net premiums written by the Company are subject to retrospective rating features.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2014 were \$1,202,949. As of December 31, 2015, \$1,174,969 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$ 13,308 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$14,672 favorable

NOTES TO FINANCIAL STATEMENTS

prior-year development since December 31, 2014 to December 31, 2015. The xxcrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

A. -G.  
  
Not Applicable.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivable

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
Pharmaceutical Rebate Receivables					
12/31/2015	197,105				
09/30/2015	196,124		21,274		
06/30/2015	186,575	186,575	5,607	147,111	
03/31/2015	180,557	180,557	5,392	96,401	71,202
12/31/2014	104,530	112,761		64,359	46,892
09/30/2014	114,057	107,396		57,467	48,532
06/30/2014	141,514	103,842		81,529	21,808
03/31/2014	137,136	102,136		46,596	55,539
12/31/2013	58,689	66,215		33,644	32,571
09/30/2013	69,469	61,047		26,516	34,531
06/30/2013	52,090	51,705		23,612	28,093
03/31/2013	59,897	58,589		23,787	34,853
28A - Pharmaceutical Rebate Receivables					

B. Risk Sharing Receivables

Not Applicable.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves

\$ -0-
2. Date of the most recent evaluation of this liability

12/31/15
3. Was anticipated investment income utilized in the calculation?

Yes ( ) No (x)•

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$-0-.

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2015	2014	2013	2012	2011
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 28)	6,600,036	7,273,832	7,890,373	7,466,118	6,810,173
2. Total liabilities (Page 3, Line 24)	2,982,632	1,404,230	1,003,744	643,770	959,062
3. Statutory minimum capital and surplus requirement	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000
4. Total capital and surplus (Page 3, Line 33)	3,617,404	5,869,602	6,886,629	6,822,348	5,851,111
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	14,167,638	12,455,842	9,287,325	7,269,573	8,741,666
6. Total medical and hospital expenses (Line 18)	14,234,781	12,181,424	8,236,075	5,658,221	8,221,357
7. Claims adjustment expenses (Line 20)	291,844	286,986	153,496	129,962	154,570
8. Total administrative expenses (Line 21)	954,603	1,018,119	826,663	588,116	594,268
9. Net underwriting gain (loss) (Line 24)	(1,313,590)	(1,030,687)	71,091	893,274	(228,529)
10. Net investment gain (loss) (Line 27)	51,329	62,132	58,896	63,892	4,785
11. Total other income (Line 28 plus Line 29)					
12. Net income or (loss) (Line 32)	(1,262,261)	(968,555)	129,987	957,166	(223,744)
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	(1,374,179)	(564,326)	(191,519)	596,834	(297,852)
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	3,617,404	5,869,602	6,886,629	6,822,348	5,851,111
15. Authorized control level risk-based capital	955,845	916,280	750,852	750,497	750,551
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,437	1,370	887	613	706
17. Total members months (Column 6, Line 7)	17,010	16,062	10,253	7,356	8,345
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	100.5	97.8	88.7	77.8	94.0
20. Cost containment expenses	0.1	0.1	0.5	0.5	0.6
21. Other claims adjustment expenses	1.9	2.2	1.1	1.2	1.2
22. Total underwriting deductions (Line 23)	109.3	108.3	99.2	87.7	102.6
23. Total underwriting gain (loss) (Line 24)	(9.3)	(8.3)	0.8	12.3	(2.6)
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	1,188,087	625,064	462,255	560,293	721,617
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	1,189,374	739,657	516,993	832,980	826,942
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					
33. Total investment in parent included in Line 26 to Line 31 above					

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3,  
Accounting Changes and Correction of Errors?

Yes ( ) No ( )

If no, please explain:  
.....