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# QUARTERLY STATEMENT

AS OF JUNE 30, 2016

OF THE CONDITION AND AFFAIRS OF THE

## HealthCare Health Insuring Corporation

NAIC Group Code	4805 (Current Period)	4805 (Prior Period)	NAIC Company Code	15461	Employer's ID Number	46-3305099
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health <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 checked="" type="checkbox"/>			
	Other <input type="checkbox"/>	Is HMO Federally Qualified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>				
Incorporated/Organized	07/11/2013		Commenced Business	01/01/2015		
Statutory Home Office	2600 Sixth Street SW (Street and Number)		Canton, OH, 44710 (City or Town, State, Country and Zip Code)			
Main Administrative Office	2600 Sixth Street SW Canton, OH, 44710 (Street and Number or P.O. Box)		(330)363-4057 (Area Code) (Telephone Number)			
Mail Address	2600 Sixth Street SW (Street and Number or P.O. Box)		Canton, OH, 44710 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2600 Sixth Street SW Canton, OH, 44710 (Street and Number)		(330)363-4057 (Area Code) (Telephone Number)			
Internet Web Site Address	www.aultcare.com					
Statutory Statement Contact	Jeffrey Alan Scheatzle (Name) jscheatzle@aultman.com (E-Mail Address)		(330)363-4057 (Area Code)(Telephone Number)(Extension) (330)363-5012 (Fax Number)			

## OFFICERS

Name	Title
Rick L. Haines	President
Joseph J. Feltes	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

## OTHERS

## **DIRECTORS OR TRUSTEES**

William Wallace M.D.  
Christopher E. Remark  
Rick L. Haines  
Mark D. Wright  
Darryl J. Dillenback  
Gregory A. Haban M.D.  
Edward J. Roth III  
Michael A. Rich M.D.  
John B. Humphrey Jr., M.D.  
Allen Rovner M.D.

State of Ohio  
County of Stark ss

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

(Signature)  
Rick L. Haines  
(Printed Name)  
1.  
President  
(Title)

(Signature)  
Joseph J. Feltes  
(Printed Name)  
2.  
Secretary  
(Title)

---

(Signature)  
Mark D. Wright  
(Printed Name)  
3.  
Treasurer  
(Title)

---

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

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

Yes[X] No[ ]

(Notary Public Signature)

**DIRECTORS OR TRUSTEES (continued)**

Joseph J. Feltes Esq.

Mark N. Rose M.D.

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	26,805,020		26,805,020	25,516,456
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	43,198,999		43,198,999	42,694,951
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....(188,107)), cash equivalents (\$.....0) and short-term investments (\$.....197,377) .....	9,270		9,270	903,753
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....	435,400		435,400	
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	70,448,690		70,448,690	69,115,160
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	147,644		147,644	138,708
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	4,497,805		4,497,805	3,535,957
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	154,255		154,255	361,570
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....	2,642,608		2,642,608	3,556,388
18.1 Current federal and foreign income tax recoverable and interest thereon .....	11,085		11,085	352,240
18.2 Net deferred tax asset .....	78,238		78,238	78,238
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....5,543,274) and other amounts receivable .....	6,802,365	822,300	5,980,066	5,467,722
25. Aggregate write-ins for other-than-invested assets .....				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	84,782,691	822,300	83,960,391	82,605,983
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	84,782,691	822,300	83,960,391	82,605,983
<b>DETAILS OF WRITE-INS</b>				
1101. .....				
1102. .....				
1103. .....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. .....				
2502. .....				
2503. .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....465,800 reinsurance ceded)	12,764,918		12,764,918	13,237,802
2. Accrued medical incentive pool and bonus amounts	1,311,078		1,311,078	1,682,220
3. Unpaid claims adjustment expenses	226,200		226,200	218,300
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	824,442		824,442	193,402
9. General expenses due or accrued	1,038,923		1,038,923	889,919
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized 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 \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	727,168		727,168	1,153,054
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	678,387		678,387	678,387
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. Total liabilities (Lines 1 to 23)	17,571,116		17,571,116	18,053,084
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	68,069,349	68,069,349
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	(1,680,074)	(3,516,450)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	66,389,275	64,552,899
34. Total Liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	83,960,391	82,605,983
<b>DETAILS OF WRITE-INS</b>				
2301. 0				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
				4 Total
	1 Uncovered	2 Total	3 Total	
1. Member Months .....	XXX .....	125,705	122,003	241,831
2. Net premium income (including \$.....0 non-health premium income) .....	XXX .....	116,329,817	109,638,020	226,733,360
3. Change in unearned premium reserves and reserves for rate credits .....	XXX .....			
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX .....			
5. Risk revenue .....	XXX .....			
6. Aggregate write-ins for other health care related revenues .....	XXX .....			
7. Aggregate write-ins for other non-health revenues .....	XXX .....			
8. Total revenues (Lines 2 to 7) .....	XXX .....	116,329,817	109,638,020	226,733,360
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		77,071,945	70,949,229	159,732,676
10. Other professional services .....				
11. Outside referrals .....		1,932,366	3,348,303	5,972,880
12. Emergency room and out-of-area .....		2,389,969	1,739,622	3,851,767
13. Prescription drugs .....		19,819,466	19,711,796	35,569,150
14. Aggregate write-ins for other hospital and medical .....				
15. Incentive pool, withhold adjustments and bonus amounts .....		2,005,068	1,999,587	4,887,647
16. Subtotal (Lines 9 to 15) .....		103,218,815	97,748,538	210,014,120
<b>Less:</b>				
17. Net reinsurance recoveries .....				361,570
18. Total hospital and medical (Lines 16 minus 17) .....		103,218,815	97,748,538	209,652,550
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....0 cost containment expenses .....		2,597,279	2,259,709	4,525,234
21. General administrative expenses .....		9,157,700	12,912,791	19,237,702
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23. Total underwriting deductions (Lines 18 through 22) .....		114,973,793	112,921,037	233,415,486
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX .....	1,356,024	(3,283,017)	(6,682,126)
25. Net investment income earned .....		318,990	337,200	649,137
26. Net realized capital gains (losses) less capital gains tax of \$.....877 .....		1,702	1,340,931	70,632
27. Net investment gains or (losses) (Lines 25 plus 26) .....		320,692	1,678,131	719,769
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29. Aggregate write-ins for other income or expenses .....				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX .....	1,676,716	(1,604,887)	(5,962,357)
31. Federal and foreign income taxes incurred .....	XXX .....	341,276	8,153	(2,034,018)
32. Net income (loss) (Lines 30 minus 31) .....	XXX .....	1,335,440	(1,613,040)	(3,928,339)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX .....			
0602. ....	XXX .....			
0603. ....	XXX .....			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX .....			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX .....			
0701. ....	XXX .....			
0702. ....	XXX .....			
0703. ....	XXX .....			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX .....			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX .....			
1401. Reinsurance Claims .....				
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)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	64,552,899	66,342,640	66,342,640
34. Net income or (loss) from Line 32 .....	1,335,440	(1,613,040)	(3,928,339)
35. Change in valuation basis of aggregate policy and claim reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	198,584	2,674,684	3,185,011
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			78,238
39. Change in nonadmitted assets .....	302,352	(416,992)	(1,124,651)
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 Transferred from capital .....			
46. Dividends to stockholders .....			
47. Aggregate write-ins for gains or (losses) in surplus .....			
48. Net change in capital and surplus (Lines 34 to 47) .....	1,836,376	644,652	(1,789,741)
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	66,389,275	66,987,292	64,552,899
<b>DETAILS OF WRITE-INS</b>			
4701. 0 .....			
4702. 0 .....			
4703. .....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

**CASH FLOW**

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>				
1.	Premiums collected net of reinsurance .....	115,999,010	108,859,172	223,390,805
2.	Net investment income .....	399,653	(61,076)	500,615
3.	Miscellaneous income .....			
4.	TOTAL (Lines 1 to 3) .....	116,398,662	108,798,096	223,891,420
5.	Benefit and loss related payments .....	104,065,518	95,138,581	201,686,471
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	10,684,295	10,328,083	25,532,717
8.	Dividends paid to policyholders .....			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	998		(1,645,392)
10.	TOTAL (Lines 5 through 9) .....	114,750,811	105,466,664	225,573,797
11.	Net cash from operations (Line 4 minus Line 10) .....	1,647,851	3,331,432	(1,682,376)
<b>Cash from Investments</b>				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds .....	913,104	1,584,319	5,490,847
12.2	Stocks .....			3,239,511
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 .....	(231)		50
12.7	Miscellaneous proceeds .....		1,286,576	31,813,912
12.8	TOTAL investment proceeds (Lines 12.1 to 12.7) .....	912,873	2,870,895	40,544,320
13.	Cost of investments acquired (long-term only):			
13.1	Bonds .....	2,288,457	1,877,789	28,800,482
13.2	Stocks .....	80,464	26,066	10,495,340
13.3	Mortgage loans .....			
13.4	Real estate .....			
13.5	Other invested assets .....	435,400	873,720	
13.6	Miscellaneous applications .....	225,000	285,087	
13.7	TOTAL investments acquired (Lines 13.1 to 13.6) .....	3,029,321	3,062,662	39,295,822
14.	Net increase (or decrease) in contract loans and premium notes .....			
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(2,116,448)	(191,768)	1,248,498
<b>Cash from Financing and Miscellaneous Sources</b>				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes .....			
16.2	Capital and paid in surplus, less treasury stock .....			
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) .....	(425,886)	725,050	1,153,054
17.	Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(425,886)	725,050	1,153,054
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(894,483)	3,864,714	719,176
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year .....	903,753	185,329	184,577
19.2	End of period (Line 18 plus Line 19.1) .....	9,270	4,050,043	903,753

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

20.0001	Cumulative effect of changes in accounting principles .....			
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## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	20,252							20,252		
2. First Quarter .....	21,002							21,002		
3. Second Quarter .....	20,934							20,934		
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	125,705							125,705		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	18,515							18,515		
8. Non-Physician .....	348,370							348,370		
9. Total .....	366,885							366,885		
10. Hospital Patient Days Incurred .....	13,627							13,627		
11. Number of Inpatient Admissions .....	2,895							2,895		
12. Health Premiums Written (a) .....	116,431,817							116,431,817		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	116,431,817							116,431,817		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	104,144,258							104,144,258		
18. Amount Incurred for Provision of Health Care Services .....	103,218,815							103,218,815		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$....116,431,817.

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

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid .....	.....	.....	.....	.....	.....	.....
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....	.....	.....	.....	.....	.....	.....
0399999 Aggregate Accounts Not Individually Listed - Covered .....	.....	.....	.....	.....	.....	.....
0499999 Subtotals .....	.....	.....	.....	.....	.....	.....
0599999 Unreported claims and other claim reserves .....	.....	.....	.....	.....	.....	13,238,618
0699999 Total Amounts Withheld .....	.....	.....	.....	.....	.....	.....
0799999 Total Claims Unpaid .....	.....	.....	.....	.....	.....	13,238,618
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....	.....	.....	.....	.....	.....	1,311,078

## UNDERWRITING AND INVESTMENT EXHIBIT

## ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1+3)	6  Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	9,495,077	92,191,554	101,780	12,663,138	9,596,857	13,237,802
7. Title XIX - Medicaid .....	.....	.....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	9,495,077	92,191,554	101,780	12,663,138	9,596,857	13,237,802
10. Healthcare receivables (a) .....	.....	.....	.....	.....	.....	.....
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pools and bonus amounts .....	1,010,392	1,365,818	671,828	638,250	1,682,220	1,682,220
13. Totals (Lines 9 - 10 + 11 + 12) .....	10,505,469	93,557,371	773,608	13,301,388	11,279,077	14,920,022

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

# Notes to Financial Statement

## SECTION A

1. Summary of Significant Accounting Policies
  - A. The accompanying financial statements of AultCare Health Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.
 

The Ohio Department of Insurance recognizes only statutory accounting prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.
  - B. The preparation of financial statement in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
  - C. Accounting Policy
    - (1) Short-term investments are stated at amortized cost.
    - (2) Bonds were stated at amortized cost using the straight-line method.
    - (3) The Company had no common stock.
    - (4) The Company had no preferred stock.
    - (5) The Company had no mortgage loans.
    - (6) The Company had no loan backed securities.
    - (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$36,014,457.
    - (8) The Company had no investments in joint ventures, partnerships, or limited liability companies.
    - (9) The Company had no derivatives.
    - (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
    - (11) The Company had no estimated liabilities for losses due to having no policies currently issued.
    - (12) The Company has not modified its capitalization policy from the prior period.
    - (13) The Company uses current year received pharmacy rebates as a percentage of current year claim expense to estimate current rebate receivable off of the most recent quarter's pharmacy claim expense in accordance with SSAP. 84
2. Accounting Changes and Corrections of Errors
  - A. The Company had no change in accounting principles and/or correction of errors in 2016.
3. Business Combinations and Goodwill
  - A. The Company had no business combinations accounted for under the statutory purchase method.
  - B. The Company was not part of any merger.
  - C. The Company had no assumption of reinsurance.
  - D. An impairment loss was not recognized.
4. Discontinued Operations
  - A. The Company did not discontinue any operations.
5. Investments
  - A. The Company had no mortgage Loan Investments.
  - B. The Company had no recorded investments in Restructured Loans.
  - C. The Company had no recorded investments in Reverse Mortgages.
  - D. The Company had no recorded investments in Loan-Backed Securities.
  - E. The Company had no recorded investments in Repurchase Agreements.
  - F. The Company had 750 shares valued at \$48,019 each invested in its subsidiary, AultCare Insurance Company.
  - G. The Company has no investments in Low-Income Housing Tax Credits.
  - H. The Company has no investments in Restricted Assets.
6. Joint Ventures, Partnerships and Limited Liability Companies
  - A. The Company had no investments in joint ventures, partnerships or limited liability companies.

## Notes to Financial Statement

- B. The Company had no impaired investments in joint ventures, partnerships or limited liability companies.
7. Investment Income
- A. The Company did not exclude any investment income due and accrued.
8. Derivative Instruments
- A. The Company had no derivative instruments.
9. Income Taxes
- A. The components of the net deferred tax asset/ (liability) at March 31, 2016 are as follows:

1. (reported in thousands)		6/30/2016			6/30/2015			Change		
		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total
(a)	Gross Deferred Tax Assets	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets(1a-1b)	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -
(d)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -
(f)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -
2. (reported in thousands)		6/30/2016			6/30/2015			Change		
Admission Calculation Components SSAP No. 101		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The lessor of 2(b)1 and 2(b)2 Below)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Cont. Note 9 A 2

	1 Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	2 Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	\$10,040	XXX	XXX	\$ 10,048	XXX	XXX	\$ -8					
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
(d)	Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 78	\$ -	\$ 78	\$ 78	\$ -	\$ 78	\$ -	\$ -	\$ -					
3. (reported in thousands)		2016		2015											
(a)	Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	15%		15%											
(b)	Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$66,931		\$66,987											
4. (reported in thousands)		6/30/2016			6/30/2015			Change							
Impact of Tax Planning Strategies		(1) Ordinary	(2) Capital	(3) Col 1+2 Total	(4) Ordinary	(5) Capital	(6) Col 4+5 Total	(7) Col 1-4 Ordinary	(8) Col 2-5 Capital	(9) Col 7+8 Total					
(a)	Adjusted Gross DTA's (% of total adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
(b)	Net Admitted Adjusted Gross DTA's (% of total net admitted adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
(c)	Does the Company's Tax Planning Strategies Include the Use of Reinsurance?	Yes	No	X											

B. Not Applicable

C. Current Income Taxes Incurred consist of the following major components:

1. Current Income Tax			(1) 6/30/2016	(2) 6/30/2015	(3) (Col 1-2) Change
( a )	Federal		\$ (120,974)	\$ 8,153	\$ (128,603)
( b )	Foreign		\$ -	\$ -	\$ -
( c )	Subtotal		\$ (120,974)	\$ 8,153	\$ (128,603)
( d )	Federal Income Tax on Net Capital Gains		\$ -	\$ -	\$ -
( e )	Utilization of Capital Loss Carry-Forwards		\$ -	\$ -	\$ -

## Notes to Financial Statement

(f)	Other	\$ -	\$ -	\$ -
(g)	Federal and Foreign Income Taxes Incurred	\$ (120,974)	\$ 8,153	\$ (128,603)
2.	Deferred Tax Assets			
(a)	Ordinary			
(1)	Discounting of Unpaid Losses	\$ -	\$ -	\$ -
(2)	Unearned Premium Reserve	\$ -	\$ -	\$ -
(3)	Policyholder Reserves	\$ -	\$ -	\$ -
(4)	Investments	\$ -	\$ -	\$ -
(5)	Deferred Acquisition Costs	\$ -	\$ -	\$ -
(6)	Policyholder Dividends Accrual	\$ -	\$ -	\$ -
(7)	Fixed Assets	\$ -	\$ -	\$ -
(8)	Compensation and Benefits Accrual	\$ -	\$ -	\$ -
(9)	Pension Accrual	\$ -	\$ -	\$ -
(10)	Receivables – Allowance	\$ -	\$ -	\$ -
(11)	Net Operating Loss Carry-Forward	\$ -	\$ -	\$ -
(12)	Tax Credit Carry-Forward	\$ -	\$ -	\$ -
(13)	Other (including items <5% of total ordinary tax assets)	\$ 78,238	\$ 78,238	\$ -

## Cont. Note 9 C 2

(b)	Statutory valuation allowance adjustment	\$ 78,238	\$ 78,238	\$ -
(c)	Nonadmitted	\$ -	\$ -	\$ -
(d)	Admitted ordinary deferred tax assets (2a14- 2b-2c)	\$ 78,238	\$ 78,238	\$ -
(e)	Capital			
(1)	Net Capital Loss Carry-Forward	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(f)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g)	Nonadmitted	\$ -	\$ -	\$ -
(h)	Admitted capital deferred tax assets (2e2 - 2f - 2g)	\$ -	\$ -	\$ -
(i)	Admitted deferred tax assets (2d + 2h)	\$ 78,238	\$ 78,238	\$ -
3.	Deferred Tax Liabilities			
(a)	Ordinary			
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(b)	Capital			
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(c)	Deferred tax liabilities (3a2 + 3b2)	\$ -	\$ -	\$ -
4.	Net deferred tax assets/liabilities (2i - 3c)	\$ 78,238	\$ 78,238	\$ -

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

	6/30/2016	Effective Tax Rate
Provision computed at statutory rate	\$ 570,083	34.0%
Change in nonadmitted assets	\$ (302,352)	-18.0%
Tax exempt income, net of proration	\$ -	0.0%
Dividends received deduction, net of proration	\$ -	0.0%
Nondeductible expenses	\$ 27,200	1.6%
Elimination of IMR Amortization	\$ -	0.0%
Small Life Insurance Company Deduction	\$ -	0.0%
Prior year under (over) accrual	\$ -	0.0%
Other	\$ -	0.0%
Total statutory income tax expense (benefit)	\$ 294,932	17.6%
	6/30/2016	Effective Tax Rate
Federal and foreign income taxes incurred	\$(120,974)	-7.2%
Realized capital gains (losses) tax	\$ -	0.0%
Change in net deferred income taxes	\$ -	0.0%
Total statutory income tax expense (benefit)	\$ (120,974)	-7.2%

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

- (1) At June 30, 2016, the Company had no net operating loss carry forwards available to offset against future taxable income.
- (2) The Company had no income taxes in current or prior years

## Notes to Financial Statement

- F. The Company is included in a consolidated federal income tax return with its parent company, AultCare Holding Company. The Company is consolidated with the following Subsidiaries, AultCare Insurance Company; Aultra Administrative Group; North Central Medical Resources; Aultman Medical Group, Inc.; and AultComp MCO, Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity in which is a party to the consolidation. In the event any federal Tax Benefit Item of the AultCare Companies for any taxable period after they cease being Members of the Consolidated Group is eligible to be carried back to a taxable period while the AultCare Companies were Members of the Consolidated Group, the AultCare Companies shall, where possible, elect to carry such amounts forward to subsequent taxable periods. If the AultCare Companies are required by law to carry back any such federal Tax Benefit Item, the AultCare Companies shall be entitled to a payment at the time and to the extent that such Tax Benefit Item reduces the federal income Tax liability of the Consolidated Group. For purposes of computing the amount of the payment described in this section, one or more federal Tax Benefit Items shall be considered to have reduced the Consolidated Group's federal income Tax liability in a given taxable period by an amount equal to the difference, if any, between (i) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed without regard to such federal Tax Benefit Item or Items and (ii) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed with regard to such federal Tax Benefit Item or Items. For the avoidance of doubt, if the AultCare Companies are required to carry back a federal Tax Benefit Item, such federal Tax Benefit Item shall reduce the Consolidated Group's federal income Tax liability only after all federal Tax Benefit Items of AultCare Holdings have been applied to reduce the Consolidated Group's federal income Tax liability in such taxable period. Appropriate reconciliation payments shall be made in the event that it is subsequently determined that a Tax Benefit Item did not reduce the Consolidated Group's federal income Tax liabilities, including by reason of any such Tax Benefit Item being subsequently disallowed in whole or in part or by reason of other Tax benefits becoming available.
- G. Federal or Foreign Income Tax Loss Contingencies  
 (1) The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
10. Information Concerning Parent, Subsidiaries and Affiliates
- A, B, C, The following transactions are all as of June 30, 2016; The Company has paid \$33,338,350 in capitated claims to Aultman Hospital for their Medicare enrollees. The Company has a management services agreement with AultCare Holding Company, the parent and AultCare Corporation, an affiliate that allows various administrative, marketing, and claims processing services to be completed on behalf of the Company. The Company paid \$222,383 to Aultman Health Foundation for management services that were provided and paid \$7,151,667 of expenses to AultCare Corporation for management services. The Company has an operating lease for office space and paid \$156,393 to Aultman Health Foundation for rent.
- D. At June 30, 2016, the Company reported \$727,168 due to the parent company, AultCare Holding Company. The Company also has capitation arrangement with Aultman Hospital for anticipation of future services. As of June 30, 2016, the Company has paid \$5,400,000 Aultman Health Foundation for these future services.
- E. The Company did not make any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party which resulted in a material contingent exposure of the Company's assets to any liabilities.
- F. The Company had no administrative, marketing, and claims processing services.
- G. All outstanding shares of the Company were owned by the parent company, AultCare Holding Company, a not-for-profit foundation domiciled in the State of Ohio.
- H. The Company has no investments in affiliates.
- I. The Company owns 100% of SCA entity AultCare Insurance Company. AultCare Insurance Company has assets valued at \$89,349,190, liabilities valued at \$53,334,733, and total capital and surplus of \$36,014,457.
- J. The Company did not realize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not have an investment in a foreign insurance subsidiary.
- L. The Company did not hold an investment in a downstream non insurance holding company.

## Notes to Financial Statement

11. Debt
- A. The Company did not have any debt including capital notes.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. The Company had no defined benefit plans.
- B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$129,687 and \$125,959 for 2016 and 2015 respectively.
- C – F The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- (1) The Company has no common stock outstanding
- (2) The Company had 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 an amount that is based on restrictions relating to statutory surplus and net income.
- (4) The Company paid no dividends in 2016.
- (5) There were no restrictions placed on the Company's profits that may be paid as ordinary dividends to stock holders.
- (6) There were no restrictions placed on the Company's surplus.
- (7) The Total Amount of advances to surplus not repaid is \$0.
- (8) The Amounts of stock held by the Company, including stock of affiliated companies, for special purposes was:  
For conversion of preferred stock: 0 shares.
- A. For employee stock options: 0 shares.
- B. For stock purchase warrants: 0 shares.
- (9) The Company did not have changes in the balances of any special surplus funds.
- (10) The Company did not have any surplus funds represented that were reduced
- (11) The Company had no outstanding surplus debentures of similar obligations.
- (12) The Company had no restatements due to prior quasi-reorganizations.
- (13) The Company was not involved in quasi-reorganization.
14. Contingencies
- A. The Company is not aware of any material contingent commitments.
- B. The Company was not aware of any assessments that could have a material financial effect.
- C. The Company had no Gain Contingencies.
- D. Contingent liabilities arising from litigation, income taxes and other matters were not considered material in relation to the financial position of the Company.
15. Leases
- A. Lessee Operating Lease
- (1) The Company leases office space in buildings from Aultman Health Foundation through operating lease agreements that will expire Dec 31, 2016. In 2016 and 2015 respectively, the company paid \$156,393 and \$156,393 to Aultman Health Foundation for rent expense. Certain rental commitments have renewal options extending through the year 2019. Some of these renewals are subject to adjustments in future periods.
- (2) At January 1, 2016, the minimum aggregate rental commitments are as follows:
- |    | Year Ending December 31 | Operating Leases |
|----|-------------------------|------------------|
| 1. | 2016                    | \$ 312,777       |
- B. Leasing is not a significant part of the lessor's business activities in terms of revenue, net income, or assets.
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
- A. The Company had no financial instruments with off-balance sheet risk.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
- A. The Company had no transfers of receivables reported as sales.
- B. The Company had no transfers of financial assets.
- C. The Company had no wash sales.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (N/A – Title)
- A. The Company had no Uninsured A&H Plans or Uninsured Portion of Partially Insured Plans.

## Notes to Financial Statement

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators (N/A – Title)
- A. The Company had no direct premium written or produced by managing general agents or third party administrators.
20. Fair Value Measurement
- A. The Company has assets that are measured at fair value on a recurring basis.
- (1) 

Fair Value Measurements at Reporting Date				
(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Common Stock	\$ 7,184,542	\$ -	\$ -	\$ -
Total assets at fair value	\$ 7,184,542	\$ -	\$ -	\$ -
- (2) The Company had no assets with fair value measurements using significant unobservable inputs.
- (3) The Company uses the valuation technique that is based on the quoted prices in the active markets.
21. Other Items
- A. The Company did not experience an extraordinary event or transaction that resulted in a gain or loss.
- B. The Company had no troubled debt to restructure.
- C. There are no other disclosures.
- D. At June 30, 2016 the Company had admitted assets of \$4,497,805 in accounts receivable and amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. The Company did not have any Business Interruption Insurance Recoveries.
- F. The Company did not have any State Transferable Tax Credits.
- G. The Company had no Subprime Mortgage Related Risk Exposure.
- H. The Company had no offsetting and netting of assets and liabilities.
22. Events Subsequent
- A. As of August 15, 2016, there have been no Type I events subsequent to June 30, 2016, which would have a material effect on the financial condition of the Company or on the financial statement issued August 15, 2016.
- B. As of August 15, 2016, there have been no Type II events subsequent to June 30, 2016, which would have a material effect on the financial condition of the Company or on the financial statement issued August 15, 2016.
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)
- Cont. Note 23 A, Section 1
- (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 credits?
- Yes ( ) No (X)
- (2) Does the company 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 which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurers exceed the total direct premium collected under the reinsured policies?

## Notes to Financial Statement

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 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. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year this statement, to included 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. The Company did not write off any uncollectible reinsurance during the year.
- C. The Company did not have any commutation of ceded reinsurance during the year.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)
- A. The Company records accrued retrospective premiums as an adjustment to earned premiums.
- B. The Company has accrued \$0 of net premiums written as of June 30, 2016 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.
25. Change in Incurred Claims and Claims Adjustment Expenses
- A. The Company did not make any changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.
26. Intercompany Pooling Arrangements
- A. The Company had no intercompany pooling arrangements.
27. Structured Settlements
- A. The Company had no structured settlements.
28. Health Care Receivables

A.

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
6/30/2016	\$742,354	\$ -	\$ -	\$ -	\$ -
3/31/2016	\$742,354	\$ -	\$ -	\$ -	\$ -
12/31/2015	\$742,354	\$ -	\$ -	\$287,490	\$ -
9/30/2015	\$742,355	\$ -	\$ -	\$207,569	\$ -
6/30/2015	\$ -	\$ -	\$ -	\$312,761	\$ -
3/31/2015	\$ -	\$ -	\$ -	\$382,280	\$ -

- B. The Company does not estimate risk sharing receivables.
29. Participating Policies
- A. The Company does not have participating policies or policyholder dividends.
30. Premium Deficiency Reserves
- A. The Company does not have Premium Deficiency Reserves.
31. Anticipated Salvage and Subrogation
- A. The Company did not have anticipated salvage and subrogation included as a reduction of loss reserves.

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]  
Yes[ ] No[ ] N/A[X]
- 1.2 If yes, has the report been filed with the domiciliary state? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes: .....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. .....

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[ ] N/A[X]
- If yes, attach an explanation. .....
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....
- 6.4 By what department or departments? .....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]  
Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? .....
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 7.2 If yes, give full information .....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. .....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator. .....

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain: .....
- 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s). .....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). .....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto: .....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0
13. Amount of real estate and mortgages held in short-term investments: \$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[ ]

# GENERAL INTERROGATORIES (Continued)

## INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	.....	.....
14.22 Preferred Stock .....	.....	.....
14.23 Common Stock .....	.....	36,014,457
14.24 Short-Term Investments .....	.....	.....
14.25 Mortgages Loans on Real Estate .....	.....	.....
14.26 All Other .....	390,997	435,400
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	.....	36,449,858
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	.....	.....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$..... 0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$..... 0
16.3 Total payable for securities lending reported on the liability page	\$..... 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

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

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Trust Company .....	4481 Munson St. NW #200, Canton, OH 44718 .....
The Vanguard Group .....	P.O. Box 2600 Valley Forge, PA 19482 .....

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes[ ] No[X]

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

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

17.5 Identify all investment advisors, 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	2 Name(s)	3 Address
.....	.....	.....

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

Yes[X] No[ ]

18.2 If no, list exceptions:

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

## 1. Operating Percentages:

1.1 A&H loss percent	.....	91.680%
1.2 A&H cost containment percent	.....	2.230%
1.3 A&H expense percent excluding cost containment expenses	.....	7.870%

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

Yes[ ] No[X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$..... 0

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

Yes[ ] No[X]

2.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$..... 0

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<b>Accident and Health - Affiliates</b>								
00000 .....	AA-3770278 .....	01/01/2015 .....	McKinley Assur Spc .....	CYM .....	SS/A/G .....	Unauthorized .....	.....	.....

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS****Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL) .....	N .....								
2. Alaska (AK) .....	N .....								
3. Arizona (AZ) .....	N .....								
4. Arkansas (AR) .....	N .....								
5. California (CA) .....	N .....								
6. Colorado (CO) .....	N .....								
7. Connecticut (CT) .....	N .....								
8. Delaware (DE) .....	N .....								
9. District of Columbia (DC) .....	N .....								
10. Florida (FL) .....	N .....								
11. Georgia (GA) .....	N .....								
12. Hawaii (HI) .....	N .....								
13. Idaho (ID) .....	N .....								
14. Illinois (IL) .....	N .....								
15. Indiana (IN) .....	N .....								
16. Iowa (IA) .....	N .....								
17. Kansas (KS) .....	N .....								
18. Kentucky (KY) .....	N .....								
19. Louisiana (LA) .....	N .....								
20. Maine (ME) .....	N .....								
21. Maryland (MD) .....	N .....								
22. Massachusetts (MA) .....	N .....								
23. Michigan (MI) .....	N .....								
24. Minnesota (MN) .....	N .....								
25. Mississippi (MS) .....	N .....								
26. Missouri (MO) .....	N .....								
27. Montana (MT) .....	N .....								
28. Nebraska (NE) .....	N .....								
29. Nevada (NV) .....	N .....								
30. New Hampshire (NH) .....	N .....								
31. New Jersey (NJ) .....	N .....								
32. New Mexico (NM) .....	N .....								
33. New York (NY) .....	N .....								
34. North Carolina (NC) .....	N .....								
35. North Dakota (ND) .....	N .....								
36. Ohio (OH) .....	L .....		116,431,817						116,431,817
37. Oklahoma (OK) .....	N .....								
38. Oregon (OR) .....	N .....								
39. Pennsylvania (PA) .....	N .....								
40. Rhode Island (RI) .....	N .....								
41. South Carolina (SC) .....	N .....								
42. South Dakota (SD) .....	N .....								
43. Tennessee (TN) .....	N .....								
44. Texas (TX) .....	N .....								
45. Utah (UT) .....	N .....								
46. Vermont (VT) .....	N .....								
47. Virginia (VA) .....	N .....								
48. Washington (WA) .....	N .....								
49. West Virginia (WV) .....	N .....								
50. Wisconsin (WI) .....	N .....								
51. Wyoming (WY) .....	N .....								
52. American Samoa (AS) .....	N .....								
53. Guam (GU) .....	N .....								
54. Puerto Rico (PR) .....	N .....								
55. U.S. Virgin Islands (VI) .....	N .....								
56. Northern Mariana Islands (MP) .....	N .....								
57. Canada (CAN) .....	N .....								
58. Aggregate other alien (OT) .....	XXX .....								
59. Subtotal .....	XXX .....		116,431,817						116,431,817
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. Total (Direct Business) .....	(a) 1 .....		116,431,817						116,431,817

**DETAILS OF WRITE-INS**

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

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

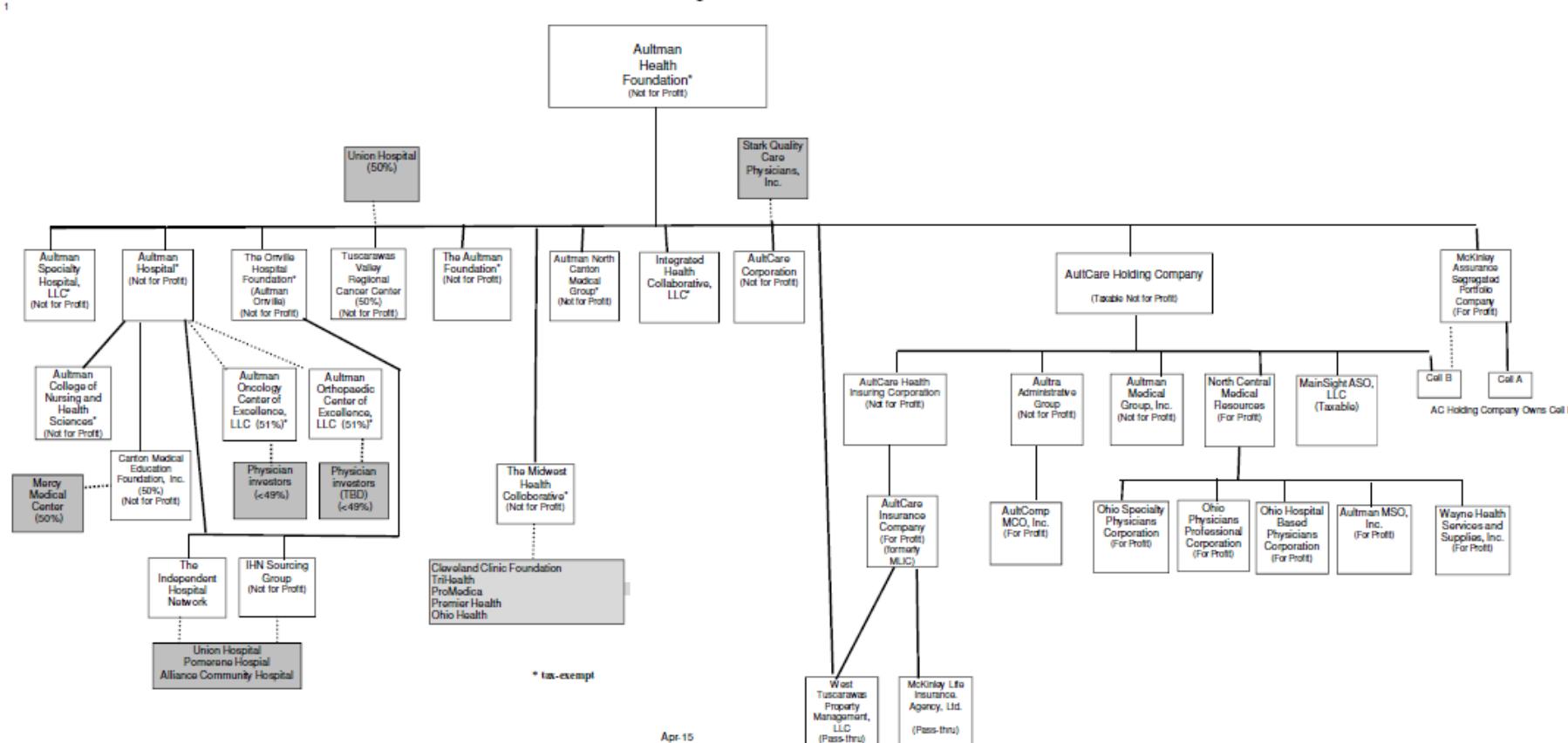
(a) Insert the number of L responses except for Canada and Other Alien.

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

Aultman Health Foundation Organizational Chart



# SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
		00000	34-1445390			Aultman Health Foundation	US	UIP	Self		Board of Directors		Aultman Health Foundation	
		00000	34-0714538			Aultman Hospital	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	0000000
		77216	34-1624818			AultCare Insurance Company	US	DS	AultCare Health Insuring Corporation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1488123			AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc		Other		Aultman Health Foundation	0000001
		00000	20-0090246			West Tuscarawas Property Management, LLC	US	DS	AultCare Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1795772			McKinley Life Insurance Agency, Ltd.	US	DS	AultCare Insurance Company		Ownership	100.0	Aultman Health Foundation	
		00000	20-4951704			Aultra Administrative Group	US	IA	AultCare Holding Company		Management		Aultman Health Foundation	
		00000	27-4379962			AultComp MCO, Inc.	US	NIA	Aultra Administrative Group		Ownership	100.0	Aultman Health Foundation	
		00000	34-1853300			Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	98-0468384			McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	20-1359433			Aultman College of Nursing and Health Sciences	US	NIA	Aultman Hospital		Ownership	100.0	Aultman Hospital	
		00000	31-1509904			Aultman MSO, Inc.	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	20-8090459			The Aultman Foundation	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	31-1509897			Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	34-1610344			North Central Medical Resources	US	NIA	AultCare Holding Company		Ownership	100.0	Aultman Health Foundation	
		00000	34-1871647			Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources		Ownership	100.0	Aultman Health Foundation	
		00000	31-1689698			Tuscarawas Valley Regional Cancer Center	US	NIA	Other		Ownership, Board of Directors	100.0	Aultman Health Foundation	0000002
		00000	13-4246188			Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1243260			Canton Medical Education Foundation	US	NIA	Other		Ownership, Board of Directors	50.0	Aultman Hospital	0000003
		15461	46-3305099			AultCare Health Insuring Corporation	US	RE	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	34-1088530			Aultman North Canton Medical	US	NIA	Aultman Health Foundation		Ownership, Board of Directors	100.0	Aultman Health Foundation	
		00000	34-0733138			The Orville Hospital Foundation	US	NIA	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	45-3166014			Aultman Medical Group, Inc	US	NIA	AultCare Holding Company		Ownership	100.0	Aultman Health Foundation	
		00000	47-1165287			AultCare Holding Company	US	UDP	Aultman Health Foundation		Ownership	100.0	Aultman Health Foundation	
		00000	47-3587655			MainSight ASO, LLC	US	NIA	AultCare Holding Company		Ownership	100.0	Aultman Health Foundation	

Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

## **SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

**RESPONSE**

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

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



2016

Document Code: 365

1546120163650002



STATEMENT AS OF **June 30, 2016** OF THE **AultCare Health Insuring Corporation**  
**SCHEDULE A - VERIFICATION**  
**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.....	.....
2. Cost of acquired:	.....	.....
2.1 Actual cost at time of acquisition .....	.....	.....
2.2 Additional investment made after acquisition .....	.....	.....
3. Current year change in encumbrances .....	.....	.....
4. Total gain (loss) on disposals .....	.....	.....
5. Deduct amounts received on disposals .....	.....	.....
6. Total foreign exchange change in book/adjusted carrying va .....	.....	.....
7. Deduct current year's other-than-temporary impairment recog .....	.....	.....
8. Deduct current year's depreciation .....	.....	.....
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....	.....	.....
10. Deduct total nonadmitted amounts .....	.....	.....
11. Statement value at end of current period (Line 9 minus Line 10) .....	.....	.....

**SCHEDULE B - VERIFICATION**  
**Mortgage Loans**

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

**SCHEDULE BA - VERIFICATION**  
**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.....	.....
2. Cost of acquired:	.....	.....
2.1 Actual cost at time of acquisition .....	.....	.....
2.2 Additional investment made after acquisition .....	435,400	.....
3. Capitalized deferred interest and other .....	.....	.....
4. Accrual of discount .....	.....	.....
5. Unrealized valuation increase (decrease) .....	.....	.....
6. Total gain (loss) on disposals .....	.....	.....
7. Deduct amounts received on disposals .....	.....	.....
8. Deduct amortization of premium and depreciation .....	.....	.....
9. Total foreign exchange change in book/adjusted carrying value .....	.....	.....
10. Deduct current year's other than temporary impairment recognized .....	.....	.....
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....	435,400	.....
12. Deduct total nonadmitted amounts .....	.....	.....
13. Statement value at end of current period (Line 11 minus Line 12) .....	435,400	.....

**SCHEDULE D - VERIFICATION**  
**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	68,211,407	66,148,379
2. Cost of bonds and stocks acquired .....	2,368,921	39,295,822
3. Accrual of discount .....	1,309	267,687
4. Unrealized valuation increase (decrease) .....	423,585	(28,628,902)
5. Total gain (loss) on disposals .....	2,811	106,968
6. Deduct consideration for bonds and stocks disposed of .....	913,104	8,730,358
7. Deduct amortization of premium .....	90,908	248,190
8. Total foreign exchange change in book/adjusted carrying value .....	.....	.....
9. Deduct current year's other than temporary impairment recognized .....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	70,004,020	68,211,407
11. Deduct total nonadmitted amounts .....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11) .....	70,004,020	68,211,407

**SCHEDULE D - PART 1B**  
**Showing the Acquisitions, Dispositions and Non-Trading Activity**  
**During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	25,306,662	817,530	374,000	(34,655)	25,306,662	25,715,536	.....	24,377,951
2. NAIC 2 (a) .....	1,275,935	68,470	52,625	(4,919)	1,275,935	1,286,861	.....	1,314,034
3. NAIC 3 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
4. NAIC 4 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
5. NAIC 5 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
6. NAIC 6 (a) .....	.....	.....	.....	.....	.....	.....	.....	.....
7. Total Bonds .....	26,582,597	886,000	426,625	(39,574)	26,582,597	27,002,397	.....	25,691,985
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	.....	.....	.....	.....	.....	.....	.....	.....
9. NAIC 2 .....	.....	.....	.....	.....	.....	.....	.....	.....
10. NAIC 3 .....	.....	.....	.....	.....	.....	.....	.....	.....
11. NAIC 4 .....	.....	.....	.....	.....	.....	.....	.....	.....
12. NAIC 5 .....	.....	.....	.....	.....	.....	.....	.....	.....
13. NAIC 6 .....	.....	.....	.....	.....	.....	.....	.....	.....
14. Total Preferred Stock .....	.....	.....	.....	.....	.....	.....	.....	.....
15. Total Bonds & Preferred Stock .....	26,582,597	886,000	426,625	(39,574)	26,582,597	27,002,397	.....	25,691,985

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

**SCHEDULE DA - PART 1****Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. <b>Totals</b>	197,377	XXX	198,496	913	786

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	175,528	.....
2. Cost of short-term investments acquired	138,414	574,938
3. Accrual of discount	56	863
4. Unrealized valuation increase (decrease)	.....	.....
5. Total gain (loss) on disposals	(231)	(50)
6. Deduct consideration received on disposals	115,071	394,868
7. Deduct amortization of premium	1,318	5,356
8. Total foreign exchange change in book/adjusted carrying value	.....	.....
9. Deduct current year's other than temporary impairment recognized	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	197,377	175,528
11. Deduct total nonadmitted amounts	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11)	197,377	175,528

**SI04 Schedule DB - Part A Verification** ..... **NONE**

**SI04 Schedule DB - Part B Verification** ..... **NONE**

**SI05 Schedule DB Part C Section 1** ..... **NONE**

**SI06 Schedule DB Part C Section 2** ..... **NONE**

**SI07 Schedule DB - Verification** ..... **NONE**

**SI08 Schedule E - Verification (Cash Equivalents)** ..... **NONE**

**E01 Schedule A Part 2 .....** **NONE**

**E01 Schedule A Part 3 .....** **NONE**

**E02 Schedule B Part 2 .....** **NONE**

**E02 Schedule B Part 3 .....** **NONE**

## SCHEDULE BA - PART 2

## Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>Non-collateral Loans - Affiliated</b>												
.....	AultCare Insurance Company - Affiliated .....	Canton .....	OH	AultCare Health Insuring Corporation .....		01/01/2015 .....			435,400 .....			
2899999 Subtotal - Non-collateral Loans - Affiliated .....									435,400 .....			X X X .....
4499999 Total - Unaffiliated .....												X X X .....
4599999 Total - Affiliated .....									435,400 .....			X X X .....
4699999 TOTALS .....									435,400 .....			X X X .....

## SCHEDULE BA - PART 3

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

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

QE03

NONE

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
3135G0D75 ..	FNMA .....		.. 04/19/2016 ..	FIRSTMERIT .....	XXX .....	253,750	250,000	1,219	1 .....
0599999 Subtotal - Bonds - U.S. Governments					XXX .....	253,750	250,000	1,219	XXX .....
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
25243YAM1 ..	DIAGEO CAP .....		.. 04/19/2016 ..	FIRSTMERIT .....	XXX .....	53,473	50,000	1,406	1 .....
30231GAD4 ..	EXXON MOBIL CORP .....		.. 04/14/2016 ..	FIRSTMERIT .....	XXX .....	101,645	100,000	147	1 .....
26875PAD3 ..	EOG RESOURCES .....		.. 04/14/2016 ..	FIRSTMERIT .....	XXX .....	10,944	10,000	208	2 .....
09247XAE1 ..	BLACKROCK INC. .....		.. 04/29/2016 ..	FIRSTMERIT .....	XXX .....	44,692	40,000	772	1 .....
927804FK5 ..	VIRGINIA EL & PWR .....		.. 04/22/2016 ..	FIRSTMERIT .....	XXX .....	62,539	60,000	477	1 .....
19416QEB2 ..	COLGATE PALMOLIVE CO MTN .....		.. 05/10/2016 ..	FIRSTMERIT .....	XXX .....	45,059	45,000	10	1 .....
822582AJ1 ..	SHELL INT FIN .....		.. 06/14/2016 ..	FIRSTMERIT .....	XXX .....	81,372	75,000	735	1 .....
05348EAN9 ..	AVALONBAY COMMUNITY MTN .....		.. 06/21/2016 ..	FIRSTMERIT .....	XXX .....	57,527	50,000	813	2 .....
14056MDA0 ..	CAPITAL BANK CD .....		.. 06/17/2016 ..	FIRSTMERIT .....	XXX .....	175,000	175,000		1 .....
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					XXX .....	632,250	605,000	4,567	XXX .....
8399997 Subtotal - Bonds - Part 3					XXX .....	886,000	855,000	5,786	XXX .....
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX .....	XXX .....	XXX .....	XXX .....	XXX .....
8399999 Subtotal - Bonds					XXX .....	886,000	855,000	5,786	XXX .....
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX .....	XXX .....	XXX .....	XXX .....	XXX .....
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX .....	XXX .....	XXX .....	XXX .....	XXX .....
9899999 Subtotal - Preferred and Common Stocks					XXX .....		XXX .....		XXX .....
9999999 Total - Bonds, Preferred and Common Stocks					XXX .....	886,000	XXX .....	5,786	XXX .....

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

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i n g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V.	15 Total Foreign Exchange Change in B./A.C.V.								
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																						
084601AG8	BERKSHIRE BK PIT CD		04/29/2016	FIRST MERIT		... XXX ...	112,000	112,000	111,997	112,000							112,000				04/29/2016	1
33764J5D3	FIRSTBANK PR CD		05/31/2016	FIRST MERIT		... XXX ...	112,000	112,000	111,987	112,000							112,000				05/31/2016	1
78008K5V1	ROYAL BK OF CANADA		04/19/2016	FIRST MERIT		... XXX ...	50,000	50,000	51,218	50,125		(103)					50,022		(22)	(22)	04/19/2016	1
713448BT4	PEPSICO INC.		05/10/2016	FIRST MERIT		... XXX ...	50,000	50,000	51,024	50,112		(103)					50,009		(9)	(9)	05/10/2016	1
74432QAY1	PRUDENTIAL FIN MTN		06/06/2016	FIRST MERIT		... XXX ...	52,625	50,000	55,088	51,680		(3,105)					48,575		1,425	1,425	06/15/2017	2
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						... XXX ...	376,625	374,000	381,313	375,917		(3,312)					372,605		1,395	1,395	1,344	.. XXX ..
8399997 Subtotal - Bonds - Part 4						... XXX ...	376,625	374,000	381,313	375,917		(3,312)					372,605		1,395	1,395	1,344	.. XXX ..
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)						... XXX ...	XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...	XXX ..	
8399999 Subtotal - Bonds						... XXX ...	376,625	374,000	381,313	375,917		(3,312)					372,605		1,395	1,395	1,344	.. XXX ..
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)						... XXX ...	XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...	XXX ..	
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)						... XXX ...	XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...		XXX ...	XXX ...	XXX ...	XXX ...	XXX ..	
9899999 Subtotal - Preferred and Common Stocks						... XXX ...															XXX ..	
9999999 Total - Bonds, Preferred and Common Stocks						... XXX ...	376,625	XXX ...	381,313	375,917		(3,312)					372,605		1,395	1,395	1,344	.. XXX ..

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

**E06 Schedule DB Part A Section 1 .....** **NONE**

**E07 Schedule DB Part B Section 1 .....** **NONE**

**E08 Schedule DB Part D Section 1 .....** **NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity .....** **NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity .....** **NONE**

**E10 Schedule DL - Part 1 - Securities Lending Collateral Assets .....** **NONE**

**E11 Schedule DL - Part 2 - Securities Lending Collateral Assets .....** **NONE**

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
<b>open depositories</b>										
FirstMerit Bank - Trust .....	Canton, Ohio .....		.....	0.250	281	.....	285,266	362,913	209,074	XXX
Huntington National Bank .....	Canton, Ohio .....		.....	0.250	76	.....	16,603,297	(1,932,212)	(771,929)	XXX
FirstMerit Bank- Brokered CDs .....	Canton, Ohio .....		.....	0.250	.....	.....	237,157	356,035	356,770	XXX
FirstMerit Bank-Mutual Funds .....	Canton, Ohio .....		.....	.....	.....	.....	9,393	9,394	9,396	XXX
FirstMerit Bank-Richmond Capital .....	Canton, Ohio .....		.....	0.240	66	.....	46,644	79,615	8,582	XXX
0199998 Deposits in .....	0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....		XXX	XXX ..	.....	.....	.....	.....	.....	XXX
0199999 Totals - Open Depositories .....	.....		XXX	XXX ..	424	.....	17,181,757	(1,124,254)	(188,107)	XXX
0299998 Deposits in .....	0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....		XXX	XXX ..	.....	.....	.....	.....	.....	XXX
0299999 Totals - Suspended Depositories .....	.....		XXX	XXX ..	.....	.....	.....	.....	.....	XXX
0399999 Total Cash On Deposit .....	.....		XXX	XXX ..	424	.....	17,181,757	(1,124,254)	(188,107)	XXX
0499999 Cash in Company's Office .....	.....		XXX	XXX ..	XXX ..	XXX ..	.....	.....	.....	XXX
0599999 Total Cash .....	.....		XXX	XXX ..	424	.....	17,181,757	(1,124,254)	(188,107)	XXX

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
8699999 Total - Cash Equivalents .....							

**N O N E**

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