



QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2016
OF THE CONDITION AND AFFAIRS OF THE
AultCare Insurance Company

NAIC Group Code	4805 (Current Period)	4805 (Prior Period)	NAIC Company Code	77216	Employer's ID Number	341624818
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[X] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]	
Incorporated/Organized	08/15/1989		Commenced Business	11/01/1989		
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 (Street and Number)			
	Canton, OH, 44710 (City or Town, State, Country and Zip Code)		(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 (Street and Number)			
	Canton, OH, 44710 (City or Town, State, Country and Zip Code)		(330)363-4057 (Area Code) (Telephone Number)			
Internet Web Site Address	www.aultcare.com					
Statutory Statement Contact	Jeffrey Alan Scheatzle (Name)		(330)363-4057 (Area Code)(Telephone Number)(Extension)			
	jscheatzle@aultman.com (E-Mail Address)		(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
Joseph J. Feltes Esq.

Gregory A. Haban M.D.
Edward J. Roth III
Michael A. Rich M.D.
John B. Humphrey Jr., M.D.
Allen Rovner M.D.
Mark N. Rose 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)	(Signature)	(Signature)
Rick L. Haines	Joseph J. Feltes	Mark D. Wright
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2016	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	25,631,499		25,631,499	24,641,798
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks	7,430,279		7,430,279	6,911,036
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 (\$.....28,667,337), cash equivalents (\$.....0) and short-term investments (\$.....270,705)	28,938,041		28,938,041	20,599,160
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets	17,446,155		17,446,155	19,179,080
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)	79,445,975		79,445,975	71,331,075
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	169,228		169,228	138,782
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	3,034,341		3,034,341	3,289,577
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)	46,942		46,942	
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	2,911,109		2,911,109	4,285,098
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	672,998		672,998	672,998
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software	449,584		449,584	497,197
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				691,572
24.	Health care (\$.....3,074,053) and other amounts receivable	4,050,693	976,640	3,074,053	3,045,352
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)	90,780,870	976,640	89,804,229	83,951,652
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	90,780,870	976,640	89,804,229	83,951,652
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.				
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 \$......607,500 reinsurance ceded)	23,813,119		23,813,119	20,058,466
2.	Accrued medical incentive pool and bonus amounts	1,019,221		1,019,221	1,365,286
3.	Unpaid claims adjustment expenses	395,900		395,900	420,600
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	9,962,283		9,962,283	9,370,530
9.	General expenses due or accrued	5,645,600		5,645,600	7,611,995
10.1	Current federal and foreign income tax payable and interest thereon (including \$......0 on realized gains (losses))	3,317,865		3,317,865	7,394,943
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	4,858,699		4,858,699	1,450,636
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	1,679,848		1,679,848	119,640
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	216,102		216,102	207,715
23.	Aggregate write-ins for other liabilities (including \$......0 current)				
24.	Total liabilities (Lines 1 to 23)	50,908,638		50,908,638	47,999,812
25.	Aggregate write-ins for special surplus funds	X X X	X X X		4,200,000
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	18,387,534	18,387,534
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	19,508,058	12,364,306
32.	Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$......0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$......0)	X X X	X X X		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	38,895,592	35,951,840
34.	Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	89,804,230	83,951,652
DETAILS OF WRITE-INS					
2301.				
2302.				
2303.				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	Health Insurance Tax	X X X	X X X		4,200,000
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		4,200,000
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 To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	X X X	755,181	813,341	1,075,285
2.	Net premium income (including \$.....0 non-health premium income)	X X X	189,253,120	184,345,811	250,163,139
3.	Change in unearned premium reserves and reserves for rate credits	X X X			
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X			
5.	Risk revenue	X X X			
6.	Aggregate write-ins for other health care related revenues	X X X			
7.	Aggregate write-ins for other non-health revenues	X X X			
8.	Total revenues (Lines 2 to 7)	X X X	189,253,120	184,345,811	250,163,139
Hospital and Medical:					
9.	Hospital/medical benefits		101,293,681	99,782,591	130,295,812
10.	Other professional services				
11.	Outside referrals		19,532,824	20,971,906	28,260,816
12.	Emergency room and out-of-area		4,479,829	4,509,847	6,074,917
13.	Prescription drugs		27,962,778	22,273,220	33,598,205
14.	Aggregate write-ins for other hospital and medical		8,960,777	6,745,986	9,192,498
15.	Incentive pool, withhold adjustments and bonus amounts		588,749	756,963	1,309,284
16.	Subtotal (Lines 9 to 15)		162,818,638	155,040,512	208,731,532
Less:					
17.	Net reinsurance recoveries		6,770,500	8,364,557	14,060,054
18.	Total hospital and medical (Lines 16 minus 17)		156,048,138	146,675,955	194,671,478
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$.....3,831,225 cost containment expenses		5,693,079	5,895,514	6,840,179
21.	General administrative expenses		24,165,476	28,275,647	36,013,347
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)		185,906,693	180,847,116	237,525,005
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,346,427	3,498,695	12,638,135
25.	Net investment income earned		519,576	350,019	409,460
26.	Net realized capital gains (losses) less capital gains tax of \$.....936		1,817	1,906,436	1,288,257
27.	Net investment gains or (losses) (Lines 25 plus 26)		521,393	2,256,455	1,697,716
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)	X X X	3,867,820	5,755,150	14,335,851
31.	Federal and foreign income taxes incurred	X X X	2,621,249	285,965	6,595,893
32.	Net income (loss) (Lines 30 minus 31)	X X X	1,246,571	5,469,184	7,739,958
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.	Reinsurance Claims		8,960,777	6,745,986	9,192,498
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)		8,960,777	6,745,986	9,192,498
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	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	35,951,840	62,441,652	62,441,652
34.	Net income or (loss) from Line 32	1,246,571	5,469,184	7,739,958
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	378,208	(1,820,231)	(1,691,091)
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax		(424,000)	(71,013)
39.	Change in nonadmitted assets	1,318,973	475,719	(115,650)
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		(32,464,718)	(32,352,017)
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)	2,943,752	(28,764,046)	(26,489,812)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	38,895,592	33,677,606	35,951,840
DETAILS OF WRITE-INS				
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	2	3
		Current	Prior	Prior
		Year	Year	Year Ended
		To Date	To Date	December 31
Cash from Operations				
1.	Premiums collected net of reinsurance	193,461,230	193,237,977	253,718,516
2.	Net investment income	563,987	812,091	943,267
3.	Miscellaneous income			
4.	TOTAL (Lines 1 to 3)	194,025,217	194,050,067	254,661,783
5.	Benefit and loss related payments	150,782,584	148,598,446	200,603,335
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	31,841,263	34,294,762	41,775,152
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	6,699,264		(663,647)
10.	TOTAL (Lines 5 through 9)	189,323,110	182,893,208	241,714,840
11.	Net cash from operations (Line 4 minus Line 10)	4,702,107	11,156,859	12,946,943
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds	1,540,317	4,362,940	30,627,992
12.2	Stocks		3,239,940	10,381,407
12.3	Mortgage loans			
12.4	Real estate			
12.5	Other invested assets	2,357,318		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7	Miscellaneous proceeds	184,465	247,618	403,724
12.8	TOTAL investment proceeds (Lines 12.1 to 12.7)	4,082,101	7,850,498	41,413,124
13.	Cost of investments acquired (long-term only):			
13.1	Bonds	2,603,685	4,596,060	6,941,688
13.2	Stocks	141,035	3,376,630	3,438,140
13.3	Mortgage loans			
13.4	Real estate			
13.5	Other invested assets		521,997	6,492,899
13.6	Miscellaneous applications		104,081	
13.7	TOTAL investments acquired (Lines 13.1 to 13.6)	2,744,719	8,598,768	16,872,727
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)	1,337,382	(748,270)	24,540,397
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		(32,464,718)	(32,352,017)
16.3	Borrowed funds			
16.4	Net deposits on deposit-type contracts and other insurance liabilities			
16.5	Dividends to stockholders		(30,882,205)	
16.6	Other cash provided (applied)	2,299,393	216,723	(323,518)
17.	Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	2,299,393	(1,365,791)	(32,675,535)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,338,881	9,042,798	4,811,805
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year	20,599,160	15,787,355	15,787,355
19.2	End of period (Line 18 plus Line 19.1)	28,938,041	24,830,153	20,599,160

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	86,510	7,383	44,271	270		10,538	2,530			21,518
2. First Quarter	84,585	8,198	42,999	345		10,308	1,813			20,922
3. Second Quarter	83,614	8,010	42,095	369		10,327	1,742			21,071
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	755,181	72,337	380,667	3,242		93,032	16,610			189,293
Total Member Ambulatory Encounters for Period:										
7. Physician	148,867	22,222	118,375				8,270			
8. Non-Physician	403,475	63,205	316,093				24,177			
9. Total	552,342	85,427	434,468				32,447			
10. Hospital Patient Days Incurred	9,345	1,477	7,274				594			
11. Number of Inpatient Admissions	2,436	348	1,942				146			
12. Health Premiums Written (a)	196,414,501	26,307,539	145,507,831	555,611		2,440,723	10,629,296			10,973,501
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	196,414,501	26,307,539	145,507,831	555,611		2,440,723	10,629,296			10,973,501
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	152,639,550	19,337,320	115,875,362	345,095		1,729,148	9,455,119			5,897,506
18. Amount Incurred for Provision of Health Care Services	162,818,638	22,287,317	118,920,436	345,095		1,717,069	10,587,945			8,960,777

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.0.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	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						24,420,619
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						24,420,619
0899999 Accrued Medical Incentive Pool And Bonus Amounts						1,019,221

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	6
		1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)	17,024,000	117,282,570	93,059	19,092,636	17,117,059	16,574,659
2.	Medicare Supplement		345,095				
3.	Dental only		1,729,148	158,509	172,141	158,509	342,729
4.	Vision only						
5.	Federal Employees Health Benefits Plan	1,460,643	7,994,476	245,186	1,439,103	1,705,829	1,262,577
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health	335,998	5,561,507	244,205	2,368,279	580,203	1,878,500
9.	Health subtotal (Lines 1 to 8)	18,820,641	132,912,796	740,959	23,072,160	19,561,600	20,058,466
10.	Healthcare receivables (a)	174,053				174,053	145,351
11.	Other non-health						
12.	Medical incentive pools and bonus amounts	934,814		430,472	588,749	1,365,286	1,365,286
13.	Totals (Lines 9 - 10 + 11 + 12)	19,581,402	132,912,796	1,171,432	23,660,909	20,752,834	21,278,401

(a) Excludes \$.00 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 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) No Change.
- (2) No Change.
- (3) No Change.
- (4) No Change.
- (5) No Change.
- (6) No Change.
- (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$17,446,155. Of this amount, \$1,382 is invested in McKinley Life Agency, Ltd. \$6,925,872 is invested in AultCare Corporation. The remaining \$10,518,901 is invested in West Tuscarawas Property Management.
- (8) No Change.
- (9) No Change.
- (10) No Change.
- (11) No Change.
- (12) No Change.
- (13) No Change

2. Accounting Changes and Corrections of Errors

- A. No Change.

3. Business Combinations and Goodwill

- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.

4. Discontinued Operations

- A. No Change.

5. Investments

- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.
- E. No Change.
- F. The Company owns \$10,518,901 worth of shares in West Tuscarawas Property Management, an affiliate company.
- G. No Change.
- H. No Change.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. No Change.
- B. No Change.

7. Investment Income

- A. No Change.

Notes to Financial Statement

8. Derivative Instruments
- A. No Change.
9. Income Taxes
- A. The components of the net deferred tax asset/ (liability) at September 30, 2016 are as follows:

1. (reported in thousands)		09/30/2016			09/30/2015			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Gross Deferred Tax Assets	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ -	\$ 353
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets(1a-1b)	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ -	\$ 353
(d)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ -	\$ 353
(f)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ -	\$ 353
2. (reported in thousands)		09/30/2016			09/30/2015			Change		
Admission Calculation Components SSAP No. 101		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ -	\$ 353
(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	\$5,733	XXX	XXX	\$9,255	XXX	XXX
(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))	\$673	\$ -	\$673	\$320	\$ -	\$320	\$ 353	\$ 353
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	\$38,223		\$61,697					
4. (reported in thousands)			09/30/2016			09/30/2015			Change	
Impact of Tax Planning Strategies			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital
(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)	(2)	(3)
1. Current Income Tax		09/30/2016	09/30/2015	(Col 1-2) Change
(a)	Federal	\$ 2,622,185	\$ -	\$ 2,622,185
(b)	Foreign	\$ -	\$ -	\$ -
(c)	Subtotal	\$ 2,622,185	\$ -	\$ 2,622,185
(d)	Federal Income Tax on Net Capital Gains	\$ -	\$ -	\$ -
(e)	Utilization of Capital Loss Carry-Forwards	\$ -	\$ -	\$ -
(f)	Other	\$ -	\$ -	\$ -
(g)	Federal and Foreign Income Taxes Incurred	\$ 2,622,185	\$ -	\$ 2,622,185
2. Deferred Tax Assets				
(a)	Ordinary			
	(1) Discounting of Unpaid Losses	\$ -	\$152,577	\$ - 152,577
	(2) Unearned Premium Reserve	\$ -	\$444,618	\$ - 444,618
	(3) Policyholder Reserves	\$ -	\$2,295,000	\$ - 2,295,000

Notes to Financial Statement

(4)	Investments	\$ -	\$ -	\$ -
(5)	Deferred Acquisition Costs	\$ -	\$ -	\$ -
(6)	Policyholder Dividends Accrual	\$ -	\$ -	\$ -
(7)	Fixed Assets	\$ -	\$ -	\$ -
(8)	Compensation and Benefits Accrual	\$ -	\$364,018	\$ - 364,018
(9)	Pension Accrual	\$ -	\$ -	\$ -
(10)	Receivables – Allowance	\$ -	\$77,787	\$ - 77,787
(11)	Net Operating Loss Carry-Forward	\$ 56,630	\$1,360,000	\$ - 1,303,370
(12)	Tax Credit Carry-Forward	\$ -	\$ -	\$ -
(13)	Other (including items <5% of total ordinary tax assets)	\$ 616,368	\$ -	\$ 616,368

Cont. Note 9 C 2

(14)	Subtotal	\$672,998	\$4,694,000	\$ (4,021,002)
(b)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c)	Nonadmitted	\$ -	\$ -	\$ -
(d)	Admitted ordinary deferred tax assets (2a14- 2b-2c)	\$672,998	\$4,694,000	\$ (4,021,002)
(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)	\$672,998	\$4,694,000	\$ (4,021,002)
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)	\$672,998	\$4,694,000	\$ (4,021,002)

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

	09/30/2016	Effective Tax Rate
Provision computed at statutory rate	\$1,315,059	34.0%
Change in nonadmitted assets	\$(1,318,973)	-34.1%
Tax exempt income, net of proration	\$ -	0.0%
Dividends received deduction, net of proration	\$ -	0.0%
Nondeductible expenses	\$27,200	0.7%
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)	\$23,286	0.6%
	09/30/2016	Effective Tax Rate
Federal and foreign income taxes incurred	\$6,643,187	171.8%
Realized capital gains (losses) tax	\$ -	0.0%
Change in net deferred income taxes	\$ (4,021,002)	-104.0%
Total statutory income tax expense (benefit)	\$ 2,622,185	67.8%

- E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits
- (1) At September 30, 2016, the Company had no net operating loss carry forwards available to offset against future taxable income.
- (2) There are no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.
- 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 Health Insuring Corporation; 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

Notes to Financial Statement

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 September 30, 2016; The Company has a capitation arrangement with Aultman Hospital and has paid a total of \$26,954,580 in capitated claims for its commercial enrollees under the terms of the existing agreement. The Company has a management services agreement with Aultman Health Foundation, the ultimate controlling entity 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 \$362,100 to Aultman Health Foundation for management services that were provided and paid \$14,222,175 of expenses to AultCare Corporation for management services. The Company has an operating lease for office space and paid \$173,778 to Aultman Health Foundation for rent.

D. At September 30, 2016, the Company reported \$1,679,848 due to the parent company, AultCare Health Insuring Corporation. The Company has an intercompany revolving credit facility in place with AultCare Corporation, an affiliate that allows AultCare Corporation to borrow and repay operating funds. As of September 30, 2016, AultCare Corporation owes \$6,925,872 under the terms of the agreement. The Company also has capitation arrangement with the Aultman Hospital for anticipation of future services. As of September 30, 2016, the Company has paid \$2,900,000 to Aultman Hospital for these future services.

- E. No Change.
- F. No Change.
- G. No Change.
- H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of \$10,518,901. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$1,382. Also, the Company had an investment in an affiliate, AultCare Corporation of \$6,925,872.
- I. No Change.
- J. No Change.
- K. No Change.
- L. No Change.

11. Debt

A. No Change.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. No Change.
- B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$214,388 and \$199,466 for 2016 and 2015 respectively.

Notes to Financial Statement

C – F No Change.

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

- (1) The Company has \$1,000,000 in common stock outstanding, which is owned by the parent, AultCare Health Insuring Corporation.
- (2) No Change.
- (3) No Change.
- (4) No Change.
- (5) No Change.
- (6) No Change.
- (7) No Change.
- (8) No Change.
- (9) No Change.
- (10) No Change.
- (11) No Change.
- (12) No Change.
- (13) No Change.

14. Contingencies

- A. No Change.
- B. No Change.
- C. No Change.
- D. No Change.
- E. No Change.

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 \$173,778 and \$172,160 year to date 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	\$ 249,687

- 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. No Change.

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

- A. No Change.
- B. No Change.
- C. No Change.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (N/A – Title)

- A. No Change.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators (N/A – Title)

- A. No Change.

20. Fair Value Measurement

- A. The Company has assets that are measured at fair value on a recurring basis.

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	\$ 7,430,279	\$ -	\$ -	\$ -
Total assets at fair value	\$ 7,430,279	\$ -	\$ -	\$ -

- (2) No Change.
- (3) No Change.

21. Other Items

- A. No Change.
- B. No Change.
- C. No Change.

Notes to Financial Statement

- D. At September 30, 2016 the Company had admitted assets of \$3,034,341 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. No Change.
- F. No Change.
- G. No Change.
- H. No Change.
22. Events Subsequent

A. As of November 15, 2016, there have been no Type I events subsequent to September 30, 2016, which would have a material effect on the financial condition of the Company or on the financial statement issued November 15, 2016.

B. As of November 15, 2016, there have been no Type II events subsequent to September 30, 2016, which would have a material effect on the financial condition of the Company or on the financial statement issued November 15, 2016.
23. Reinsurance

A. No Change.

B. No Change.

C. No Change.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)

A. No Change.

B. No Change.

C. 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.

D. Not Applicable

E. Risk Sharing Provisions of the Affordable Care Act

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

2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

Description	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$0
3. Premium adjustments payable due to ACA Risk Adjustment	\$0
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$(1,560,719)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$(6,454)
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$794,275
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$0
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$(1,632,566)
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$0
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$1,065,603
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$2,209,598
9. ACA Reinsurance contributions – not reported as ceded premium	\$0
c. Temporary ACA Risk Corridors Program	

Notes to Financial Statement

Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$0
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$0
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$9,344
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$0

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ -	\$ -	\$ -	\$1,560,719	\$ -	\$(1,560,719)	\$ -	\$ -	A	\$ -	\$(1,560,719)
2. Premium adjustments (payable)	\$ -	\$ -	\$ -	\$ 6,454	\$ -	\$ (6,454)	\$ -	\$ -	B	\$ -	\$ (6,454)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ -	\$ -	\$1,567,173	\$ -	\$(1,567,173)	\$ -	\$ -		\$ -	\$(1,567,173)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$1,533,012	\$ -	\$2,209,598	\$ -	\$(676,586)	\$ -	\$ -	\$ -	C	\$(676,586)	\$ -
2. Amounts recoverable for claims unpaid (contra liability)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$ -	\$2,267,849	\$ -	\$(1,065,603)	\$ -	\$3,333,452	\$ -	\$ -	F	\$ -	\$3,333,452
5. Ceded reinsurance premiums payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	G	\$ -	\$ -
6. Liability for amounts held under uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$1,533,012	\$2,267,849	\$2,209,598	\$(1,065,603)	\$(676,586)	\$3,333,452	\$ -	\$ -		\$(676,586)	\$3,333,452
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$(9,344)	\$ -	\$9,344	\$ -	\$ -	J	\$ -	\$9,344
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$(9,344)	\$ -	\$9,344	\$ -	\$ -		\$ -	\$9,344
d. Total for ACA Risk Sharing Provisions	\$1,533,012	\$2,267,849	\$2,209,598	\$492,226	\$(676,586)	\$1,775,623	\$ -	\$ -		\$(676,586)	\$1,775,623

Explanation of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

25. Change in Incurred Claims and Claims Adjustment Expenses

A. No Change.
26. Intercompany Pooling Arrangements

A. No Change.
27. Structured Settlements

A. No Change.

28. Health Care Receivables

A.

Quarter	Estimated Pharmacy Rebates as Reported on Financial	Pharmacy Rebates as Billed or Otherwise	Actual Rebates Received within 90 Days	Actual Rebates Received within 91 to 180 Days	Actual Rebates Received More Than 180 Days
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Notes to Financial Statement

	Statements	Confirmed	of Billing	of Billing	After Billing
9/30/2016	\$940,602	\$ -	\$ -	\$ -	\$ -
6/30/2016	\$940,602	\$ -	\$ -	\$ -	\$ -
3/31/2016	\$940,602	\$ -	\$ -	\$417,122	\$ -
12/31/2015	\$932,154	\$8,449	\$ -	\$540,028	\$ -
9/30/2015	\$922,180	\$18,423	\$27,933	\$531,205	\$ -
6/30/2015	\$1,560,133	\$13,238	\$ -	\$352,148	\$ -
3/31/2015	\$1,573,372	\$ -	\$ -	\$364,040	\$20,009
12/31/2014	\$1,668,219	\$14,736	\$ -	\$478,983	\$369,100
9/30/2014	\$577,770	\$13,645	\$ -	\$761,601	\$ -
6/30/2014	\$578,596	\$12,818	\$ -	\$752,127	\$ -
3/31/2014	\$576,220	\$15,195	\$ -	\$716,029	\$ -
12/31/2013	\$393,033	\$8,382	\$ -	\$424,532	\$ -
9/30/2013	\$1,019,785	\$16,629	\$ -	\$489,265	\$ -

- B. No Change.

29. Participating Policies

A. No Change.

30. Premium Deficiency Reserves

A. No Change.

31. Anticipated Salvage and Subrogation

A. No Change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

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

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes[] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	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?

If yes, attach an explanation.

Yes[] No[X] N/A[]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2010
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/21/2011
- 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]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

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

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
		Yes[] No[X]	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	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages Loans on Real Estate		
14.26	All Other	19,179,080	17,446,155
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	19,179,080	17,446,155
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?

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

\$ 0
\$ 0
\$ 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?

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]
Yes[] No[] N/A[X]

Yes[X] No[]

1	2
Name of Custodian(s)	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	2	3
Name(s)	Location(s)	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?

17.4 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address
.....

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

18.2 If no, list exceptions:
- Yes[X] No[]

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent 79.660%
1.2 A&H cost containment percent 1.950%
1.3 A&H expense percent excluding cost containment expenses 12.300%
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
Accident and Health - Affiliates								
00000	AA-3770278	01/01/2015	McKinley Assur Spc	CYM	SSL/A/I	Unauthorized		
Accident and Health - Non-affiliates								
38636	13-3031176	01/01/2009	PARTNER REINS CO OF THE US	NY	SS/A/I	Authorized		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only						
			2	3	4	5	6	7	8
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7
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	185,778,151			10,629,296			196,407,447
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)	X X X							
59.	Subtotal	X X X	185,778,151			10,629,296			196,407,447
60.	Reporting entity contributions for Employee Benefit Plans	X X X							
61.	Total (Direct Business)	(a) 1	185,778,151			10,629,296			196,407,447

DETAILS OF WRITE-INS

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

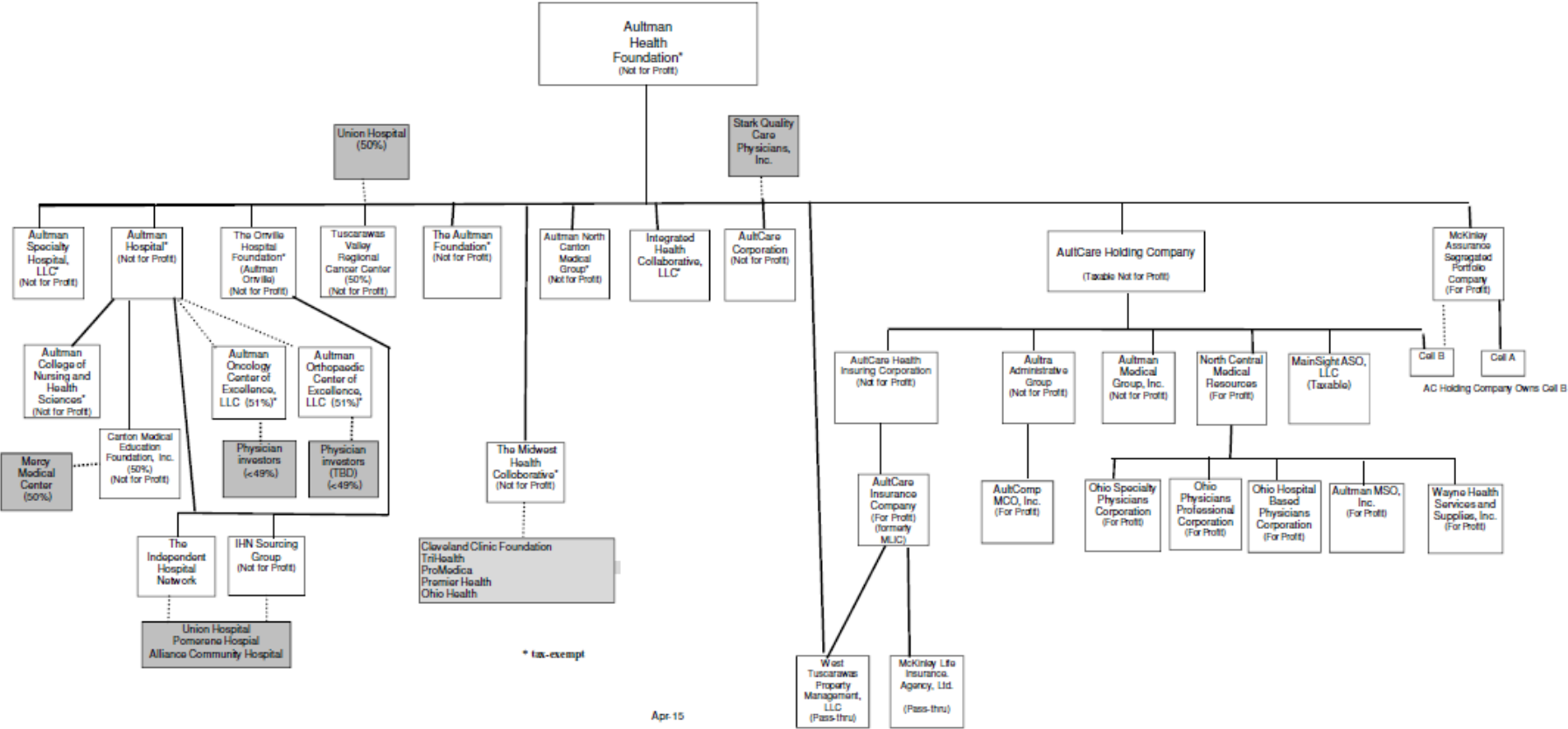
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Q15



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

916

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Comp- any Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domic- iliary Loca- tion	Rela- tion- ship to Report- ing 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)	*
4805		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	0000004
		77216	34-1624818				AultCare Insurance Company	US	RE	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 Insurance Company & Aultman 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	50.0	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	UDP	AultCare Holding Company	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	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	
		00000	47-1165287				AultCare Holding Company	US	UIP	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



OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF **September 30, 2016** OF THE **AultCare Insurance Company**

SCHEDULE A - VERIFICATION

Real Estate		
	1	2
	Year To Date	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 value		
7. Deduct current year's other-than-temporary impairment recognized		
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	2
	Year To Date	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 points		
9. Total foreign exchange change in book value/recorded investment		
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	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	19,986,376	13,785,039
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		6,492,899
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(182,902)	(291,562)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	2,357,318	
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)	17,446,155	19,986,376
12. Deduct total nonadmitted amounts		807,296
13. Statement value at end of current period (Line 11 minus Line 12)	17,446,155	19,179,080

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	31,552,835	63,015,936
2. Cost of bonds and stocks acquired	2,744,719	10,379,828
3. Accrual of discount	17,083	62,215
4. Unrealized valuation increase (decrease)	378,208	(1,691,091)
5. Total gain (loss) on disposals	1,190	1,176,095
6. Deduct consideration for bonds and stocks disposed of	1,540,317	41,009,400
7. Deduct amortization of premium	91,940	380,748
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)	33,061,778	31,552,835
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	33,061,778	31,552,835

QSI02

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
BONDS								
1. NAIC 1 (a)	24,641,142	655,620	472,422	(33,917)	23,501,153	24,641,142	24,790,423	23,407,440
2. NAIC 2 (a)	1,265,312	94,845	255,465	7,089	1,259,484	1,265,312	1,111,781	1,389,777
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	25,906,453	750,465	727,887	(26,828)	24,760,636	25,906,453	25,902,204	24,797,217
PREFERRED STOCK								
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	25,906,453	750,465	727,887	(26,828)	24,760,636	25,906,453	25,902,204	24,797,217

(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. Totals	270,705	X X X	546,102	5,820	3,026

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	155,419	414,974
2.	Cost of short-term investments acquired	198,053	438,242
3.	Accrual of discount	86	270
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals	(13)	169
6.	Deduct consideration received on disposals	80,070	692,775
7.	Deduct amortization of premium	2,770	5,461
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)	270,705	155,419
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	270,705	155,419

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									
<div>NONE</div>												
4699999 TOTALS	XXX

SCHEDULE BA - PART 3

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

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9 + 10 - 11 + 12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
Non-collateral Loans - Affiliated																			
.....	AULTCARE - AFFILIATED	CANTON OH	AULTCARE INSURANCE COMPANY	01/01/2009	09/30/2016 9,283,190	... (2,357,318) (2,357,318) 6,925,872
2899999 Subtotal - Non-collateral Loans - Affiliated 9,283,190	... (2,357,318) (2,357,318) 6,925,872
4499999 Total - Unaffiliated																			
4599999 Total - Affiliated 9,283,190	... (2,357,318) (2,357,318) 6,925,872
4699999 TOTALS 9,283,190	... (2,357,318) (2,357,318) 6,925,872

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912828QG8 ..	U.S. TREASURY NOTES 08/04/2016 ..	FIRSTMERIT X X X 31,024 30,000 216	1
0599999 Subtotal - Bonds - U.S. Governments X X X 31,024 30,000 216 X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
12572QAE5 ..	CME GROUP INC 08/19/2016 ..	FIRSTMERIT X X X 10,651 10,000 133	1
307660KJ8 ..	FARM BUREAU BANK CD 07/28/2016 ..	FIRSTMERIT X X X 120,000 120,000	1
437076AW2 ..	HOME DEPOT INC 09/12/2016 ..	FIRSTMERIT X X X 66,806 60,000 1,203	1
438516BD7 ..	HONEYWELL INTL 09/13/2016 ..	FIRSTMERIT X X X 59,311 55,000 537	1
73755LAL1 ..	POTASH CORP 07/06/2016 ..	FIRSTMERIT X X X 37,319 35,000 409	2
743315AN3 ..	PROGRESSIVE CORP 09/13/2016 ..	FIRSTMERIT X X X 27,227 25,000 60	1
743315AN3 ..	PROGRESSIVE CORP 07/27/2016 ..	FIRSTMERIT X X X 21,901 20,000 329	1
74456QBG0 ..	PUBLIC SERVICE MTN 08/17/2016 ..	FIRSTMERIT X X X 25,310 25,000 101	1
78012KKU0 ..	ROYAL BK CANADA MTN 07/27/2016 ..	FIRSTMERIT X X X 62,234 60,000 50	1
828807CD7 ..	SIMON PROP GP LP 08/03/2016 ..	FIRSTMERIT X X X 45,215 40,000 44	1
822582AJ1 ..	SHELL INTL FIN 06/09/2016 ..	FIRSTMERIT X X X 81,372 75,000 735	1
05348EAN9 ..	AVALONBAY COMMUN MTN 06/16/2016 ..	FIRSTMERIT X X X 57,527 50,000 813	2
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) X X X 614,873 575,000 4,414 X X X
8399997 Subtotal - Bonds - Part 3 X X X 645,897 605,000 4,630 X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) X X X X X X X X X X X X X X X
8399999 Subtotal - Bonds X X X 645,897 605,000 4,630 X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) X X X X X X X X X X X X X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) X X X X X X X X X X X X X X X
9899999 Subtotal - Preferred and Common Stocks X X X X X X X X X X X X
9999999 Total - Bonds, Preferred and Common Stocks X X X 645,897 X X X 4,630 X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
912828QG8	U.S. TREASURY NOTES 2.625% 4/30/2018		09/13/2016	FIRSTMERIT	X X X	30,899	30,000	31,024	31,024	(53)			(53)		30,971		(73)	(73)	295	04/30/2018	1
0599999 Subtotal - Bonds - U.S. Governments					X X X	30,899	30,000	31,024	31,024	(53)			(53)		30,971		(73)	(73)	295	X X X	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
427866AP3	HERSHEY COMPANY		06/16/2016	FIRSTMERIT	X X X	50,442	50,000	52,571	51,114	(765)			(765)		50,349		93	93	1,363	09/01/2016	1
74432QAY1	PRUDENTIAL FIN MTN		06/06/2016	FIRSTMERIT	X X X	52,625	50,000	58,990	52,969	(869)			(869)		52,099		526	526		06/15/2017	2
025816AW9	AMERICAN EXPRESS		09/12/2016	FIRSTMERIT	X X X	30,000	30,000	33,575	30,921	(921)			(921)		30,000				1,650	09/12/2016	1
17305EFE0	CITIBANK CREDIT ABS		09/07/2016	FIRSTMERIT	X X X	100,000	100,000	100,250	100,250	(62)			(62)		100,187		(187)	(187)	1,320	09/07/2018	1
25179MAH6	DEVON ENERGY		08/04/2016	FIRSTMERIT	X X X	22,167	20,000	23,572	22,150	(406)			(406)		21,744		423	423	1,344	01/15/2019	2
46625HJA9	JPMORGAN CHASE MTN		07/05/2016	FIRSTMERIT	X X X	60,000	60,000	63,797	60,561	(561)			(561)		60,000				1,890	07/05/2016	1
581557BB0	MCKESSON CORP		07/27/2016	FIRSTMERIT	X X X	60,098	60,000	59,966	59,986	7			7		59,993		106	106	691	03/10/2017	2
72766HBB0	PLATINUM BANK CD		07/29/2016	FIRSTMERIT	X X X	113,000	113,000	113,000	113,000						113,000				328	07/29/2016	1
863667AC5	STRYKER CORP		07/06/2016	FIRSTMERIT	X X X	5,012	5,000	5,207	5,233	(220)			(220)		5,013		(2)	(2)	778	09/30/2016	1
867914AZ6	SUNTRUST BANKS		08/10/2016	FIRSTMERIT	X X X	52,374	50,000	59,486	53,474	(1,235)			(1,235)		52,239		135	135	2,783	09/11/2017	2
887315BJ7	TIME WARNER CO INC		08/30/2016	FIRSTMERIT	X X X	68,201	64,000	73,559	68,783	(1,754)			(1,754)		67,029		1,172	1,172	4,086	10/15/2017	2
949746JE2	WELLS FARGO CO		09/15/2016	FIRSTMERIT	X X X	35,000	35,000	39,498	35,866	(866)			(866)		35,000				1,794	09/15/2016	1
949746JE2	WELLS FARGO CO		09/15/2016	FIRSTMERIT	X X X	18,000	18,000	20,281	18,445	(445)			(445)		18,000				923	09/15/2016	1
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	666,919	655,000	703,752	672,750	(8,098)			(8,098)		664,653		2,266	2,266	18,949	X X X	X X X
8399997 Subtotal - Bonds - Part 4					X X X	697,818	685,000	734,776	703,775	(8,151)			(8,151)		695,624		2,194	2,194	19,245	X X X	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	697,818	685,000	734,776	703,775	(8,151)			(8,151)		695,624		2,194	2,194	19,245	X X X	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X										X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	697,818	X X X	734,776	703,775	(8,151)			(8,151)		695,624		2,194	2,194	19,245	X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

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
					Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	During Current Quarter			
							6	7	8	
Depository			Code	Rate of Interest			First Month	Second Month	Third Month	*
open depositories										
FirstMerit Bank - Trust	Canton, Ohio			0.250	298		473,909	526,477	540,723	X X X
FirstMerit Bank - Brokered CDs	Canton, Ohio			0.250	100		223,824	104,956	108,456	X X X
Huntington National Bank	Canton, Ohio						27,911,063	31,356,975	27,911,063	X X X
FirstMerit Bank-ST CDs	Canton, Ohio									X X X
FirstMerit Bank - Mutual Funds	Canton, Ohio						9,401	9,403	9,405	X X X
FirstMerit Bank - Richmond Capital	Canton, Ohio			0.250	32		82,196	45,909	97,690	X X X X X X
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	430		28,700,393	32,043,720	28,667,337	X X X
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories										
			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	430		28,700,393	32,043,720	28,667,337	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X	430		28,700,393	32,043,720	28,667,337	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div>NONE</div>							
8699999 Total - Cash Equivalents

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