



12335201620160100  
**ANNUAL STATEMENT**  
For the Year Ending DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE  
**Paramount Advantage**

12353201620100100

2016

Document Code: 201

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	12353	Employer's ID Number	20-3376102
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		OH	
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	08/10/2005		Commenced Business	12/01/2005		
Statutory Home Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (Area Code) (Telephone Number)			
Mail Address	P.O. Box 928 (Street and Number or P.O. Box)		Toledo, OH, US 43697-0928 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (Area Code) (Telephone Number)			
Internet Website Address	www.paramounthealthcare.com		(419)887-2500			
Statutory Statement Contact	Jonathan Burns, Mr. (Name) jonathan.burns@promedica.org (E-Mail Address)		(419)887-2909 (Area Code)(Telephone Number)(Extension) (419)887-2020 (Fax Number)			

## OFFICERS

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

## OTHERS

## **DIRECTORS OR TRUSTEES**

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

State of Ohio  
County of Lucas ss

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

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

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

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

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 2017

- 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)**

Lynn Eric Olman Mr.  
Judi Anne Gribble Ms. #  
Traci Nicole Watkins M.D. #

Richard Arthur Wasserman Mr.  
Andrea Marie Gibbons Ms. #

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	152,518,360		152,518,360	71,450,186
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	36,962,006		36,962,006	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....42,464,758, Schedule E Part 1), cash equivalents (\$.....6,282,592, Schedule E Part 2) and short-term investments (\$.....25,305,797, Schedule DA) .....	74,053,147		74,053,147	175,590,770
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....	252,936		252,936	
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	263,786,449		263,786,449	247,040,956
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	884,513		884,513	221,685
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	9,888,281		9,888,281	9,863,725
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 .....	2,346,373		2,346,373	985,039
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				1,394,150
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	7,416,999		7,416,999	5,450,200
24. Health care (\$.....2,558,956) and other amounts receivable .....	2,558,956		2,558,956	2,401,676
25. Aggregate write-ins for other than invested assets .....	3,578,973	14,500	3,564,473	2,178,923
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	290,460,544	14,500	290,446,044	269,536,354
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	290,460,544	14,500	290,446,044	269,536,354
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid other .....	14,500	14,500		761,568
2502. Use Tax Receivable .....	1,500,000		1,500,000	
2503. Pay for performance .....	647,117		647,117	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,417,356		1,417,356	1,417,355
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	3,578,973	14,500	3,564,473	2,178,923

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	95,321,328		95,321,328	96,605,983
2. Accrued medical incentive pool and bonus amounts .....	1,026,900		1,026,900	
3. Unpaid claims adjustment expenses .....	1,730,000		1,730,000	1,549,000
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	27,413,826		27,413,826	17,762,381
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	1,564,970		1,564,970	935,034
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 .....	4,161,067		4,161,067	6,462,360
16. Derivatives .....				
17. Payable for securities .....	23,952,248		23,952,248	
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	155,170,339		155,170,339	123,314,758
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX		
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	58,621,685	58,621,685
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	76,654,020	87,599,911
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	135,275,705	146,221,596
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	290,446,044	269,536,354
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

# STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	X X X	2,794,873	2,694,709
1. Member Months .....			
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	991,310,648	1,001,072,354
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X	9,085,833	3,083,111
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	1,000,396,481	1,004,155,465
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		623,229,905	585,321,606
10. Other professional services .....		3,977,432	4,322,621
11. Outside referrals .....			
12. Emergency room and out-of-area .....		30,757,663	31,751,207
13. Prescription drugs .....		210,048,983	175,073,563
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....		1,510,393	
16. Subtotal (Lines 9 to 15) .....		869,524,376	796,468,997
<b>Less:</b>			
17. Net reinsurance recoveries .....		4,397,899	5,131,858
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		865,126,477	791,337,139
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....11,127,734 cost containment expenses .....		13,280,989	13,563,749
21. General administrative expenses .....		135,644,724	126,607,409
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) .....		1,014,052,190	931,508,297
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(13,655,709)	72,647,168
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		1,244,196	752,671
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		(347,651)	(4,468)
27. Net investment gains (losses) (Lines 25 plus 26) .....		896,545	748,203
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 .....		109	153
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	(12,759,055)	73,395,524
31. Federal and foreign income taxes incurred .....	X X X		26,183,546
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(12,759,055)	47,211,978
<b>DETAILS OF WRITE-INS</b>			
0601. Performance revenue .....	X X X	9,085,833	3,083,111
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	9,085,833	3,083,111
0701. .....	X X X		
0702. .....	X X X		
0703. .....	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. .....			
1402. .....			
1403. .....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901. Other .....		109	153
2902. .....			
2903. .....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		109	153

# STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	146,221,596	100,904,138
34. Net income or (loss) from Line 32 .....	(12,759,055)	47,211,978
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	59,361	14,113
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		(1,849,656)
39. Change in nonadmitted assets .....	1,753,803	(58,977)
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) .....	(10,945,891)	45,317,458
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	135,275,705	146,221,596
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	991,286,092	1,000,566,971
2.	Net investment income .....	1,019,357	1,017,057
3.	Miscellaneous income .....	9,085,833	3,083,111
4.	<b>TOTAL (Lines 1 through 3)</b> .....	<b>1,001,391,282</b>	<b>1,004,667,139</b>
5.	Benefit and loss related payments .....	865,321,513	801,552,971
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	139,093,159	137,448,399
8.	Dividends paid to policyholders .....	.....	.....
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(1,394,150)	29,792,789
10.	<b>TOTAL (Lines 5 through 9)</b> .....	<b>1,003,020,522</b>	<b>968,794,159</b>
11.	Net cash from operations (Line 4 minus Line 10) .....	(1,629,240)	35,872,980
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	148,623,580	41,593,842
12.2	Stocks .....	115,662	.....
12.3	Mortgage loans .....	.....	.....
12.4	Real estate .....	.....	.....
12.5	Other invested assets .....	.....	.....
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....	.....	.....
12.7	Miscellaneous proceeds .....	23,699,312	0
12.8	<b>TOTAL Investment proceeds (Lines 12.1 to 12.7)</b> .....	<b>172,438,555</b>	<b>41,593,842</b>
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	230,477,150	52,539,138
13.2	Stocks .....	36,980,695	.....
13.3	Mortgage loans .....	.....	.....
13.4	Real estate .....	.....	.....
13.5	Other invested assets .....	.....	.....
13.6	Miscellaneous applications .....	37,857	15,474
13.7	<b>TOTAL Investments acquired (Lines 13.1 to 13.6)</b> .....	<b>267,495,702</b>	<b>52,554,612</b>
14.	Net increase (decrease) in contract loans and premium notes .....	.....	.....
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(95,057,148)	(10,960,770)
<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) .....	(4,851,236)	(23,231,178)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(4,851,236)	(23,231,178)
<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) .....	(101,537,624)	1,681,032
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	175,590,770	173,909,738
19.2	End of year (Line 18 plus Line 19.1) .....	74,053,147	175,590,770

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

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

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income .....	991,310,648							991,310,648		
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....									XXX	
4. Risk revenue .....									XXX	
5. Aggregate write-ins for other health care related revenues .....	9,085,833							9,085,833		
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6) .....	1,000,396,481							1,000,396,481		
8. Hospital/medical benefits .....	623,229,905							623,229,905		
9. Other professional services .....	3,977,432							3,977,432		
10. Outside referrals .....									XXX	
11. Emergency room and out-of-area .....	30,757,663							30,757,663		
12. Prescription drugs .....	210,048,983							210,048,983		
13. Aggregate write-ins for other hospital and medical .....									XXX	
14. Incentive pool, withhold adjustments and bonus amounts .....	1,510,393							1,510,393		
15. Subtotal (Lines 8 to 14) .....	869,524,376							869,524,376		
16. Net reinsurance recoveries .....	4,397,899							4,397,899		
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	865,126,477							865,126,477		
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....11,127,734 cost containment expenses .....	13,280,989							13,280,989		
20. General administrative expenses .....	135,644,724							135,644,724		
21. Increase in reserves for accident and health contracts .....									XXX	
22. Increase in reserves for life contracts .....									XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	1,014,052,190							1,014,052,190		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(13,655,709)							(13,655,709)		
<b>DETAILS OF WRITE-INS</b>										
0501. Performance revenue .....	9,085,833							9,085,833		
0502. .....									XXX	
0503. .....									XXX	
0598. Summary of remaining write-ins for Line 5 from overflow page .....									XXX	
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	9,085,833							9,085,833		
0601. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....									XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. .....									XXX	
1302. .....									XXX	
1303. .....									XXX	
1398. Summary of remaining write-ins for Line 13 from overflow page .....									XXX	
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....									XXX	

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	995,363,500	.....	4,052,852	991,310,648
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8) .....	995,363,500	.....	4,052,852	991,310,648
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	995,363,500	.....	4,052,852	991,310,648

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	867,874,585							867,874,585		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	3,036,565							3,036,565		
1.4 Net	864,838,020							864,838,020		
2. Paid medical incentive pools and bonuses	483,493							483,493		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	95,321,328							95,321,328		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	95,321,328							95,321,328		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	1,026,900							1,026,900		
6. Net healthcare receivables (a)	(1,424,053)							(1,424,053)		
7. Amounts recoverable from reinsurers December 31, current year	2,346,373							2,346,373		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	96,605,983							96,605,983		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	96,605,983							96,605,983		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	985,039							985,039		
12. Incurred benefits:										
12.1 Direct	868,013,983							868,013,983		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	4,397,899							4,397,899		
12.4 Net	863,616,084							863,616,084		
13. Incurred medical incentive pools and bonuses	1,510,393							1,510,393		

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

# UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	20,182,641	.....	.....	.....	.....	.....	.....	20,182,641	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	20,182,641	.....	.....	.....	.....	.....	.....	20,182,641	.....	.....
2. Incurred but Unreported:										
2.1 Direct .....	75,138,687	.....	.....	.....	.....	.....	.....	75,138,687	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net .....	75,138,687	.....	.....	.....	.....	.....	.....	75,138,687	.....	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct .....	95,321,328	.....	.....	.....	.....	.....	.....	95,321,328	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net .....	95,321,328	.....	.....	.....	.....	.....	.....	95,321,328	.....	.....

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	68,557,704	794,918,982	(155,532)	95,476,860	68,402,172	96,605,983
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	68,557,704	794,918,982	(155,532)	95,476,860	68,402,172	96,605,983
10. Healthcare receivables (a) .....	.....	2,558,956	.....	.....	.....	3,983,009
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	483,493	.....	1,026,900	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	68,557,704	792,843,519	(155,532)	96,503,760	68,402,172	92,622,974

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	20,465	21,159	21,159	20,942	20,941
2. 2012 .....	216,446	238,996	239,034	238,208	238,207
3. 2013 .....	XXX	272,330	310,847	308,717	308,719
4. 2014 .....	XXX	XXX	509,239	589,430	586,499
5. 2015 .....	XXX	XXX	XXX	723,550	795,038
6. 2016 .....	XXX	XXX	XXX	XXX	794,919

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	20,508	21,159	21,159	20,942	20,941
2. 2012 .....	242,346	239,706	239,034	238,208	238,207
3. 2013 .....	XXX	317,690	310,847	308,717	308,719
4. 2014 .....	XXX	XXX	613,861	588,953	586,499
5. 2015 .....	XXX	XXX	XXX	820,633	794,883
6. 2016 .....	XXX	XXX	XXX	XXX	891,422

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012 .....	294,763	238,207	3,423	1.437	241,630	81.974			241,630	81.974
2. 2013 .....	389,385	308,719	5,637	1.826	314,356	80.731			314,356	80.731
3. 2014 .....	725,282	586,499	8,332	1.421	594,831	82.014			594,831	82.014
4. 2015 .....	1,001,072	795,038	13,478	1.695	808,516	80.765	(155)		808,361	80.750
5. 2016 .....	991,311	794,919	11,374	1.431	806,293	81.336	96,503	1,730	904,526	91.245

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

## Title XIX - Medicaid

## Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	20,465	21,159	21,159	20,942	20,941
2. 2012 .....	216,446	238,996	239,034	238,208	238,207
3. 2013 .....	XXX	272,330	310,847	308,717	308,719
4. 2014 .....	XXX	XXX	509,239	589,430	586,499
5. 2015 .....	XXX	XXX	XXX	723,550	795,038
6. 2016 .....	XXX	XXX	XXX	XXX	794,919

## Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	20,508	21,159	21,159	20,942	20,941
2. 2012 .....	242,346	239,706	239,034	238,208	238,207
3. 2013 .....	XXX	317,690	310,847	308,717	308,719
4. 2014 .....	XXX	XXX	613,861	588,953	586,499
5. 2015 .....	XXX	XXX	XXX	820,633	794,883
6. 2016 .....	XXX	XXX	XXX	XXX	891,422

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2012 .....	294,763	238,207	3,423	1.437	241,630	81.974			241,630	81.974
2. 2013 .....	389,385	308,719	5,637	1.826	314,356	80.731			314,356	80.731
3. 2014 .....	725,282	586,499	8,332	1.421	594,831	82.014			594,831	82.014
4. 2015 .....	1,001,072	795,038	13,478	1.695	808,516	80.765	(155)		808,361	80.750
5. 2016 .....	991,311	794,919	11,374	1.431	806,293	81.336	96,503	1,730	904,526	91.245

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

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

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

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	50,880	36,451	453,813		541,144
2. Salaries, wages and other benefits .....	9,063,084	2,107,476	23,709,634		34,880,194
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....			124,720		124,720
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	1,727,402		18,827,426		20,554,828
7. Traveling expenses .....	121,235	1,035	189,134		311,404
8. Marketing and advertising .....			2,587,558		2,587,558
9. Postage, express and telephone .....	5,036		281,788		286,824
10. Printing and office supplies .....	121,777	2,794	979,048		1,103,619
11. Occupancy, depreciation and amortization .....			51,411		51,411
12. Equipment .....	1,279		215,027		216,306
13. Cost or depreciation of EDP equipment and software .....			1,296,240		1,296,240
14. Outsourced services including EDP, claims, and other services .....	35,010	5,499	1,389,289		1,429,798
15. Boards, bureaus and association fees .....	2,031		70,492		72,523
16. Insurance, except on real estate .....					
17. Collection and bank service charges .....					
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....			345,531		345,531
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			70,516,367		70,516,367
23.2 State premium taxes .....			9,953,345		9,953,345
23.3 Regulatory authority licenses and fees .....					
23.4 Payroll taxes .....			488,049		488,049
23.5 Other (excluding federal income and real estate taxes) .....			1,394		1,394
24. Investment expenses not included elsewhere .....				90,055	90,055
25. Aggregate write-ins for expenses .....			4,164,458		4,164,458
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	11,127,734	2,153,255	135,644,724	90,055	(a) 149,015,768
27. Less expenses unpaid December 31, current year .....	1,211,000	519,000	27,413,826		29,143,826
28. Add expenses unpaid December 31, prior year .....	1,053,320	495,680	17,762,381		19,311,381
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	10,970,054	2,129,935	125,993,279	90,055	139,183,323

**DETAILS OF WRITE-INS**

2501. Community advocacy .....			2,206,152		2,206,152
2502. ODM penalties .....			1,958,306		1,958,306
2503. .....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			4,164,458		4,164,458

(a) Includes management fees of \$.....46,819,537 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	210,910	299,879
1.1 Bonds exempt from U.S. tax .....	(a) .....	10,732	8,896
1.2 Other bonds (unaffiliated) .....	(a) .....	441,227	1,008,668
1.3 Bonds of affiliates .....	(a) .....		
2.1 Preferred stocks (unaffiliated) .....	(b) .....		
2.11 Preferred stocks of affiliates .....	(b) .....		
2.2 Common stocks (unaffiliated) .....	.....	1,596	4,916
2.21 Common stocks of affiliates .....	.....		
3. Mortgage loans .....	(c) .....		
4. Real estate .....	(d) .....		
5. Contract loans .....	.....		
6. Cash, cash equivalents and short-term investments .....	(e) .....	8,217	11,892
7. Derivative instruments .....	(f) .....		
8. Other invested assets .....	.....		
9. Aggregate write-ins for investment income .....	.....		
10. TOTAL Gross investment income .....	672,682		1,334,251
11. Investment expenses .....	(g) .....	90,055	
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....		
13. Interest expense .....	(h) .....		
14. Depreciation on real estate and other invested assets .....	(i) .....		
15. Aggregate write-ins for deductions from investment income .....	.....		
16. TOTAL Deductions (Lines 11 through 15) .....	.....	90,055	
17. Net Investment income (Line 10 minus Line 16) .....	.....		1,244,196

## DETAILS OF WRITE-INS

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

(a) Includes \$.....31,666 accrual of discount less \$.....469,656 amortization of premium and less \$.....997,182 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....2,314 accrual of discount less \$.....953 amortization of premium and less \$.....1,781 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....90,055 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	(352,161)	.....	(352,161)	.....	.....
1.1 Bonds exempt from U.S. tax .....	451	.....	451	.....	.....
1.2 Other bonds (unaffiliated) .....	4,304	.....	4,304	.....	.....
1.3 Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11 Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2 Common stocks (unaffiliated) .....	984	.....	984	59,361	.....
2.21 Common stocks of affiliates .....	.....	.....	.....	.....	.....
3. Mortgage loans .....	.....	.....	.....	.....	.....
4. Real estate .....	.....	.....	.....	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(1,229)	.....	(1,229)	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10. TOTAL Capital gains (losses) .....	(347,651)	.....	(347,651)	59,361	.....

## DETAILS OF WRITE-INS

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

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	.....	.....	.....
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.....	.....	.....
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	.....	.....
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.....	.....	.....
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	.....	.....	.....
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.....	.....	.....
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans .....	.....	.....	.....
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	.....	.....	.....
19. Guaranty funds receivable or on deposit .....	.....	.....	.....
20. Electronic data processing equipment and software .....	.....	.....	.....
21. Furniture and equipment, including health care delivery assets .....	.....	.....	.....
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	.....	1,581,333	1,581,333
25. Aggregate write-ins for other than invested assets .....	14,500	186,970	172,470
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	14,500	1,768,303	1,753,803
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	14,500	1,768,303	1,753,803
28. TOTAL (Lines 26 and 27) .....	14,500	1,768,303	1,753,803
<b>DETAILS OF WRITE-INS</b>			
1101. .....	.....	.....	.....
1102. .....	.....	.....	.....
1103. .....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. Prepaids .....	14,500	14,500	.....
2502. .....	.....	.....	.....
2503. Other AR .....	.....	172,470	172,470
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	14,500	186,970	172,470

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

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	227,592	231,803	235,801	235,400	233,485	2,794,873
2. Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3. Preferred Provider Organizations .....	.....	.....	.....	.....	.....	.....
4. Point of Service .....	.....	.....	.....	.....	.....	.....
5. Indemnity Only .....	.....	.....	.....	.....	.....	.....
6. Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7. TOTAL .....	227,592	231,803	235,801	235,400	233,485	2,794,873
<b>DETAILS OF WRITE-INS</b>						
0601. .....	.....	.....	.....	.....	.....	.....
0602. .....	.....	.....	.....	.....	.....	.....
0603. .....	.....	.....	.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed practices by the State of Ohio.

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

	State of Domicile	2016	2015
	Ohio		
<b>NET INCOME</b>			
Paramount Advantage state basis		(12,759,055)	47,211,978
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		(12,759,055)	47,211,978
<b>SURPLUS</b>			
Paramount Advantage state basis		135,275,705	146,221,596
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		135,275,705	146,221,596

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

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

#### C. Accounting Policy

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

In addition, the company uses the following accounting policies:

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

## Notes to Financial Statements

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

### **Significant Providers**

The Company has an agreement with Children's Hospital and Physicians' Healthcare Networks dba Partners for Kids (PFK) and Cincinnati Children's Hospital Medical Center dba Health Network by Cincinnati Children's (HNCC), for PFK and HNCC to provide medical services to Paramount Advantage's members under a full risk arrangement. For Covered Families and Children (CFC) and Aged, Blind and Disabled (ABD) members of a certain age that are located within a designated geographic area around PFK and HNCC, PA pays a capitated per member per month amount to PFK and HNCC to provide medical services, utilization and case management services. Any claims for these members incurred at facilities or providers that are not connected to PFK or HNCC are paid to the billing provider and then deducted from the capitation payment. IBNR related to PFK members is held by PFK on their books. IBNR related to HNCC members is recognized on PA's balance sheet as a liability to HNCC. During 2016 and 2015, total capitated payments under these arrangements made by PA were \$42,350,167 and \$48,664,746, respectively. Amounts due from PFK were \$1,438,488 and amounts due to HNCC were \$1,240,020 at December 31, 2016.

### 2. Accounting Changes and Corrections of Errors

#### **-NOT APPLICABLE**

### 3. Business Combinations and Goodwill

#### **-NOT APPLICABLE**

### 4. Discontinued Operations

#### **-NOT APPLICABLE**

### 5. Investments

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

## Notes to Financial Statements

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

1	2	3	4	5	6	
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease)	Total Current year admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which the liability is not shown						
b. collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock						
i. FHLB capital stock						
j. On deposit with states	3,401,537	3,401,390	147	3,401,537	1%	1%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	3,401,537	3,401,390	147	3,401,537	1%	1%

- I. The company does not have any working capital financing investments.
- J. The company does not have any netting of assets and liabilities relating to derivatives, repurchase and reverse repurchase and securities borrowing and lending.
- K. The company does not have any structured notes.
- L. The company does not have any 5\* securities.

### 6. Joint ventures, Partnerships and Limited Liability Companies

# Notes to Financial Statements

## -NOT APPLICABLE

### 7. Investment Income

The Company does not have nonadmitted accrued investment income.

### 8. Derivative Instruments

## -NOT APPLICABLE

### 9. Income Taxes

In 2015, the Company applied for not-for-profit 501(c)(3) status. The change in tax status results in the Company no longer being subject to federal income tax. The effective date of this status change was October, 1 2015. As a result, federal income taxes disclosed on the statement of revenue and expenses for the year ended 2015 contains only 9 months of federal income tax for that entity. In addition to the reduced number of months expensed, the Company paid a one-time "toll tax" to settle its final federal income tax payment. The total toll tax was approximately \$6,000,000 and is reflected within federal income taxes on the 2015 statement of revenue and expenses.

C-current income taxes incurred for 2015 consisted of the following major components:

		12/31/2015
1. Current Income Tax		
(a) Federal	\$ 25,904,299	
(b) Federal income tax on capital gains	4,670	
(c) Other	<u>279,247</u>	
(d) Federal income taxes incurred	\$ 26,188,216	

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

The provision for federal income taxes for 2015 incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	2015	%
Provision computed at statutory rate	\$ 25,690,068	35 %
Change in non-admitted assets	586,081	1
IRC 337(d) Deemed Asset Sale	6,071,372	8
Adjustment tax exempt status 10/1/15	(5,602,005)	(8)
Write off deferred tax assets	1,044,766	2
Non-deductible penalties	211,555	
Other	<u>1,226</u>	-
 Total	 <u>\$ 28,003,063</u>	 38 %
 Federal income taxes incurred	 25,908,969	 35 %
Change in net deferred income taxes	1,814,847	3
Other	<u>279,247</u>	-
 Total statutory income taxes	 <u>\$ 28,003,063</u>	 38 %

## Notes to Financial Statements

**E.-**At December 31, 2016 and 2015, the Company had no operating loss carryforwards to utilize in future years. The Company did not have any deposits admitted under IRC 6603. The following is income tax incurred for 2014, 2015 and 2016 that is available for recoupment in the event of future net losses:

<u>Year</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2014		\$ 14,940	\$ 14,940
2015	25,904,299	4,670	25,908,969
2016			

**F.-** In 2015, PA applied for not-for-profit 501(c)(3) status. The change in tax status resulted in PA no longer being subject to federal income tax. Therefore, PA is no longer a party to a tax sharing agreement with the parent company, PIC. The effective date of this status change was October, 1 2015.

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

For the years ended December 31, 2016 and 2015, the Company did not have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*. This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date.

The Company is primarily subject to U.S. federal and various U.S. state and local tax authorities. Tax years subsequent to 2012 remain open to examination by the Internal Revenue Service, and 2011 remains open to other state and local tax authorities. As of December 31, 2016 the Company is currently under examination by the Internal Revenue Service for years 2013 through 2015 tax years. The examination field work has been completed identifying no adjustments to the Company and the Company is currently awaiting notification of the final audit closing.

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

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

The Company shares employees, services and assets pursuant to a Management Services Sharing Agreement with PCI. The shared services include member services, sales, accounting, information systems, medical direction and management, claims processing, provider relations and community relations. The cost of shared services is allocated between the Company and PCI based upon the percentage of subscribers at the end of each calendar month. For the years ended December 31, 2016 and 2015, the Company was allocated general administrative expenses of \$32,087,357 and \$28,114,192 respectively.

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$14,732,180 and \$15,101,086 of overhead expense in 2016 and 2015, respectively. The amount is to compensate ProMedica for the services provided to the Company for corporate staff primarily in management, legal services, information services and investment management.

Balances outstanding with affiliated entities at December 31, 2016 and 2015:

## Notes to Financial Statements

	2016		2015	
	Due from	Due to	Due from	Due to
Paramount Care Inc		\$ 4,159,957		\$ 6,455,402
Paramount Health Solutions		-		2,644
Paramount Care of Michigan	248,713	-	245,037	
ProMedica Health System		1,110		4,314
Paramount Insurance Co.	5,774,136		5,205,163	
ProMedica Insurance Corp	1,394,150			
	<b>\$ 7,416,999</b>	<b>\$ 4,161,067</b>	<b>\$ 5,450,200</b>	<b>\$ 6,462,360</b>

Claims paid to affiliated entities during fiscal year 2016 and 2015:

	2016	2015
	Paid	Paid
Bay Park Community Hospital	\$ 5,237,153	\$ 5,317,040
ProMedica North Region	25,722	29,942
Defiance Hospital	3,119,644	3,189,472
Flower Hospital	9,302,228	9,655,189
Fostoria Hospital	1,569,468	1,857,043
Lima Memorial Hospital	3,350,767	3,498,161
Memorial Hospital	1,676,943	1,215,942
Mercy Memorial Hospital	31,651	36,313
ProMedica Physicians Group	14,359,665	13,618,649
ProMedica Continuing Care Services	2,224,004	2,900,666
St. Lukes Hospital	2,820,099	6,278,080
The Toledo Hospital	60,484,295	61,332,198
	<b>\$ 104,201,639</b>	<b>\$ 108,928,695</b>

In 2015, the Company applied for not-for-profit 501(c)(3) status. The change in tax status results in the Company no longer being subject to federal income tax. The effective date of this status change was October, 1 2015.

Tax payable/receivable amounts to affiliated entities as of 2016 and 2015:

	2016	2015
Paramount Health Care	\$ (913,946)	\$ 685,108
Paramount Care of Michigan	(196,629)	(192,918)
Paramount Benefits Agency	3,261	664
Paramount Preferred Options	(16,200)	(32,834)
Paramount Advantage	-	851,838
Paramount Insurance Company	1,280,850	(1,444,196)
Health Management Solutions	359,005	108,750
Paramount Preferred Solutions	(69,037)	87,030
ProMedica Insurance Corporation	(447,304)	(63,442)

11. Debt

**-NOT APPLICABLE**

12. Retirement Plans, Deferred Compensation, Postemployment Benefits

**-NOT APPLICABLE**

## Notes to Financial Statements

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

- A. The Company is organized as a charitable trust in the State of Ohio and therefore, the Company does not issue any stock.
- B. The Company has no preferred stock.
- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, to an amount less than 10% of admitted capital (including all dividends within the prior 12 month period). Additionally, the Company must obtain prior approval for dividends not paid from earned surplus.
- D. Within the limitations of [C] above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- E. There were no restrictions placed on the Company's surplus.
- F. The Company did not receive any capital contributions during 2016 and 2015.
- G. There is no stock being held by the Company.
- H. The Company has no special surplus funds.
- I. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is: \$59,361.
- J. The Company has no surplus debentures or other outstanding obligations.
- K. The Company was not involved in a quasi-reorganization during the year.

14. Contingencies

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

15. Leases

The Company has entered into lease agreements for office space and office equipment. Rental expense charged to operations amounted to \$85,504 and \$100,357 in 2016 and 2015, respectively.

At January 1, 2017, the minimum aggregate rental commitments are as follows:

December 31	Operating Leases
2017	80,577
2018	83,774
2019	21,104
2020	-
2021	-
Thereafter	-

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

16. Off-Balance Sheet Risk

# Notes to Financial Statements

## -NOT APPLICABLE

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

## -NOT APPLICABLE

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

## -NOT APPLICABLE

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

## -NOT APPLICABLE

20. Fair Value Measurement

A1.

<b>Description for each class of asset</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>
Assets at fair value				
Common Stock				
Industrial and Misc.	\$ 29,447,980			\$ 29,447,980
Mutual Funds	7,514,026			7,514,026
Total Common Stock	<u>\$ 39,962,006</u>	<u>\$</u>	<u>\$</u>	<u>\$ 39,962,006</u>
Total Assets at Fair Value	<u>\$ 39,962,006</u>	<u>\$</u>	<u>\$</u>	<u>\$ 39,962,006</u>

C.

<b>Type of Financial Instrument</b>	<b>Aggregate Fair Value</b>	<b>Admitted Assets</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Not Practicable (Carrying Value)</b>
Bonds	\$150,115,953	\$152,518,360				\$150,115,953
Short Term Investments	25,305,303	25,305,797	25,305,303			
Common Stock	39,962,006	39,962,006	39,962,006			
Cash equivalents	6,280,981	6,282,592	6,280,981			

21. Other Items

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

22. Subsequent Events

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

## **Notes to Financial Statements**

### Section 1

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

### Section 2

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

### Section 3

1. The aggregate reduction in surplus for termination of all reinsurance agreements, by either party, as of the date of this statement is \$0.
2. No new agreements have been executed or existing agreements amended since January 1, 2016 to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement.

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

C. The company had no commutation of reinsurance.

24. Retrospectively Rated Contracts

**-NOT APPLICABLE**

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2015 were \$98,154,983. As of December 31, 2016, \$70,283,744 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now (\$155,532) as a result of re-estimation of unpaid claims and claim adjustment expenses on Medicaid lines of insurance. Therefore, there has been a \$28,026,771 favorable prior-year development since December 31, 2015 to December 31, 2016. The decrease is generally a result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

**-NOT APPLICABLE**

27. Structured Settlements

**-NOT APPLICABLE**

28. Health Care Receivables

## Notes to Financial Statements

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

	Estimated Quarter	Pharmacy Rebates as Billed	Actual Rebates Received within 90 days of billing	Actual Rebates Received within 91-180 days of billing	Actual Rebates Received More than 180 days after billing
12/31/2016	2,479,532	2,479,532	-	-	-
9/30/2016	1,385,701	2,479,532	-	2,479,532	-
6/30/2016	2,474,982	2,394,974	-	2,394,974	-
3/31/2016	2,859,571	3,564,048	-	3,238,637	325,411
12/31/2015	2,961,464	2,882,663	-	2,882,663	-
9/30/2015	1,328,020	1,383,522	-	1,383,522	-
6/30/2015	1,663,713	1,266,043	-	1,266,043	-
3/31/2015	3,160,675	2,456,878	-	1,293,015	1,163,863
12/31/2014	2,768,579	2,219,644	-	-	2,219,644
9/30/2014	-	-	-	-	-
6/30/2014	474,183	1,284,196	-	-	1,284,196
3/31/2014	922,542	1,092,333	-	-	1,092,333

29. Participating Policies

**-NOT APPLICABLE**

30. Premium Deficiency Reserves

Liability carried for premium deficiency reserve :	\$0
Date of most recent evaluation of this liability:	1/18/2017
Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated Salvage and Subrogation

**-NOT APPLICABLE**

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

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

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

1.3 State Regulating? .....

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

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

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

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

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

3.4 By what department or departments?  
Ohio Department of Insurance

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

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

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

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

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

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

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

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

6.2 If yes, give full information:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.

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

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

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

### BOARD OF DIRECTORS

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

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]  
 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ 0  
 20.12 To stockholders not officers \$ 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0  
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$ 0  
 20.22 To stockholders not officers \$ 0  
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0  
 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]  
 21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$ 0  
 21.22 Borrowed from others \$ 0  
 21.23 Leased from others \$ 0  
 21.24 Other \$ 0  
 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]  
 22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment \$ 0  
 22.22 Amount paid as expenses \$ 0  
 22.23 Other amounts paid \$ 0  
 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]  
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 1,394,150

### INVESTMENT

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

## GENERAL INTERROGATORIES (Continued)

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

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

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

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year: \$ ..... 0

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0

24.103 Total payable for securities lending reported on the liability page. \$ ..... 0

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

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

25.21 Subject to repurchase agreements \$ ..... 0

25.22 Subject to reverse repurchase agreements \$ ..... 0

25.23 Subject to dollar repurchase agreements \$ ..... 0

25.24 Subject to reverse dollar repurchase agreements \$ ..... 0

25.25 Placed under option agreements \$ ..... 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ ..... 0

25.27 FHLB Capital Stock \$ ..... 0

25.28 On deposit with states \$ ..... 3,401,537

25.29 On deposit with other regulatory bodies \$ ..... 0

25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ ..... 0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ ..... 0

25.32 Other \$ ..... 0

25.3 For category (25.26) provide the following:

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

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

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

If no, attach a description with this statement.

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

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

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

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

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

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation: Yes[ ] No[X]

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

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

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

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

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Income Research & Management .....	U .....
Capstone Asset Management Company .....	U .....
Frontier Capital Management Company, LLC .....	U .....
Harbor (Int'l Core) .....	U .....
Harbor (Int'l Growth) .....	U .....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[ ] No[X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[ ] No[X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

## GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104863 .....	Income Resarch & Management	NA .....	SEC .....	DS .....
113360 .....	Capstone Asset Management Company .....	NA .....	SEC .....	DS .....
106274 .....	Frontier Capital Management Company, LLC .....	NA .....	SEC .....	DS .....
128223 .....	Harbor (Int'l Core) .....	NA .....	SEC .....	DS .....
110296 .....	Harbor (Int'l Growth) .....	549300OJXEENXLO4FW52	SEC .....	

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
..... 411511306 .....	Harbor International Mutual Fund .....	3,760,950
..... 411511801 .....	Harbor International Growth Mutual Fund .....	3,753,076
29.2999 Total .....		7,514,026

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Harbor International Mutual Fund .....	Las Vegas Sands .....	211,365 .....	09/30/2016 .....
Harbor International Mutual Fund .....	Alibaba Group .....	124,111 .....	09/30/2016 .....
Harbor International Mutual Fund .....	Shire PLC .....	116,213 .....	09/30/2016 .....
Harbor International Mutual Fund .....	Roche Holding AG .....	114,333 .....	09/30/2016 .....
Harbor International Mutual Fund .....	Schlumberger Lt .....	107,563 .....	09/30/2016 .....
Harbor International Growth Mutual Fund .....	Cochlear LTD .....	116,345 .....	09/30/2016 .....
Harbor International Growth Mutual Fund .....	Naspers LTD .....	98,327 .....	09/30/2016 .....
Harbor International Growth Mutual Fund .....	Taiwan Semiconductor .....	91,200 .....	09/30/2016 .....
Harbor International Growth Mutual Fund .....	Kao Corp .....	80,691 .....	09/30/2016 .....
Harbor International Growth Mutual Fund .....	Shimano Inc .....	79,941 .....	09/30/2016 .....

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

1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	184,106,749 .....	181,704,236 .....
30.2 Preferred stocks .....		(2,402,513) .....
30.3 Totals .....	184,106,749 .....	181,704,236 .....

30.4 Describe the sources or methods utilized in determining the fair values:  
New York Stock Exchange, American Stock Exchange, NASDAQ, NAIC

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]  
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]  
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[ ]  
32.2 If no, list exceptions:

## OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0  
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

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

34.1 Amount of payments for legal expenses, if any? \$..... 124,720

**GENERAL INTERROGATORIES (Continued)**

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

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

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0

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

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

## GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

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

## 2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	991,310,648	1,001,072,354
2.2 Premium Denominator	991,310,648	1,001,072,354
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	96,348,228	96,605,983
2.5 Reserve Denominator	96,348,228	96,605,983
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

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

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
The plan has hold harmless provision with network hospitals. Paramount's reinsurance contract provides for payment of certain benefits for 30 days following the event of solvency.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	..... 21,761
8.2 Number of providers at end of reporting year	..... 22,784

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

Yes[ ] No[X]

9.2 If yes, direct premium earned:

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

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

Yes[ ] No[X]

10.2 If yes:

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

11.1 Is the reporting entity organized as:

Yes[ ] No[X]

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or,

11.14 A Mixed Model (combination of above)?

Yes[ ] No[ ]

Yes[X] No[ ]

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

Yes[X] No[ ]

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

Ohio

11.4 If yes, show the amount required.

\$..... 1,500,000
Yes[ ] No[X]

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

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
All counties in Ohio.

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

Yes[ ] No[X]

\$..... 0
Yes[ ] No[X]

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

\$..... 0
Yes[ ] No[X]

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

\$..... 0
Yes[ ] No[X]

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

\$..... 0
Yes[ ] No[X]

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

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

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

## GENERAL INTERROGATORIES (Continued)

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

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

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

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

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

## FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	290,446,044	269,536,354	256,008,180	130,176,603	95,103,814
2. TOTAL Liabilities (Page 3, Line 24) .....	155,170,339	123,314,758	155,104,042	66,454,656	37,102,577
3. Statutory minimum capital and surplus requirement .....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	135,275,705	146,221,596	100,904,138	63,721,947	58,001,237
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	1,000,396,481	1,004,155,465	727,074,168	389,985,080	294,763,133
6. TOTAL Medical and Hospital Expenses (Line 18) .....	865,126,477	791,337,139	604,330,806	315,501,769	236,257,744
7. Claims adjustment expenses (Line 20) .....	13,280,989	13,563,749	8,308,070	5,537,484	3,233,792
8. TOTAL Administrative Expenses (Line 21) .....	135,644,724	126,607,409	97,529,443	60,320,058	40,497,880
9. Net underwriting gain (loss) (Line 24) .....	(13,655,709)	72,647,168	16,905,849	8,625,769	14,773,717
10. Net investment gain (loss) (Line 27) .....	896,545	748,203	431,622	255,361	11,703
11. TOTAL Other Income (Lines 28 plus 29) .....	109	153	8,869	(17,985)	
12. Net income or (loss) (Line 32) .....	(12,759,055)	47,211,978	10,480,743	5,459,399	9,635,305
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(1,629,240)	35,872,980	73,656,607	23,680,537	13,721,577
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	135,275,705	146,221,596	100,904,138	63,721,947	58,001,237
15. Authorized control level risk-based capital .....	34,392,575	30,507,023	23,467,516	13,095,122	10,419,449
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	233,485	227,592	221,598	141,165	94,925
17. TOTAL Members Months (Column 6, Line 7) .....	2,794,873	2,694,709	2,187,212	1,408,889	1,174,803
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	87.3	79.0	83.3	81.3	80.2
20. Cost containment expenses .....	1.1	1.2	0.9	1.1	0.8
21. Other claims adjustment expenses .....	0.2	0.2	0.2	0.3	0.3
22. TOTAL Underwriting Deductions (Line 23) .....	102.3	93.1	97.9	98.3	95.0
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	(1.4)	7.3	2.3	2.2	5.0
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	68,402,172	76,539,738	38,554,907	23,953,481	20,508,158
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	92,622,974	101,853,767	45,316,634	25,388,814	26,042,481
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain::

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

State, Etc.	1 Active Status	Direct Business Only							9 Deposit - Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	
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 .....			995,363,500				995,363,500	
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 .....			995,363,500				995,363,500	
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. TOTAL (Direct Business) .....	(a) 1 .....			995,363,500				995,363,500	

**DETAILS OF WRITE-INS**

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

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

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

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

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

#### ORGANIZATION CHART

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

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

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

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

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

40.1

- ◆ Visiting Nurse Hospice and Health Care, an Ohio nonprofit corporation.
- ◆ ProMedica Retail Group, Inc., f/k/a The Flower Market, Inc., an Ohio for-profit corporation.
- ◆ ProMedica Courier Services, Inc., an Ohio nonprofit corporation.
- ◆ Erie West Hospice and Palliative Care, Ltd., an Ohio limited liability company.
- ◆ HCRMC- ProMedica JV, LLC, dba Heartland at ProMedica Flower Hospital, a Delaware limited liability company in which ProMedica Physicians & Continuum Services holds 10% ownership interest and ManorCare Health Services of Toledo OH, LLC holding the remaining 90% interest.
- ◆ Lifestream, LLC, an Ohio limited liability company which ProMedica Physicians & Continuum Services holds 50% ownership interest and Harbor holding the remaining 50% interest.
- ◆ The Surgical Institute of Monroe Ambulatory Surgery Center, LLC, a Michigan limited liability company which ProMedica Physicians & Continuum Services holds 55% ownership interest and various physicians holding the remaining 46% interest.
- ProMedica Physician Group, Inc., an Ohio non-profit corporation.
  - ◆ The Pharmacy Counter, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ◆ ProMedica Central Corporation of Michigan, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - ◆ ProMedica Central Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ◆ ProMedica North Physicians Corporation, a Michigan nonprofit stock corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - ◆ Midwest Cardiovascular Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ◆ ProMedica Northwest Ohio Cardiology Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - ◆ ProMedica Monroe Cardiology, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ ProMedica Physician Management Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ ProMedica Surgical Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ ProMedica Monroe Physicians, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ ProMedica Multi Specialty Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ ProMedica Genito-Urinary Surgeons, LLC, an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.
- ◆ ProMedica Hospitalists, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ ProMedica Hospitalists, PLLC, a Michigan limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ Memorial Professional Services, Ltd., and Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- ◆ Memorial Anesthesia, Ltd., an Ohio limited liability company with ProMedica Physicians Group, Inc., as its sole member.

40.2

ProMedica Indemnity Corporation, a Vermont corporation.

- ProMedica Insurance Corporation f/k/a ProMedica Health Ventures Corporation f/k/a Vanguard Health Ventures, Inc., an Ohio nonprofit corporation.
  - ◆ Paramount Preferred Options, Inc., an Ohio for-profit corporation, which is wholly-owned by ProMedica Insurance Corporation.
    - Health Management Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options
    - Paramount Preferred Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options
  - ◆ NAIC 95189-Paramount Care, Inc., an Ohio nonprofit health-insuring corporation with ProMedica Insurance Corporation as its sole member.
  - ◆ Paramount Benefits Agency, Inc., an Ohio for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
  - ◆ NAIC 95566-Paramount Care of Michigan, Inc., a Michigan nonprofit corporation with ProMedica Insurance Corporation as its sole shareholder.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ NAIC 11518-Paramount Insurance Company f/k/a ProMedica Life Insurance Company, a for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
- ◆ NAIC 12353-Paramount Advantage, an Ohio nonprofit corporation with ProMedica Insurance Corporation as its sole member.
- Bay Park Community Hospital, an Ohio nonprofit corporation.
- Defiance Hospital, Inc., an Ohio nonprofit corporation.
  - ◆ Kaitlyn's Cottage, Inc., an Ohio nonprofit corporation with Defiance Hospital, Inc., as its sole member.
- Emma L. Bixby Medical Center, a Michigan nonprofit corporation ProMedica Health System, Inc. as its sole member.
  - ◆ Lenawee Long Term Care Corporation, a Michigan nonprofit corporation with Emma L. Bixby Medical Center as its sole member.
  - ◆ Herrick Memorial Development Corporation, a Michigan for-profit corporation and a wholly owned subsidiary of Emma L. Bixby Medical Center.
    - Herrick Memorial Office Plaza Condominium Association, a Michigan nonprofit corporation in which Herrick Memorial Development Corporation holds 71.8% ownership interest with various physicians having the remaining 28.2% interest.
    - ◆ Lenawee Physician Hospital Organization LLC, a Michigan limited liability company in which Emma L. Bixby Medical Center holds 50% ownership interest with Raisin River Physicians, PLC, holding the remaining 50% interest.
- Herrick Memorial Hospital, Inc., a Michigan nonprofit corporation with ProMedica Health System, Inc. as its sole member.
- The Toledo Hospital, an Ohio nonprofit corporation, of which Toledo Children's Hospital f/k/a ProMedica Children's Medical Center of Northwest Ohio and ProMedica Wildwood Orthopaedic and Spine Hospital are divisions.
  - ◆ Reynolds Road Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital holds 62.66% ownership interest, with various physicians holding a remaining 37.34% interest.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART

- ◆ Northwest Ohio Dedicated Breast MRI, LLC, an Ohio limited liability company in which The Toledo Hospital holds 50% ownership interest with TRA Investment Club, LLC, holding the remaining 50% interest.
- ◆ Arrowhead Behavioral Health, LLC, a Delaware limited liability company in which The Toledo Hospital holds 30% ownership interest and Toledo Holding Company, LLC, holding a remaining 70% interest.
- ◆ West Central Surgical Center, LLC, an Ohio limited liability company of which The Toledo Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.
- Flower Hospital, an Ohio nonprofit corporation.
- PHS Ventures, LLC f/k/a/ PHS Ventures, Inc., f/k/a BVPH Ventures, Inc., a Vermont LLC with ProMedica Health System, Inc., as its sole member.
- Memorial Hospital, an Ohio nonprofit corporation.
  - ◆ Fremont Hospital/Physician Organization d/b/a Cooperative Care, an Ohio for-profit corporation of which Memorial Hospital holds 50% ownership interest and various other physicians hold the remaining 50% interest.
    - Sandusky County Medical Specialists, LLC, and Ohio limited liability company of which Fremont Hospital/Physician Organizations holds 100% ownership interest.
  - ◆ East-West Holding, Ltd., and Ohio limited liability company of which Memorial Hospital holds 50% ownership interest with The Bellevue Hospital, an Ohio nonprofit corporation holding the remaining 50% interest.
- Mercy Memorial Hospital Corporation, a Michigan nonprofit corporation d/b/a ProMedica Monroe Regional Hospital.
  - ◆ Monroe Community Health Services, a Michigan nonprofit corporation.
  - ◆ Monroe Health Ventures, Inc., a Michigan for-profit corporation.
  - ◆ Mercy Memorial Surgical Co-Management Company, LLC, a Michigan limited liability company of which Monroe Regional Hospital holds a 50% ownership interest and various other physicians hold the remaining 50% interest.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

**Other Affiliated Entities**

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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