

Amended Explanation Page**Page****March**

- 2 Assets
- 3 Liabilities, Capital and Surplus
- 4 Statement of Revenue and Expenses
- 5 Statement of Revenue and Expenses (Cont.)
- 6 Cash Flow
- 7 Analysis Of Operations By Lines Of Business
- 8 Underwriting Invest Exh Pt 1-Premiums
- 12 Underwriting Invest Exh Pt 2C Sn C -Expns Ratios-Total
- 12 Underwriting Invest Exh Pt 2C Sn C -Expns Ratios-Title XVIII-Medicare
- 18 Exhibit 2-Accident and Health Premiums
- 26 Notes to the Financial Statements, Notes #1, #9 and #15
- 28 General Interrogatory Part 2
- 29 Five Year Historical Data
- 30 State Page-Ohio and Grand Total
- 37 Schedule S- Part 7
- 38 Schedule T- Premiums and Other Considerations
- 43 Supplemental Interrogatories

April

- Supp2 Supp. Inv. Risk Interr. Pt A
- Supp9 A H Policy Experience Exhibit (Individual 9-19)
- Supp10 A H Policy Experience Exhibit (Group)
- Supp11 A H Policy Experience Exhibit-Part 1 Summary
- Supp11 A H Policy Experience Exhibit-Part 2 Summary
- Supp11 A H Policy Experience Exhibit-Part 4 Summary
- Supp80 Supplemental Health Care Exhibit-Part 1-Ohio
- Supp81 Supplemental Health Care Exhibit-Part 1 (Con't)-Ohio
- Supp82 Supplemental Health Care Exhibit-Part 2-Ohio
- Supp80 Supplemental Health Care Exhibit-Part 1-Grand Total
- Supp81 Supplemental Health Care Exhibit-Part 1 (Con't)-Grand Total
- Supp82 Supplemental Health Care Exhibit-Part 2-Grand Total

RBC

- XR012 Underwriting Risk- Experience Fluctuation
- XR012A Underwriting Risk- Experience Fluctuation (For Info. Purposes Only)
- XR021 Business Risk
- XR021 Administrative Expense Factor
- XR022 Operational Risk (For Informational Purposes Only)
- XR023 Federal ACA Risk Adj, and Risk Corridor Sensitivity Test
- XR024 Calculation of Total RBC After Covariance-A
- XR025 Calculation of Total RBC After Covariance-B
- XR026 Calculation of Total Adjusted Capital
- XR027 Comparison of Total Adjusted Capital to RBC
- XR027 Trend Test
- ScenAdj Scenario Adj. of XR023-24 Calc. of RBC After Cov
- ScenAdj Scenario Adj. of XR025 Calc. of Total Adj. Cap.

Adjustment Adjustment for increase in premiums and tax affect of adjustment.



95189201620100105

2016

Document Code: 201

ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
Paramount Health Care

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	95189	Employer's ID Number	341549926
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"/>] Dental Service Corporation[<input type="checkbox"/>] Other[<input type="checkbox"/>]	Property/Casualty[<input type="checkbox"/>] Vision Service Corporation[<input type="checkbox"/>] Is HMO Federally Qualified? Yes[<input type="checkbox"/>] No[X] N/A[<input type="checkbox"/>]	Hospital, Medical & Dental Service or Indemnity[<input type="checkbox"/>] Health Maintenance Organization[X]			
Incorporated/Organized	04/22/1987		Commenced Business	01/01/1988		
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 (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 (City or Town, State, Country and Zip Code)			
Internet Website Address	www.paramounthhealthcare.com		(Area Code) (Telephone Number)			
Statutory Statement Contact	Jonathan Burns, Mr. (Name) jonathan.burns@promedica.org (E-Mail Address)		(419)887-2500 (Area Code) (Telephone Number) (419)887-2909 (Area Code)(Telephone Number)(Extension) (419)887-2020 (Fax Number)			

OFFICERS

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

OTHERS

Jeffrey William Martin Mr., Vice President, Operations
Stacey Lee Bock Mrs., Vice President, Finance

John David Meier M.D., Vice President, Health Services

DIRECTORS OR TRUSTEES

Judi Anne Gribble Ms. #
John Charles Randolph Mr.
Timothy Bublick Mr.
Mark Leslie Ferris Mr.
Jeffrey William Boersma Mr.

Dee Ann Bialecki-Haase M.D.
Cynthia Ann Geronimo Ms.
Cathy Lynn Cantor M.D.
Julie Anne Bartnik Ms.
Vincent Mature Davis Mr.

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 January, 2017

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

Yes[] No[X]
1

41

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Amy Lynn Hall Ms.
Richard Arthur Wasserman Mr.
Traci Nicole Watkins M.D. #

Lynn Eric Olman 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)	70,388,527		70,388,527	56,552,274
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				20,122,886
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 (\$.....9,585,973, Schedule E Part 1), cash equivalents (\$.....9,491,792, Schedule E Part 2) and short-term investments (\$.....1,792,682, Schedule DA)	20,870,447		20,870,447	(3,333,543)
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	273,522	273,522		
9. Receivables for securities				48,006
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)	91,532,496	273,522	91,258,974	73,389,622
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	366,777		366,777	374,208
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	131,578	50,510	81,068	59,121
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)	3,000,000		3,000,000	4,642,998
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	604,092		604,092	1,599,793
18.1 Current federal and foreign income tax recoverable and interest thereon				685,108
18.2 Net deferred tax asset	2,003,663	314,333	1,689,330	36,576
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	882,907	757,062	125,845	296,195
21. Furniture and equipment, including health care delivery assets (\$.....0)	3,205,828	3,205,828		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	6,993,188		6,993,188	9,967,327
24. Health care (\$.....1,186,420) and other amounts receivable	1,186,420		1,186,420	571,229
25. Aggregate write-ins for other than invested assets	147,591	147,591		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	110,054,540	4,748,846	105,305,694	91,622,177
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	110,054,540	4,748,846	105,305,694	91,622,177
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. AR	36,371	36,371		
2502. Prepays	111,220	111,220		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	147,591	147,591		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	16,471,838		16,471,838	15,920,952
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	463,000		463,000	391,000
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	138,819		138,819	374,809
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	251,413		251,413	277,103
9. General expenses due or accrued	7,053,101		7,053,101	7,745,647
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	1,963,946		1,963,946	
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	283,704		283,704	67,884
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	2,957,488		2,957,488	2,165,579
16. Derivatives				
17. Payable for securities	544,029		544,029	57,483
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	991,743		991,743	81,829
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	31,119,081		31,119,081	27,082,286
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX		4,700,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	62,319,246	57,619,246
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	11,867,367	2,220,645
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	74,186,613	64,539,891
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	105,305,694	91,622,177
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	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
	XXX	170,982	159,904
1. Member Months	XXX	170,982	159,904
2. Net premium income (including \$.....0 non-health premium income)	XXX	176,508,104	150,847,134
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. TOTAL Revenues (Lines 2 to 7)	XXX	176,508,104	150,847,134
Hospital and Medical:			
9. Hospital/medical benefits		123,769,405	123,288,473
10. Other professional services		1,102,033	1,134,648
11. Outside referrals			
12. Emergency room and out-of-area		6,070,839	6,416,517
13. Prescription drugs		20,200,717	20,204,470
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		151,142,994	151,044,108
Less:			
17. Net reinsurance recoveries		24,820	17,924
18. TOTAL Hospital and Medical (Lines 16 minus 17)		151,118,174	151,026,184
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....2,108,228 cost containment expenses		3,031,092	2,861,501
21. General administrative expenses		11,339,397	10,357,614
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)		165,488,663	164,245,299
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	11,019,441	(13,398,165)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,473,940	1,316,650
26. Net realized capital gains (losses) less capital gains tax of \$.....2,215,109		4,427,283	691,414
27. Net investment gains (losses) (Lines 25 plus 26)		5,901,223	2,008,064
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	16,920,664	(11,390,101)
31. Federal and foreign income taxes incurred	XXX	4,582,836	(4,912,129)
32. Net income (loss) (Lines 30 minus 31)	XXX	12,337,828	(6,477,972)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	64,539,891	55,753,300
34. Net income or (loss) from Line 32	12,337,828	(6,477,972)
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	(2,659,848)	(1,197,190)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	266,005	(653,044)
39. Change in nonadmitted assets	(297,263)	114,797
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	(4,700,000)	
45. Surplus adjustments:		
45.1 Paid in	4,700,000	17,000,000
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)	9,646,722	8,786,591
49. Capital and surplus end of reporting year (Line 33 plus 48)	74,186,613	64,539,891
DETAILS OF WRITE-INS		
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
Cash from Operations			
1.	Premiums collected net of reinsurance	177,850,775	145,764,339
2.	Net investment income	1,847,252	1,819,605
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	179,698,027	147,583,944
5.	Benefit and loss related payments	150,523,531	151,283,259
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	13,076,629	27,639,573
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	5,581,116	(4,956,835)
10.	TOTAL (Lines 5 through 9)	169,181,276	173,965,997
11.	Net cash from operations (Line 4 minus Line 10)	10,516,751	(26,382,053)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	98,777,470	34,200,509
12.2	Stocks	28,925,856	8,353,308
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	19,762	19,690
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	1,992,612	904,181
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	129,715,700	43,477,688
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	112,030,789	28,657,521
13.2	Stocks	7,153,353	8,441,098
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets	13,426	22,691
13.6	Miscellaneous applications	3,970	228,189
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	119,201,538	37,349,499
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)	10,514,162	6,128,190
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		17,000,000
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)	3,173,077	(10,556,375)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,173,077	6,443,625
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	24,203,990	(13,810,238)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	(3,333,543)	10,476,695
19.2	End of year (Line 18 plus Line 19.1)	20,870,447	(3,333,543)

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

20.0001
---------	-------	-------	-------

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	176,508,104						176,508,104			
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										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	176,508,104						176,508,104			
8. Hospital/medical benefits	123,769,405						123,769,405			XXX
9. Other professional services	1,102,033						1,102,033			XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area	6,070,839						6,070,839			XXX
12. Prescription drugs	20,200,717						20,200,717			XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts										XXX
15. Subtotal (Lines 8 to 14)	151,142,994						151,142,994			XXX
16. Net reinsurance recoveries	24,820						24,820			XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	151,118,174						151,118,174			XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....2,108,228 cost containment expenses	3,031,092						3,031,092			
20. General administrative expenses	11,339,397						11,353,878		(14,481)	
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	165,488,663						165,503,144		(14,481)	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	11,019,441						11,004,960		14,481	

DETAILS OF WRITE-INS

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	176,750,898	.....	242,794	176,508,104
7. Title XIX - Medicaid .....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8)	176,750,898	.....	242,794	176,508,104
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11)	176,750,898	.....	242,794	176,508,104

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	26,632	26,304	26,229	26,034	26,024
2. 2012	232,458	254,360	254,364	254,398	254,398
3. 2013	XXX	187,357	200,873	201,104	201,023
4. 2014	XXX	XXX	125,820	139,452	139,586
5. 2015	XXX	XXX	XXX	137,582	149,044
6. 2016	XXX	XXX	XXX	XXX	139,018

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	26,773	26,304	26,229	26,034	26,024
2. 2012	261,751	254,360	254,364	254,398	254,398
3. 2013	XXX	202,573	200,952	201,104	201,023
4. 2014	XXX	XXX	141,563	139,452	139,586
5. 2015	XXX	XXX	XXX	153,503	149,044
6. 2016	XXX	XXX	XXX	XXX	155,490

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	270,344	254,398	5,537	2.176	259,935	96.150			259,935	96.150
2. 2013	212,770	201,023	3,264	1.623	204,287	96.013			204,287	96.013
3. 2014	143,022	139,586	2,049	1.468	141,635	99.030			141,635	99.030
4. 2015	150,847	149,044	2,840	1.905	151,884	100.687			151,884	100.687
5. 2016	176,508	139,018	2,573	1.851	141,591	80.218	16,472	463	158,526	89.812

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

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	9,042	8,736	8,736	8,736	8,736
2. 2012	99,450	108,943	108,943	108,943	108,943
3. 2013	XXX	60,625	60,625	60,625	60,625
4. 2014	XXX	XXX	XXX	XXX	XXX
5. 2015	XXX	XXX	XXX	XXX	XXX
6. 2016	XXX	XXX	XXX	XXX	XXX

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	9,107	8,736	8,736	8,736	8,736
2. 2012	111,557	108,943	108,943	108,943	108,943
3. 2013	XXX	60,625	60,625	60,625	60,625
4. 2014	XXX	XXX	XXX	XXX	XXX
5. 2015	XXX	XXX	XXX	XXX	XXX
6. 2016	XXX	XXX	XXX	XXX	XXX

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	127,040	108,943	3,436	3.154	112,379	88.460			112,379	88.460
2. 2013	69,989	60,625	1,658	2.735	62,283	88.990			62,283	88.990
3. 2014										
4. 2015										
5. 2016										

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XVIII - Medicare

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	17,590	17,568	17,493	17,298	17,288
2. 2012	133,008	145,417	145,421	145,455	145,455
3. 2013	XXX	126,732	140,248	140,479	140,398
4. 2014	XXX	XXX	125,820	139,452	139,586
5. 2015	XXX	XXX	XXX	137,582	149,044
6. 2016	XXX	XXX	XXX	XXX	139,018

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	17,666	17,568	17,493	17,298	17,288
2. 2012	150,194	145,417	145,421	145,455	145,455
3. 2013	XXX	141,948	140,327	140,479	140,398
4. 2014	XXX	XXX	141,563	139,452	139,586
5. 2015	XXX	XXX	XXX	153,503	149,044
6. 2016	XXX	XXX	XXX	XXX	155,490

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	143,304	145,455	2,101	1.444	147,556	102.967			147,556	102.967
2. 2013	142,781	140,398	1,605	1.143	142,003	99.455			142,003	99.455
3. 2014	143,022	139,586	2,049	1.468	141,635	99.030			141,635	99.030
4. 2015	150,847	149,044	2,840	1.905	151,884	100.687			151,884	100.687
5. 2016	176,508	139,018	2,573	1.851	141,591	80.218	16,472	463	158,526	89.812

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

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

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Paramount Insurance Company (the “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		
NET INCOME			
Paramount Health Care state basis		12,337,828	(6,477,972)
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		12,337,828	(6,477,972)
SURPLUS			
Paramount Health Care state basis		74,186,613	64,539,891
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		74,186,613	64,539,891

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 connections 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. Common stock investments are stated at Fair Market Value.
4. The Company does not have any 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.
8. The Company has no investments in joint ventures.
9. The Company does not invest in derivatives.

Notes to Financial Statements

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 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 payment and prescriptions filled.

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.
 1. When necessary the Company uses internal estimates in determining prepayment assumptions and whether an other-than-temporary impairment has occurred.
 2. None
 3. None
 4. None
 5. None
- E. The company does not have any re-purchase agreements.
- 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

Notes to Financial Statements

	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	400,181	400,164	17	400,181	0.4%	0.4%
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	400,181	400,164	17	400,181	0.4%	0.4%

- 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

-NOT APPLICABLE

7. Investment Income

The Company does not have any non-admitted accrued investment income.

Notes to Financial Statements

8. Derivative Instruments

-NOT APPLICABLE

9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized.

Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused. Although the realization is not assured, the Company believes it is more likely than not that the deferred tax assets, net of valuation allowances, will be realized. The Company has not recorded a valuation allowance as of December 31, 2016 or 2015.

A. The components of DTAs and DTLs as of December 31 are as follows:

	December 31, 2016			December 31, 2015			Change								
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total						
(a) Gross deferred tax assets	\$ 2,002,450	\$ 20,230	\$ 2,022,680	\$ 1,629,151	\$ 109,728	\$ 1,738,879	\$ 373,299	\$ (89,498)	\$ 283,801						
(b) Statutory valuation allowance	_____	_____	_____	_____	_____	_____	_____	_____	_____						
(c) Adjusted gross deferred tax assets	2,002,450	20,230	2,022,680	1,629,151	109,728	1,738,879	373,299	(89,498)	283,801						
(d) Deferred tax assets nonadmitted	313,120	1,213	314,333	268,857	_____	268,857	44,263	1,213	45,476						
(e) Subtotal net admitted deferred tax	1,689,330	19,017	1,708,347	1,360,294	109,728	1,470,022	329,036	(90,711)	238,325						
(f) Deferred tax liabilities	_____	19,017	19,017	_____	1,433,446	1,433,446	_____	(1,414,429)	(1,414,429)						
(g) Net admitted deferred tax asset	\$ 1,689,330	\$ -	\$ 1,689,330	\$ 1,360,294	\$ (1,323,718)	\$ 36,576	\$ 329,036	\$ 1,323,718	\$ 1,652,754						
12/31/2016															
Ordinary			Capital			Total			Change						
Admission Calculation Components SSSAP No. 101															
(a) Federal Income Taxes Paid in Prior Years															
Recoverable Through Loss Carrybacks	\$ 1,395,467	\$ -	\$ 1,395,467	\$ -	\$ 36,576	\$ 36,576	\$ 1,395,467	\$ (36,576)	\$ 1,358,891						
(b) Adjusted Gross Deferred Tax Assets															
Expected To Be Realized (Excluding The	293,863	_____	293,863	_____	_____	_____	293,863	0	293,863						
Amount of Deferred Tax Assets from 2(a)	293,863	_____	293,863	_____	_____	_____	293,863	0	293,863						
above) After Application of the Threshold	_____	_____	_____	_____	_____	_____	_____	_____	_____						
Limitation. (The Lesser of 2(b)1 and 2(b)2	_____	_____	_____	_____	_____	_____	_____	_____	_____						
Below)	_____	_____	_____	_____	_____	_____	_____	_____	_____						
1. Adjusted Gross Deferred Tax Assets	293,863	_____	293,863	_____	_____	_____	293,863	0	293,863						
Expected to be Realized Following	_____	_____	_____	_____	_____	_____	_____	_____	_____						
the Balance Sheet Date.	293,863	_____	293,863	_____	_____	_____	293,863	0	293,863						
2. Adjusted Gross Deferred Tax Assets	10,855,716	_____	10,855,716	_____	9,631,068	_____	1,224,648	_____	1,224,648						
(c) Adjusted Gross Deferred Tax Assets															
(Excluding The Amount of Deferred Tax	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	0						
Assets from 2(a) and 2(b) above) Offset by	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	0						
Gross Deferred Tax Liabilities.	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	1,360,294	0						
(d) Deferred Tax Assets Admitted as the Result of															
application of SSAP No. 101.	1,689,330	\$ 0	\$ 1,689,330	\$ 1,360,294	\$ (1,323,718)	\$ 36,576	\$ 329,036	\$ 1,323,718	\$ 1,652,754						
Total	\$ 1,689,330	\$ 0	\$ 1,689,330	\$ 1,360,294	\$ (1,323,718)	\$ 36,576	\$ 329,036	\$ 1,323,718	\$ 1,652,754						

Notes to Financial Statements

	<u>2016</u>	<u>2015</u>				
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation						
Amount			1116%	942%		
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 above	72,497,283		64,503,315			
	<u>2016</u>	<u>2015</u>				
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
Impact of tax planning strategies						
Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, by Tax Character as a Percentage						
(1) Adjusted gross DTAs from 9A1c	2,002,450	23,230	1,629,151	109,728	373,299	(86,498)
(2) % total adjusted gross DTAs	0	0	0	0	0	0
(3) Net admitted adjusted gross DTAs from 9A1c	1,689,330	19,017	1,360,294	109,728	329,036	(90,711)
(4) % of total net admitted adjusted gross DTAs	0	0	0	0	0	0
The Company's tax-planning strategies does not include the use of reinsurance.						
B. -There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2016 and 2015.						
C. -Current income taxes incurred consisted of the following major components:						
	<u>12/31/2016</u>	<u>12/31/2015</u>				
	<u>Change</u>					
1. Current Income Tax						
(a) Federal	\$ 4,580,351	\$ (4,764,957)	\$ 9,345,308			
(b) Federal income tax on capital gains	2,215,109	468,410	1,746,699			
(c) Other	2,518	(147,172)	149,690			
(d) Federal income taxes incurred	<u>\$ 6,797,978</u>	<u>\$ (4,443,719)</u>	<u>\$ 11,241,697</u>			
2. Deferred tax assets:						
(a) Ordinary						
(1) Discounting on claims payable	\$ 45,699	\$ 47,363	\$ (1,664)			
(2) Unearned premiums	17,599	19,397	(1,798)			
(3) Accrued Vacation	314,451	299,829	14,622			
(4) Other accruals	484,937	484,937	-			
(5) Amortization	-	-	-			
(6) Depreciation	939,696	284,610	655,086			
(7) Allowance for doubtful accounts	17,678	245,542	(227,864)			
(8) Non admitted other aggregate write ins	147,390	194,972	(47,582)			
(9) Other	35,000	52,501	(17,501)			
Subtotal	2,002,450	1,629,151	373,299			
(b) Statutory valuation allowance adjustment	-	-	-			
(c) Nonadmitted	<u>313,120</u>	<u>268,857</u>	<u>44,263</u>			
(d) Admitted ordinary deferred tax assets	<u>1,689,330</u>	<u>1,360,294</u>	<u>329,036</u>			
(e) Capital						
(1) Impairment of securities	-	109,728	(109,728)			
(2) Other	<u>20,230</u>	-	<u>20,230</u>			
Subtotal	<u>20,230</u>	<u>109,728</u>	<u>(89,498)</u>			
(f) Statutory valuation allowance adjustment	-	-	-			
(g) Nonadmitted	<u>1,213</u>	-	<u>1,213</u>			
(h) Admitted capital deferred tax assets	<u>19,017</u>	<u>109,728</u>	<u>(90,711)</u>			
(i) Admitted deferred tax assets	<u>1,708,347</u>	<u>1,470,022</u>	<u>238,325</u>			
3. Deferred tax liabilities:						
(a) Ordinary						
(1) Discounted salvage & sub	-	-	-			
Subtotal	-	-	-			
(b) Capital						
(1) Unrealized gain	-	1,411,995	(1,411,995)			
(2) Other	<u>19,017</u>	<u>21,451</u>	<u>(2,434)</u>			
Subtotal	<u>19,017</u>	<u>1,433,446</u>	<u>(1,414,429)</u>			
(c) Deferred tax liabilities	<u>\$ 19,017</u>	<u>\$ 1,433,446</u>	<u>\$ (1,414,429)</u>			
4. Net deferred tax assets/liabilities	<u>\$ 1,689,330</u>	<u>\$ 36,576</u>	<u>\$ 1,652,754</u>			

Notes to Financial Statements

D.-Analysis of Actual Income Tax Expense

The provision for federal income taxes 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:

	2016	%	2015	%
Provision computed at statutory rate	\$ 6,697,520	35 %	\$ (3,822,592)	35 %
Tax exempt interest	(45,801)	%	(73,567)	1 %
Dividends received deduction	(43,994)	%	(48,801)	%
Change in non-admitted assets	(88,125)	(1)	134,279	(1)
Other	<u>12,373</u>	<u> </u>	<u>20,006</u>	<u> </u>
 Total	 <u>\$ 6,531,973</u>	 <u>34 %</u>	 <u>\$ (3,790,675)</u>	 <u>35 %</u>
 Federal income taxes incurred	 <u>\$ 4,580,351</u>	 <u>24 %</u>	 <u>\$ (4,764,957)</u>	 <u>44 %</u>
Change in net deferred income taxes	(266,005)	(2)	653,044	(6)
Tax on capital gains/(losses)	2,215,109	12	468,410	(4)
Other	<u>2,518</u>	<u> </u>	<u>(147,172)</u>	<u>1</u>
 Total statutory income taxes	 <u>\$ 6,531,973</u>	 <u>34 %</u>	 <u>\$ (3,790,675)</u>	 <u>35 %</u>

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 Internal Revenue Code (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	-	\$ -	-
2015	-	-	-
2016	4,580,351	2,215,109	6,795,460

F.-The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO) Health Management Solutions, Inc (HMS) and Paramount Preferred Services (PPS). In 2015, PA applied for not-for-profit 501(c)(3) status. The change in tax status results in PA no longer being subject to federal income tax. The effective date of this status change was October, 1 2015. Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

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 the 2013 through the 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.

Notes to Financial Statements

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 PCM, PPO, PICO, PBA, PECM and PA. 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.

Through management service agreements the company provides administrative support to four of its affiliated entities, PCM, PBA, PICO and PA. The following table shows the amounts allocated to the companies. These amounts were to compensate the Company for administrative support staff in all functional areas. The cost of shared services is allocated between the Company and affiliates based upon the percentage of subscribers at the end of each month.

	2016	2015
PCM	434,951	\$ 366,304
PICO	11,373,436	10,593,838
PA	32,087,357	28,114,192

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$2,513,680 and \$2,235,407 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

	2016		2015	
	Due from	Due to	Due from	Due to
Bay Park	\$ 3,762		\$ 3,750	
ProMedica Physicians Group	12,989	(9,268)	7,221	(10,368)
Promedica Continuing Care	116		145	
ProMedica Health System		(1,316,768)		(906,767)
ProMedica Insurance Corp	682,589			
St. Lukes				(806)
Bixby Medical Center	6,000		6,000	
The Toledo Hospital	39,211		27,811	
Defiance Hospital	2,167		2,167	
Fostoria Hospital	1,750		1,750	
Flower Hospital	160		80	
Paramount Care of Michigan		(1,630,524)		(1,246,750)
Paramount Preferred Solutions	139,822		80,519	
Health Management Solutions	230,645		253,785	
Paramount Advantage	4,159,957		6,455,402	
Paramount Insurance Co.	1,701,789		3,113,053	
Other affiliated entities	12,231	(928)	15,644	(888)
	\$ 6,993,188	\$ (2,957,488)	\$ 9,967,327	\$ (2,165,579)

Claims paid to affiliated entities during fiscal year 2016 and 2015

Notes to Financial Statements

	2016	2015
	Paid	Paid
Bay Park Community Hospital	\$ 4,678,857	\$ 4,065,849
ProMedica North Region	35,669	15,065
Defiance Hospital	446,374	288,535
Flower Hospital	11,764,977	11,562,614
Fostoria Hospital	149,457	81,744
Lima Memorial Hospital	134,705	75,119
Memorial Hospital	254,917	73,005
Mercy Memorial Hospital	10,007	780
ProMedica Physicians Group	8,477,094	8,249,763
ProMedica Continuing Care Services	4,059,491	6,500,783
St. Lukes Hospital	4,074,955	8,248,515
The Toledo Hospital	26,220,046	27,972,175
	\$ 60,306,549	\$ 67,133,947

The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO) Health Management Solutions, Inc (HMS) and Paramount Preferred Services (PPS). In 2015, PA applied for not-for-profit 501(c)(3) status. The change in tax status results in PA no longer being subject to federal income tax. The effective date of this status change was October, 1 2015. Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

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

- A. The company does not participate in defined benefit plans.
- B. Effective July 1, 2002, the System extended the ProMedica pension plan to the eligible employees of Paramount. The pension costs for Paramount are based on a direct calculation of certain cost components and the application of reasonable methodology for other cost components. In 2007, the pension asset was transferred to ProMedica Health System. The company did not contribute anything for the year ended December 31, 2016 and 2015.

Notes to Financial Statements

The company sponsors a 401 (k) savings plan, whereby eligible employees may voluntarily contribute a percentage of their annual compensation. Under the provisions of the plan, the Company annually matches employees' contributions of up to 3% of compensation. All employees with at least one year of service are eligible for the plan match. For the years ended December 31, 2016 and 2015, contributions by the Company amounted to \$602,286 and \$492,375 respectively.

- C. The company does not participate in a multi-employer plan.
- D. The company participates in a Consolidated/Holding Company Plan. See description at [B] above.

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

- A. The Company is a non-profit entity and does not issue 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. During 2016 and 2015, no dividends were paid to ProMedica Insurance Corp.
- 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 receive \$17,000,000 in capital contributions during the year from ProMedica Insurance Corp during 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:

Unrealized gains, net of tax (2,659,848)

- 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

The Company has been and is currently involved in various governmental investigations, audits, and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments, state attorneys general, the Office of Inspector General ("OIG"), the Office of Personnel Management, the Office of Civil Rights, U.S. Congressional committees, the U.S. Department of Justice, U.S. Attorneys, the SEC, the IRS, the U.S. Department of Labor ("DOL"), the Federal Deposit Insurance Corporation, and other governmental authorities. Examples of audits include the risk adjustment data validation ("RADV") audits discussed below and a review by the DOL of the Company's administration of applicable customer employee benefit plans with respect to Employee Retirement Income Security Act of 1974 compliance.

Notes to Financial Statements

Government actions can result in assessment of damages, civil or criminal fines or penalties, or other sanctions, including loss of licensure or exclusion from participation in government programs and could have a material adverse impact on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

Risk Adjustment Data Validation Audits (“RADV audits”) — CMS adjusts capitation payments to Medicare Advantage and Medicare Part D plans according to the predicted health status of each beneficiary, as supported by data provided by health care providers. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

In February 2012, CMS announced a final RADV audit and payment adjustment methodology and that it will conduct RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented. PIC has been selected for audit by CMS for the 2011 payment year. This audit began in 2014. The impact of potential payment adjustments on the Company’s statutory basis financial statement is unknown.

15. Leases

The Company has entered into lease agreements for office space, furniture, computers, and telephones that expire through 2016. Rental expense charged to operations amounted to \$1,359,390 and \$1,095,525 in 2016 and 2015, respectively.

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

December 31	Operating Leases
2017	\$1,238,533
2018	\$1,244,032
2019	\$590,138
2020	\$193,448
2021	\$193,448
Thereafter	\$0
Total	\$3,459,599

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

16. Off-Balance Sheet Risk

-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

The gain from operations from Administrative Services Only (ASO) uninsured plans was as follows during 2016:

Notes to Financial Statements

	ASO Uninsured Plans	Uninsured Portion		Total ASO Due from
		of Partially Insured Plans		
Net reimbursement for administrative Expenses (including admin fees) in excess fo actual expenses	\$ 14,481			\$ 14,481
Total net other income or expenses including interest paid to or received from plans	(5,069)			(5,069)
Total gain or (loss) from operations	9,412			9,412
Claim payments	\$ 27,650,304			\$ 27,650,304

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

-NOT APPLICABLE

20. Fair Value Measurements

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash equivalents	9,487,817	9,491,792	9,487,817			
Short Term Investments	1,791,751	1,792,682	1,791,751			
Bonds	70,211,191	70,388,527			70,211,191	

D. NA

21. Other Items

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

22. Subsequent Events

There were no Type I or Type II subsequent events at the time of this filing that would materially alter the financial position of the Company.

23. Reinsurance

A. Ceded Reinsurance Report

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 polices 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

Notes to Financial Statements

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 \$16,311,952. As of December 31, 2016, \$11,891,692 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Commercial and Medicare lines of insurance. Therefore, there has been a \$4,420,260 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

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

Notes to Financial Statements

Quarter	Estimated Pharmacy Rebates	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	1,028,947	1,028,947	-	-	-
9/30/2016	646,701	1,028,947	-	1,028,947	-
6/30/2016	822,134	1,037,675	-	1,037,675	-
3/31/2016	1,261,219	1,100,061	-	1,009,946	90,115
12/31/2015	1,225,733	1,447,355	-	1,638,761	31,540
9/30/2015	510,612	749,948	-	812,770	(125,644)
6/30/2015	82,615	590,909	-	562,027	296,011
3/31/2015	257,381	497,153	-	497,153	163,753
12/31/2014	542,875	978,693	-	-	978,693
9/30/114	-	-	-	-	-
6/30/2014	549,837	1,070,226	-	-	1,070,226
3/31/2014	1,012,338	915,976	-	-	915,976

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

The Company did not have any estimated anticipated salvage and subrogation to reduce the liability.

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 Yes[] No[X]

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[X] No[] N/A[]

3.6 Have all of the recommendations within the latest financial examination report been complied with?

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:

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] ..	..... Yes[ ] No[X] ..	..... Yes[ ] No[X] ..	..... 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[X] No[]

10.4 If response to 10.3 is yes, provide information related to this exemption:
Requirements waived as the Company does not meet premium threshold.

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

GENERAL INTERROGATORIES (Continued)

Timothy Gustafson FSA, MAAA, Deloitte * & Touche LLP, 180 N. Stetson Avenue, Chicago, IL 6060

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
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation

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

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

	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: \$ 0

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? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 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]

GENERAL INTERROGATORIES (Continued)

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:
 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:

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	\$ 400,181
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:

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

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 Research & Management	NA	SEC	DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	81,673,001	81,490,758	(182,243)
30.2 Preferred stocks			
30.3 Totals	81,673,001	81,490,758	(182,243)

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

New York Stock Exchange, American Stock Exchange, NASDAQ, NAIC

Yes[X] No[]

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?

\$..... 69,641

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
NCQA	69,641

34.1 Amount of payments for legal expenses, if any?

\$..... 184,378

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.

GENERAL INTERROGATORIES (Continued)

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:	\$		0
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	176,508,104	150,847,134
2.2 Premium Denominator	176,508,104	150,847,134
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	16,610,657	16,295,761
2.5 Reserve Denominator	16,610,657	16,295,761
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[X] N/A[]

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):

\$ 435,000
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0

5.31 Comprehensive Medical
5.32 Medical Only
5.33 Medicare Supplement
5.34 Dental & Vision
5.35 Other Limited Benefit Plan
5.36 Other

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

The plan has hold harmless provision with network hospitals. Paramount's reinsurance contract provides for payment of certain benefits for 30 days following and event of insolvency.

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:

2,290
2,403

8.1 Number of providers at start of reporting year
8.2 Number of providers at end of reporting year

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

Yes[] No[X]

9.2 If yes, direct premium earned:

0
0

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

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

Yes[] No[X]

10.2 If yes:

\$ 0
\$ 0
\$ 0
\$ 0

10.21 Maximum amount payable bonuses
10.22 Amount actually paid for year bonuses
10.23 Maximum amount payable withhold
10.24 Amount actually paid for year withhold

11.1 Is the reporting entity organized as:

Yes[] No[X]
Yes[] No[X]
Yes[X] No[]
Yes[X] No[]

11.12 A Medical Group/Staff Model,
11.13 An Individual Practice Association (IPA), or,
11.14 A Mixed Model (combination of above)?

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

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

Ohio

11.4 If yes, show the amount required.

\$ 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
Allen County
Ashland County
Crawford County
Defiance County
Erie County
Fulton County
Hancock County
Hardin County
Henry County

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Lorain County
Lucas County
Marion County
Morrow County
Ottawa County
Paulding County
Putnam County
Richland County
Sandusky County
Seneca County
Williams County
Wood County
Wyandot
Deleware
Knox
Huron

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

Yes[] No[X]

\$ 0

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

Yes[] No[X]

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

\$ 0

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

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

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

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

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

\$ 0

15.1 Direct Premium Written

\$ 0

15.2 Total incurred claims

15.2 Number of covered lives

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

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	105,305,694	91,622,177	105,125,132	98,826,206	111,600,269
2. TOTAL Liabilities (Page 3, Line 24)	31,119,081	27,082,286	49,371,832	34,445,595	53,434,778
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)	74,186,613	64,539,891	55,753,300	64,380,611	58,165,491
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	176,508,104	150,847,134	143,021,577	212,770,047	270,343,717
6. TOTAL Medical and Hospital Expenses (Line 18)	151,118,174	151,026,184	140,130,291	194,192,035	261,243,920
7. Claims adjustment expenses (Line 20)	3,031,092	2,861,501	1,626,890	2,985,293	5,771,731
8. TOTAL Administrative Expenses (Line 21)	11,339,397	10,357,614	5,124,949	13,212,160	21,441,828
9. Net underwriting gain (loss) (Line 24)	11,019,441	(13,398,165)	(3,860,553)	2,380,559	(18,113,762)
10. Net investment gain (loss) (Line 27)	5,901,223	2,008,064	3,206,200	4,394,523	3,641,540
11. TOTAL Other Income (Lines 28 plus 29)			(7,895)	4,575	3,836
12. Net income or (loss) (Line 32)	12,337,828	(6,477,972)	885,113	7,247,888	(8,600,057)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	10,516,751	(26,382,053)	5,641,872	(9,632,541)	(12,412,627)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	74,186,613	64,539,891	55,753,300	64,380,611	58,165,491
15. Authorized control level risk-based capital	6,494,945	6,849,456	6,389,776	8,955,231	12,115,525
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	14,169	13,285	12,298	12,279	43,658
17. TOTAL Members Months (Column 6, Line 7)	170,982	159,904	149,295	348,136	531,236
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	85.6	100.1	98.0	91.3	96.6
20. Cost containment expenses	1.2	1.3	0.7	1.0	1.5
21. Other claims adjustment expenses	0.5	0.6	0.4	0.4	0.6
22. TOTAL Underwriting Deductions (Line 23)	93.8	108.9	102.7	98.9	106.7
23. TOTAL Underwriting Gain (Loss) (Line 24)	6.2	(8.9)	(2.7)	1.1	(6.7)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	11,505,217	13,700,973	13,523,732	21,573,197	26,773,495
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	14,690,775	14,947,850	14,081,918	28,819,576	26,666,011
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
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	176,750,898	.....	.....	.....	.....	.....	176,750,898	.....
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	176,750,898	.....	.....	.....	.....	.....	176,750,898	.....
60. Reporting entity contributions for Employee Benefit Plans	XXX .....	.....	.....	.....	.....	.....	.....	.....	.....
61. TOTAL (Direct Business)	(a) 1	176,750,898	.....	.....	.....	.....	.....	176,750,898	.....

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 individual policies are allocated based on residency which is in Ohio. Group policies are allocated based on employment location. All groups are employed in Ohio.