

Amended Explanation Page

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RBC

- XR012 Underwriting Risk- Experience Fluctuation
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- 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.



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[] Dental Service Corporation[] Other[] | | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] | | Hospital, Medical & Dental Service or Indemnity[] 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) | | (419)887-2500 (Area Code) (Telephone Number) | | | |
| Mail Address | 1901 Indian Wood Circle (Street and Number or P.O. Box) | | 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) | | (419)887-2500 (Area Code) (Telephone Number) | | | |
| Internet Website Address | www.paramounthealthcare.com | | | | | |
| Statutory Statement Contact | Jonathan Burns, Mr. (Name) | | (419)887-2909 (Area Code)(Telephone Number)(Extension) | | | |
| | jonathan.burns@promedica.org (E-Mail Address) | | (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) | (Signature) | (Signature) |
| John Charles Randolph | Stacey Lee Bock | Jeffrey Craig Kuhn |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| President | Vice President, Finance | Secretary |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me this
day of , 2017

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

Yes[] No[X]
1
41

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

| | |
|------------------------------|----------------------------|
| Amy Lynn Hall Ms. | Lynn Eric Olman Mr. |
| Richard Arthur Wasserman Mr. | Andrea Marie Gibbons Ms. # |
| Traci Nicole Watkins M.D. # | |

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|-----------------|--------------|--------------|--------------|--------------|-----------------|
| Name of Debtor | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Admitted |
| 0199999 TOTAL Individuals ..... | ..... | ..... | ..... | ..... 50,510 | 50,510 | ..... |
| 0299998 Premiums due and unpaid not individually listed ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0299999 TOTAL Group ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0399999 Premiums due and unpaid from Medicare entities | 67,648 | 13,420 | ..... | ..... | ..... | ..... 81,068 |
| 0499999 Premiums due and unpaid from Medicaid entities | 3,000,000 | ..... | ..... | ..... | ..... | ..... 3,000,000 |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 15) .. | 3,067,648 | 13,420 | ..... | ..... 50,510 | 50,510 | 3,081,068 |



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF OHIO DURING THE YEAR
NAIC Group Code 1212 NAIC Company Code 95189

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|----------------|------------------------------------|----------------|---------------------------------|-------------------------|-------------------------|--|----------------------------------|--------------------------------|-----------------|
| | | 2 Individual | 3 Group | | | | | | | |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 13,285 | | | | | | | 13,285 | | |
| 2. First Quarter | 14,259 | | | | | | | 14,259 | | |
| 3. Second Quarter | 14,267 | | | | | | | 14,267 | | |
| 4. Third Quarter | 14,253 | | | | | | | 14,253 | | |
| 5. Current Year | 14,169 | | | | | | | 14,169 | | |
| 6. Current Year Member Months | 170,982 | | | | | | | 170,982 | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 33,371 | | | | | | | 33,371 | | |
| 8. Non-Physician | 2,514 | | | | | | | 2,514 | | |
| 9. TOTAL | 35,885 | | | | | | | 35,885 | | |
| 10. Hospital Patient Days Incurred | 49,352 | | | | | | | 49,352 | | |
| 11. Number of Inpatient Admissions | 4,345 | | | | | | | 4,345 | | |
| 12. Health Premiums Written (b) | 176,750,898 | | | | | | | 176,750,898 | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 176,750,898 | | | | | | | 176,750,898 | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 150,548,351 | | | | | | | 150,548,351 | | |
| 18. Amount Incurred for Provision of Health Care Services | 151,142,994 | | | | | | | 151,142,994 | | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....176,750,898



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR
NAIC Group Code 1212 NAIC Company Code 95189

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-------------|------------------------------------|-------|---------------------|-------------|-------------|--|----------------------|--------------------|-------|
| | | 2 | 3 | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 13,285 | | | | | | | 13,285 | | |
| 2. First Quarter | 14,259 | | | | | | | 14,259 | | |
| 3. Second Quarter | 14,267 | | | | | | | 14,267 | | |
| 4. Third Quarter | 14,253 | | | | | | | 14,253 | | |
| 5. Current Year | 14,169 | | | | | | | 14,169 | | |
| 6. Current Year Member Months | 170,982 | | | | | | | 170,982 | | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 33,371 | | | | | | | 33,371 | | |
| 8. Non-Physician | 2,514 | | | | | | | 2,514 | | |
| 9. TOTAL | 35,885 | | | | | | | 35,885 | | |
| 10. Hospital Patient Days Incurred | 49,352 | | | | | | | 49,352 | | |
| 11. Number of Inpatient Admissions | 4,345 | | | | | | | 4,345 | | |
| 12. Health Premiums Written (b) | 176,750,898 | | | | | | | 176,750,898 | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 176,750,898 | | | | | | | 176,750,898 | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 150,548,351 | | | | | | | 150,548,351 | | |
| 18. Amount Incurred for Provision of Health Care Services | 151,142,994 | | | | | | | 151,142,994 | | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....176,750,898

30 Grand Total

SCHEDULE S - PART 7
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

| | 1 As Reported (net of ceded) | 2 Restatement Adjustments | 3 Restated (gross of ceded) |
|---|------------------------------------|---------------------------------|-----------------------------------|
| ASSETS (Page 2, Col. 3) | | | |
| 1. Cash and invested assets (Line 12) | 91,258,974 | | 91,258,974 |
| 2. Accident and health premiums due and unpaid (Line 15) | 3,081,068 | | 3,081,068 |
| 3. Amounts recoverable from reinsurers (Line 16.1) | | | |
| 4. Net credit for ceded reinsurance | X X X | | |
| 5. All other admitted assets (Balance) | 10,965,652 | | 10,965,652 |
| 6. TOTAL Assets (Line 28) | 105,305,694 | | 105,305,694 |
| LIABILITIES, CAPITAL AND SURPLUS (Page 3) | | | |
| 7. Claims unpaid (Line 1) | 16,471,838 | | 16,471,838 |
| 8. Accrued medical incentive pool and bonus payments (Line 2) | | | |
| 9. Premiums received in advance (Line 8) | 251,413 | | 251,413 |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount) | | | |
| 11. Reinsurance in unauthorized companies (Line 20 minus inset amount) | | | |
| 12. Reinsurance with Certified Reinsurers (Line 20 inset amount) | | | |
| 13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount) | | | |
| 14. All other liabilities (Balance) | 14,395,830 | | 14,395,830 |
| 15. TOTAL Liabilities (Line 24) | 31,119,081 | | 31,119,081 |
| 16. TOTAL Capital and Surplus (Line 33) | 74,186,613 | X X X | 74,186,613 |
| 17. TOTAL Liabilities, Capital and Surplus (Line 34) | 105,305,694 | | 105,305,694 |
| NET CREDIT FOR CEDED REINSURANCE | | | |
| 18. Claims unpaid | | | |
| 19. Accrued medical incentive pool | | | |
| 20. Premiums received in advance | | | |
| 21. Reinsurance recoverable on paid losses | | | |
| 22. Other ceded reinsurance recoverables | | | |
| 23. TOTAL Ceded Reinsurance Recoverables | | | |
| 24. Premiums receivable | | | |
| 25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers | | | |
| 26. Unauthorized reinsurance | | | |
| 27. Reinsurance with Certified Reinsurers | | | |
| 28. Funds held under reinsurance treaties with Certified Reinsurers | | | |
| 29. Other ceded reinsurance payables/offsets | | | |
| 30. TOTAL Ceded Reinsurance Payables/Offsets | | | |
| 31. TOTAL Net Credit for Ceded Reinsurance | | | |

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

- MARCH FILING
- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? Yes
 - 2. Will an actuarial opinion be filed by March 1? Yes
 - 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? Yes
 - 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? Yes
- APRIL FILING
- 5. Will Management's Discussion and Analysis be filed by April 1? Yes
 - 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? Yes
 - 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? Yes
- JUNE FILING
- 8. Will an audited financial report be filed by June 1? Yes
 - 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? Yes
- AUGUST FILING
- 10. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? Yes

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

- MARCH FILING
- 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? No
 - 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? No
 - 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? No
 - 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? No
 - 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? No
 - 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? No
 - 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be file electronically with the NAIC by March 1? No
 - 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? No
 - 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? No
- APRIL FILING
- 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? No
 - 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? No
 - 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? No
 - 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? Yes
 - 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? Yes
- AUGUST FILING
- 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? No

Explanation:

Bar Code:

Medicare Supplement Insurance Experience Exhibit

95189201636000005 2016 Document Code: 360

Health Life Supplement

95189201620500005 2016 Document Code: 205

Health Property / Casualty Supplement

95189201620700005 2016 Document Code: 207

Schedule SIS

95189201642000005 2016 Document Code: 420

Actuarial Opinion on Participating and Non-Participating Policies

95189201637100005 2016 Document Code: 371

Statement of Non-Guaranteed Elements for Exhibit 5

95189201637000005 2016 Document Code: 370

Medicare Part D Coverage Supplement

95189201636500005 2016 Document Code: 365

Approval for Relief related to five-year rotation for lead Audit Partner

95189201622400005 2016 Document Code: 224

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES (continued)

Approval for Relief related to one-year cooling off period for inde. CPA



95189201622500005 2016 Document Code: 225

Approval for Relief related to Require. for Audit Committees



95189201622600005 2016 Document Code: 226

LTC Supplemental Interrogatories



95189201630600005 2016 Document Code: 306

Health Life Supplement - LHA Guaranty Association Reconciliation



95189201621100005 2016 Document Code: 211

Health Property/Casualty Supplement - Insurance Expense Exhibit



95189201621300005 2016 Document Code: 213

Management's Report of Internal Control over Financial Reporting



95189201622300005 2016 Document Code: 223