



ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

CareSource

NAIC Group Code 3683 (Current Period), 3683 (Prior Period) NAIC Company Code 95201 Employer's ID Number 31-1143265

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ], Property/Casualty [ ], Hospital, Medical & Dental Service or Indemnity [ ], Dental Service Corporation [ ], Vision Service Corporation [ ], Health Maintenance Organization [ X ], Other [ ], Is HMO, Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 06/12/1985 Commenced Business 10/01/1988

Statutory Home Office 230 North Main Street (Street and Number), Dayton, OH, US 45402 (City or Town, State, Country and Zip Code)

Main Administrative Office 230 North Main Street (Street and Number), Dayton, OH, US 45402 (City or Town, State, Country and Zip Code), 937-531-3300 (Area Code) (Telephone Number)

Mail Address PO Box 8738 (Street and Number or P.O. Box), Dayton, OH, US 45401-8738 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 230 North Main Street (Street and Number), Dayton, OH, US 45402 (City or Town, State, Country and Zip Code), 937-531-2159 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.caresource.com

Statutory Statement Contact Daniel Gudz (Name), 937-531-2330 (Area Code) (Telephone Number) (Extension), Daniel.Gudz@caresource.com (E-Mail Address), (Fax Number)

OFFICERS

| Name              | Title                               | Name                  | Title                                       |
|-------------------|-------------------------------------|-----------------------|---|
| Pamela B. Morris  | President & Chief Executive Officer | L. Tarlton Thomas III | EVP, Operations and Chief Financial Officer |
| Stephen L. Ringel | President, Ohio Market              | Craig S. Thiele M.D.  | Chief Medical Officer                       |

OTHER OFFICERS

DIRECTORS OR TRUSTEES

|                    |                       |                            |                    |
|--------------------|-----------------------|----------------------------|--------------------|
| Pamela B. Morris   | Michael E. Ervin M.D. | William F. Marsteller D.C. | Gary L. LeRoy M.D. |
| Craig Brown        | Ellen S. Leffak       | Douglas A. Fecher          | David T. Miller    |
| David Kaelber M.D. |                       |                            |                    |

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

Craig Thiele M.D.  
Chief Medical Officer

L. Tarlton Thomas III  
EVP, Operations and Chief Financial Officer

Stephen L. Ringel  
President, Ohio Market

Subscribed and sworn to before me this day of ,

a. Is this an original filing? Yes [ X ] No [ ]

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

## 18

## 18

18

## EXHIBIT 3 - HEALTH CARE RECEIVABLES

19

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

| Type of Health Care Receivables             | Health Care Receivables Collected During the Year     |                                   | Health Care Receivables Accrued as of December 31 of Current Year |                                    | 5  | 6   |
|---|---|-----------------------------------|---|------------------------------------|--|---|
|   | 1   | 2                                 | 3   | 4                                  | Health Care Receivables in Prior Years (Columns 1 + 3) | Estimated Health Care Receivables Accrued as of December 31 of Prior Year |
|   | On Amounts Accrued Prior to January 1 of Current Year | On Claims Accrued During the Year | On Amounts Accrued December 31 of Prior Year                      | On Amounts Accrued During the Year |  |   |
| 1. Pharmaceutical rebate receivables .....  | 68,145,363  | 74,026,933                        | 6,487,091   | 73,635,993                         | 74,632,454   | 65,033,813  |
| 2. Claim overpayment receivables .....      | 13,737,624  | (9,900,796)                       | 6,381,374   | 25,451,039                         | 20,118,998   | 14,427,495  |
| 3. Loans and advances to providers .....    |   |                                   |   | 35,000                             | .0   |   |
| 4. Capitation arrangement receivables ..... | 31,110,182  | 153,896,778                       | (3,294)   | 30,399,698                         | 31,106,888   | 31,106,888  |
| 5. Risk sharing receivables .....           |   |                                   |   |                                    | .0   |   |
| 6. Other health care receivables .....      |   |                                   |   |                                    | .0   |   |
| 7. Totals (Lines 1 through 6)               | 112,993,169   | 218,022,915                       | 12,865,171  | 129,521,730                        | 125,858,340  | 110,568,196   |

Note that the accrued amounts in columns 3, 4 and 6 are the total health care receivables, not just the admitted portion.

**EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

21

## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

## EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

## EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

[illegible]

## EXHIBIT 7 - PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

## EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

24



EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

|  | 1       | 2            | 3                        | 4                            | 5                   | 6                   |
|--|---------|--------------|--------------------------|------------------------------|---------------------|---------------------|
| Description  | Cost    | Improvements | Accumulated Depreciation | Book Value Less Encumbrances | Assets Not Admitted | Net Admitted Assets |
| 1. Administrative furniture and equipment .....    | 118,845 |              | 118,845                  |                              |                     |                     |
| 2. Medical furniture, equipment and fixtures ..... |         |              |                          |                              |                     |                     |
| 3. Pharmaceuticals and surgical supplies .....     |         |              |                          |                              |                     |                     |
| 4. Durable medical equipment .....                 |         |              |                          |                              |                     |                     |
| 5. Other property and equipment                    |         |              |                          |                              |                     |                     |
| 6. Total   | 118,845 | 0            | 118,845                  | 0                            | 0                   | 0                   |



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

| REPORT FOR: 1. CORPORATION                                  |      | CareSource                    |                                       | 2.             |                                 | (LOCATION)              |                         |   |                                  |                                |                 |
|---|------|-------------------------------|---------------------------------------|----------------|---------------------------------|-------------------------|-------------------------|---|----------------------------------|--------------------------------|-----------------|
| NAIC Group Code   | 3683 | BUSINESS IN THE STATE OF Ohio |                                       |                | DURING THE YEAR 2016            |                         |                         | NAIC Company Code                                       |                                  |                                | 95201           |
|   |      | 1<br><br>Total                | Comprehensive<br>(Hospital & Medical) |                | 4<br><br>Medicare<br>Supplement | 5<br><br>Vision<br>Only | 6<br><br>Dental<br>Only | 7<br><br>Federal<br>Employees<br>Health Benefit<br>Plan | 8<br><br>Title XVIII<br>Medicare | 9<br><br>Title XIX<br>Medicaid | 10<br><br>Other |
|   |      |                               | 2<br><br>Individual                   | 3<br><br>Group |                                 |                         |                         |   |                                  |                                |                 |
| Total Members at end of:                                    |      |                               |                                       |                |                                 |                         |                         |   |                                  |                                |                 |
| 1. Prior Year .....   |      | 1,306,521                     | 40,776                                |                |                                 |                         |                         |   |                                  | 1,243,447                      | 22,298          |
| 2. First Quarter .....                                      |      | 1,355,718                     | 65,600                                |                |                                 |                         |                         |   |                                  | 1,267,280                      | 22,838          |
| 3. Second Quarter .....                                     |      | 1,378,207                     | 62,847                                |                |                                 |                         |                         |   |                                  | 1,292,121                      | 23,239          |
| 4. Third Quarter .....                                      |      | 1,370,369                     | 57,422                                |                |                                 |                         |                         |   |                                  | 1,289,586                      | 23,361          |
| 5. Current Year   |      | 1,378,453                     | 51,818                                |                |                                 |                         |                         |   |                                  | 1,301,477                      | 25,158          |
| 6. Current Year Member Months                               |      | 16,371,227                    | 682,060                               |                |                                 |                         |                         |   |                                  | 15,408,973                     | 280,194         |
| Total Member Ambulatory Encounters for Year:                |      |                               |                                       |                |                                 |                         |                         |   |                                  |                                |                 |
| 7. Physician .....  |      | 9,450,483                     | 298,407                               |                |                                 |                         |                         |   |                                  | 8,665,553                      | 486,523         |
| 8. Non-Physician .....                                      |      | 8,715,897                     | 200,477                               |                |                                 |                         |                         |   |                                  | 5,547,328                      | 2,968,092       |
| 9. Total  |      | 18,166,380                    | 498,884                               | 0              | 0                               | 0                       | 0                       | 0   | 0                                | 14,212,881                     | 3,454,615       |
| 10. Hospital Patient Days Incurred                          |      | 734,512                       | 16,833                                |                |                                 |                         |                         |   |                                  | 662,565                        | 55,114          |
| 11. Number of Inpatient Admissions                          |      | 164,656                       | 3,775                                 |                |                                 |                         |                         |   |                                  | 149,603                        | 11,278          |
| 12. Health Premiums Written (b).....                        |      | 6,983,004,678                 | 184,720,027                           |                |                                 |                         |                         |   |                                  | 5,996,968,654                  | 801,315,997     |
| 13. Life Premiums Direct.....                               |      | 0                             |                                       |                |                                 |                         |                         |   |                                  |                                |                 |
| 14. Property/Casualty Premiums Written.....                 |      | 0                             |                                       |                |                                 |                         |                         |   |                                  |                                |                 |
| 15. Health Premiums Earned.....                             |      | 6,973,001,853                 | 184,720,027                           |                |                                 |                         |                         |   |                                  | 5,986,691,256                  | 801,590,570     |
| 16. Property/Casualty Premiums Earned.....                  |      | 0                             |                                       |                |                                 |                         |                         |   |                                  |                                |                 |
| 17. Amount Paid for Provision of Health Care Services ..... |      | 6,470,316,831                 | 195,396,195                           |                |                                 |                         |                         |   | 11,497                           | 5,542,136,240                  | 732,772,899     |
| 18. Amount Incurred for Provision of Health Care Services   |      | 6,256,357,858                 | 201,341,226                           |                |                                 |                         |                         |   | 2,032                            | 5,379,521,378                  | 675,493,222     |

(a) For health business: number of persons insured under PPO managed care products \_\_\_\_\_ and number of persons insured under indemnity only products \_\_\_\_\_

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

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

CareSource

2.

(LOCATION)

| NAIC Group Code   | 3683          | BUSINESS IN THE STATE OF Consolidated |       | DURING THE YEAR 2016   |                |                |  |                         | NAIC Company Code     |             | 95201 |
|---|---------------|---------------------------------------|-------|------------------------|----------------|----------------|--|-------------------------|-----------------------|-------------|-------|
|   | 1             | Comprehensive<br>(Hospital & Medical) |       | 4                      | 5              | 6              | 7  | 8                       | 9                     | 10          |       |
|   |               | 2                                     | 3     |                        |                |                |  |                         |                       |             |       |
|   | Total         | Individual                            | Group | Medicare<br>Supplement | Vision<br>Only | Dental<br>Only | Federal<br>Employees<br>Health Benefit<br>Plan | Title XVIII<br>Medicare | Title XIX<br>Medicaid | Other       |       |
| Total Members at end of:                                    |               |                                       |       |                        |                |                |  |                         |                       |             |       |
| 1. Prior Year .....   | 1,306,521     | 40,776                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 1,243,447             | 22,298      |       |
| 2 First Quarter .....                                       | 1,355,718     | 65,600                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 1,267,280             | 22,838      |       |
| 3 Second Quarter .....                                      | 1,378,207     | 62,847                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 1,292,121             | 23,239      |       |
| 4. Third Quarter .....                                      | 1,370,369     | 57,422                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 1,289,586             | 23,361      |       |
| 5. Current Year   | 1,378,453     | 51,818                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 1,301,477             | 25,158      |       |
| 6 Current Year Member Months                                | 16,371,227    | 682,060                               | 0     | 0                      | 0              | 0              | 0  | 0                       | 15,408,973            | 280,194     |       |
| Total Member Ambulatory Encounters for Year:                |               |                                       |       |                        |                |                |  |                         |                       |             |       |
| 7. Physician .....  | 9,450,483     | 298,407                               | 0     | 0                      | 0              | 0              | 0  | 0                       | 8,665,553             | 486,523     |       |
| 8. Non-Physician .....                                      | 8,715,897     | 200,477                               | 0     | 0                      | 0              | 0              | 0  | 0                       | 5,547,328             | 2,968,092   |       |
| 9. Total  | 18,166,380    | 498,884                               | 0     | 0                      | 0              | 0              | 0  | 0                       | 14,212,881            | 3,454,615   |       |
| 10. Hospital Patient Days Incurred                          | 734,512       | 16,833                                | 0     | 0                      | 0              | 0              | 0  | 0                       | 662,565               | 55,114      |       |
| 11. Number of Inpatient Admissions                          | 164,656       | 3,775                                 | 0     | 0                      | 0              | 0              | 0  | 0                       | 149,603               | 11,278      |       |
| 12. Health Premiums Written (b).....                        | 6,983,004,678 | 184,720,027                           | 0     | 0                      | 0              | 0              | 0  | 0                       | 5,996,968,654         | 801,315,997 |       |
| 13. Life Premiums Direct.....                               | 0             | 0                                     | 0     | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0           |       |
| 14. Property/Casualty Premiums Written.....                 | 0             | 0                                     | 0     | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0           |       |
| 15. Health Premiums Earned.....                             | 6,973,001,853 | 184,720,027                           | 0     | 0                      | 0              | 0              | 0  | 0                       | 5,986,691,256         | 801,590,570 |       |
| 16. Property/Casualty Premiums Earned.....                  | 0             | 0                                     | 0     | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0           |       |
| 17. Amount Paid for Provision of Health Care Services ..... | 6,470,316,831 | 195,396,195                           | 0     | 0                      | 0              | 0              | 0  | 11,497                  | 5,542,136,240         | 732,772,899 |       |
| 18. Amount Incurred for Provision of Health Care Services   | 6,256,357,858 | 201,341,226                           | 0     | 0                      | 0              | 0              | 0  | 2,032                   | 5,379,521,378         | 675,493,222 |       |

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0

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

## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

## SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

[illegible]

## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

## SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

[illegible]

## 33

## 33

33

33

Schedule S - Part 4

NONE

Schedule S - Part 5

NONE

SCHEDULE S – PART 6

Five-Year Exhibit of Reinsurance Ceded Business  
(000 Omitted)

|   | 1<br>2016 | 2<br>2015 | 3<br>2014 | 4<br>2013 | 5<br>2012 |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>A. OPERATIONS ITEMS</b>  |           |           |           |           |           |
| 1. Premiums.....  | 9,583     | 18,823    | 12,038    | .0        | .0        |
| 2. Title XVIII-Medicare.....  | .0        | (4)       | 144       | 163       | 172       |
| 3. Title XIX-Medicaid.....  | 12,681    | 19,245    | 20,059    | 17,369    | 16,914    |
| 4. Commissions and reinsurance expense allowance.....                                 |           | .0        | .0        | .0        | .0        |
| 5. Total hospital and medical expenses.....   |           | .0        | .0        | .0        | .0        |
| <b>B. BALANCE SHEET ITEMS</b>   |           |           |           |           |           |
| 6. Premiums receivable .....  |           | .0        | .0        | .0        | .0        |
| 7. Claims payable.....  | 23,345    | 27,606    | 10,748    | 10,157    | 7,212     |
| 8. Reinsurance recoverable on paid losses.....  | 7,815     | 14,224    | 6,672     | 10        | 1,381     |
| 9. Experience rating refunds due or unpaid.....                                       |           | .0        | .0        | .0        | .0        |
| 10. Commissions and reinsurance expense allowances due.....                           |           | .0        | .0        | .0        | .0        |
| 11. Unauthorized reinsurance offset.....  | .0        | .0        | .0        | .0        | .0        |
| 12. Offset for reinsurance with Certified Reinsurers.....                             | .0        | .0        | .0        | .0        | .0        |
| <b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>              |           |           |           |           |           |
| 13. Funds deposited by and withheld from (F).....                                     | .0        | .0        | .0        | .0        | .0        |
| 14. Letters of credit (L).....  | .0        | .0        | .0        | .0        | .0        |
| 15. Trust agreements (T).....   | .0        | .0        | .0        | .0        | .0        |
| 16. Other (O).....  | .0        | .0        | .0        | .0        | .0        |
| <b>D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)</b> |           |           |           |           |           |
| 17. Multiple Beneficiary Trust.....   | .0        | .0        | .0        | .0        | .0        |
| 18. Funds deposited by and withheld from (F).....                                     | .0        | .0        | .0        | .0        | .0        |
| 19. Letters of credit (L).....  | .0        | .0        | .0        | .0        | .0        |
| 20. Trust agreements (T).....   | .0        | .0        | .0        | .0        | .0        |
| 21. Other (O).....  | .0        | .0        | .0        | .0        | .0        |



SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

|   | 1                             | 2                          | 3                            |
|---|-------------------------------|----------------------------|------------------------------|
|   | As Reported<br>(net of ceded) | Restatement<br>Adjustments | Restated<br>(gross of ceded) |
| <b>ASSETS (Page 2, Col. 3)</b>  |                               |                            |                              |
| 1. Cash and invested assets (Line 12) .....   | 1,260,322,103                 |                            | 1,260,322,103                |
| 2. Accident and health premiums due and unpaid (Line 15).....   | 152,725,180                   |                            | 152,725,180                  |
| 3. Amounts recoverable from reinsurers (Line 16.1).....   | 7,814,874                     | (7,814,874)                | 0                            |
| 4. Net credit for ceded reinsurance.....  | XXX                           | 31,160,040                 | 31,160,040                   |
| 5. All other admitted assets (Balance).....   | 172,460,147                   |                            | 172,460,147                  |
| 6. Total assets (Line 28)   | 1,593,322,304                 | 23,345,166                 | 1,616,667,470                |
| <b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>  |                               |                            |                              |
| 7. Claims unpaid (Line 1).....  | 553,708,369                   | 23,345,166                 | 577,053,535                  |
| 8. Accrued medical incentive pool and bonus payments (Line 2).....  | 0                             |                            | 0                            |
| 9. Premiums received in advance (Line 8).....   | 100,670,331                   |                            | 100,670,331                  |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first<br>inset amount plus second inset amount) ..... | 0                             |                            | 0                            |
| 11. Reinsurance in unauthorized companies (Line 20 minus inset amount).....   | 0                             |                            | 0                            |
| 12. Reinsurance with Certified Reinsurers (Line 20 inset amount).....   | 0                             |                            | 0                            |
| 13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount).....   | 0                             |                            | 0                            |
| 14. All other liabilities (Balance).....  | 207,805,622                   |                            | 207,805,622                  |
| 15. Total liabilities (Line 24).....  | 862,184,322                   | 23,345,166                 | 885,529,488                  |
| 16. Total capital and surplus (Line 33).....  | 731,137,982                   | XXX                        | 731,137,982                  |
| 17. Total liabilities, capital and surplus (Line 34)  | 1,593,322,304                 | 23,345,166                 | 1,616,667,470                |
| <b>NET CREDIT FOR CEDED REINSURANCE</b>   |                               |                            |                              |
| 18. Claims unpaid.....  | 23,345,166                    |                            |                              |
| 19. Accrued medical incentive pool.....   | 0                             |                            |                              |
| 20. Premiums received in advance .....  | 0                             |                            |                              |
| 21. Reinsurance recoverable on paid losses .....  | 7,814,874                     |                            |                              |
| 22. Other ceded reinsurance recoverables .....  | 0                             |                            |                              |
| 23. Total ceded reinsurance recoverables .....  | 31,160,040                    |                            |                              |
| 24. Premiums receivable .....   | 0                             |                            |                              |
| 25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers .....   | 0                             |                            |                              |
| 26. Unauthorized reinsurance .....  | 0                             |                            |                              |
| 27. Reinsurance with Certified Reinsurers.....  | 0                             |                            |                              |
| 28. Funds held under reinsurance treaties with Certified Reinsurers.....  | 0                             |                            |                              |
| 29. Other ceded reinsurance payables/offsets .....  | 0                             |                            |                              |
| 30. Total ceded reinsurance payables/offsets .....  | 0                             |                            |                              |
| 31. Total net credit for ceded reinsurance  | 31,160,040                    |                            |                              |

SCHEDULE T – PART 2  
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

|                                    |           | Direct Business Only           |                                  |   |  |                        |        |
|------------------------------------|-----------|--------------------------------|----------------------------------|---|--|------------------------|--------|
|                                    |           | 1                              | 2                                | 3   | 4  | 5                      | 6      |
| States, Etc.                       |           | Life<br>(Group and Individual) | Annuities (Group and Individual) | Disability Income<br>(Group and Individual) | Long-Term Care<br>(Group and Individual) | Deposit-Type Contracts | Totals |
| 1. Alabama .....                   | AL .....  |                                |                                  |   |  |                        | 0      |
| 2. Alaska .....                    | AK .....  |                                |                                  |   |  |                        | 0      |
| 3. Arizona .....                   | AZ .....  |                                |                                  |   |  |                        | 0      |
| 4. Arkansas .....                  | AR .....  |                                |                                  |   |  |                        | 0      |
| 5. California .....                | CA .....  |                                |                                  |   |  |                        | 0      |
| 6. Colorado .....                  | CO .....  |                                |                                  |   |  |                        | 0      |
| 7. Connecticut .....               | CT .....  |                                |                                  |   |  |                        | 0      |
| 8. Delaware .....                  | DE .....  |                                |                                  |   |  |                        | 0      |
| 9. District of Columbia .....      | DC .....  |                                |                                  |   |  |                        | 0      |
| 10. Florida .....                  | FL .....  |                                |                                  |   |  |                        | 0      |
| 11. Georgia .....                  | GA .....  |                                |                                  |   |  |                        | 0      |
| 12. Hawaii .....                   | HI .....  |                                |                                  |   |  |                        | 0      |
| 13. Idaho .....                    | ID .....  |                                |                                  |   |  |                        | 0      |
| 14. Illinois .....                 | IL .....  |                                |                                  |   |  |                        | 0      |
| 15. Indiana .....                  | IN .....  |                                |                                  |   |  |                        | 0      |
| 16. Iowa .....                     | IA .....  |                                |                                  |   |  |                        | 0      |
| 17. Kansas .....                   | KS .....  |                                |                                  |   |  |                        | 0      |
| 18. Kentucky .....                 | KY .....  |                                |                                  |   |  |                        | 0      |
| 19. Louisiana .....                | LA .....  |                                |                                  |   |  |                        | 0      |
| 20. Maine .....                    | ME .....  |                                |                                  |   |  |                        | 0      |
| 21. Maryland .....                 | MD .....  |                                |                                  |   |  |                        | 0      |
| 22. Massachusetts .....            | MA .....  |                                |                                  |   |  |                        | 0      |
| 23. Michigan .....                 | MI .....  |                                |                                  |   |  |                        | 0      |
| 24. Minnesota .....                | MN .....  |                                |                                  |   |  |                        | 0      |
| 25. Mississippi .....              | MS .....  |                                |                                  |   |  |                        | 0      |
| 26. Missouri .....                 | MO .....  |                                |                                  |   |  |                        | 0      |
| 27. Montana .....                  | MT .....  |                                |                                  |   |  |                        | 0      |
| 28. Nebraska .....                 | NE .....  |                                |                                  |   |  |                        | 0      |
| 29. Nevada .....                   | NV .....  |                                |                                  |   |  |                        | 0      |
| 30. New Hampshire .....            | NH .....  |                                |                                  |   |  |                        | 0      |
| 31. New Jersey .....               | NJ .....  |                                |                                  |   |  |                        | 0      |
| 32. New Mexico .....               | NM .....  |                                |                                  |   |  |                        | 0      |
| 33. New York .....                 | NY .....  |                                |                                  |   |  |                        | 0      |
| 34. North Carolina .....           | NC .....  |                                |                                  |   |  |                        | 0      |
| 35. North Dakota .....             | ND .....  |                                |                                  |   |  |                        | 0      |
| 36. Ohio .....                     | OH .....  |                                |                                  |   |  |                        | 0      |
| 37. Oklahoma .....                 | OK .....  |                                |                                  |   |  |                        | 0      |
| 38. Oregon .....                   | OR .....  |                                |                                  |   |  |                        | 0      |
| 39. Pennsylvania .....             | PA .....  |                                |                                  |   |  |                        | 0      |
| 40. Rhode Island .....             | RI .....  |                                |                                  |   |  |                        | 0      |
| 41. South Carolina .....           | SC .....  |                                |                                  |   |  |                        | 0      |
| 42. South Dakota .....             | SD .....  |                                |                                  |   |  |                        | 0      |
| 43. Tennessee .....                | TN .....  |                                |                                  |   |  |                        | 0      |
| 44. Texas .....                    | TX .....  |                                |                                  |   |  |                        | 0      |
| 45. Utah .....                     | UT .....  |                                |                                  |   |  |                        | 0      |
| 46. Vermont .....                  | VT .....  |                                |                                  |   |  |                        | 0      |
| 47. Virginia .....                 | VA .....  |                                |                                  |   |  |                        | 0      |
| 48. Washington .....               | WA .....  |                                |                                  |   |  |                        | 0      |
| 49. West Virginia .....            | WV .....  |                                |                                  |   |  |                        | 0      |
| 50. Wisconsin .....                | WI .....  |                                |                                  |   |  |                        | 0      |
| 51. Wyoming .....                  | WY .....  |                                |                                  |   |  |                        | 0      |
| 52. American Samoa .....           | AS .....  |                                |                                  |   |  |                        | 0      |
| 53. Guam .....                     | GU .....  |                                |                                  |   |  |                        | 0      |
| 54. Puerto Rico .....              | PR .....  |                                |                                  |   |  |                        | 0      |
| 55. US Virgin Islands .....        | VI .....  |                                |                                  |   |  |                        | 0      |
| 56. Northern Mariana Islands ..... | MP .....  |                                |                                  |   |  |                        | 0      |
| 57. Canada .....                   | CAN ..... |                                |                                  |   |  |                        | 0      |
| 58. Aggregate Other Alien .....    | OT .....  |                                |                                  |   |  |                        | 0      |
| 59. Totals                         |           | 0                              | 0                                | 0   | 0  | 0                      | 0      |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1          | 2                               | 3                 | 4          | 5            | 6   | 7  | 8   | 9                    | 10                               | 11   | 12   | 13   | 14   | 15                               | 16 |
|------------|---------------------------------|-------------------|------------|--------------|-----|--|---|----------------------|----------------------------------|--|--|--|--|----------------------------------|----|
| Group Code | Group Name                      | NAIC Company Code | ID Number  | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries or Affiliates | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/Person(s) | Is an SCA Filing Required? (Y/N) | *  |
| 03683      | CareSource Management Group Co. | 00000             | 45-4937120 |              |     |  | CareSource Reinsurance, LLC                 | MT                   | IA                               | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 03683      | CareSource Management Group Co. | 95201             | 31-1143265 |              |     |  | CareSource                                  | OH                   | RE                               | CareSource Board of Trustees                   | Other (See explanation below)  | 0.0  | Board of Trustees                          |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 31-1703368 |              |     |  | CareSource Management Group Co.             | OH                   | UDP                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | Board of Trustees                          |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 31-1703371 |              |     |  | CareSource Management Services Co.          | OH                   | NIA                              | CareSource Management Group Co.                | Ownership  | 100.0                                      | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 56-2582561 |              |     |  | The CareSource Foundation                   | OH                   | DS                               | CareSource                                     | Board of Trustees  | 0.0  | CareSource Board of Trustees               |                                  | 0  |
| 03683      | CareSource Management Group Co. | 10142             | 32-0121856 |              |     |  | CareSource Indiana, Inc.                    | IN                   | IA                               | CareSource Management Group Co.                | Board of Directors   | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 03683      | CareSource Management Group Co. | 15479             | 46-4991603 |              |     |  | CareSource Kentucky Co.                     | KY                   | IA                               | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 03683      | CareSource Management Group Co. | 15710             | 47-2408339 |              |     |  | CareSource Georgia Co.                      | GA                   | IA                               | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 03683      | CareSource Management Group Co. | 15728             | 47-3028244 |              |     |  | CareSource West Virginia Co.                | WV                   | IA                               | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 81-1017455 |              |     |  | CareSource Network Partners LLC             | OH                   | NIA                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 81-1025103 |              |     |  | CareSource@Home LLC                         | OH                   | NIA                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 81-1593512 |              |     |  | CareSource North Carolina Co.               | NC                   | NIA                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 81-1602217 |              |     |  | CareSource Life Services Co.                | OH                   | NIA                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 03683      | CareSource Management Group Co. | 15992             | 81-1727271 |              |     |  | CareSource Virginia Co.                     | VA                   | IA                               | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
| 00000      | CareSource Management Group Co. | 00000             | 81-4170497 |              |     |  | CareSource Management Group Foundation      | OH                   | NIA                              | CareSource Management Group Co.                | Board of Trustees  | 0.0  | CareSource Management Group Co.            |                                  | 0  |
|            |                                 |                   |            |              |     |  |   |                      |                                  |  |  |  |  |                                  |    |
|            |                                 |                   |            |              |     |  |   |                      |                                  |  |  |  |  |                                  |    |
|            |                                 |                   |            |              |     |  |   |                      |                                  |  |  |  |  |                                  |    |
|            |                                 |                   |            |              |     |  |   |                      |                                  |  |  |  |  |                                  |    |
|            |                                 |                   |            |              |     |  |   |                      |                                  |  |  |  |  |                                  |    |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CareSource

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| Asterisk | Explanation   |
|----------|---|
|          | The CareSource Board of Trustees controls both CareSource, the reporting entity, and CareSource Foundation. The CareSource Management Group Co Board of Trustees controls CareSource Management Group Co. CareSource Management Group Co. controls CSI, CareSource Kentucky Co, CareSource Reinsurance, LLC., CareSource Georgia Co., CareSource West Virginia Co., CareSource Network Partners LLC, CareSource@Home LLC, CareSource North Carolina Co., CareSource Life Services Co., CareSource Virginia Co., and CareSource Management Group Foundation..... |

## 42

## 42

## 42

42

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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  | Responses     |
|---------------|---|---------------|
| 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 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 the 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 filed electronically with the NAIC by March 1?                                   | .....SEE EXPLANATION..... |
| 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?   | .....SEE EXPLANATION..... |
| 20.           | Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed with electronically with the NAIC by March 1?  | .....SEE EXPLANATION..... |
| 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?   | .....YES.....             |

Explanation:

11.
12.
13.
14.
15.
16.
17.
18. No exemption needed.
19. No exemption needed.
20. No exemption needed.











SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

21.

22.

23.

Bar code:

|     |  |
|-----|--|
| 11. | <br>9 5 2 0 1 2 0 1 6 3 6 0 5 9 0 0 0   |
| 12. | <br>9 5 2 0 1 2 0 1 6 2 0 5 0 0 0 0 0   |
| 13. | <br>9 5 2 0 1 2 0 1 6 2 0 7 0 0 0 0 0   |
| 14. | <br>9 5 2 0 1 2 0 1 6 4 2 0 0 0 0 0 0   |
| 15. | <br>9 5 2 0 1 2 0 1 6 3 7 1 0 0 0 0 0  |
| 16. | <br>9 5 2 0 1 2 0 1 6 3 7 0 0 0 0 0 0 |
| 17. | <br>9 5 2 0 1 2 0 1 6 3 6 5 0 0 0 0 0 |
| 21. | <br>9 5 2 0 1 2 0 1 6 3 0 6 0 0 0 0 0 |
| 22. | <br>9 5 2 0 1 2 0 1 6 2 1 1 5 9 0 0 0 |
| 23. | <br>9 5 2 0 1 2 0 1 6 2 1 3 0 0 0 0 0 |

# ALPHABETICAL INDEX

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## ANNUAL STATEMENT BLANK

|  |      |
|--|------|
| Analysis of Operations by Lines of Business                            | 7    |
| Assets   | 2    |
| Cash Flow  | 6    |
| Exhibit 1 – Enrollment By Product Type for Health Business Only        | 17   |
| Exhibit 2 – Accident and Health Premiums Due and Unpaid                | 18   |
| Exhibit 3 – Health Care Receivables                                    | 19   |
| Exhibit 3A – Analysis of Health Care Receivables Collected and Accrued | 20   |
| Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus       | 21   |
| Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates       | 22   |
| Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates         | 23   |
| Exhibit 7 – Part 1 – Summary of Transactions With Providers            | 24   |
| Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries       | 24   |
| Exhibit 8 – Furniture, Equipment and Supplies Owned                    | 25   |
| Exhibit of Capital Gains (Losses)                                      | 15   |
| Exhibit of Net Investment Income                                       | 15   |
| Exhibit of Nonadmitted Assets  | 16   |
| Exhibit of Premiums, Enrollment and Utilization (State Page)           | 30   |
| Five-Year Historical Data  | 29   |
| General Interrogatories  | 27   |
| Jurat Page   | 1    |
| Liabilities, Capital and Surplus                                       | 3    |
| Notes To Financial Statements  | 26   |
| Overflow Page For Write-Ins  | 44   |
| Schedule A – Part 1  | E01  |
| Schedule A – Part 2  | E02  |
| Schedule A – Part 3  | E03  |
| Schedule A – Verification Between Years                                | SI02 |
| Schedule B – Part 1  | E04  |
| Schedule B – Part 2  | E05  |
| Schedule B – Part 3  | E06  |
| Schedule B – Verification Between Years                                | SI02 |
| Schedule BA – Part 1   | E07  |
| Schedule BA – Part 2   | E08  |
| Schedule BA – Part 3   | E09  |
| Schedule BA – Verification Between Years                               | SI03 |
| Schedule D – Part 1  | E10  |



# ALPHABETICAL INDEX

---

## ANNUAL STATEMENT BLANK (Continued)

|  |      |
|--|------|
| Schedule D – Part 1A – Section 1   | SI05 |
| Schedule D – Part 1A – Section 2   | SI08 |
| Schedule D – Part 2 – Section 1  | E11  |
| Schedule D – Part 2 – Section 2  | E12  |
| Schedule D – Part 3  | E13  |
| Schedule D – Part 4  | E14  |
| Schedule D – Part 5  | E15  |
| Schedule D – Part 6 – Section 1  | E16  |
| Schedule D – Part 6 – Section 2  | E16  |
| Schedule D – Summary By Country  | SI04 |
| Schedule D – Verification Between Years  | SI03 |
| Schedule DA – Part 1   | E17  |
| Schedule DA – Verification Between Years   | SI10 |
| Schedule DB – Part A – Section 1   | E18  |
| Schedule DB – Part A – Section 2   | E19  |
| Schedule DB – Part A – Verification Between Years  | SI11 |
| Schedule DB – Part B – Section 1   | E20  |
| Schedule DB – Part B – Section 2   | E21  |
| Schedule DB – Part B – Verification Between Years  | SI11 |
| Schedule DB – Part C – Section 1   | SI12 |
| Schedule DB – Part C – Section 2   | SI13 |
| Schedule DB – Part D – Section 1   | E22  |
| Schedule DB – Part D – Section 2   | E23  |
| Schedule DB – Verification   | SI14 |
| Schedule DL – Part 1   | E24  |
| Schedule DL – Part 2   | E25  |
| Schedule E – Part 1 – Cash   | E26  |
| Schedule E – Part 2 – Cash Equivalents   | E27  |
| Schedule E – Part 3 – Special Deposits   | E28  |
| Schedule E – Verification Between Years  | SI15 |
| Schedule S – Part 1 – Section 2  | 31   |
| Schedule S – Part 2  | 32   |
| Schedule S – Part 3 – Section 2  | 33   |
| Schedule S – Part 4  | 34   |
| Schedule S – Part 5  | 35   |
| Schedule S – Part 6  | 36   |
| Schedule S – Part 7  | 37   |
| Schedule T – Part 2 – Interstate Compact   | 39   |
| Schedule T – Premiums and Other Considerations   | 38   |
| Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group | 40   |
| Schedule Y – Part 1A – Detail of Insurance Holding Company System                            | 41   |
| Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates                  | 42   |
| Statement of Revenue and Expenses  | 4    |
| Summary Investment Schedule  | SI01 |

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

|   |    |
|---|----|
| Supplemental Exhibits and Schedules Interrogatories | 43 |
| Underwriting and Investment Exhibit – Part 1        | 8  |
| Underwriting and Investment Exhibit – Part 2        | 9  |
| Underwriting and Investment Exhibit – Part 2A       | 10 |
| Underwriting and Investment Exhibit – Part 2B       | 11 |
| Underwriting and Investment Exhibit – Part 2C       | 12 |
| Underwriting and Investment Exhibit – Part 2D       | 13 |
| Underwriting and Investment Exhibit – Part 3        | 14 |

