



**QUARTERLY STATEMENT**  
**AS OF MARCH 31, 2017**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**AultCare Insurance Company**

NAIC Group Code 4805 , 4805 NAIC Company Code 77216 Employer's ID Number 341624818  
(Current Period) (Prior Period)

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[X] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]  
 Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[ ]  
 Other[ ] Is HMO Federally Qualified? Yes[X] No[ ] N/A[ ]

Incorporated/Organized 08/15/1989 Commenced Business 11/01/1989

Statutory Home Office 2600 Sixth Street SW , Canton, OH, 44710  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2600 Sixth Street SW  
(Street and Number)

Canton, OH, 44710 (330)363-4057  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 2600 Sixth Street SW , Canton, OH, 44710  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2600 Sixth Street SW  
(Street and Number)

Canton, OH, 44710 (330)363-4057  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.aultcare.com

Statutory Statement Contact Jeffrey Alan Scheatzle (330)363-4057  
(Name) (Area Code)(Telephone Number)(Extension)

jscheatzle@aultcare.com (330)363-5012  
(E-Mail Address) (Fax Number)

**OFFICERS**

<u>Name</u>	<u>Title</u>
Rick L. Haines	President
Joseph J. Feltes	Secretary
Mark D. Wright	Treasurer
Edward J. Roth III	Executive Vice President

**OTHERS**

**DIRECTORS OR TRUSTEES**

John Westerbeck M.D.	Gregory A. Haban M.D.
Edward J. Roth III	Rick L. Haines
Michael Hanke	Mark D. Wright
John B. Humphrey Jr., M.D.	Darryl J. Dillenback
Allen Rovner M.D.	Joseph J. Feltes Esq.
Mark N. Rose M.D.	Barbara Hammontree-Bennett

State of Ohio  
 County of Stark ss

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

<u>(Signature)</u> Rick L. Haines <u>(Printed Name)</u> 1. President <u>(Title)</u>	<u>(Signature)</u> Joseph J. Feltes <u>(Printed Name)</u> 2. Secretary <u>(Title)</u>	<u>(Signature)</u> Mark D. Wright <u>(Printed Name)</u> 3. Treasurer <u>(Title)</u>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017

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

Yes[X] No[ ]

\_\_\_\_\_  
 (Notary Public Signature)

**DIRECTORS OR TRUSTEES (continued)**

Dick Maggiore

Michael A. Rich M.D.

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	25,940,617		25,940,617	25,754,035
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	7,742,637		7,742,637	7,444,334
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....33,520,450), cash equivalents (\$.....0) and short-term investments (\$.....101,717) .....	33,622,166		33,622,166	20,206,262
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....	17,526,047		17,526,047	19,161,640
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	84,831,468		84,831,468	72,566,271
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	166,987		166,987	157,739
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,275,640		3,275,640	4,030,450
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) .....	121,379		121,379	123,151
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,453,061		2,453,061	2,827,471
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				5,306
18.2 Net deferred tax asset .....	919,636		919,636	919,636
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	856,460		856,460	461,057
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	326,101		326,101	1,824,965
24. Health care (\$.....0) and other amounts receivable .....	4,257,752	1,229,357	3,028,395	3,141,385
25. Aggregate write-ins for other-than-invested assets .....				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	97,208,484	1,229,357	95,979,127	86,057,430
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	97,208,484	1,229,357	95,979,127	86,057,430
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....746,000 reinsurance ceded) .....	29,271,447		29,271,447	24,308,824
2. Accrued medical incentive pool and bonus amounts .....	1,123,221		1,123,221	986,471
3. Unpaid claims adjustment expenses .....	476,800		476,800	484,423
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	9,412,902		9,412,902	7,951,201
9. General expenses due or accrued .....	7,182,181		7,182,181	7,028,375
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	443,700		443,700	
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....	3,952,065		3,952,065	2,548,440
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	769		769	769
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. Total liabilities (Lines 1 to 23) .....	51,863,086		51,863,086	43,308,503
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X	1,000,000	1,000,000
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	18,387,534	18,387,534
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	24,728,508	23,361,393
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	44,116,042	42,748,927
34. Total Liabilities, capital and surplus (Lines 24 and 33) .....	X X X	X X X	95,979,128	86,057,430
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. Health Insurance Tax .....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X	238,044	255,056	998,689
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	64,861,677	63,659,672	259,316,046
3. Change in unearned premium reserves and reserves for rate credits .....	X X X			
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X			
5. Risk revenue .....	X X X			
6. Aggregate write-ins for other health care related revenues .....	X X X			
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Lines 2 to 7) .....	X X X	64,861,677	63,659,672	259,316,046
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		36,092,286	35,904,542	135,438,424
10. Other professional services .....				
11. Outside referrals .....		5,577,489	7,445,500	26,363,820
12. Emergency room and out-of-area .....		1,448,510	1,456,340	4,479,829
13. Prescription drugs .....		8,225,033	7,898,102	38,273,032
14. Aggregate write-ins for other hospital and medical .....		4,577,835	3,156,032	16,496,724
15. Incentive pool, withhold adjustments and bonus amounts .....		240,000	252,321	588,749
16. Subtotal (Lines 9 to 15) .....		56,161,154	56,112,836	221,640,578
<b>Less:</b>				
17. Net reinsurance recoveries .....		1,622,579	3,296,629	9,480,327
18. Total hospital and medical (Lines 16 minus 17) .....		54,538,575	52,816,207	212,160,251
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....706,301 cost containment expenses .....		1,446,707	1,552,239	7,458,983
21. General administrative expenses .....		7,511,496	11,540,850	31,117,941
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) .....		63,496,778	65,909,296	250,737,174
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	1,364,899	(2,249,624)	8,578,871
25. Net investment income earned .....		(49,010)	136,722	792,845
26. Net realized capital gains (losses) less capital gains tax of \$.....967 .....		1,877	(3,240)	16,504
27. Net investment gains or (losses) (Lines 25 plus 26) .....		(47,133)	133,482	809,349
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29. Aggregate write-ins for other income or expenses .....				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X	1,317,766	(2,116,143)	9,388,221
31. Federal and foreign income taxes incurred .....	X X X	448,039	713,012	3,885,811
32. Net income (loss) (Lines 30 minus 31) .....	X X X	869,727	(2,829,155)	5,502,410
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Reinsurance Claims .....		4,577,835	3,156,032	16,496,724
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) .....		4,577,835	3,156,032	16,496,724
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	42,748,927	35,951,840	35,951,840
34. Net income or (loss) from Line 32 .....	869,727	(2,829,155)	5,502,410
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	224,138	67,888	255,032
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			246,638
39. Change in nonadmitted assets .....	273,250	1,345,694	793,007
40. Change in unauthorized and certified reinsurance .....			
41. Change in treasury stock .....			
42. Change in surplus notes .....			
43. Cumulative effect of changes in accounting principles .....			
44. Capital Changes:			
44.1 Paid in .....			
44.2 Transferred from surplus (Stock Dividend) .....			
44.3 Transferred to surplus .....			
45. Surplus adjustments:			
45.1 Paid in .....			
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Transferred from capital .....			
46. Dividends to stockholders .....			
47. Aggregate write-ins for gains or (losses) in surplus .....			
48. Net change in capital and surplus (Lines 34 to 47) .....	1,367,115	(1,415,573)	6,797,087
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	44,116,042	34,536,267	42,748,927
<b>DETAILS OF WRITE-INS</b>			
4701. 0 .....			
4702. 0 .....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	68,483,585	67,186,840	258,130,497
2. Net investment income .....	(28,576)	159,689	896,887
3. Miscellaneous income .....			
4. TOTAL (Lines 1 to 3) .....	68,455,009	67,346,529	259,027,384
5. Benefit and loss related payments .....	48,678,554	50,303,112	206,941,401
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	8,812,019	9,357,527	39,304,436
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	0	6,699,264	11,294,563
10. TOTAL (Lines 5 through 9) .....	57,490,573	66,359,903	257,540,399
11. Net cash from operations (Line 4 minus Line 10) .....	10,964,436	986,626	1,486,985
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	2,004,852	516,456	4,289,614
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....	1,606,465	639,023	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(22)		(42)
12.7 Miscellaneous proceeds .....		161,829	732,890
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....	3,611,295	1,317,308	5,022,461
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	2,218,250	431,277	5,499,801
13.2 Stocks .....	45,038	37,756	186,419
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....	0		0
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	2,263,288	469,033	5,686,220
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	1,348,007	848,275	(663,759)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	1,103,461	243,664	(1,216,124)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	1,103,461	243,664	(1,216,124)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	13,415,904	2,078,565	(392,898)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	20,206,262	20,599,160	20,599,160
19.2 End of period (Line 18 plus Line 19.1) .....	33,622,166	22,677,725	20,206,262

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

20.0001	Cumulative effect of changes in accounting principles .....			
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## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	80,621	7,533	41,056	394		9,933	1,796			19,909
2. First Quarter .....	78,858	7,799	39,399	470		9,474	1,732			19,984
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	238,044	23,273	119,594	1,366		28,485	5,257			60,069
Total Member Ambulatory Encounters for Period:										
7. Physician .....	53,956	8,428	42,660				2,868			
8. Non-Physician .....	90,622	13,534	72,403				4,685			
9. Total .....	144,578	21,962	115,063				7,553			
10. Hospital Patient Days Incurred .....	4,117	691	3,138				288			
11. Number of Inpatient Admissions .....	863	151	662				50			
12. Health Premiums Written (a) .....	67,334,023	9,455,966	48,130,441	240,938		772,249	3,497,636			5,236,793
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	67,334,023	9,455,966	48,130,441	240,938		772,249	3,497,636			5,236,793
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	49,439,202	6,567,914	36,444,088	150,792		532,468	2,763,549			2,980,391
18. Amount Incurred for Provision of Health Care Services .....	56,161,154	7,600,047	40,155,255	150,792		540,091	3,137,134			4,577,835

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

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

**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid .....						
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....						
0499999 Subtotals .....						
0599999 Unreported claims and other claim reserves .....						30,017,447
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						30,017,447
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						1,123,221

**UNDERWRITING AND INVESTMENT EXHIBIT****ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	14,014,269	28,781,493	5,520,019	17,073,145	19,534,288	18,825,227
2. Medicare Supplement .....		150,792				
3. Dental only .....		532,468	291,232	110,463	291,232	394,072
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....	498,414	2,265,135	663,121	801,866	1,161,535	1,092,924
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....	2,178,746	801,645	519,558	4,292,042	2,698,304	3,996,600
9. Health subtotal (Lines 1 to 8) .....	16,691,429	32,531,533	6,993,930	22,277,517	23,685,359	24,308,824
10. Healthcare receivables (a) .....	128,395				128,395	241,385
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....	103,250		883,221	240,000	986,471	986,471
13. Totals (Lines 9 - 10 + 11 + 12) .....	16,666,284	32,531,533	7,877,151	22,517,517	24,543,435	25,053,910

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

## Notes to Financial Statement

### SECTION A

#### 1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of AultCare Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

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

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

#### C. Accounting Policy

(1) No Change.

(2) No Change.

(3) No Change.

(4) No Change.

(5) No Change.

(6) No Change.

(7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$17,524,124. Of this amount, \$1,633 is invested in McKinley Life Agency, Ltd. \$7,061,553 is invested in AultCare Corporation. The remaining \$10,460,939 is invested in West Tuscarawas Property Management.

(8) No Change.

(9) No Change.

(10) No Change.

(11) No Change.

(12) No Change.

(13) No Change

#### 2. Accounting Changes and Corrections of Errors

- A. No Change.

#### 3. Business Combinations and Goodwill

A. No Change.

B. No Change.

C. No Change.

D. No Change.

#### 4. Discontinued Operations

- A. No Change.

#### 5. Investments

A. No Change.

B. No Change.

C. No Change.

D. No Change.

E. No Change.

F. The Company owns \$10,460,939 worth of shares in West Tuscarawas Property Management, an affiliate company.

G. No Change.

H. No Change.

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

A. No Change.

B. No Change.

#### 7. Investment Income

- A. No Change.

## Notes to Financial Statement

## 8. Derivative Instruments

A. No Change.

## 9. Income Taxes

A. The components of the net deferred tax asset/ (liability) at March 31, 2017 are as follows:

1. (reported in thousands)		03/31/2017			03/31/2016			Change		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Gross Deferred Tax Assets	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ -	\$ 247
(b)	Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Adjusted Gross Deferred Tax Assets(1a-1b)	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ -	\$ 247
(d)	Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e)	Subtotal (Net Deferred Tax Assets) (1c-1d)	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ -	\$ 247
(f)	Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ -	\$ 247
2. (reported in thousands)		03/31/2017			03/31/2016			Change		
Admission Calculation Components SSAP No. 101		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ -	\$ 247
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The lessor of 2(b)1 and 2(b)2 Below)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Cont. Note 9 A 2

	1	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	\$6,479	XXX	XXX	\$6,274	XXX	\$205
(c)		Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(d)		Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$920	\$ -	\$920	\$673	\$ -	\$673	\$ 247	\$ 247
3. (reported in thousands)		2017		2016						
(a)		Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	15%		15%					
(b)		Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$43,196		\$41,829					
4. (reported in thousands)		03/31/2017			03/31/2016			Change		
Impact of Tax Planning Strategies		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Ordinary	Capital	Col 1+2 Total	Ordinary	Capital	Col 4+5 Total	Col 1-4 Ordinary	Col 2-5 Capital	Col 7+8 Total
(a)	Adjusted Gross DTA's (% of total adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b)	Net Admitted Adjusted Gross DTA's (% of total net admitted adjusted gross DTA's)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c)	Does the Company's Tax Planning Strategies Include the Use of Reinsurance?	Yes	No	X						

B. Not Applicable

C. Current Income Taxes Incurred consist of the following major components:

		(1)	(2)	(3)
		03/31/2017	03/31/2016	(Col 1-2) Change
1.	Current Income Tax			
(a)	Federal	\$ 449,006	\$711,343	\$(262,337)
(b)	Foreign	\$ -	\$ -	\$ -
(c)	Subtotal	\$ 449,006	\$711,343	\$(262,337)
(d)	Federal Income Tax on Net Capital Gains	\$ -	\$ -	\$ -
(e)	Utilization of Capital Loss Carry-Forwards	\$ -	\$ -	\$ -
(f)	Other	\$ -	\$ -	\$ -
(g)	Federal and Foreign Income Taxes Incurred	\$ 449,006	\$711,343	\$(262,337)
2.	Deferred Tax Assets			
(a)	Ordinary			
(1)	Discounting of Unpaid Losses	\$ -	\$ -	\$ -
(2)	Unearned Premium Reserve	\$ -	\$ -	\$ -
(3)	Policyholder Reserves	\$ -	\$ -	\$ -

## Notes to Financial Statement

(4)	Investments	\$ -	\$ -	\$ -
(5)	Deferred Acquisition Costs	\$ -	\$ -	\$ -
(6)	Policyholder Dividends Accrual	\$ -	\$ -	\$ -
(7)	Fixed Assets	\$ -	\$ -	\$ -
(8)	Compensation and Benefits Accrual	\$ -	\$ -	\$ -
(9)	Pension Accrual	\$ -	\$ -	\$ -
(10)	Receivables – Allowance	\$ -	\$ -	\$ -
(11)	Net Operating Loss Carry-Forward	\$ 56,630	\$ 56,630	\$ -
(12)	Tax Credit Carry-Forward Other (including items <5% of total ordinary tax assets)	\$ -	\$ -	\$ -
(13)		\$ 863,006	\$ 616,368	\$ 246,638

## Cont. Note 9 C 2

(14)	Subtotal	\$919,636	\$672,998	\$ 246,638
(b)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c)	Nonadmitted	\$ -	\$ -	\$ -
(d)	Admitted ordinary deferred tax assets (2a14- 2b-2c)	\$919,636	\$672,998	\$ 246,638
(e)	Capital			
(1)	Net Capital Loss Carry-Forward	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(f)	Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g)	Nonadmitted	\$ -	\$ -	\$ -
(h)	Admitted capital deferred tax assets (2e2 - 2f - 2g)	\$ -	\$ -	\$ -
(i)	Admitted deferred tax assets (2d + 2h)	\$919,636	\$672,998	\$ 246,638
3.	Deferred Tax Liabilities			
(a)	Ordinary			
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(b)	Capital	\$ -	\$ -	\$ -
(1)	Investments	\$ -	\$ -	\$ -
(2)	Subtotal	\$ -	\$ -	\$ -
(c)	Deferred tax liabilities (3a2 + 3b2)	\$ -	\$ -	\$ -
4.	Net deferred tax assets/liabilities (2i - 3c)	\$919,636	\$672,998	\$ 246,638

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

	03/31/2017	Effective Tax Rate
Provision computed at statutory rate	\$448,041	34.0%
Change in nonadmitted assets	\$(273,250)	-20.7%
Tax exempt income, net of proration	\$ -	0.0%
Dividends received deduction, net of proration	\$ -	0.0%
Nondeductible expenses	\$27,200	2.1%
Elimination of IMR Amortization	\$ -	0.0%
Small Life Insurance Company Deduction	\$ -	0.0%
Prior year under (over) accrual	\$ -	0.0%
Other	\$ -	0.0%
Total statutory income tax expense (benefit)	\$201,991	15.3%
	03/31/2017	Effective Tax Rate
Federal and foreign income taxes incurred	\$202,368	15.4%
Realized capital gains (losses) tax	\$ -	0.0%
Change in net deferred income taxes	\$ 246,638	18.7%
Total statutory income tax expense (benefit)	\$ 449,006	34.1%

## E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits

- (1) At March 31, 2017, the Company had no net operating loss carry forwards available to offset against future taxable income.
- (2) There are no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.

F. The Company is included in a consolidated federal income tax return with its parent company, AultCare Holding Company. The Company is consolidated with the following Subsidiaries, AultCare Health Insuring Corporation; Aultra Administrative Group; North Central Medical Resources; Aultman Medical Group, Inc.; and AultComp MCO, Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity in which is a party to the consolidation. In the event any federal Tax Benefit Item of the AultCare Companies for any taxable period after they cease being Members of the Consolidated Group is eligible to be carried back to a taxable period

## Notes to Financial Statement

while the AultCare Companies were Members of the Consolidated Group, the AultCare Companies shall, where possible, elect to carry such amounts forward to subsequent taxable periods. If the AultCare Companies are required by law to carry back any such federal Tax Benefit Item, the AultCare Companies shall be entitled to a payment at the time and to the extent that such Tax Benefit Item reduces the federal income Tax liability of the Consolidated Group. For purposes of computing the amount of the payment described in this section, one or more federal Tax Benefit Items shall be considered to have reduced the Consolidated Group's federal income Tax liability in a given taxable period by an amount equal to the difference, if any, between (i) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed without regard to such federal Tax Benefit Item or Items and (ii) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed with regard to such federal Tax Benefit Item or Items. For the avoidance of doubt, if the AultCare Companies are required to carry back a federal Tax Benefit Item, such federal Tax Benefit Item shall reduce the Consolidated Group's federal income Tax liability only after all federal Tax Benefit Items of AultCare Holdings have been applied to reduce the Consolidated Group's federal income Tax liability in such taxable period. Appropriate reconciliation payments shall be made in the event that it is subsequently determined that a Tax Benefit Item did not reduce the Consolidated Group's federal income Tax liabilities, including by reason of any such Tax Benefit Item being subsequently disallowed in whole or in part or by reason of other Tax benefits becoming available.

G. Federal or Foreign Income Tax Loss Contingencies

(1) The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, The following transactions are all as of March 31, 2017; The Company has a capitation arrangement with Aultman Hospital and has paid a total of \$8,858,528 in capitated claims for its commercial enrollees under the terms of the existing agreement.

The Company has a management services agreement with Aultman Health Foundation, the ultimate controlling entity and AultCare Corporation, an affiliate that allows various administrative, marketing, and claims processing services to be completed on behalf of the Company. The Company paid \$133,477 to Aultman Health Foundation for management services that were provided and paid \$5,109,516 of expenses to AultCare Corporation for management services. The Company has an operating lease for office space and paid \$50,544 to Aultman Health Foundation for rent.

D. At March 31, 2017, the Company reported \$326,101 due from the parent company, AultCare Health Insuring Corporation. The Company has an intercompany revolving credit facility in place with AultCare Corporation, an affiliate that allows AultCare Corporation to borrow and repay operating funds. As of March 31, 2017, AultCare Corporation owes \$7,061,553 under the terms of the agreement. The Company also has capitation arrangement with the Aultman Hospital for anticipation of future services. As of March 31, 2017, the Company has paid \$2,900,000 to Aultman Hospital for these future services.

E. No Change.

F. No Change.

G. No Change.

H. The Company has an investment in West Tuscarawas Property Management with an admitted asset value of \$10,460,939. The Company also had an investment in a subsidiary, McKinley Life Agency, Ltd. of \$1,633. Also, the Company had an investment in an affiliate, AultCare Corporation of \$7,061,553.

I. No Change.

J. No Change.

K. No Change.

L. No Change.

11. Debt

A. No Change.

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

A. No Change.

B. Contributions of 3% of each employee's compensation are made each year. The Company's contribution for the defined contribution plan was \$88,206 and \$71,335 for 2017 and 2016 respectively.

## Notes to Financial Statement

C – F No Change.

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

(1) The Company has \$1,000,000 in common stock outstanding, which is owned by the parent, AultCare Health Insuring Corporation.

(2) No Change.

(3) No Change.

(4) No Change.

(5) No Change.

(6) No Change.

(7) No Change.

(8) No Change.

(9) No Change.

(10) No Change.

(11) No Change.

(12) No Change.

(13) No Change.

## 14. Contingencies

A. No Change.

B. No Change.

C. No Change.

D. No Change.

E. No Change.

## 15. Leases

## A. Lessee Operating Lease

(1) The Company leases office space in buildings from Aultman Health Foundation through operating lease agreements that will expire Dec 31, 2017. In 2017 and 2016 respectively, the company paid \$50,544 and \$57,618 year to date to Aultman Health Foundation for rent expense. Certain rental commitments have renewal options extending through the year 2019. Some of these renewals are subject to adjustments in future periods.

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

	Year Ending December 31	Operating Leases
1.	2017	\$ 211,170

B. Leasing is not a significant part of the lessor's business activities in terms of revenue, net income, or assets.

## 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

A. No Change.

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

A. No Change.

B. No Change.

C. No Change.

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

A. No Change.

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

A. No Change.

## 20. Fair Value Measurement

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

(1)

Fair Value Measurements at Reporting Date				
(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Common Stock	\$ 7,742,637	\$ -	\$ -	\$ -
Total assets at fair value	\$ 7,742,637	\$ -	\$ -	\$ -

(2) No Change.

(3) No Change.

## 21. Other Items

A. No Change.

B. No Change.

C. No Change.

## Notes to Financial Statement

- D. At March 31, 2017 the Company had admitted assets of \$3,275,640 in accounts receivable and amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. No Change.
- F. No Change.
- G. No Change.
- H. No Change.
22. Events Subsequent
- A. As of May 15, 2017, there have been no Type I events subsequent to March 31, 2017, which would have a material effect on the financial condition of the Company or on the financial statement issued May 15, 2017.
- B. As of May 15, 2017, there have been no Type II events subsequent to March 31, 2017, which would have a material effect on the financial condition of the Company or on the financial statement issued May 15, 2017.
23. Reinsurance
- A. No Change.
- B. No Change.
- C. No Change.
24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (N/A –Title)
- A. No Change.
- B. No Change.
- C. The Company has accrued \$0 of net premiums written as of March 31, 2017 for the group health plan. No other net premiums written by the Company are subject to retrospective rating features.
- D. Not Applicable
- E. Risk Sharing Provisions of the Affordable Care Act
1. Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)?     YES
  2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

Description	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$0
3. Premium adjustments payable due to ACA Risk Adjustment	\$0
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$0
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$(1,066)
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$357,445
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$0
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$(262,813)
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$0
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$164,306
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$268,933
9. ACA Reinsurance contributions – not reported as ceded premium	\$0
c. Temporary ACA Risk Corridors Program	

## Notes to Financial Statement

Assets		
1. Accrued retrospective premium due to ACA Risk Corridors		\$0
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		\$0
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		\$1,772
4. Effect of ACA Risk Corridors on change in reserves for rate credits		\$0

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
2. Premium adjustments (payable)	\$ -	\$ -	\$ -	\$ 1,066	\$ -	\$ (1,066)	\$ -	\$ -	B	\$ -	\$ (1,066)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ -	\$ -	\$ 1,066	\$ -	\$ (1,066)	\$ -	\$ -		\$ -	\$ (1,066)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$1,324,047	\$ -	\$268,933	\$ -	\$1,055,114	\$ -	\$ -	\$ -	C	\$1,055,114	\$ -
2. Amounts recoverable for claims unpaid (contra liability)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E	\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$ -	\$930,734	\$ -	\$ (164,306)	\$ -	\$1,095,040	\$ -	\$ -	F	\$ -	\$1,095,040
5. Ceded reinsurance premiums payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	G	\$ -	\$ -
6. Liability for amounts held under uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$1,324,047	\$930,734	\$268,933	\$ (164,306)	\$1,055,114	\$1,095,040	\$ -	\$ -		\$1,055,114	\$1,095,040
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ (1,772)	\$ -	\$1,772	\$ -	\$ -	J	\$ -	\$1,772
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ (1,772)	\$ -	\$1,772	\$ -	\$ -		\$ -	\$1,772
d. Total for ACA Risk Sharing Provisions	\$1,324,047	\$930,734	\$268,933	\$ (165,012)	\$1,055,114	\$1,095,746	\$ -	\$ -		\$1,055,114	\$1,095,746

## Explanation of Adjustments

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

25. Change in Incurred Claims and Claims Adjustment Expenses  
A. Reserves as of December 31, 2016 were \$24 million. As of March 31, 2017, \$17 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years.
26. Intercompany Pooling Arrangements  
A. No Change.
27. Structured Settlements  
A. No Change.
28. Health Care Receivables  
A.

## Notes to Financial Statement

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
3/31/2017	\$1,223,357	\$ -	\$ -	\$ -	\$ -
12/31/2016	\$1,223,357	\$ -	\$ -	\$ -	\$ -
9/30/2016	\$940,602	\$ -	\$ -	\$534,015	\$ -
6/30/2016	\$940,602	\$ -	\$ -	\$556,059	\$ -
3/31/2016	\$940,602	\$ -	\$ -	\$417,122	\$ -
12/31/2015	\$932,154	\$8,449	\$ -	\$540,028	\$ -
9/30/2015	\$922,180	\$18,423	\$27,933	\$531,205	\$ -
6/30/2015	\$1,560,133	\$13,238	\$ -	\$352,148	\$ -
3/31/2015	\$1,573,372	\$ -	\$ -	\$364,040	\$20,009
12/31/2014	\$1,668,219	\$14,736	\$ -	\$478,983	\$369,100
9/30/2014	\$577,770	\$13,645	\$ -	\$761,601	\$ -
6/30/2014	\$578,596	\$12,818	\$ -	\$752,127	\$ -
3/31/2014	\$576,220	\$15,195	\$ -	\$716,029	\$ -

- B. No Change.
- 29. Participating Policies
  - A. No Change.
- 30. Premium Deficiency Reserves
  - A. No Change.
- 31. Anticipated Salvage and Subrogation
  - A. No Change.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
  
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
  
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
  
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[X] N/A[ ]  
If yes, attach an explanation.
  
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2015 .....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2010 .....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 09/21/2011 .....
- 6.4 By what department or departments?  
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
  
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 7.2 If yes, give full information
  
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 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]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain: Yes[ ] No[X]
- 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 326,101

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
  
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ ..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?  
 14.2 If yes, please complete the following:

Yes[X] No[]

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....	19,161,639	17,526,047
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	19,161,639	17,526,047
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?  
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
 If no, attach a description with this statement.

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

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

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

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?  
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[]

1 Name of Custodian(s)	2 Custodian Address
FirstMerit Trust Company .....	4481 Munson St. NW #200, Canton, OH 44718 .....
The Vanguard Group .....	P.O. Box 2600 Valley Forge, PA 19482 .....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?  
 17.4 If yes, give full and complete information relating thereto:

Yes[] No[X]

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

17.5 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
.....	.....

17.5097 For those firms/individuals listed in the table for Question 17.5, 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?  
 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes[] No[X]

Yes[] No[X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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
.....	.....	.....	.....	.....

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

Yes[X] No[]

## **GENERAL INTERROGATORIES (Continued)**

18.2 If no, list exceptions:

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent	..... 74.470%
1.2 A&H cost containment percent	..... 1.050%
1.3 A&H expense percent excluding cost containment expenses	..... 11.160%
2.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<b>NONE</b>								

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS****Current Year to Date - Allocated by States and Territories**

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
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	63,836,388			3,497,636			67,334,023	
37. Oklahoma (OK) .....	N								
38. Oregon (OR) .....	N								
39. Pennsylvania (PA) .....	N								
40. Rhode Island (RI) .....	N								
41. South Carolina (SC) .....	N								
42. South Dakota (SD) .....	N								
43. Tennessee (TN) .....	N								
44. Texas (TX) .....	N								
45. Utah (UT) .....	N								
46. Vermont (VT) .....	N								
47. Virginia (VA) .....	N								
48. Washington (WA) .....	N								
49. West Virginia (WV) .....	N								
50. Wisconsin (WI) .....	N								
51. Wyoming (WY) .....	N								
52. American Samoa (AS) .....	N								
53. Guam (GU) .....	N								
54. Puerto Rico (PR) .....	N								
55. U.S. Virgin Islands (VI) .....	N								
56. Northern Mariana Islands (MP) .....	N								
57. Canada (CAN) .....	N								
58. Aggregate other alien (OT) .....	X X X								
59. Subtotal .....	X X X	63,836,388			3,497,636			67,334,023	
60. Reporting entity contributions for Employee Benefit Plans .....	X X X								
61. Total (Direct Business) .....	(a) 1	63,836,388			3,497,636			67,334,023	
<b>DETAILS OF WRITE-INS</b>									
58001. ....	X X X								
58002. ....	X X X								
58003. ....	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) .....	X X X								

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

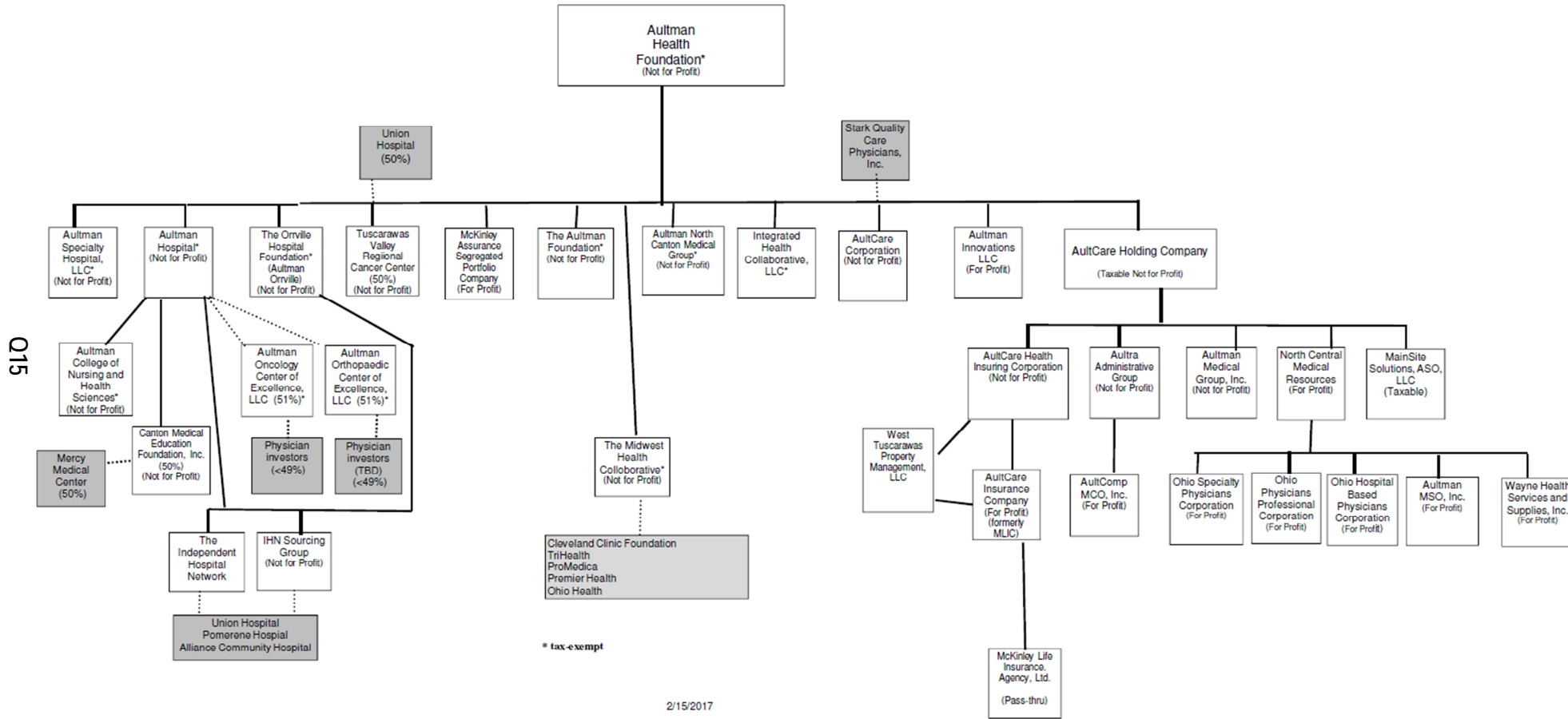
(a) Insert the number of L responses except for Canada and Other Alien.

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

Aultman Health Foundation Organizational Chart



# 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)	*	
4805		00000	34-1445390				Aultman Health Foundation	US	UIP	Self	Board of Directors		Aultman Health Foundation	N		
		00000	34-0714538				Aultman Hospital	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N	0000004	
		77216	34-1624818				AultCare Insurance Company	US	RE	AultCare Health Insuring Corporation	Ownership	100.0	Aultman Health Foundation	N		
		00000	34-1488123				AultCare Corporation	US	IA	Aultman Health Foundation & Stark County Care Physicians, Inc	Other		Aultman Health Foundation	N	0000001	
		00000	20-0090246				West Tuscarawas Property Management, LLC	US	DS	AultCare Insurance Company	Ownership	87.0	Aultman Health Foundation	N		
		00000	34-1795772				McKinley Life Insurance Agency, Ltd.	US	DS	AultCare Insurance Company	Ownership	100.0	Aultman Health Foundation	N		
		00000	20-4951704				Aultra Administrative Group	US	IA	AultCare Holding Company	Management		Aultman Health Foundation	N		
		00000	27-4379962				AultComp MCO, Inc.	US	NIA	Aultra Administrative Group	Ownership	100.0	Aultman Health Foundation	N		
		00000	34-1853300				Ohio Specialty Physician's Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	N		
		00000	98-0468384				McKinley Assurance Segregated Portfolio Company (SPC)	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	20-1359433				Aultman College of Nursing and Health Sciences	US	NIA	Aultman Hospital	Ownership	100.0	Aultman Hospital	N		
		00000	31-1509904				Aultman MSO, Inc.	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	N		
		00000	20-8090459				The Aultman Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	31-1509897				Ohio Physicians Professional Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	N		
		00000	34-1610344				North Central Medical Resources	US	NIA	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation	N		
		00000	34-1871647				Ohio Hospital Based Physician Corporation	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	N		
		00000	31-1689698				Tuscarawas Valley Regional Cancer Center	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Health Foundation	N	0000002	
		00000	13-4246188				Acute Care Specialty Hospital at Aultman, LLC	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
	4805		00000	34-1243260				Canton Medical Education Foundation	US	NIA	Other	Ownership, Board of Directors	50.0	Aultman Hospital	N	0000003
			15461	46-3305099				AultCare Health Insuring Corporation	US	UDP	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation	N	
		00000	34-1088530				Aultman North Canton Medical	US	NIA	Aultman Health Foundation	Ownership, Board of Directors	100.0	Aultman Health Foundation	N		
		00000	34-0733138				The Orville Hospital Foundation	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	45-3166014				Aultman Medical Group, Inc	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	47-1165287				AultCare Holding Company	US	UIP	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	47-3587655				MainSight ASO, LLC	US	NIA	AultCare Holding Company	Ownership	100.0	Aultman Health Foundation	N		
		00000	34-1501390				Wayne Health Services and Supplies, Inc	US	NIA	North Central Medical Resources	Ownership	100.0	Aultman Health Foundation	N		
		00000	46-4625320				Integrated Health Collaborative	US	NIA	Aultman Health Foundation	Ownership	100.0	Aultman Health Foundation	N		
		00000	45-4215510				Aultman Oncology Center of Excellence	US	NIA	Other	Ownership, Other		Aultman Health Foundation	N	0000004	
	00000	46-2540184				Aultman Orthopedic Center of Excellence	US	NIA	Other	Ownership, Other		Aultman Health Foundation	N	0000004		
	00000	81-1342957				The Midwest Health Collaborative	US	NIA	Other	Other		Aultman Health Foundation	N	0000005		
	00000	45-1731318				IHN Sourcing Group	US	NIA	Other	Other		Aultman Health Foundation	N	0000006		

Q16

Asterisk	Explanation
0000001	AultCare Corporation's governance is controlled by Aultman Health Foundation 50% and Stark Quality Care Physicians, Inc 50%, 100% of equity owned by Aultman Health Foundation
0000002	Tuscarawas Valley Regional Cancer Center is controlled by Aultman Health Foundation 50% and a non-insurance affiliate entity Union Hospital 50%
0000003	Canton Medical Education Foundation is controlled by Aultman Hospital 50% and a non-insurance affiliate entity Mercy Medical Center 50%

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

**RESPONSE**

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



77216201736500001

2017

Document Code: 365



STATEMENT AS OF **March 31, 2017** OF THE **AultCare Insurance Company**  
**SCHEDULE A - VERIFICATION**

**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other-than-temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

**NONE**

**SCHEDULE B - VERIFICATION**

**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points .....		
9. Total foreign exchange change in book value/recorded investment .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

**NONE**

**SCHEDULE BA - VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	19,161,640	19,986,376
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....	(29,127)	(824,736)
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....	1,606,465	
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....	17,526,047	19,161,640
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	17,526,047	19,161,640

**SCHEDULE D - VERIFICATION**

**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	33,198,369	31,552,835
2. Cost of bonds and stocks acquired .....	2,263,288	5,686,220
3. Accrual of discount .....	5,292	21,065
4. Unrealized valuation increase (decrease) .....	253,265	346,878
5. Total gain (loss) on disposals .....	2,866	25,049
6. Deduct consideration for bonds and stocks disposed of .....	2,004,852	4,289,614
7. Deduct amortization of premium .....	34,974	144,064
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	33,683,255	33,198,369
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	33,683,255	33,198,369

## SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	24,760,299	1,924,309	1,966,459	(24,864)	24,693,285			24,760,299
2. NAIC 2 (a) .....	1,141,913	293,941	80,568	(6,238)	1,349,048			1,141,913
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	25,902,212	2,218,250	2,047,027	(31,102)	26,042,333			25,902,212
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	25,902,212	2,218,250	2,047,027	(31,102)	26,042,333			25,902,212

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

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**SCHEDULE DA - PART 1****Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	101,717	X X X	104,569	3,063	

**SCHEDULE DA - Verification****Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	148,177	155,419
2. Cost of short-term investments acquired .....		198,053
3. Accrual of discount .....		2
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	(22)	(42)
6. Deduct consideration received on disposals .....	45,019	200,278
7. Deduct amortization of premium .....	1,419	4,976
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	101,717	148,177
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	101,717	148,177

**SI04 Schedule DB - Part A Verification ..... NONE**

**SI04 Schedule DB - Part B Verification ..... NONE**

**SI05 Schedule DB Part C Section 1 ..... NONE**

**SI06 Schedule DB Part C Section 2 ..... NONE**

**SI07 Schedule DB - Verification ..... NONE**

**SI08 Schedule E - Verification (Cash Equivalents) ..... NONE**

**E01 Schedule A Part 2 ..... NONE**

**E01 Schedule A Part 3 ..... NONE**

**E02 Schedule B Part 2 ..... NONE**

**E02 Schedule B Part 3 ..... NONE**

## SCHEDULE BA - PART 2

### Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
NONE												
4699999 TOTALS .....												... X X X ...

## SCHEDULE BA - PART 3

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value					15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income	
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9 + 10 - 11 + 12)							14 Total Foreign Exchange Change in B./A.C.V.
<b>Non-collateral Loans - Affiliated</b>																			
	AultCare Affiliated .....	Canton .....	OH	AultCare Insurance Company	01/01/2009	03/31/2017	8,669,940	(1,606,465)			(1,606,465)		7,063,475					21,102	
2899999 Subtotal - Non-collateral Loans - Affiliated .....							8,669,940	(1,606,465)			(1,606,465)		7,063,475					21,102	
4499999 Total - Unaffiliated .....																			
4599999 Total - Affiliated .....							8,669,940	(1,606,465)			(1,606,465)		7,063,475					21,102	
4699999 TOTALS .....							8,669,940	(1,606,465)			(1,606,465)		7,063,475					21,102	

QE03

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
912828XE5	U.S. TREASURY NOTES 1.500% 5/31/2020		02/28/2017	FirstMerit	X X X	498,984	500,000	1,875	1
9128282A7	U.S. TREASURY NOTES 1.500% 8/15/2026		01/04/2017	FirstMerit	X X X	414,225	450,000	2,623	1
912828D72	U.S. TREASURY NT 2.00% 8/31/2021		01/04/2017	FirstMerit	X X X	351,470	350,000	2,456	1
912828G38	U.S. TREASURY NT 2.25% 11/15/2024		03/10/2017	FirstMerit	X X X	492,500	500,000	3,667	1
0599999	Subtotal - Bonds - U.S. Governments				X X X	1,757,179	1,800,000	10,621	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
0258M0EE5	AMERICAN EXPRESS MTN 2.200% 3/03/2020		03/02/2017	FirstMerit	X X X	74,953	75,000	18	1
037833AK6	APPLE INC 2.400% 5/3/2023		02/10/2017	FirstMerit	X X X	39,254	40,000	272	1
14040HAY1	CAPITAL ONE FINL 4.750% 7/15/2021		03/16/2017	FirstMerit	X X X	69,713	65,000	566	2
126410LK3	CSX TRANSPORTATION 9.750% 6/15/2020		01/24/2017	FirstMerit	X X X	92,507	75,000	853	2
26884AAZ6	ERP OPERATING-LP 4.625% 12/15/2021		02/10/2017	FirstMerit	X X X	27,222	25,000	193	1
594185AQ3	MICHIGAN BELL TELEPHONE 7.850% 1/15/2022		02/23/2017	FirstMerit	X X X	77,806	65,000	609	2
718546AC8	PHILLIPS 66 - 4.300% 4/01/2022		01/05/2017	FirstMerit	X X X	53,916	50,000	591	2
976656CD8	WI ELEC POWER 2.950% 9/15/2021		02/10/2017	FirstMerit	X X X	25,702	25,000	307	1
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	461,071	420,000	3,410	X X X
8399997	Subtotal - Bonds - Part 3				X X X	2,218,250	2,220,000	14,031	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	2,218,250	2,220,000	14,031	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
<b>Common Stocks - Mutual Funds</b>									
31428Q739	FEDERATED TOTAL BOND RETURN		01/03/2017	FirstMerit	1,024.663	11,036	X X X		L
31428Q739	FEDERATED TOTAL BOND RETURN		01/04/2017	FirstMerit	0.150	2	X X X		L
31428Q739	FEDERATED TOTAL BOND RETURN		02/01/2017	FirstMerit	836.649	9,036	X X X		L
31428Q739	FEDERATED TOTAL BOND RETURN		03/01/2017	FirstMerit	810.893	8,798	X X X		L
922908728	VANGUARD TOTAL MKT FUND		03/23/2017	FirstMerit	276.355	16,167	X X X		L
9299999	Subtotal - Common Stocks - Mutual Funds				X X X	45,038	X X X		X X X
9799997	Subtotal - Common Stocks - Part 3				X X X	45,038	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799999	Subtotal - Common Stocks				X X X	45,038	X X X		X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	45,038	X X X		X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	2,263,288	X X X	14,031	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

QE04

## SCHEDULE D - PART 4

### Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V.	15 Total Foreign Exchange Change in B./A.C.V.								
<b>Bonds - U.S. Governments</b>																						
3137EAM1	FHLMC 5.00% 2/16/2017		02/16/2017	FirstMerit	X X X	125,000	125,000	125,000	125,000						125,000					3,125	02/16/2017	1
3137EAM1	FHLMC 5.00% 2/16/2017		02/16/2017	FirstMerit	X X X	125,000	125,000	125,001	125,001	(1)			(1)		125,000					3,125	02/16/2017	1
912828TW0	U.S. TREASURY NT 0.75% 10/31/2017		01/04/2017	FirstMerit	X X X	324,594	325,000	318,057	323,610	23			23		323,633		961	961	444	10/31/2017	1	
912828TW0	U.S. TREASURY NT 0.75% 10/31/2017		01/04/2017	FirstMerit	X X X	199,750	200,000	199,797	199,931	1			1		199,932		(182)	(182)	273	10/31/2017	1	
912828SJO	U.S. TREASURY NT 0.88% 2/28/2017		02/28/2017	FirstMerit	X X X	500,000	500,000	499,844	499,995	5			5		500,000				2,188	02/28/2017	1	
912828RE2	U.S. TREASURY NT 1.50% 8/31/2018		01/04/2017	FirstMerit	X X X	251,328	250,000	251,172	250,291	(3)			(3)		250,288		1,040	1,040	1,316	08/31/2018	1	
0599999 Subtotal - Bonds - U.S. Governments					X X X	1,525,671	1,525,000	1,519,332	1,523,827	25			25		1,523,852		1,819	1,819	10,471	X X X	X X X	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																						
025816AX7	AMERICAN EXPRESS 6.15% 8/28/2017		03/02/2017	FirstMerit	X X X	51,139	50,000	60,369	51,479	(366)			(366)		51,113		25	25	1,614	08/28/2017	1	
00206RBM3	AT&T INC. 1.40% 12/1/2017		02/23/2017	FirstMerit	X X X	49,962	50,000	49,884	49,968	5			5		49,973		(11)	(11)	169	12/01/2017	1	
12189TAY0	BURLINGTON NORTH 5.65% 5/1/2017		01/24/2017	FirstMerit	X X X	50,550	50,000	58,943	50,702	(135)			(135)		50,568		(18)	(18)	675	05/01/2017	2	
14040HAL9	CAPITAL ONE FINL 5.25% 2/21/2017		02/21/2017	FirstMerit	X X X	30,000	30,000	33,105	30,138	(138)			(138)		30,000				788	02/21/2017	2	
22160KAC9	COSTCO WHOLESALE 5.50% 3/15/2017		01/05/2017	FirstMerit	X X X	50,399	50,000	52,538	50,477	(26)			(26)		50,451		(52)	(52)	878	03/15/2017	1	
406216AV3	HALLIBURTON CO 5.90% 9/15/2018		03/15/2017	FirstMerit	X X X	53,209	50,000	57,605	52,909	(342)			(342)		52,566		643	643	1,475	09/15/2018	1	
406216AV3	HALLIBURTON CO 5.90% 9/15/2018		03/15/2017	FirstMerit	X X X	15,963	15,000	16,490	15,780	(91)			(91)		15,688		274	274	443	09/15/2018	1	
58013MEE0	MCDONALD'S CORP MTN 5.35% 3/1/2018		02/10/2017	FirstMerit	X X X	77,960	75,000	82,160	78,055	(280)			(280)		77,775		186	186	1,828	03/01/2018	1	
70153RHD3	PARKWAY BK & TR CD 0.85% 3/20/2017		03/20/2017	FirstMerit	X X X	100,000	100,000	100,000	100,000						100,000				424	03/20/2017	1	
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	479,181	470,000	511,093	479,507	(1,373)			(1,373)		478,134		1,047	1,047	8,294	X X X	X X X	
8399997 Subtotal - Bonds - Part 4					X X X	2,004,852	1,995,000	2,030,426	2,003,334	(1,348)			(1,348)		2,001,986		2,866	2,866	18,765	X X X	X X X	
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	2,004,852	1,995,000	2,030,426	2,003,334	(1,348)			(1,348)		2,001,986		2,866	2,866	18,765	X X X	X X X	
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	2,004,852	X X X	2,030,426	2,003,334	(1,348)			(1,348)		2,001,986		2,866	2,866	18,765	X X X	X X X	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

**E06 Schedule DB Part A Section 1 ..... NONE**

**E07 Schedule DB Part B Section 1 ..... NONE**

**E08 Schedule DB Part D Section 1 ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity ..... NONE**

**E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity ..... NONE**

**E10 Schedule DL - Part 1 - Securities Lending Collateral Assets ..... NONE**

**E11 Schedule DL - Part 2 - Securities Lending Collateral Assets ..... NONE**

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
FirstMerit Bank - Trust	Canton, Ohio		0.370	734		806,932	834,284	655,496	X X X
FirstMerit Bank - Brokered CDs	Canton, Ohio		0.370	92		93,834	95,059	199,845	X X X
Huntington National Bank	Canton, Ohio					18,500,999	25,810,186	32,627,430	X X X
FirstMerit Bank-ST CDs	Canton, Ohio								X X X
FirstMerit Bank - Mutual Funds Cash	Canton, Ohio					9,413	9,416	9,418	X X X
FirstMerit Bank - Richmond Capital	Canton, Ohio		0.370	30		2,054	20,785	28,261	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		X X X	X X X						X X X
0199999 Totals - Open Depositories		X X X	X X X	855		19,413,232	26,769,730	33,520,450	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories		X X X	X X X						X X X
0299999 Totals - Suspended Depositories		X X X	X X X						X X X
0399999 Total Cash On Deposit		X X X	X X X	855		19,413,232	26,769,730	33,520,450	X X X
0499999 Cash in Company's Office		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash		X X X	X X X	855		19,413,232	26,769,730	33,520,450	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block; font-size: 2em; font-weight: bold; letter-spacing: 0.5em;">N O N E</div>							
8699999 Total - Cash Equivalents .....							

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