

# **QUARTERLY STATEMENT**

**OF THE**

**RECEIVED**

**NOV 15 2017**

**OFFICE OF RISK  
ASSESSMENT**

# **COSE Health and Wellness Trust**

**Of**

**Cleveland**

**in the state of**

**Ohio**

**to the Insurance Department**

**of the State of Ohio**

**For the Period Ended**

**September 30, 2017**

**2017**



# HEALTH QUARTERLY STATEMENT

As of September 30, 2017  
of the Condition and Affairs of the

## COSE Health and Wellness Trust

NAIC Group Code..... 0, 0  
(Current Period) (Prior Period)

NAIC Company Code..... 122

Employer's ID Number..... 81-6240902

Organized under the Laws of OHIO

State of Domicile or Port of Entry OHIO

Country of Domicile US

Licensed as Business Type Health

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... February 18, 2016

Commenced Business..... August 22, 2016

Statutory Home Office

1240 Huron Road E., Ste. 200..... Cleveland .... OH .... US .... 44115-1355  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

1240 Huron Road E., Ste. 200..... Cleveland .... OH .... US .... 44115-1355 216-592-2436  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address

1240 Huron Road E., Ste. 200..... Cleveland .... OH .... US .... 44115-1355  
(Street and Number) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1240 Huron Road E., Ste. 200..... Cleveland .... OH .... US .... 44115-1355 216-592-2436  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address

www.cosemewa.com

Statutory Statement Contact

Timothy E DiPlacido  
(Name)  
Tdiplacido@gcpartnership.com  
(E-Mail Address)

216-592-2292

(Area Code) (Telephone Number) (Extension)

(Fax Number)

### OFFICERS

Name  
1. Timothy Maynard Reynolds  
3.

Title  
Chairman

Name  
2. Stephen Anthony Millard  
4.

Title  
Plan Administrator

### OTHER

### DIRECTORS OR TRUSTEES

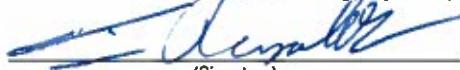
Timothy Maynard Reynolds

Elyse Anne Logan

Martha Judith Lanning

State of..... Ohio  
County of..... Cuyahoga

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.



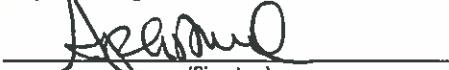
(Signature)

Timothy Maynard Reynolds

1. (Printed Name)

Chairman

(Title)



(Signature)

Stephen Anthony Millard

2. (Printed Name)

Plan Administrator

(Title)

(Signature)

3. (Printed Name)

(Title)

Subscribed and sworn to before me  
This 14<sup>th</sup> day of November, 2017  
Dana Stolia

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 [ ]



DANA STOLIA  
NOTARY PUBLIC  
STATE OF OHIO  
Recorded in  
Cuyahoga County  
My Comm. Exp. 9/21/19

Statement as of September 30, 2017 of the **COSE Health and Wellness Trust**  
**ASSETS**

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	4,762,559		4,762,559	
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances)			0	
4.3 Properties held for sale (less \$.....0 encumbrances)			0	
5. Cash (\$....6,560,430), cash equivalents (\$....) and short-term investments (\$....1,160,556)	7,720,986		7,720,986	5,834,491
6. Contract loans (including \$.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	(5,082)
12. Subtotals, cash and invested assets (Lines 1 to 11)	12,483,545	0	12,483,545	5,829,409
13. Title plants less \$.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	41,637		41,637	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	114,341		114,341	49,813
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets (\$.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care (\$.....0) and other amounts receivable	68,551		68,551	197,790
25. Aggregate write-ins for other than invested assets	17,526	17,526	0	5,082
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	12,725,600	17,526	12,708,074	6,082,094
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	12,725,600	17,526	12,708,074	6,082,094

**DETAILS OF WRITE-INS**

1101. Prepaid Business Insurance			0	(4,082)
1102. Prepaid State Certification Fee			0	(1,000)
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	(5,082)
2501. Prepaid Business Insurance	16,326	16,326	0	4,082
2502. Prepaid State Certification Fee			0	1,000
2503. Domestic Assessment Fee	1,200	1,200	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	17,526	17,526	0	5,082

**COSE Health and Wellness Trust**  
**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	5,623,508		5,623,508	805,512
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	224,940		224,940	
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	392,643		392,643	135,569
9. General expenses due or accrued.....	216,369		216,369	237,698
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	6,457,460	0	6,457,460	1,178,779
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	5,000,000	5,000,000
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	1,250,614	(96,685)
32. Less treasury stock, at cost:				
32.1 ....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 ....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	6,250,614	4,903,315
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	12,708,074	6,082,094

## DETAILS OF WRITE-INS

2301.....			0	
2302.....			0	
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501.....				
2502.....				
2503.....				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.....				
3002.....				
3003.....				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

**COSE Health and Wellness Trust**  
**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.....	XXX.....	61,364	401	4,863
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	21,917,917	131,553	1,770,158
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....			
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....			
5. Risk revenue.....	XXX.....			
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	21,917,917	131,553	1,770,158
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		10,292,766	79,841	688,594
10. Other professional services.....		592,063	6,032	39,600
11. Outside referrals.....		308,205	1,200	3,292
12. Emergency room and out-of-area.....		1,983,908	13,731	236,556
13. Prescription drugs.....		3,700,164	22,212	394,979
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....				
16. Subtotal (Lines 9 to 15).....	0	16,877,106	123,016	1,363,022
<b>Less:</b>				
17. Net reinsurance recoveries.....				
18. Total hospital and medical (Lines 16 minus 17).....	0	16,877,106	123,016	1,363,022
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		224,940		
21. General administrative expenses.....		3,469,897	46,785	504,632
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).....	0	20,571,943	169,801	1,867,654
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	1,345,974	(38,248)	(97,496)
25. Net investment income earned.....		39,133	2,230	5,892
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....				
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	39,133	2,230	5,892
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.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	1,385,108	(36,018)	(91,604)
31. Federal and foreign income taxes incurred.....	XXX.....			
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	1,385,108	(36,018)	(91,604)

**DETAILS OF WRITE-INS**

0601.....	XXX.....			
0602.....	XXX.....			
0603.....	XXX.....			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0	0	0
0701.....	XXX.....			
0702.....	XXX.....			
0703.....	XXX.....			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	0	0	0
1401.....				
1402.....				
1403.....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901.....				
2902.....				
2903.....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	0	0

**COSE Health and Wellness Trust**  
**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	4,903,315		
34. Net income or (loss) from Line 32.....	1,385,108	(36,018)	(91,604)
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	(25,364)		
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			
39. Change in nonadmitted assets.....	(12,444)		(5,082)
40. Change in unauthorized and certified reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....		5,000,000	5,000,000
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.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	1,347,299	4,963,982	4,903,315
49. Capital and surplus end of reporting period (Line 33 plus 48).....	6,250,614	4,963,982	4,903,315

**DETAILS OF WRITE-INS**

4701.....			
4702.....			
4703.....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0

# COSE Health and Wellness Trust

## 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.....	22,110,464	91,280	1,855,914
2. Net investment income.....	(786)	2,230	5,892
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	22,109,678	93,510	1,861,806
5. Benefit and loss related payments.....	11,929,871	19,615	755,300
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	3,491,226	(4,859)	266,934
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	15,421,097	14,756	1,022,234
11. Net cash from operations (Line 4 minus Line 10).....	6,688,580	78,754	839,572
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(2,824)		
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	(2,824)	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	4,786,817		
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,786,817	0	0
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).....	(4,789,641)	0	0
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....		5,000,000	5,000,000
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).....	(12,444)		(5,082)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(12,444)	5,000,000	4,994,918
<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 Line 15 plus Line 17).....	1,886,495	5,078,754	5,834,491
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	5,834,491		
19.2 End of period (Line 18 plus Line 19.1).....	7,720,986	5,078,754	5,834,491

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
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## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	2 Individual	3 Group	4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVII Medicare	9 Title XIX Medicaid	10 Other
<b>Total Members at End of:</b>										
1. Prior Year	1,982		1,982							
2. First Quarter	5,388			5,388						
3. Second Quarter	7,287			7,287						
4. Third Quarter	9,673			9,673						
5. Current Year	9,673			9,673						
6. Current Year Member Months	61,364			61,364						
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician	24,388			24,388						
8. Non-Physician	18,535			18,535						
9. Total	42,923	0	0	42,923	0	0	0	0	0	0
10. Hospital Patient Days Incurred	563			563						
11. Number of Inpatient Admissions	149			149						
12. Health Premiums Written (a)	23,663,722			23,663,722						
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	23,663,722									
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	0									
18. Amount Incurred for Provision of Health Care Services	16,877,106									

1		Aging Analysis of Unpaid Claims				
2		3		4		5
Account		1 - 30 Days		31 - 60 Days		61 - 90 Days
Claims Unpaid (Reported)						91 - 120 Days
0599999. Unreported Claims and Other Claim Reserves						Over 120 Days
0799999. Total Claims Unpaid						
5,623,508						5,623,508
						5,623,508

## 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		Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	5 Claims Incurred in Prior Years (Columns 1 + 3)	
1. Comprehensive (hospital and medical)	703,413		11,355,697	3,396	5,620,112	706,809
2. Medicare Supplement						0
3. Dental only						0
4. Vision only						0
5. Federal Employees Health Benefits Plan						0
6. Title XVIII - Medicare						0
7. Title XIX - Medicaid						0
8. Other health						0
9. Health subtotal (Lines 1 to 8)	703,413		11,355,697	3,396	5,620,112	706,809
10. Healthcare receivables (a)						0
11. Other non-health						0
12. Medical incentive pools and bonus amounts						0
13. Totals (Lines 9+10+11+12)	703,413		11,355,697	3,396	5,620,112	706,809
(a) Excludes \$ 0 loans or advances to providers not yet expended.						805,512

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

	SSAP #	F/S Page	F/S Line #	Current Period	2016
<b>NET INCOME</b>					
(1) COSE Health and Wellness Trust state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 1,385,108	\$ (91,604)
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 1,385,108	\$ (91,604)
<b>SURPLUS</b>					
(5) COSE Health and Wellness Trust state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 6,250,614	\$ 4,903,315
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 6,250,614	\$ 4,903,315

**C. Accounting Policy**

These financial statements have been prepared in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual.

**D. Going Concern**

There is no substantial doubt about the Cose Health and Wellness Trust's ability to continue as a going concern.

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No applicable

**Note 4 – Discontinued Operations**

No applicable

**Note 5 – Investments****D. Loan-Backed Securities - NOT APPLICABLE**

(1)

	1 Amortized Cost Basis Before Other-than-Temporary Impairment	2 Other-than-Temporary Impairment Recognized in Loss	3 Fair Value 1 – 2
<b>OTTI recognized 1<sup>st</sup> Quarter</b>			
a. Intent to sell	\$	\$	\$
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 1 <sup>st</sup> Quarter	\$	\$	\$
<b>OTTI recognized 2<sup>nd</sup> Quarter</b>			
d. Intent to sell	\$	\$	\$
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2 <sup>nd</sup> Quarter	\$	\$	\$
<b>OTTI recognized 3<sup>rd</sup> Quarter</b>			
g. Intent to sell	\$	\$	\$
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3 <sup>rd</sup> Quarter	\$	\$	\$
<b>OTTI recognized 4<sup>th</sup> Quarter</b>			
j. Intent to sell	\$	\$	\$
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4 <sup>th</sup> Quarter	\$	\$	\$
m. Annual aggregate total	XXX	\$	XXX

**NOTES TO FINANCIAL STATEMENTS**

## (3) Recognized OTTI securities

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
	\$	\$	\$	\$	\$	
Total						

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	\$

(5)

## E. Repurchase Agreements and/or Securities Lending Transactions - NOT APPLICABLE

## (3) Collateral Received

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$
--	----

C.

## I. Working Capital Finance Investments - NOT APPLICABLE

## (2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs

	Book/Adjusted Carrying Value
a. Up to 180 Days	\$
b. 181 to 365 Days	\$
c. Total	\$

(3)

## J. Offsetting and Netting of Assets and Liabilities

NOT APPLICABLE	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
(1) Assets	\$	\$	\$
(2) Liabilities	\$	\$	\$

## Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

## Note 7 – Investment Income

The Company purchased Bonds for the first time this quarter, thus adding an increase to Investment Income along with the previously noted establishment of a Money Market Account.

## Note 8 – Derivative Instruments

Not applicable

## Note 9 – Income Taxes

No significant changes

## Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Not applicable

## Note 11 – Debt - NOT APPLICABLE

## Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

## A. Defined Benefit Plan - NOT APPLICABLE


**NOTES TO FINANCIAL STATEMENTS**


**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

There were no changes to the Surplus level since the initial funding date.

**Note 14 – Liabilities, Contingencies and Assessments**

No significant change in the Claims Adjustment Reserve from the normal monthly adjustment in relation to the IBNR Reserve.

**Note 15 – Leases**

Not applicable

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not applicable

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans**

Not applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not applicable

**Note 20 – Fair Value Measurements**

A. The Company has no assets or liabilities that are reported at fair value as of September 30, 2017.

B. Not applicable

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
BONDS	\$ 4,764,276	\$ 4,762,559	\$	\$ 4,764,276	\$	\$

D. Not applicable

**Note 21 – Other Items**

Not applicable

**Note 22 – Events Subsequent**

Not applicable

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## 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 [ X ]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current period:

a. Permanent ACA Risk Adjustment Program	AMOUNT
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$
3. Premium adjustments payable due to ACA Risk Adjustment	\$
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$
b. Transitional ACA Reinsurance Program	AMOUNT
Assets	

**NOTES TO FINANCIAL STATEMENTS**

		AMOUNT
1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$
3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$
<b>Liabilities</b>		
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$
5.	Ceded reinsurance premiums payable due to ACA Reinsurance	\$
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$
<b>Operations (Revenue &amp; Expenses)</b>		
7.	Ceded reinsurance premiums due to ACA Reinsurance	\$
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$
9.	ACA Reinsurance contributions – not reported as ceded premium	\$
<b>c. Temporary ACA Risk Corridors Program</b>		AMOUNT
<b>Assets</b>		
1.	Accrued retrospective premium due to ACA Risk Corridors	\$
<b>Liabilities</b>		
3.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$
<b>Operations (Revenue &amp; Expenses)</b>		
3.	Effect of ACA Risk Corridors on net premium income (paid/received)	\$
4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$

(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 Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	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	0	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Premium adjustments (payable)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
b. Transitional ACA Reinsurance Program									C	\$	\$
1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	\$			
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 premiums									F		
5. Ceded reinsurance premiums payable									G		
6. Liability for amounts held under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	I	\$	\$
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
d. Total for ACA Risk Sharing Provisions	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$

## Explanations of Adjustments

A.  
B.  
C.  
D.

**NOTES TO FINANCIAL STATEMENTS**E.  
F.  
G.  
H.  
I.  
J.

## (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

	Accrued the Prior Year Written Before Dec. 31 of the Prior Year	During on Business Written Before Dec. 31 of the Prior Year	Received or Paid as of the Current Year on Business Written Before Dec. 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		
a. 2014				Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$	\$
b. 2015									C	\$	\$
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$			
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	D	\$	\$
c. 2016									E	\$	\$
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$			
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	F	\$	\$
d. Total for Risk Corridors	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$

A.  
B.  
C.  
D.  
E.  
F.

## (5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2015						
c. 2016						
d. Total (a+b+c)	\$	\$	\$	\$	\$	\$

## Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

On September 30, 2017, the Trust completed its thirteenth month of operation. Due to the credibility of the claims payments, Management exercised a conservative approach to the Trust's reserve balance.

Reserves as of September 30, 2017 were \$17.983 million. As of September 30, 2017, \$12.059 million has been paid for claims and \$5.924 million reserved (IBNR) attributable to insured events of future periods. The IBNR level of reserve was calculated and verified by the Company's outside Actuary. The calculated ratio was 70.8%. Management decided to reserve to a loss ratio of 77.0%. As mentioned in prior reports, this IBNR level is close to the pro-forma assumption of 80%.

No significant claims payments from the prior year impacted the December 31, 2016 IBNR reserve of \$805K this quarter. Actual prior year claims incurred are \$707K.

## Note 26 – Intercompany Pooling Arrangements

Not applicable

## Note 27 – Structured Settlements

Not applicable for Health Entities

## Note 28 – Health Care Receivables

No applicable

## Note 29 – Participating policies

No applicable

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## **NOTES TO FINANCIAL STATEMENTS**

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### **Note 30 – Premium Deficiency Reserves**

No reserve was necessary to establish as of September 30, 2017.

### **Note 31 – Anticipated Salvage and Subrogation**

**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 [ ]

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 [ ]  No [X]  
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 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	2 NAIC Company Code	3 State of Domicile
Name of Entity		

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? If yes, attach an explanation.

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_

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. \_\_\_\_\_

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). \_\_\_\_\_

6.4 By what department or departments? \_\_\_\_\_

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 [ ]

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

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 with 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 the 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

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: \_\_\_\_\_

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 [ ]  No [X]

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0**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: \$ 013. Amount of real estate and mortgages held in short-term investments: \$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

1	2
Prior Year End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
\$ 0	\$ 0
0	0
0	0
0	0
0	0
0	0
\$ 0	\$ 0
\$ 0	\$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 016.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 016.3 Total payable for securities lending reported on the liability page: \$ 017. 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*? Yes [X] No [ ]17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1	2
Name of Custodian(s)	Custodian Address
PNC Institutional Asset Management	1900 East 9th Street, Cleveland, OH 44114

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	2	3
Name(s)	Location(s)	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? Yes [ ] No [X]

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	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	2
Name of Firm or Individual	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? Yes [ ] No [ ]

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 [ ]

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	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	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 [ ]

18.2 If no, list exceptions:

**GENERAL INTERROGATORIES (continued)****PART 2 - HEALTH**

## 1. Operating Percentages:

1.1 A&H loss percent	77.0 %
1.2 A&H cost containment percent	0.0 %
1.3 A&H expense percent excluding cost containment expenses	14.7 %

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

Yes  No 

77.0 %

0.0 %

14.7 %

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 

0

2.4 If yes, please provide the amount of 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

**NONE**

**COSE Health and Wellness Trust**  
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Direct Business Only		Property/Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
					5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations			
1. Alabama.....	AL	N							0
2. Alaska.....	AK	N							0
3. Arizona.....	AZ	N							0
4. Arkansas.....	AR	N							0
5. California.....	CA	N							0
6. Colorado.....	CO	N							0
7. Connecticut.....	CT	N							0
8. Delaware.....	DE	N							0
9. District of Columbia.....	DC	N							0
10. Florida.....	FL	N							0
11. Georgia.....	GA	N							0
12. Hawaii.....	HI	N							0
13. Idaho.....	ID	N							0
14. Illinois.....	IL	N							0
15. Indiana.....	IN	N							0
16. Iowa.....	IA	N							0
17. Kansas.....	KS	N							0
18. Kentucky.....	KY	N							0
19. Louisiana.....	LA	N							0
20. Maine.....	ME	N							0
21. Maryland.....	MD	N							0
22. Massachusetts.....	MA	N							0
23. Michigan.....	MI	N							0
24. Minnesota.....	MN	N							0
25. Mississippi.....	MS	N							0
26. Missouri.....	MO	N							0
27. Montana.....	MT	N							0
28. Nebraska.....	NE	N							0
29. Nevada.....	NV	N							0
30. New Hampshire.....	NH	N							0
31. New Jersey.....	NJ	N							0
32. New Mexico.....	NM	N							0
33. New York.....	NY	N							0
34. North Carolina.....	NC	N							0
35. North Dakota.....	ND	N							0
36. Ohio.....	OH	L	23,663,722					23,663,722	
37. Oklahoma.....	OK	N							0
38. Oregon.....	OR	N							0
39. Pennsylvania.....	PA	N							0
40. Rhode Island.....	RI	N							0
41. South Carolina.....	SC	N							0
42. South Dakota.....	SD	N							0
43. Tennessee.....	TN	N							0
44. Texas.....	TX	N							0
45. Utah.....	UT	N							0
46. Vermont.....	VT	N							0
47. Virginia.....	VA	N							0
48. Washington.....	WA	N							0
49. West Virginia.....	WV	N							0
50. Wisconsin.....	WI	N							0
51. Wyoming.....	WY	N							0
52. American Samoa.....	AS	N							0
53. Guam.....	GU	N							0
54. Puerto Rico.....	PR	N							0
55. U.S. Virgin Islands.....	VI	N							0
56. Northern Mariana Islands.....	MP	N							0
57. Canada.....	CAN	N							0
58. Aggregate Other alien.....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal.....		XX2	23,663,722	0	0	0	0	23,663,722	0
60. Reporting entity contributions for Employee Benefit Plans.....		XXX							0
61. Total (Direct Business).....	(a)...	1	23,663,722	0	0	0	0	23,663,722	0

## DETAILS OF WRITE-INS

58001.....									0
58002.....									0
58003.....									0
58998. Summary of remaining write-ins for line 58 from overflow page.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above).....		0	0	0	0	0	0	0	0

(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.

**Sch. Y - Pt. 1**  
**NONE**

**Sch. Y - Pt. 1A**  
**NONE**

**COSE Health and Wellness Trust**  
**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

Explanation:

1. The data for this supplement is not required to be filed.

Bar Code:



\* 1 2 2 2 0 1 7 3 6 5 0 0 0 0 3 \*

**COSE Health and Wellness Trust**  
**Overflow Page for Write-Ins**

**NONE**

**COSE Health and Wellness Trust**  
**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.....	0	
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 end of current period (Lines 1+2+3+4+5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**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.....	0	
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 and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
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).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**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.....	0	
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 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).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**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.....	0	
2. Cost of bonds and stocks acquired.....	4,786,817	
3. Accrual of discount.....	115	
4. Unrealized valuation increase (decrease).....	(22,540)	
5. Total gain (loss) on disposals.....		
6. Deduct consideration for bonds and stocks disposed of.....		
7. Deduct amortization of premium.....	1,833	
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).....	4,762,559	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	4,762,559	0

**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**

NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	4	5	6	7	8
					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)	5,951,806				(3,326)				5,948,480
2. NAIC 2 (a)	0								0
3. NAIC 3 (a)	0								0
4. NAIC 4 (a)	0								0
5. NAIC 5 (a)	0								0
6. NAIC 6 (a)	0								0
7. Total Bonds	0	5,951,806	0	(3,326)	0	0	0	0	5,948,480
<b>PREFERRED STOCK</b>									
8. NAIC 1									0
9. NAIC 2									0
10. NAIC 3									0
11. NAIC 4									0
12. NAIC 5									0
13. NAIC 6									0
14. Total Preferred Stock	0	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	0	5,951,806	0	(3,326)	0	0	0	0	5,948,480

(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.

**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	1,160,556	XXX	1,160,556		7,027

**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.....	0	
2. Cost of short-term investments acquired.....	1,164,989	
3. Accrual of discount.....	102	
4. Unrealized valuation increase (decrease).....	(2,824)	
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		
7. Deduct amortization of premium.....	1,711	
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).....	1,160,556	0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	1,160,556	0

**Sch. DB - Pt. A - Verification**  
**NONE**

**Sch. DB - Pt. B - Verification**  
**NONE**

**Sch. DB - Pt. C - Sn. 1**  
**NONE**

**Sch. DB - Pt. C - Sn. 2**  
**NONE**

**Sch. DB - Verification**  
**NONE**

**Sch. E - Verification**  
**NONE**

**Sch. A - Pt. 2**  
**NONE**

**Sch. A - Pt. 3**  
**NONE**

**Sch. B - Pt. 2**  
**NONE**

**Sch. B - Pt. 3**  
**NONE**

**Sch. BA - Pt. 2**  
**NONE**

**Sch. BA - Pt. 3**  
**NONE**

**SCHEDULE D - PART 3**  
**Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter**

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Fee/ing	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Description of Market Indicator (a)
<b>Bonds - U.S. Government</b>									
91282B W9 7	US TREASURY NOTE 1.25% 5/31/2019		08/25/2017	PNC INVESTMENTS	299,649	390,000			1,537 1FE
91282B XS 4	US TREASURY NOTE 1.25% 5/31/2019		08/25/2017	PNC INVESTMENTS	349,508	390,000			1,064 1FE
91282B X9 6	US TREASURY NOTE 1.375% 5/15/2020		08/25/2017	PNC INVESTMENT	450,739	450,000			1,926 1FE
91282B W6 3	US TREASURY NOTE 1.5% 3/15/2020		08/25/2017	PNC INVESTMENTS	452,374	450,000			3,299 1FE
91282B WL 0	US TREASURY NOTE 1.5% 5/31/2019		08/25/2017	PNC INVESTMENTS	300,833	390,000			1,094 1FE
91282B XR 6	US TREASURY NOTE 1.75% 5/31/2022		08/25/2017	PNC INVESTMENTS	474,785	425,000			1,809 1FE
91282B W5 5	US TREASURY NOTE 1.875% 2/28/2022		08/25/2017	PNC INVESTMENTS	301,854	360,000			2,767 1FE
91282B W8 9	US TREASURY NOTE 1.875% 3/31/2022		08/25/2017	PNC INVESTMENTS	427,375	425,000			3,266 1FE
91282B WG 1	US TREASURY NOTE 2.25% 4/30/2021		08/25/2017	PNC INVESTMENTS	204,516	200,000			1,467 1FE
91282B S7 5	US TREASURY NOTES 1.125% 7/31/2021		08/25/2017	PNC INVESTMENTS	146,971	150,000			128 1FE
05999999. Total - Bonds - U.S. Government					3,358,613	3,350,000			18,356 XXX
<b>Bonds - Industrial and Miscellaneous</b>									
149123 BV 2	CATERPILLAR INC SR UNSEC 3.9% 5/27/2021		08/24/2017	PNC INVESTMENTS	160,038	150,000			1,495 1FE
156754 BG 4	CHEVRON CORP CALL 2.1% 5/16/2021		08/25/2017	PNC INVESTMENT	251,305	250,000			1,517 1FE
191216 BG 4	COCA-COLA CO/HE UNSEC 2.45% 11/1/2020		09/06/2017	PNC INVESTMENTS	102,161	100,000			864 1FE
38141E AS 6	GOLDMAN SACHS GROUP INC SR NT 6.0% 6/15/2020		08/25/2017	PNC INVESTMENTS	110,374	100,000			1,250 1FE
46625H RT 9	JP MORGAN CHASE & CO CALL 2.4% 6/7/2021		08/25/2017	PNC INVESTMENTS	100,792	100,000			553 1FE
594918 AC 8	MICROSOFT CORP SR UNSEC 1.2% 6/01/2019		08/25/2017	PNC INVESTMENTS	262,403	250,000			2,596 1FE
61761J B3 2	MORGAN STANLEY UNSEC 2.8% 8/16/2020		08/25/2017	PNC INVESTMENTS	76,415	75,000			432 1FE
68389X BA 2	ORACLE CORP SER NOTE UNSEC 2.0% 7/8/2021		08/25/2017	PNC INVESTMENTS	257,468	250,000			1,011 1FE
25468P CL 8	WALT DISNEY CO SR UNSEC 3.75% 6/01/2021		08/25/2017	PNC INVESTMENT	106,649	100,000			927 1FE
30999999. Total - Bonds - Industrial and Miscellaneous									
63299997. Total - Bonds - Part 3.					1,428,204	1,375,000			10,645 XXX
63399999. Total - Bonds.					4,786,817	4,725,000			29,001 XXX
99999999. Total - Bonds, Preferred and Common Stocks					4,786,817	4,725,000			29,001 XXX
					4,786,817	4,725,000			29,001 XXX

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

**Sch. D - Pt. 4**  
**NONE**

**Sch. DB - Pt. A - Sn. 1**  
**NONE**

**Sch. DB - Pt. B - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 2**  
**NONE**

**Sch. DL - Pt. 1**  
**NONE**

**Sch. DL - Pt. 2**  
**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	6 Boot Balance at End of Each Month During Current Quarter			9
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
PNC Bank.....	Cleveland, Ohio.....	.....0.250	.....1,197	.....	.....1,178,009	.....1,001,926	.....720,362	XXX
PNC Bank.....	Cleveland, Ohio.....	.....0.550	.....14,116	.....	.....9,813,161	.....4,818,201	.....5,820,745	XXX
PNC Institutional Asset Management.....	Cleveland, Ohio.....	.....0.890	.....1,143	.....	.....	.....118,004	.....19,323	XXX
								XXX
0199999. Total Open Depositories.....	XXX	XXX	16,455	0	10,991,171	5,938,130	6,560,430	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	16,455	0	10,991,171	5,938,130	6,560,430	XXX
0599999. Total Cash.....	XXX	XXX	16,455	0	10,991,171	5,938,130	6,560,430	XXX

**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

**NONE**

**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code....0

NAIC Company Code....122

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums collected.....		XXX.....		XXX.....	0
2. Earned premiums.....		XXX.....		XXX.....	XXX.....
3. Claims paid.....		XXX.....		XXX.....	0
4. Claims incurred.....		XXX.....		XXX.....	XXX.....
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a).....	XXX.....		XXX.....		0
6. Aggregate policy reserves - change.....		XXX.....		XXX.....	XXX.....
7. Expenses paid.....		XXX.....		XXX.....	0
8. Expenses incurred.....		XXX.....		XXX.....	XXX.....
9. Underwriting gain or loss.....	0	XXX.....	0	XXX.....	XXX.....
10. Cash flow results.....	XXX.....	XXX.....	XXX.....	XXX.....	0

(a) Uninsured Receivable/Payable with CMS at End of Quarter \$.....0 due from CMS or \$.....0 due to CMS.

**NONE**

**September 30<sup>th</sup>, 2017 Quarterly Filing**

Regarding  
Claims Triangle and Reconciliation with  
Underwriting and Investment Exhibit

for

**COSE Health and Wellness Trust**



Prepared by Michael Brown, F.S.A., M.A.A.A.

### **Underwriting and Investment Exhibit**

The Underwriting and Investment was reviewed for reasonableness and consistency with applicable Actuarial Standards of Practice. Columns 1 through 4 were reviewed and reconciled back to the data. That reconciliation is below.

#### **1. Paid Claims (Columns 1 and 2)**

The paid claims include medical and pharmacy. Lag claims included amounts paid by the TPA to provider. However, not all claims paid by the Trust align exactly with paid claims in the triangle due to invoice timing. These invoiced amounts were added or removed as noted in the table below. The claims difference is an amount required to tie lag amounts plus invoices to the claims ledger amounts in the U&I Exhibit, this amount typically should be less than 1% of total to be considered reasonable. It currently is 1.4% of the total. We are investigating these differences. This difference is higher than desired, however, it does not indicate any material issues.

#### **Underwriting and Investment Exhibit**

Paid Claims	Column 1 - Claims Incurred Prior to January 1 of Current Year	Column 2 - Claims Incurred During the Year	Total
Claim Lag	\$632,959	\$12,195,424	\$12,828,383
Plus Invoiced Amounts in 2016 Lags, Paid in 2017	\$69,687	\$0	\$69,687
Less Invoiced Amount in Lags, not paid yet	\$0	(\$668,008)	(\$668,008)
Total	\$702,646	\$11,527,416	\$12,230,062
<b>U&amp;I Exhibit</b>	<b>\$703,413</b>	<b>\$11,355,697</b>	<b>\$12,059,110</b>
\$ Difference	-\$767	\$171,719	\$170,952
% Difference	-0.1%	1.5%	1.4%

#### **2. Claim Reserve & Claim Liability (Column 3 and 4)**

The total claim reserve shown in column 3 and 4 equals the liabilities on Page 3, Line 1 on the Quarterly Statement. This reserve was determined by the Trust using a 77% loss ratio method which I find reasonable and conservative when compared to an actuarial lag method estimation performed by MMO. Further detail can be provided upon request. Holding a conservative reserve amount is acceptable in my opinion given the lower credibility of the Trust. However, standard lag and pmpm methods will be used to determine claims liabilities at year end.

**Underwriting and Investment Exhibit**

Claim Reserve	Column 3 - Claims Unpaid December 31 of Prior Year	Column 4 - Claims Incurred During the Year	Total
Claim Lag Reserve + Invoices	\$3,396	\$5,620,112	\$5,623,508
<b><i>U&amp;I Exhibit</i></b>	<b><i>\$3,396</i></b>	<b><i>\$5,620,112</i></b>	<b><i>\$5,623,508</i></b>
\$ Difference	\$0	\$0	\$0
% Difference	0.0%	0.0%	0.0%

Claims Triangles (Lag Triangles) on the following page.

Medical Paid Date	Incurred Date											
	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Sep-16	1,204											
Oct-16	33,616	28,780										
Nov-16	3,971	72,276	30,262									
Dec-16	44,940	21,384	168,100	48,550								
Jan-17	315	4,358	64,885	148,272	59,871							
Feb-17	859	1,552	13,442	140,494	190,435	154,790						
Mar-17	203	486	4,905	24,198	103,422	461,259	264,131					
Apr-17	0	343	47,500	92,130	33,793	102,054	360,242	250,756				
May-17	74	147	463	10,019	12,355	21,994	284,505	437,845	383,167			
Jun-17	0	0	297	3,945	13,286	5,506	22,808	44,010	543,184	331,527		
Jul-17	0	1,223	7,297	197	3,343	3,387	25,857	45,885	554,268	713,198	335,703	
Aug-17	235	208	222	173	5,333	1,689	2,983	(2,724)	42,483	130,172	836,797	552,399
Sep-17	0	261	105	132	1,373	5,619	2,930	1,938	99,132	86,383	485,923	964,634
												465,388

Drug Paid Date	Incurred Date											
	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Sep-16	1,812											
Oct-16	1,174	21,657										
Nov-16	0	27,242	48,881									
Dec-16	0	212	41,860	42,122								
Jan-17	0	0	341	61,673	33,997							
Feb-17	0	0	0	61	77,271	61,168						
Mar-17	62	584	353	819	4,654	138,643	240,545					
Apr-17	0	0	0	0	1,146	1,842	75,903	163,917				
May-17	0	0	67	13	1,347	490	1,948	116,760	168,354			
Jun-17	0	0	0	0	66	22	133	198	109,725	176,575		
Jul-17	0	45	0	0	0	895	0	832	300	202,917	119,976	
Aug-17	0	0	0	0	0	8	0	0	500	1,557	234,903	114,583
Sep-17	0	0	0	0	0	(1)	394	11	41	849	607	357,957
												339,359

COSE Health and Wellness Trust: 9/30/2017 Rolling 12 month RBC Calculation

	Rate	Amount Subject to RBC	RBC Requirement
<b>H0 Asset Risk-Affiliate with RBC Total</b>		\$0	\$0
<b>H1 Asset Risk- Other</b>			
<b>Cash, Cash Equivalents, Short-Term and NAIC 01 Bonds Total</b>	0.3%	\$12,486,871	\$37,460
			\$37,460
<b>H2 Underwriting Risk</b>			
<b>Premium</b>	77.0%	\$23,556,524	
<b>Underwriting Risk Claims Ratio</b>	15.0%		
<b>Underwriting Risk Factor</b>	87.0%		
<b>Managed Care Discount Factor</b>			\$2,367,077
<b>RBC After Factors</b>			\$134,232
<b>Other Underwriting Risk (Rate Guarantees 15-36 months)</b>	2.4%	\$5,593,009	
<b>Total</b>			\$2,501,309
<b>H3 Credit Risk</b>			
<b>Reinsurance Ceded</b>	0.5%	\$0	\$0
<b>Other Receivables</b>	5.0%	\$17,526	\$876
<b>Total</b>			\$876
<b>H4 Business Risk</b>			
<b>Health Administrative Expenses</b>	7.0%	\$2,547,375	\$178,316
<b>Excessive Growth Risk</b>			\$0
<b>Total</b>			\$178,316
<b>Authorized Control Level RBC (100%): H0 + Square Root of (H1<sup>2</sup>+H2<sup>2</sup>+H3<sup>2</sup>+H4<sup>2</sup>)</b>			
<b>(Annual Statement - Five Year Historical Data Page - Line 14)</b>			\$1,253,969
<b>Regulatory Action Level RBC (150%)</b>			\$1,880,954
<b>Total Adjusted Capital (Annual Statement - Five Year Historical Data Page - Line 14)</b>			\$6,253,940
<b>RBC Ratio (Total Adjusted Capital ÷ Authorized Control Level)</b>			498.7%